



(Privately owned company limited by shares in Hungary under company registration number Cg. 01-10-041054)

## Securities Note

as part of the base prospectus consisting of separate documents

in relation to the

## EMTN Programme

Under this EMTN programme (the "**Programme**"), Erste Bank Hungary Zrt. (the "**Issuer**"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue notes in series (each a "**Series**") and tranches (each a "**Tranche**") in the English language under German law (the relevant status clause being governed by Hungarian law) and further may from time to time issue notes in Series and Tranches in the English language under Hungarian law (together the "**Notes**"), all as further specified in relation to the specific issue of Notes in the relevant final terms (the "**Final Terms**") which supplement this securities note, as supplemented from time to time (the "**Securities Note**").

The Programme foresees four different options of terms and conditions ("**Terms and Conditions**") of the Notes under which Notes may be issued depending on the type of interest which applies to the Notes as specified in the relevant Final Terms. Accordingly, the following types of Notes may be issued under the Programme: (i) Notes with a fixed interest rate ("**Fixed Rate Notes**") (Option I); (ii) Notes with a floating interest rate ("**Floating Rate Notes**") (Option II); (iii) Notes which commence with a fixed interest rate which is superseded by another fixed interest rate ("**Fixed to Fixed Rate Notes**") (Option III); and (iv) Notes which commence with a fixed interest rate which is superseded by a floating interest rate ("**Fixed to Floating Rate Notes**") (Option IV). Notes may be issued as (i) preferred senior Notes ("**Preferred Senior Notes**"); (ii) non-preferred senior Notes ("**Non-preferred Senior Notes**"); and (iii) subordinated Notes ("**Subordinated Notes**"). Subject to compliance with all relevant laws, regulations and directives, the Notes will have a minimum maturity of (i) at least one year in case of Preferred Senior Notes and Non-preferred Senior Notes; and (ii) at least five years in case of Subordinated Notes and, in each case no maximum maturity. The Notes will have a minimum denomination of EUR 100,000 (or the equivalent in other currencies).

Together with the registration document of the Issuer dated 31 August 2021, as supplemented from time to time (the "**Registration Document**"), this Securities Note forms part of the base prospectus consisting of separate documents within the meaning of Article 8 (6) of the Regulation (EU) 2017/1129, as amended (the "**Prospectus Regulation**") (the Registration Document together with this Securities Note, the "**Prospectus**").

This Securities Note has been drawn up in accordance with Annexes 15 and 28 of the Commission Delegated Regulation (EU) 2019/980, as amended and has been approved by the Austrian Financial Market Authority (*Finanzmarktaufsichtsbehörde* - the "**FMA**") in its capacity as competent authority pursuant to Article 20 of the Prospectus Regulation in conjunction with the Austrian Capital Market Act 2019 (*Kapitalmarktgesetz 2019*). **The FMA only approves this Securities Note as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the quality of the Notes that are the subject of this Securities Note. Investors should make their own assessment as to the suitability of investing in the Notes.**

Application may be made (i) for the Programme and/or any Series of Notes to be admitted to the Official Market (*Amtlicher Handel*) of the Vienna Stock Exchange (*Wiener Börse*); and (ii) to admit any Series of Notes to trading on the regulated market of the Budapest Stock Exchange (*Budapesti Értéktőzsde*) (altogether the "**Markets**"). References in this Securities Note to Notes being listed (and all related references) shall mean that such Series of Notes have been admitted to trading on the Markets. The Markets are regulated markets for the purposes of Directive 2014/65/EU, as amended (*Markets in Financial Instruments Directive II* – "**MiFID II**"). Unlisted Notes may also be issued pursuant to this Programme. The relevant Final Terms in respect of the issue of any Notes will specify whether or not the relevant Series of Notes will be admitted to trading on the Markets.

The Issuer has requested the FMA to provide the competent authority of Hungary with a certificate of approval attesting that the Prospectus consisting of separate documents (i.e. this Securities Note and the Registration Document) has been drawn up in accordance with the Prospectus Regulation (a "**Notification**"). The Issuer may from time to time request the FMA to provide to competent authorities of member states of the European Economic Area ("**EEA**") further Notifications concerning the approval of the Prospectus consisting of separate documents (i.e. this Securities Note and the Registration Document).

In case of Notes governed by German law each Tranche of Notes in bearer form will be represented by a permanent global note in classical global note form (each a "**Global Note**"). Global Notes will be deposited on the issue date with or on behalf of OeKB CSD GmbH ("**OeKB CSD**") also for Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream Banking, S.A. ("**CSB**") as accountholders in OeKB CSD and/or any other agreed clearing system (if any) and any successor in such capacity, all as specified in the relevant Final Terms.

In case of Notes governed by Hungarian law each Tranche of Notes will be issued as dematerialised registered securities and will be recorded with the relevant account in relation to the Holder held with an investment service provider maintaining a central securities account at the Hungarian central depository.

Prospective investors should have regard to the factors described under the section headed "**1. Risk Factors**" in this Securities Note. This Securities Note does not describe all of the risks of an investment in the Notes, but the Issuer believes that all material and specific risks relating to an investment in the Notes have been described.

Arranger and Dealer

Erste Group Bank AG

The Prospectus comprises a base prospectus relating to non-equity securities for the purposes of Article 8 (6) of the Prospectus Regulation. In respect of each individual Series of Notes Final Terms will be filed with the notification office (*Meldestelle*) of the Austrian Control Bank (*Oesterreichische Kontrollbank AG*).

**The Prospectus is valid for 12 months after the approval of this Securities Note. The obligation by the Issuer to supplement the Prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when the Prospectus is no longer valid.**

Any decision to purchase the Notes should be made on a consideration of the Prospectus as a whole (comprising this Securities Note and the Registration Document) and including the relevant Final Terms.

The Prospectus is to be read in conjunction with any supplement to this Securities Note and/or the Registration Document and all documents which are incorporated by reference in the Registration Document (see the section "*Documents Incorporated by Reference*"). Such documents shall be incorporated in, and form part of the Prospectus, save that any statement contained in a document which is incorporated by reference therein shall be deemed to be modified or superseded for the purpose of the Prospectus to the extent that a statement contained therein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall, except as so modified or superseded, not constitute a part of the Prospectus. Full information on the Issuer and any Tranches of Notes is only available on the basis of the combination of the Prospectus as a whole (comprising this Securities Note and the Registration Document) and the relevant Final Terms.

No person has been authorised to give any information or to make any representation other than those contained in the Prospectus in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or Erste Group Bank AG in its capacity as arranger of the Programme (in such capacity the "**Arranger**") or Erste Group Bank AG in its capacity as dealer under the Programme or any additional dealer appointed from time to time under the Programme (together, the "**Dealers**" and each a "**Dealer**"). Neither the delivery of the Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or the Issuer and its subsidiaries and participations taken as a whole (the "**Erste Bank Hungary Group**") since the date hereof or the date upon which the Prospectus has been most recently supplemented or that there has been no adverse change in the financial position of the Issuer or Erste Bank Hungary Group since the date hereof or the date upon which the Prospectus has been most recently supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same. Any significant new factor, material mistake or material inaccuracy relating to the information included in this Securities Note which may affect the assessment of any Notes issued under the Programme and which arises or is noted between the time when this Securities Note is approved and the closing of the offer period of such Notes or the time when trading on a regulated market begins, whichever occurs later, will be included and published in a supplement to this Securities Note in accordance with Article 23 of the Prospectus Regulation.

The distribution of the Prospectus and the offering or sale of Notes in certain jurisdictions may be restricted by law. Persons into whose possession the Prospectus comes are required by the Issuer to inform themselves about and to observe any such restriction. The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), and may include Notes in bearer form that are subject to U.S. tax law requirements. The Notes may not be offered, sold or delivered within the United States or to U.S. persons except in certain transactions permitted by U.S. tax regulations and the Securities Act. For a description of certain restrictions on offers and sales of Notes and on distribution of the Prospectus, see the section "*5. Subscription and Sale*".

The Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer, the Arranger or the Dealers to subscribe for, or purchase, any Notes.

The Arranger and the Dealers have not independently verified the information contained in the Prospectus. Neither the Arranger nor the Dealers makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in the Prospectus. Neither the Prospectus nor any financial statements supplied in connection with the Programme or any Notes are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Arranger or the Dealers that any recipient of the Prospectus or any financial statements should purchase the Notes. Each potential purchaser of Notes should determine for

itself the relevance of the information contained in the Prospectus or any financial statements and its purchase of Notes should be based upon any such investigation as it deems necessary. Neither the Arranger nor the Dealers undertakes to review the financial condition or affairs of the Issuer or Erste Bank Hungary Group during the life of the arrangements contemplated by the Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers or the Arranger.

The 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: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97, as amended ("**IDD**"), 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 Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

The Prospectus has been prepared on the basis that any offer of Notes in any member state of the EEA will only be made to the public pursuant to the rules under the Prospectus Regulation, or according to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of Notes. Accordingly any person making or intending to make an offer in that member state of Notes which are the subject of an offering contemplated in the Prospectus as completed by the relevant Final Terms in relation to the offer of those Notes may only do so:

- (i) (a) if a prospectus for such offer has been approved by the competent authority in that member state or (b), where appropriate, approved in another member state and notified to the competent authority in that member state, in either case published, all in accordance with the Prospectus Regulation, provided that any such prospectus has subsequently been completed by the relevant Final Terms which specify that offers may be made other than pursuant to Article 1 (4) of the Prospectus Regulation in that member state and such offer is made in the period beginning and ending on the dates specified for such purpose in such prospectus or the relevant Final Terms, as applicable, and the Issuer has consented in writing to its use for the purpose of such offer or
- (ii) in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, in each case, in relation to such offer.

Except to the extent sub-paragraph (i) above may apply, neither the Issuer, nor the Arranger, nor any Dealer have authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer, the Arranger or any Dealer to publish or supplement a prospectus for such offer.

The relevant Final Terms in respect of any Notes include a legend entitled "MiFID II product governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the 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 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 Product Governance Rules under EU Delegated Directive 2017/593 (the "**MiFID II Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor any Dealer nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID II Product Governance Rules.

The 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 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 domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

The Final Terms in respect of any Notes may include a legend entitled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**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 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 Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor any Dealer nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

**In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in the relevant Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin at any time after the adequate public disclosure of the terms of the offer of the relevant Tranche of Notes and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.**

Prospective holders of Notes (each a "**Holder**") should note that the tax legislation of the investor's member state and of the Issuer's country of incorporation may have an impact on the income received from Notes. Prospective Holders should consult their tax advisers as to the relevant tax consequences of the ownership and disposition of Notes. A summary of selected tax aspects regarding the purchase, holding and disposal of the Notes is included in this Securities Note in section "6. *Taxation*".

#### ***Benchmark Regulation Statement in relation to Administrator's Registration***

Amounts payable under the Notes may be calculated by reference to a specific benchmark which is provided by an administrator.

As at the date of this Securities Note, the specific benchmark(s) are not yet determined. The relevant Final Terms may set out the name of the specific benchmark(s) and the relevant administrator. In such a case they will further specify if the relevant administrator appears or does not appear on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority (ESMA) pursuant to Article 36 of the Regulation (EU) 2016/1011, as amended (the "**Benchmark Regulation**").

# TABLE OF CONTENTS

TABLE OF CONTENTS.....	6
DOCUMENTS AVAILABLE FOR INSPECTION .....	7
SUPPLEMENT TO THE PROSPECTUS .....	7
RESPONSIBILITY STATEMENT .....	7
1. RISK FACTORS .....	8
1.1 RISK FACTORS RELATING TO THE STRUCTURE OF THE INTEREST RATE OF THE NOTES.....	8
1.2 RISK FACTOR RELATING TO THE INVESTMENT IN THE NOTES .....	10
1.3 RISK FACTORS RELATING TO CERTAIN PROVISIONS OF THE TERMS AND CONDITIONS OF THE NOTES.....	10
1.4 RISK FACTORS RELATING TO PREFERRED SENIOR NOTES .....	11
1.5 RISK FACTORS RELATING TO NON-PREFERRED SENIOR NOTES.....	13
1.6 RISK FACTORS RELATING TO SUBORDINATED NOTES .....	16
1.7 RISK FACTORS RELATING TO TAX AND LEGAL MATTERS.....	18
1.8 RISK FACTORS RELATING TO THE PRICING OF, COSTS ASSOCIATED WITH, MARKET IN AND SETTLEMENT OF THE NOTES .....	19
1.9 RISK FACTORS RELATING TO CURRENCIES .....	21
1.10 RISK FACTOR RELATING TO CONFLICTS OF INTEREST .....	21
1.11 RISK FACTOR RELATING TO THE USE OF PROCEEDS .....	22
2. GENERAL INFORMATION .....	24
3. TERMS AND CONDITIONS OF THE NOTES (ENGLISH LANGUAGE).....	27
OPTION I – NOTES WITH A FIXED INTEREST RATE.....	30
OPTION II – NOTES WITH A FLOATING INTEREST RATE .....	49
OPTION III – NOTES WITH A FIXED TO FIXED INTEREST RATE .....	75
OPTION IV – NOTES WITH A FIXED TO FLOATING INTEREST RATE.....	100
4. FORM OF FINAL TERMS .....	127
5. SUBSCRIPTION AND SALE .....	143
6. TAXATION .....	147
GLOSSARY AND LIST OF ABBREVIATIONS .....	148

## DOCUMENTS AVAILABLE FOR INSPECTION

Electronic versions of the following documents will be available on the Issuer's website under "www.erstebank.hu" (see also the links set out below in brackets):

- (i) each set of Final Terms for Notes that are publicly offered or admitted to trading on a regulated market  
("https://www.erstebank.hu/hu/ebh-nyito/bankunkrol/investor-relations");
- (ii) this Securities Note and any supplement to this Securities Note  
("https://www.erstebank.hu/content/dam/hu/ebh/www\_erstebank\_hu/bankunkrol/befektetoknek/securities-note/Securities-Note.pdf")  
("https://www.erstebank.hu/hu/ebh-nyito/bankunkrol/investor-relations"); and
- (iii) the Registration Document and any supplement to the Registration Document  
("https://www.erstebank.hu/hu/ebh-nyito/bankunkrol/investor-relations").

## SUPPLEMENT TO THE PROSPECTUS

The Issuer is obliged by the provisions of the Prospectus Regulation, that if at any time during the duration of the Programme there is a significant new factor, material mistake or material inaccuracy relating to the information included in the Prospectus consisting of separate documents (i.e. this Securities Note and the Registration Document) which may affect the assessment of any Notes and which arises or is noted between the time when this Securities Note is approved and the closing of the offer period of such Notes or the time when trading on a regulated market begins, whichever occurs later, the Issuer shall prepare a supplement to this Securities Note and/or the Registration Document or publish a replacement Securities Note and/or Registration Document for use in connection with any subsequent offering of the Notes and shall supply to the FMA and the stock exchange operating any markets such number of copies of such supplement or replacement hereto as relevant applicable legislation require.

## RESPONSIBILITY STATEMENT

The Issuer, with its registered office at Népfürdő utca 24-26, 1138 Budapest, Hungary, is responsible for the information given in this Securities Note.

The Issuer hereby declares that, to the best of its knowledge, the information contained in this Securities Note is in accordance with the facts and makes no omission likely to affect its import.

# 1. RISK FACTORS

*Prospective Holders of the Notes, which are the subject of the Prospectus and the relevant Final Terms, should consider the following risk factors, which are specific to the Notes and which are material for taking an informed investment decision and should make such decision only on the basis of the Prospectus as whole (comprising this Securities Note and the Registration Document), including the relevant Final Terms.*

*No person should acquire Notes without a thorough understanding of the mechanism of the relevant Notes and without being aware of the potential risk of loss. Any prospective Holder should carefully examine whether an investment in the Notes is appropriate given his or her personal circumstances and financial situation.*

*Prospective investors should also read the detailed information set out elsewhere in the Prospectus and should consult with their own professional advisers (including their financial, accounting, legal and tax advisers) and reach their own views prior to making any investment decision.*

*Words and expressions defined in the section entitled "3. Terms and Conditions of the Notes" shall have the same meanings in this section "1. Risk Factors".*

The risk factors herein are organised into the following categories below depending on their nature (with the most material risk factors mentioned first in each of the following categories):

- 1.1 Risk factors relating to the structure of the interest rate of the Notes
- 1.2 Risk factor relating to the investment in the Notes
- 1.3 Risk factors relating to certain provisions of the Terms and Conditions of the Notes
- 1.4 Risk factors relating to Preferred Senior Notes
- 1.5 Risk factors relating to Non-preferred Senior Notes
- 1.6 Risk factors relating to Subordinated Notes
- 1.7 Risk factors relating to tax and legal matters
- 1.8 Risk factors relating to the pricing of, costs associated with, market in and the settlement of the Notes
- 1.9 Risk factor relating to currencies
- 1.10 Risk factor relating to conflicts of interest
- 1.11 Risk factor relating to the use of proceeds

## **1.1 Risk factors relating to the structure of the interest rate of the Notes**

**Holders of Fixed Rate Notes are exposed to the risk that the market price of such Notes falls as a result of changes in the market interest rate.**

A Holder of Fixed Rate Notes is exposed to the risk that the market price of such Notes falls as a result of changes in the market interest rate. While the nominal interest rate of Fixed Rate Notes as specified in the relevant Final Terms is fixed during the life of such Notes, the current interest rate on the capital market for issues of the same maturity (the "**market interest rate**") typically changes on a daily basis. As the market interest rate changes, the market price of Fixed Rate Notes also changes, but in the opposite direction. If the market interest rate increases, the market price of Fixed Rate Notes typically falls, until the yield of such Notes is approximately equal to the market interest rate. If the market interest rate falls, the market price of Fixed Rate Notes typically increases, until the yield of such Notes is approximately equal to the market interest rate.

**Holders of Floating Rate Notes may be exposed to the risk of fluctuating interest rate levels which make it impossible to determine the yield of such Notes in advance, and are exposed to the risk of uncertain interest income.**

Floating Rate Notes tend to be volatile investments. A Holder of Floating Rate Notes is exposed to the risk of fluctuating interest rate levels and uncertain interest income. Fluctuating interest rate levels make it impossible to determine the profitability of Floating Rate Notes in advance. Neither the current nor the historical value of the relevant floating rate should be taken as an indication of the future development of such floating rate during the term of any Floating Rate Notes.

If Floating Rate Notes are structured to include floors, a factor, a margin or any combination of those features, the market price may be more volatile than those for Floating Rate Notes that do not include these features.

**Fixed to Fixed Rate Notes and Fixed to Floating Rate Notes bear interest at a rate that converts from a fixed rate to a different fixed rate or from a fixed rate to a floating rate, respectively. A Holder bears the risk that after such conversion, the new interest rate may be lower than the then prevailing interest rates or the spread on the Fixed to Floating Rate Notes may be less favourable than the then prevailing spreads on comparable floating rate notes relating to the same reference rate(s).**

Fixed to Fixed Rate Notes and Fixed to Floating Rate Notes bear interest at a rate that converts from a fixed rate to a different fixed rate or from a fixed rate to a floating rate, respectively. The conversion of the interest rate will affect the market price of the Notes. If the interest rate converts from a fixed rate to a different fixed rate, such fixed rate may be lower than the then prevailing interest rates payable on fixed rate notes. If the interest rate converts from a fixed rate to a floating rate, the spread on such Notes may be less favourable than then prevailing spreads on comparable floating rate notes relating to the same reference rate(s). In addition, the new floating rate may at any time be lower than the interest rates payable on other Notes. Furthermore, the risks set out above with regard to Fixed Rate Notes also apply in relation to the period for which a fixed rate of interest is being paid and the risks set out above with regard to Floating Rate Notes also apply in relation to the period for which a floating rate of interest is being paid.

**The interest of Floating Rate Notes, Fixed to Fixed Rate Notes and Fixed to Floating Rate Notes will be calculated by reference to one or several specific benchmark indices which may or have become the subject of certain events (e.g. regulatory measures) that could have a material adverse effect on the market price of and return on any Notes linked to a Benchmark.**

The interest of Floating Rate Notes, Fixed to Fixed Rate Notes and Fixed to Floating Rate Notes will be calculated by reference to one or several specific benchmark indices (each a "**Benchmark**" and together, the "**Benchmarks**") (including the Euro Interbank Offered Rate (EURIBOR) or another Benchmark, each of which are provided by an administrator). Benchmarks are and/or will be the subject of ongoing national and international regulatory reform. Some of these reforms, such as the Benchmark Regulation, are already effective while others are still to be implemented. These reforms may cause an Original Benchmark Rate to perform differently than in the past, or to disappear entirely, or have other consequences which cannot be predicted.

The Benchmark Regulation could have a material impact on Notes linked to or referencing a Benchmark, in particular, including in any of the following circumstances:

- the administrator of the relevant Original Benchmark Rate could lose its authorisation as an administrator under the Benchmark Regulation and may not be able to obtain another form of registration under the Benchmark Regulation; or
- the methodology or other terms of the relevant Original Benchmark Rate could be changed in order to comply with the terms of the Benchmark Regulation, and such changes could have the effect of reducing or increasing the rate or level or affecting the volatility of the published rate or level, and could impact the Notes, including calculation agent determination of the rate.

If a Benchmark Event occurs, the Issuer shall endeavour to appoint an independent advisor, which must be an independent financial institution of international repute or other independent financial advisor experienced in the international debt capital markets. Such independent advisor will be tasked with determining whether an officially recognised successor rate or an alternative rate, possibly after application of adjustments or spreads, can replace the Original Benchmark Rate affected by the Benchmark Event.

If, prior to the 10<sup>th</sup> Business Day prior to the relevant Interest Determination Date or to the relevant Reset Determination Date, as applicable, no independent advisor is or can be appointed by the Issuer or if an independent advisor is appointed by the Issuer, but fails to determine a officially recognised successor rate or, as the case may be, an alternative rate, then the Issuer shall determine in its reasonable discretion (in consultation with the Calculation Agent) a successor rate or, as the case may be, an alternative rate, which, possibly after application of adjustments or spreads, shall replace the Original Benchmark Rate affected by the Benchmark Event.

Any such adjustments or spreads applied by the independent advisor or the Issuer, as the case may be, are intended to be applied in order to produce an industry-accepted replacement benchmark rate, however the



relevant adjustments or spreads may not be successful in doing so and the relevant Series of Notes may still perform differently than if the original Benchmark had continued to be used.

If the independent advisor or the Issuer, as the case may be, determines a successor rate or an alternative rate, such rate will replace the previous Benchmark for purposes of determining the relevant rate of distributions. Such determination will be binding for the Issuer, the Fiscal Agent (if any), the Paying Agent(s) and the Holders. Any amendments pursuant to these fall-back provisions will apply from (and including) the Interest Determination Date or to the relevant Reset Determination Date, as applicable, selected by the independent advisor or the Issuer.

Uncertainty as to the continuation of the applicable Original Benchmark Rate and the rate that would be applicable in case of a Benchmark Event in relation to such Original Benchmark Rate may adversely affect the trading market and the market price of the relevant Notes. The same risks as described above may also apply to any rate qualifying as a Benchmark that would replace the Original Benchmark Rate due to the application of the fall-back provisions under the relevant Notes.

## **1.2 Risk factor relating to the investment in the Notes**

**Credit ratings of Notes (if any) may not adequately reflect all risks of the investment in such Notes, credit rating agencies could assign unsolicited credit ratings, and credit ratings may be suspended, downgraded or withdrawn, all of which could have an adverse effect on the market price and trading price of the Notes.**

A credit rating of Notes may not adequately reflect all risks of the investment in such Notes. Credit rating agencies could decide to assign credit ratings to the Notes on an unsolicited basis. Equally, credit ratings may be suspended, downgraded or withdrawn. Any such unsolicited credit rating, suspension, downgrading or withdrawal may have an adverse effect on the market price and trading price of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the credit rating agency at any time.

## **1.3 Risk factors relating to certain provisions of the Terms and Conditions of the Notes**

**In the event that any Notes are redeemed prior to their maturity, a Holder of such Notes may be exposed to the risk that his investment will have a lower than expected yield.**

The relevant Final Terms will indicate whether the Issuer may have the right to redeem the relevant Series of Notes prior to maturity (an optional call right) or whether the relevant Series of Notes will be subject to early redemption upon the occurrence of an event specified in the relevant Terms and Conditions of the Notes (an early redemption event). If the Issuer redeems a relevant Series of Notes prior to maturity or the Notes are subject to early redemption due to an early redemption event, a Holder of such Notes is exposed to the risk that, due to early redemption, its investment will have a lower than expected yield. The Issuer might exercise its optional call right if the yield on comparable Notes in the capital markets falls, which means that the Holder may only be able to reinvest the redemption proceeds in Notes with a lower yield or with a similar yield of a higher risk.

The Terms and Conditions of the Notes may provide for a right of early redemption by the Issuer only and thus, Holders usually receive a higher yield on their Notes than they would if they were also granted a right to early redeem the Notes reflecting the higher risk of early redemption the Holders of such Notes are exposed to. Excluding the Holders' right to redeem Notes prior to their maturity is often a precondition for the Issuer being able to hedge its exposure under the Notes. Thus, without early redemption by Holders being excluded, the Issuer would not be able to issue Notes at all, or the Issuer would factor the potential hedging break costs into the redemption amount of the Notes, thus reducing the yield Holders receive from the Notes.

**In case of an early redemption of any Notes, there is a risk that Holders may not be able to reinvest proceeds from the Notes in such a way that they earn the same rate of return.**

Holders may be subject to the risk that any return earned from an investment in the Notes may not in the event of an early redemption of any Notes be able to be reinvested in such a way that they earn the same rate of return as the redeemed Notes.

**If the relevant Final Terms provide for resolutions of Holders, certain rights of a Holder may be amended or reduced or even cancelled by way of resolutions, which could affect the Holder negatively.**

If the relevant Final Terms provide for resolutions of Holders, either to be passed in a meeting of Holders or by vote taken without a meeting, a Holder is subject to the risk of being outvoted by a majority resolution of the Holders. As such majority resolution properly adopted is binding on all Holders, certain rights of such Holder against the Issuer under the Terms and Conditions of the Notes may be amended or reduced or even cancelled.

**If the relevant Final Terms provide for the appointment of a Joint Representative, a Holder may be deprived of its individual right to pursue and enforce its rights under the Terms and Conditions of the Notes against the Issuer.**

If the relevant Final Terms provide for the appointment of a Joint Representative, either in the Terms and Conditions of the Notes or by a majority resolution of the Holders, it is possible that a Holder may be deprived of its individual right to pursue and enforce its rights under the Terms and Conditions of the Notes against the Issuer, such right passing to the Joint Representative who is then exclusively responsible to claim and enforce the rights of all Holders.

**No conclusion may be drawn from the indicated aggregate principal amount in case of "up to" Notes.**

In case of Notes offered and issued as tap issues ("up to" Notes) the indicated aggregate principal amount of such "up to" Notes as set out in the relevant Final Terms will represent the maximum issue volume of such "up to" Notes to be offered. The actual volume issued, however, may be lower than the maximum issue volume and may vary during the life of the "up to" Notes depending in particular on the demand for the "up to" Notes offered. No conclusion may therefore be drawn from the indicated aggregate principal amount of "up to" Notes offered and issued as tap issues with regard to the liquidity of the "up to" Notes in the secondary market.

## **1.4 Risk factors relating to Preferred Senior Notes**

**Holders of Preferred Senior Notes are exposed to the risk of statutory loss absorption.**

The respective resolution authority is provided with uniform and effective resolution tools and resolution powers to achieve the resolution objectives.

The conditions for resolution are:

- (a) the determination that the institution is failing or likely to fail has been made by the Competent Authority or the Resolution Authority; and
- (b) having regard to timing and other relevant circumstances, there is no reasonable prospect that any alternative private sector measures, including measures by an institutional protection scheme, or supervisory action, including early intervention measures or the write-down or conversion of relevant capital instruments taken in respect of the institution, would prevent the failure of the institution within a reasonable timeframe; and
- (c) a resolution action is necessary in the public interest.

One of the resolution tools is the bail-in tool. When applying the bail-in tool, the resolution authority shall exercise the write-down and conversion powers in accordance with the following sequence to: (i) Common Equity Tier 1 ("**CET 1**") instruments; (ii) Additional Tier 1 ("**AT 1**") instruments; (iii) Tier 2 instruments; (iv) subordinated debt that is not AT 1 or Tier 2 capital in accordance with the hierarchy of claims in normal insolvency proceedings to the extent required; and (v) the rest of bail-inable liabilities (including certain senior debt, such as the Preferred Senior Notes) in accordance with the hierarchy of claims in normal insolvency proceedings, including the ranking provided for in Article 108 of the Directive 2014/59/EU, as amended (*Bank Recovery and Resolution Directive – "BRRD"*), to the extent required (sequence of write-down and conversion or so-called "loss absorbing cascade").

If the bail-in tool is applied to the Preferred Senior Notes, their principal amount may be fully or partially written down or converted into instruments of ownership.

**In case of an insolvency of the Issuer, deposits and certain other claims have a higher ranking than claims of the Holders under the Preferred Senior Notes.**

According to Article 108 BRRD, in normal insolvency proceedings opened over the Issuer's assets, the following insolvency hierarchy applies to claims of deposits and senior unsecured creditors:

- (a) claims of: (i) covered deposits; and (ii) deposit guarantee schemes subrogating to the rights and obligations of covered depositors in insolvency;
- (b) claims of: (i) that part of eligible deposits from natural persons and micro, small and medium-sized enterprises which exceeds the coverage level provided for in Article 6 of Directive 2014/49/EU, as amended; and (ii) deposits that would be eligible deposits from natural persons and micro, small and medium-sized enterprises if they are not made through branches (located outside the EU) of institutions established within the EU;
- (c) claims of ordinary senior unsecured creditors (such as any claims of the Holders under the Preferred Senior Notes); and
- (d) unsecured claims resulting from debt instruments within the meaning of Article 108(2) BRRD, (so-called "non-preferred senior debt instruments"), i.e. debt instruments that meet the following conditions: (i) the original contractual maturity of the debt instruments is of at least one year; (ii) the debt instruments contain no embedded derivatives and are not derivatives themselves; (iii) the relevant contractual documentation and, where applicable, the prospectus related to the issuance explicitly refer to the lower ranking under Article 108(2) BRRD.

In addition, the insolvency hierarchy in Hungary stipulates in the relevant (insolvency) laws further preferred claims that rank senior to claims listed above in point (c) ("**Further Preferred Claims**"). In relation to the Issuer, the Further Preferred Claims are the following: (i) alimony and life-annuity payments, compensation benefits; (ii) other claims of private individuals not originating from economic activities (in particular claims resulting from defaulted performance, compensation for damages or restitution), claims of small and micro companies and small-scale agricultural producers; and (iii) debts owed to social security funds, taxes, claims under the Hungarian act on general public administration procedures, as well as public utility charges.

Therefore, in case of normal insolvency proceedings opened over the assets of the Issuer, claims of the Holders of Preferred Senior Notes would be junior to (i) the Further Preferred Claims and (ii) claims listed above in points (a) and (b), and the Holders of Preferred Senior Notes will only receive payment of their claims if and to the extent that such claims (which are senior to them) have been discharged in full.

The above stated insolvency hierarchy is also relevant for the sequence of write-down and conversion where the Issuer is placed under resolution.

**Preferred Senior Notes may be redeemed by the Issuer prior to maturity for regulatory or tax reasons.**

The Issuer may, at its option, redeem all but not some only of the Preferred Senior Notes at their principal amount, together with accrued interest (if any) for regulatory or tax reasons. In addition, if such right is foreseen in the Terms and Conditions of the Preferred Senior Notes, the Issuer may, at its sole discretion, redeem the Preferred Senior Notes before their stated maturity, but not earlier than the first anniversary of the issue date of the first Tranche of the Series of the Preferred Senior Notes, on a specified Optional Redemption Date at their principal amount plus accrued interest (if any). In each case of an early redemption, the conditions for redemption and repurchase (as set out in the Terms and Conditions of the Preferred Senior Notes) have to be met.

It is not possible to predict whether or not the Preferred Senior Notes will be eligible for purposes of the minimum requirements for eligible liabilities ("**MREL**") or if any further change in the laws or regulations of Hungary or the EU will occur and so lead to the circumstances in which the Issuer is able to elect to redeem the Preferred Senior Notes, or, in case of any right of the Issuer to early redeem the Preferred Senior Notes, whether or not the Issuer will elect to exercise such option or any prior permission of the Resolution Authority, if required, will be given.

The Issuer may be expected to redeem the Preferred Senior Notes on this basis, when its cost of borrowing is lower than the Rate of Interest on the Preferred Senior Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the Rate of Interest on the Preferred Senior Notes being redeemed and may only be able to do so at a significantly lower rate.

Potential investors bear the reinvestment risk in relation to other investments available at that time. Early redemption features are also likely to limit the market price of the Preferred Senior Notes. During any period when the Issuer can redeem the Preferred Senior Notes, the market price of the Preferred Senior Notes generally will not rise substantially above the price at which they can be redeemed. This may also be true prior to any redemption period if the market believes that the Preferred Senior Notes may become eligible for redemption in the near term.

**Any rights of the Issuer to early redeem or repurchase Preferred Senior Notes are subject to the prior permission of the Resolution Authority.**

The Regulation (EU) No 575/2013, as amended ("CRR") stipulates that the redemption of eligible liabilities instruments (such as the Preferred Senior Notes) prior to the date of their contractual maturity is subject to the prior permission of the Resolution Authority.

Therefore, the Terms and Conditions of Preferred Senior Notes provide that any early redemption of such Notes which qualify as eligible liabilities instruments are subject to the prior permission of the Resolution Authority in accordance with the relevant terms of the CRR, if and to the extent such prior permission is required at this time.

Under the CRR, the Resolution Authority may only permit institutions to early redeem or repurchase eligible liabilities instruments such as the Preferred Senior Notes if certain conditions prescribed by the CRR are complied with. These conditions, as well as a number of other technical rules and standards relating to MREL applicable to the Issuer, should be taken into account by the Resolution Authority in its assessment of whether or not to permit any early redemption or repurchase. It is uncertain how the Resolution Authority will apply these criteria in practice and such rules and standards may change during the term of such Notes. It is therefore not possible to assess whether, and if so, on what terms, the Resolution Authority will grant its prior permission for any early redemption or repurchase of the Preferred Senior Notes.

Furthermore, even if the Issuer would be granted the prior permission of the Resolution Authority, any decision by the Issuer as to whether it will early redeem the Preferred Senior Notes will be made at the absolute discretion of the Issuer with regard to external factors such as the economic and market impact of exercising an early redemption right, regulatory capital requirements and prevailing market conditions. There is the risk that the Issuer will not exercise any early redemption right in relation to the Preferred Senior Notes and the Holders therefore may stay invested until the final maturity of the Preferred Senior Notes.

**Preferred Senior Notes do not foresee an early redemption at the option of the Holders.**

Holders of the Preferred Senior Notes will have no rights to call for the early redemption of their Preferred Senior Notes.

Therefore, Holders of the Preferred Senior Notes may be required to bear the financial risks of an investment in the Preferred Senior Notes until their final maturity.

**Preferred Senior Notes are not secured and do not give the right to accelerate future payments and a set-off right.**

The Holders have no ability to accelerate the maturity of their Preferred Senior Notes. The Terms and Conditions of the Preferred Senior Notes do not provide for any events of default or right to demand for repayment.

Furthermore, claims of the Issuer are not permitted to be offset or netted against payment claims of the Holders under the Preferred Senior Notes which are not, and may not become secured or subject to a guarantee or any other arrangement that enhances the seniority of the claims under the Preferred Senior Notes.

## **1.5 Risk factors relating to Non-preferred Senior Notes**

**Holders of Non-preferred Senior Notes are exposed to the risk of statutory loss absorption.**

The respective resolution authority is provided with uniform and effective resolution tools and resolution powers to achieve the resolution objectives.

The conditions for resolution are:

- (a) the determination that the institution is failing or likely to fail has been made by the Competent Authority or the Resolution Authority; and

- (b) having regard to timing and other relevant circumstances, there is no reasonable prospect that any alternative private sector measures, including measures by an institutional protection scheme, or supervisory action, including early intervention measures or the write-down or conversion of relevant capital instruments taken in respect of the institution, would prevent the failure of the institution within a reasonable timeframe; and
- (c) a resolution action is necessary in the public interest.

One of the resolution tools is the bail-in tool. When applying the bail-in tool, the resolution authority shall exercise the write-down and conversion powers in accordance with the following sequence to: (i) CET 1 instruments; (ii) AT 1 instruments; (iii) Tier 2 instruments; (iv) subordinated debt that is not AT 1 or Tier 2 capital in accordance with the hierarchy of claims in normal insolvency proceedings to the extent required; and (v) the rest of bail-inable liabilities (including certain senior debt, such as the Non-preferred Senior Notes) in accordance with the hierarchy of claims in normal insolvency proceedings, including the ranking provided for in Article 108 BRRD, to the extent required (sequence of write-down and conversion or so-called "loss absorbing cascade").

If the bail-in tool is applied to the Non-preferred Senior Notes, their principal amount may be fully or partially written down or converted into instruments of ownership.

**In case of an insolvency of the Issuer, deposits and certain other claims have a higher ranking than claims of the Holders under the Non-preferred Senior Notes.**

According to Article 108 BRRD, in normal insolvency proceedings opened over the Issuer's assets, the following insolvency hierarchy applies to claims of deposits and senior unsecured creditors:

- (a) claims of: (i) covered deposits; and (ii) deposit guarantee schemes subrogating to the rights and obligations of covered depositors in insolvency;
- (b) claims of: (i) that part of eligible deposits from natural persons and micro, small and medium-sized enterprises which exceeds the coverage level provided for in Article 6 of Directive 2014/49/EU, as amended; and (ii) deposits that would be eligible deposits from natural persons and micro, small and medium-sized enterprises if they are not made through branches (located outside the EU) of institutions established within the EU;
- (c) claims of ordinary senior unsecured creditors; and
- (d) unsecured claims resulting from debt instruments within the meaning of Article 108(2) BRRD, (so-called "non-preferred senior debt instruments") (such as claims of the Holders from the Non-preferred Senior Notes), i.e. debt instruments that meet the following conditions: (i) the original contractual maturity of the debt instruments is of at least one year; (ii) the debt instruments contain no embedded derivatives and are not derivatives themselves; (iii) the relevant contractual documentation and, where applicable, the prospectus related to the issuance explicitly refer to the lower ranking under Article 108(2) BRRD.

In addition, the insolvency hierarchy in Hungary stipulates in the relevant (insolvency) laws further preferred claims that rank senior to claims listed above in point (c) ("**Further Preferred Claims**"). In relation to the Issuer, the Further Preferred Claims are the following: (i) alimony and life-annuity payments, compensation benefits; (ii) other claims of private individuals not originating from economic activities (in particular claims resulting from defaulted performance, compensation for damages or restitution), claims of small and micro companies and small-scale agricultural producers; and (iii) debts owed to social security funds, taxes, claims under the Hungarian act on general public administration procedures, as well as public utility charges.

Therefore, in case of normal insolvency proceedings opened over the assets of the Issuer, claims of the Holders of Non-preferred Senior Notes would be junior to (i) the Further Preferred Claims and (ii) claims listed above in points (a) to (c), and the Holders of Non-preferred Senior Notes will only receive payment of their claims if and to the extent that such claims (which are senior to them) have been discharged in full.

The above stated insolvency hierarchy is also relevant for the sequence of write-down and conversion where the Issuer is placed under resolution.

**Claims of the Holders of Non-preferred Senior Notes will be junior to the claims of holders of certain other senior claims.**

In case of insolvency proceedings opened in relation to the Issuer and in any comparable proceedings their claims will, in accordance with the terms and conditions of such Notes, be junior to the claims of the Holders of preferred Senior Notes and any other senior claims without non-preferred senior status (including senior claims preferred by law).

Thus, no amounts will be payable under Non-preferred Senior Notes until the claims ranking senior to such Notes will have been satisfied in full. If this occurs, the Issuer may not have enough assets remaining after such payments to pay amounts due under the relevant Non-preferred Senior Notes and the Holders of such Notes could lose all or some of their investment.

**Non-preferred Senior Notes may be redeemed by the Issuer prior to maturity for regulatory or tax reasons.**

The Issuer may, at its option, redeem all but not some only of the Non-preferred Senior Notes at their principal amount, together with accrued interest (if any) for regulatory or tax reasons. In addition, if such right is foreseen in the Terms and Conditions of the Non-preferred Senior Notes, the Issuer may, at its sole discretion, redeem the Non-preferred Senior Notes before their stated maturity, but not earlier than the first anniversary of the issue date of the first Tranche of the Series of the Non-preferred Senior Notes, on a specified Optional Redemption Date at their principal amount plus accrued interest (if any). In each case of an early redemption, the conditions for redemption and repurchase (as set out in the Terms and Conditions of the Non-preferred Senior Notes) have to be met.

It is not possible to predict whether or not the Non-preferred Senior Notes will be eligible for MREL purposes or if any further change in the laws or regulations of Hungary or the EU will occur and so lead to the circumstances in which the Issuer is able to elect to redeem the Non-preferred Senior Notes, or, in case of any right of the Issuer to early redeem the Non-preferred Senior Notes, whether or not the Issuer will elect to exercise such option or any prior permission of the Resolution Authority, if required, will be given.

The Issuer may be expected to redeem the Non-preferred Senior Notes on this basis, when its cost of borrowing is lower than the Rate of Interest on the Non-preferred Senior Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the Rate of Interest on the Non-preferred Senior Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors bear the reinvestment risk in relation to other investments available at that time. Early redemption features are also likely to limit the market price of the Non-preferred Senior Notes. During any period when the Issuer can redeem the Non-preferred Senior Notes, the market price of the Non-preferred Senior Notes generally will not rise substantially above the price at which they can be redeemed. This may also be true prior to any redemption period if the market believes that the Non-preferred Senior Notes may become eligible for redemption in the near term.

**Any rights of the Issuer to early redeem or repurchase Non-preferred Senior Notes are subject to the prior permission of the Resolution Authority.**

The CRR stipulates that the redemption of eligible liabilities instruments (such as the Non-preferred Senior Notes) prior to the date of their contractual maturity is subject to the prior permission of the Resolution Authority.

Therefore, the Terms and Conditions of Non-preferred Senior Notes provide that any early redemption of such Notes which qualify as eligible liabilities instruments are subject to the prior permission of the Resolution Authority in accordance with the relevant terms of the CRR, if and to the extent such prior permission is required at this time.

Under the CRR, the Resolution Authority may only permit institutions to early redeem or repurchase eligible liabilities instruments such as the Non-preferred Senior Notes if certain conditions prescribed by the CRR are complied with. These conditions, as well as a number of other technical rules and standards relating to MREL applicable to the Issuer, should be taken into account by the Resolution Authority in its assessment of whether or not to permit any early redemption or repurchase. It is uncertain how the Resolution Authority will apply these criteria in practice and such rules and standards may change during the term of such Notes. It is therefore not possible to assess whether, and if so, on what terms, the Resolution Authority will grant its prior permission for any early redemption or repurchase of the Non-preferred Senior Notes.

Furthermore, even if the Issuer would be granted the prior permission of the Resolution Authority, any decision by the Issuer as to whether it will early redeem the Non-preferred Senior Notes will be made at the absolute discretion of the Issuer with regard to external factors such as the economic and market impact of exercising an early redemption right, regulatory capital requirements and prevailing market conditions. There is the risk that the Issuer will not exercise any early redemption right in relation to the Non-preferred Senior Notes and the Holders therefore may stay invested until the final maturity of the Non-preferred Senior Notes.

**Non-preferred Senior Notes do not foresee an early redemption at the option of the Holders.**

Holders of the Non-preferred Senior Notes will have no rights to call for the early redemption of their Non-preferred Senior Notes.

Therefore, Holders of the Non-preferred Senior Notes may be required to bear the financial risks of an investment in the Non-preferred Senior Notes until their final maturity.

**Non-preferred Senior Notes are not secured and do not give the right to accelerate future payments and a set-off right.**

The Holders have no ability to accelerate the maturity of their Non-preferred Senior Notes. The Terms and Conditions of the Non-preferred Senior Notes do not provide for any events of default or right to demand for repayment.

Furthermore, claims of the Issuer are not permitted to be offset or netted against payment claims of the Holders under the Non-preferred Senior Notes which are not, and may not become secured or subject to a guarantee or any other arrangement that enhances the seniority of the claims under the Non-preferred Senior Notes.

## **1.6 Risk factors relating to Subordinated Notes**

**Holders of Subordinated Notes are exposed to the risk of statutory loss absorption.**

The respective resolution authority is provided with uniform and effective resolution tools and resolution powers to achieve the resolution objectives.

The conditions for resolution are:

- (a) the determination that the institution is failing or likely to fail has been made by the Competent Authority or the Resolution Authority; and
- (b) having regard to timing and other relevant circumstances, there is no reasonable prospect that any alternative private sector measures, including measures by an institutional protection scheme, or supervisory action, including early intervention measures or the write-down or conversion of relevant capital instruments taken in respect of the institution, would prevent the failure of the institution within a reasonable timeframe; and
- (c) a resolution action is necessary in the public interest.

One of the resolution tools is the bail-in tool. When applying the bail-in tool, the resolution authority shall exercise the write-down and conversion powers in accordance with the following sequence to: (i) CET 1 instruments; (ii) AT 1 instruments; (iii) Tier 2 instruments (such as the Subordinated Notes); (iv) subordinated debt that is not AT 1 or Tier 2 capital in accordance with the hierarchy of claims in normal insolvency proceedings to the extent required; and (v) the rest of bail-inable liabilities (including certain senior debt) in accordance with the hierarchy of claims in normal insolvency proceedings, including the ranking provided for in Article 108 BRRD, to the extent required (sequence of write-down and conversion or so-called "loss absorbing cascade"). The Subordinated Notes may also be subject to other resolution powers, in particular in circumstances where the competent authorities have determined that the Issuer on an individual and/or (sub-) consolidated basis, as the case may be, has reached the point of non-viability and the Resolution Authority has taken the decision to apply these powers to the Issuer.

If the bail-in tool is applied to the Subordinated Notes, their principal amount may be fully or partially written down or converted into instruments of ownership.

**In case of an insolvency of the Issuer, deposits and certain other claims have a higher ranking than claims of the Holders under the Subordinated Notes.**

According to Article 108 BRRD, in normal insolvency proceedings opened over the Issuer's assets, the following insolvency hierarchy applies to claims of deposits and senior unsecured creditors:

- (a) claims of: (i) covered deposits; and (ii) deposit guarantee schemes subrogating to the rights and obligations of covered depositors in insolvency;
- (b) claims of: (i) that part of eligible deposits from natural persons and micro, small and medium-sized enterprises which exceeds the coverage level provided for in Article 6 of Directive 2014/49/EU, as amended; and (ii) deposits that would be eligible deposits from natural persons and micro, small and medium-sized enterprises if they are not made through branches (located outside the EU) of institutions established within the EU;
- (c) claims of ordinary senior unsecured creditors; and
- (d) unsecured claims resulting from debt instruments within the meaning of Article 108(2) BRRD, (so-called "non-preferred senior debt instruments"), i.e. debt instruments that meet the following conditions: (i) the original contractual maturity of the debt instruments is of at least one year; (ii) the debt instruments contain no embedded derivatives and are not derivatives themselves; (iii) the relevant contractual documentation and, where applicable, the prospectus related to the issuance explicitly refer to the lower ranking under Article 108(2) BRRD.

In addition, the insolvency hierarchy in Hungary stipulates in the relevant (insolvency) laws further preferred claims that rank senior to claims listed above in point (c) ("**Further Preferred Claims**"). In relation to the Issuer, the Further Preferred Claims are the following: (i) alimony and life-annuity payments, compensation benefits; (ii) other claims of private individuals not originating from economic activities (in particular claims resulting from defaulted performance, compensation for damages or restitution), claims of small and micro companies and small-scale agricultural producers; and (iii) debts owed to social security funds, taxes, claims under the Hungarian act on general public administration procedures, as well as public utility charges.

Therefore, in case of normal insolvency proceedings opened over the assets of the Issuer, claims of the Holders of Subordinated Notes would be junior to (i) the Further Preferred Claims and (ii) claims listed above in points (a) to (d) as well as to claims under any other subordinated obligations of the Issuer which, in accordance with their terms or pursuant to mandatory provisions of law, rank or are expressed to rank senior to the obligations of the Issuer under the Subordinated Notes. The Holders of Subordinated Notes will only receive payment of their claims if and to the extent that such claims (which are senior to them) have been discharged in full.

The above stated insolvency hierarchy is also relevant for the sequence of write-down and conversion where the Issuer is placed under resolution.

**Obligations under Subordinated Notes will only be fulfilled after all non-subordinated claims of creditors have been satisfied.**

In the event of the liquidation or insolvency of the Issuer, the Issuer's obligations under the Subordinated Notes will be fully subordinated to (i) all unsecured and unsubordinated obligations of the Issuer; (ii) all eligible liabilities instruments of the Issuer pursuant to Article 72b CRR; and (iii) any other subordinated obligations of the Issuer which, in accordance with their terms or pursuant to mandatory provisions of law, rank or are expressed to rank senior to the obligations of the Issuer under the Subordinated Notes, so that in any such event no amounts will be payable in respect of the Subordinated Notes until the above mentioned obligations have been satisfied in full. If this occurs, the Issuer may not have enough assets remaining after such payments to pay amounts due under the relevant Subordinated Notes and the Holder of such Subordinated Notes could lose all or some of his investment.

**The Holders of Subordinated Notes are exposed to the risk that the Issuer may issue subordinated debt instruments or incur subordinated liabilities which are senior to the Subordinated Notes.**

Holders of Subordinated Notes are exposed to the risk of subordination not only in respect of unsubordinated obligations of the Issuer (including, without limitation, all eligible liabilities instruments of the Issuer pursuant to Article 72b CRR), but also in respect of subordinated debt instruments or other subordinated liabilities which the Issuer may (have to) issue or incur and which rank or are expressed to rank senior to the obligations of the Issuer under the Subordinated Notes. This could in particular apply in connection with eligible liabilities instruments which the Issuer would have to issue for MREL purposes.

In the event of the liquidation or insolvency of the Issuer, no amounts will be payable in respect of the Subordinated Notes until the claims of any and all such subordinated creditors of the Issuer ranking senior to Subordinated Notes will have been satisfied in full. Similarly, where the resolution authority applied the bail-in tool, Subordinated Notes would be subject to write down or conversion prior to such other subordinated



creditors of the Issuer ranking senior to Subordinated Notes, in accordance with the statutory sequence of write-down and conversion (see the risk factors "*Holders of Subordinated Notes are exposed to the risk of statutory loss absorption.*" and "*In case of an insolvency of the Issuer, deposits and certain other claims have a higher ranking than claims of the Holders under the Subordinated Notes.*").

**Subordinated Notes may not be early redeemed at the option of the Holders.**

The Holders of the Subordinated Notes will have no rights to call for the early redemption of their Subordinated Notes. Therefore, Holders of the Subordinated Notes may be required to bear the financial risks of an investment in the Subordinated Notes until their final maturity.

**Subordinated Notes may be redeemed by the Issuer prior to maturity for regulatory or tax reasons. Any rights of the Issuer to early redeem or repurchase Subordinated Notes are subject to the prior permission of the Competent Authority.**

The Issuer may, at its sole discretion, early redeem all but not some only of any Series of the Subordinated Notes at any time either for tax or regulatory reasons at their principal amount plus interest accrued (if any). In addition, if such right is foreseen in the Terms and Conditions of the Subordinated Notes, the Issuer may, at its sole discretion, redeem the Subordinated Notes before their stated maturity, but not earlier than the fifth anniversary of the issue date of the first Tranche of the Series of the Subordinated Notes, on a specified Optional Redemption Date at their principal amount plus accrued interest (if any).

Any early redemption and any repurchase of any Series of Subordinated Notes is subject to the prior permission of the Competent Authority and compliance with regulatory capital rules applicable from time to time to the Issuer. Under the CRR, the Competent Authority may only permit institutions to early redeem or repurchase Tier 2 instruments such as the Subordinated Notes if certain conditions prescribed by the CRR are complied with. These conditions, as well as a number of other technical rules and standards relating to regulatory capital requirements applicable to the Issuer, should be taken into account by the Competent Authority in its assessment of whether or not to permit any early redemption or repurchase. It is uncertain how the Competent Authority will apply these criteria in practice and such rules and standards may change during the term of the Subordinated Notes. It is therefore not possible to assess whether, and if so, on what terms, the Competent Authority will grant its prior permission for any early redemption or repurchase of the Subordinated Notes.

Furthermore, even if the Issuer would be granted the prior permission of the Competent Authority, any decision by the Issuer as to whether it will early redeem the Subordinated Notes will be made at the absolute discretion of the Issuer with regard to external factors such as the economic and market impact of exercising an early redemption right, regulatory capital requirements and prevailing market conditions. There is the risk that the Issuer will not exercise any early redemption right in relation to the Subordinated Notes. Holders of the Subordinated Notes therefore may be required to bear the financial risks of an investment in the Subordinated Notes until their final maturity.

Notwithstanding if the Issuer exercises an early redemption right in relation to Subordinated Notes with the prior permission of the Competent Authority Holders of Subordinated Notes are exposed to the risk that due to such early redemption their investments may have a different than expected yield and maturity.

**Subordinated Notes are not secured and do not give the right to accelerate future payments and a set-off right.**

The Holders have no ability to accelerate the maturity of their Subordinated Notes. The Terms and Conditions of the Subordinated Notes do not provide for any events of default or right to demand for repayment.

Furthermore, claims of the Issuer are not permitted to be offset or netted against payment claims of the Holders under the Subordinated Notes which are not, and may not become secured or subject to a guarantee or any other arrangement that enhances the seniority of the claims under the Subordinated Notes.

## **1.7 Risk factors relating to tax and legal matters**

**The Notes are governed by German or Hungarian law, and changes in applicable laws, regulations or regulatory policies may have an adverse effect on the Issuer, the Notes and the Holders.**

The Terms and Conditions of any Series of Notes will be governed by (i) German law (the relevant status clause being governed by Hungarian law); or (ii) Hungarian law. The impact of any possible judicial decision or change to the respective above mentioned law, or administrative practice after the date of this Securities

Note is unclear. Furthermore, the governing law may not be the law of the Holders' own home jurisdiction and the law applicable to the Notes may not provide the Holders with similar protection as their own law.

**Changes in tax law may negatively affect the Holders.**

Tax law and practice is subject to change, possibly with retrospective effect and this could adversely affect the market price of the Notes. Any such change may cause the tax treatment of the relevant Notes to change from what the purchaser understood the position to be at the time of purchase.

**Legal investment considerations may restrict certain investments.**

Due to certain laws and regulations in relation to investments (e.g. securities-specific or regulatory provisions) or due to the scrutiny or regulation by certain authorities, an investment in the Notes may be restricted for certain potential investors. Furthermore, investors might not be able to claim (or only to claim partial) indemnification for damage that has been caused to them due to certain exclusions or restrictions of the Issuer's, the Calculation Agent's and/or the liability of any paying agent for negligent acts or omissions in connection with the Notes (or calculations thereof).

**1.8 Risk factors relating to the pricing of, costs associated with, market in and settlement of the Notes**

**Holders are exposed to the risk of partial or total inability of the Issuer to make interest and/or redemption payments under the Notes.**

Holders are subject to the risk of a partial or total inability of the Issuer to make interest and/or redemption payments that the Issuer is obliged to make under the Notes. Any deterioration of the creditworthiness of the Issuer would increase the risk of loss. A materialisation of the credit risk may result in partial or total inability of the Issuer to make interest and/or redemption payments.

**Holders assume the risk that the credit spread of the Issuer widens resulting in a decrease in the market price of the Notes.**

A credit spread is the margin payable by the Issuer to the Holder of an instrument as a premium for the assumed credit risk. Credit spreads are offered and sold as premiums on current risk-free interest rates or as discounts on the price.

Factors influencing the credit spread include, among other things, the creditworthiness and credit rating of the Issuer, probability of default, recovery rate, remaining term to maturity of the Notes and obligations under any collateralisation or guarantee and declarations as to any preferred payment or subordination. The liquidity situation of the market, the general level of interest rates, overall economic developments, and the currency, in which the relevant obligation is denominated may also have a negative effect.

Holders are exposed to the risk that the credit spread of the Issuer widens resulting in a decrease in the market price of the Notes.

**The Holder may be exposed to the risk that due to future money depreciation (inflation), the real yield of an investment may be reduced.**

Inflation risk describes the possibility that the market price of assets such as the Notes or income therefrom will decrease as higher (expected) inflation reduces the purchasing power of a currency. Higher (expected) inflation causes the rate of return to decrease in value. If the inflation rate exceeds the interest paid on any Notes (if any) the yield on such Notes will become negative.

**Holders are exposed to the risk of an unfavourable development of market prices of their Notes which materialises if the Holder sells the Notes prior to the final maturity of such Notes.**

The development of market prices of the Notes depends on various factors, such as changes of market interest rate levels, the policies of central banks, overall economic developments, inflation rates or the lack of or excess demand for the relevant type of Instrument. The Holder is therefore exposed to the risk of an unfavourable development of market prices of its Notes which materialises if the Holder sells the Notes prior to the final maturity of such Notes. Holders should also be aware that Notes may be issued at a price higher than the market price at issue and/or the redemption amount. This will increase the impact that unfavourable market price developments may have on the Notes. If the Holder decides to hold the Notes until final maturity, the Notes will be redeemed at the amount set out in the relevant Final Terms.

**A liquid secondary market for the Notes may not develop or, if it does develop, it may not continue. In an illiquid market, a Holder may not be able to sell his Notes at fair market prices.**

Application may be made to admit the Programme and/or any Series of Notes to the Markets, which appear on the list of regulated markets issued by the European Commission. In addition, the Programme provides that the Series of Notes may not be listed at all.

Regardless of whether the Notes are listed or not, a liquid secondary market for the Notes may not develop or, if it does develop, it may not continue. The fact that the Notes may be listed does not necessarily lead to greater liquidity as compared to unlisted Notes. If the Notes are not listed on any stock exchange, pricing information for such Notes may, however, be more difficult to obtain, which may adversely affect the liquidity of the Notes. In an illiquid market, a Holder might not be able to sell its Notes at any time at fair market prices or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. Generally, these types of Notes would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a material adverse effect on the market price of Notes. The possibility to sell the Notes might additionally be restricted by country-specific reasons.

**There is a risk that listing of the Notes will not be accepted or trading in the Notes will be suspended, interrupted or terminated, which may have an adverse effect on the market price of such Notes.**

If any Series of Notes is listed on the Markets, the listing of such Notes may – depending on the rules applicable to such stock exchange - be suspended or interrupted by the respective stock exchange or a competent regulatory authority upon the occurrence of a number of reasons, including violation of price limits, breach of statutory provisions, occurrence of operational problems of the stock exchange or generally if deemed required in order to secure a functioning market or to safeguard the interests of Holders. Furthermore, trading in the Notes may be terminated, either upon decision of the stock exchange, a regulatory authority or upon application by the Issuer. The Issuer has no influence on trading suspension or interruptions (other than where trading in the Notes is terminated upon the Issuer's decision) and Holders in any event must bear the risks connected therewith. In particular, Holders may not be able to sell their Notes where trading is suspended, interrupted or terminated, and the stock exchange quotations of such Notes may not adequately reflect the market price of such Notes. Finally, even if trading in Notes is suspended, interrupted or terminated, such measures may neither be sufficient nor adequate nor in time to prevent price disruptions or to safeguard the Holders' interests; for example, where trading in Notes is suspended after price-sensitive information relating to such Notes has been published, the market price of such Notes may already have been adversely affected. All these risks would, if they materialise, have a material adverse effect on the Holders.

**Incidental costs related in particular to the purchase and sale of the Notes may have a significant impact on the profit potential of the Notes.**

When Notes are purchased or sold, several types of incidental costs (including transaction fees and commissions) may be incurred in addition to the purchase or sale price of the Notes. These incidental costs may significantly reduce or eliminate any profit from holding the Notes. Credit institutions may charge 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 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 Notes (direct costs), investors must also take into account any follow-up costs (such as custody fees). Investors should inform themselves about any additional costs incurred in connection with the purchase, custody or sale of the Notes before investing in the Notes.

The purchase price applicable to the Notes on a given day will often include a bid-ask spread so that the purchase price will be higher than the price at which Holders are able to sell any such Notes on that given day.

**Holders have to rely on the functionality of the relevant clearing system and there is the risk that due to the use of the clearing system any credits on the Holders' account will not be processed at all, will not be processed within the time expected by the Holder or will be delayed.**

The Notes are purchased and sold through different clearing systems. The Issuer does not assume any responsibility for whether the Notes are actually transferred to the securities portfolio of the relevant Holder. Holders have to rely on the functionality of the relevant clearing system. There is the risk that due to the use of the clearing system any credits on the Holders' account will not be processed at all, will not be processed within the time expected by the Holder or will be delayed. Thus, the Holder may suffer economic disadvantages.

## **1.9 Risk factor relating to currencies**

**Exchange rate risks may occur, if a Holder's financial activities are denominated in a currency or currency unit other than the Specified Currency in which the Issuer will make principal and interest payments. Furthermore, government and monetary authorities may impose exchange controls that could adversely affect an applicable exchange rate.**

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if a Holder's financial activities are denominated principally in a currency or currency unit ("**Holder'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 Holder's Currency) and the risk that authorities with jurisdiction over the Holder's Currency may impose or modify exchange controls. An appreciation in the value of the Holder's Currency relative to the Specified Currency would decrease (i) the Holder's Currency-equivalent yield on the Notes, (ii) the Holder's Currency-equivalent value of the principal payable on the Notes, and (iii) the Holder's Currency-equivalent market price of the 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, Holders may receive less interest or principal than expected, or no interest or principal.

## **1.10 Risk factor relating to conflicts of interest**

**The Issuer may be exposed to conflicts of interest which might adversely affect the Holders.**

The Issuer may from time to time act in other capacities with regard to the Notes, such as calculation agent, which allows the Issuer to make calculations in respect of the Notes (e.g. the amount of interest to be paid) which are binding for the Holders. This fact could generate conflicts of interest and may affect the market price of the Notes.

The Issuer acts as market maker for the Notes. In the context of such market making activities, the Issuer will substantially determine the market price of the Notes. The market prices provided by the Issuer in its capacity as market maker will not always correspond to the market prices that would have formed in the absence of such market making and in a liquid market.

The Issuer may use all or some of the proceeds received from the sale of the Notes to enter into hedging transactions which may affect the market price of the Notes.

Employees of financial institutions such as the Issuer might undertake deals on their own behalf subject to securities laws on personal transactions and market abuse as well as statutory or internal compliance standards.

The Issuer's sales employees may be motivated to sell the Notes, due to the value of incentives received by them (in case the sale is successful) subject to securities and banking laws applicable to any such incentives.

Furthermore, employees might be permitted to take part in securities offerings of the Issuer. When purchasing the Notes, the employee might receive a discount from the value of the market price.

Despite measures taken by the Issuer to ensure compliance with applicable laws and internal procedures, all of this could create a conflict with the duties owed to the Holders.

## 1.11 Risk factor relating to the use of proceeds

**In respect of any Notes issued with a specific use of proceeds, such as a green bond, sustainability bond or social bond, such use of proceeds might not be suitable for the investment criteria of an investor.**

The relevant Final Terms relating to any specific Tranche of Notes may provide that it will be the Issuer's intention to apply the proceeds from an offer of those Notes specifically for projects and activities that promote climate-friendly and other environmental purposes, sustainability or social purposes (Environmental, Social and Governance ("**ESG**")) ("**ESG Projects**"). In particular, the use of such proceeds for any ESG Projects might not 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, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any ESG Projects.

Furthermore, there is currently no clearly defined definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes, a "green" or "sustainability" or "social" or an equivalently-labelled project or as to what precise attributes are required for a particular project to be defined as "green" or "sustainability" or "social" or such other equivalent label nor such a clear definition or consensus might develop over time. Accordingly, any projects or uses the subject of, or related to, any ESG Projects might not meet any or all investor expectations regarding such "green", "sustainability" or "social" or other equivalently-labelled performance objectives or that any adverse environmental, social and/or other impacts will not occur during the implementation of any projects or uses the subject of, or related to, any ESG Projects. It is an area which has been, and continues to be, the subject of many and wide-ranging voluntary and regulatory initiatives to develop rules, guidelines, standards, taxonomies and objectives. Even if such voluntary or regulatory initiatives should arrive at a definition of "green" or "sustainability" or "social" (or any equivalent label) they are not necessarily meant to apply to the Notes nor will the Issuer necessarily seek compliance of the Notes with all or some of such rules, guidelines, standards, taxonomies, principles or objectives (including, *inter alia*, the Regulation (EU) 2020/852 ("**Taxonomy Regulation**"), the Proposal for a Corporate Sustainability Reporting Directive, the EU Taxonomy Climate Delegated Act, the EU Green Bond Standard, the Green Bond Principles, the Social Bond Principles, the Sustainability Bond Guidelines). Also, the criteria for what constitutes an ESG Project may be changed from time to time.

Due to the still pending legislative initiatives, the envisaged use of proceeds for the Notes by the Issuer for any ESG Projects in accordance with the framework might not satisfy, either in whole or in part, (i) any existing or future legislative or regulatory requirements, or (ii) any present or future investor expectations or requirements with respect to investment criteria or guidelines with which any investor or its investments are required to comply under its own by-laws or other governing rules or investment portfolio mandates. Further, the reporting under the framework might not meet investor needs or expectations.

The suitability or reliability for any purpose whatsoever of any opinion or certification of any third party (whether or not solicited by the Issuer) which may be made available in connection with the issue of any Notes and in particular with any ESG Projects to fulfil any environmental, sustainability, social and/or other criteria remains uncertain. Any such opinion may not address risks that may affect the market price of Notes or any ESG Projects to which the Issuer may assign the proceeds of the Notes.

The Issuer's exposure to ESG risks and the related management arrangements established to mitigate those risks may be assessed by ESG rating agencies in the future, among others, through ESG ratings. ESG ratings may vary amongst ESG rating agencies as the methodologies used to determine ESG ratings may differ. ESG ratings are not necessarily indicative of the Issuer's current or future operating or financial performance, or any future ability to service the Notes and are only current as of the dates on which they were initially issued.

In the event that any Notes are listed or admitted to trading on any dedicated "green", "environmental", "sustainability" or "social" or other equivalently-labelled segment of any stock exchange or securities market (whether or not regulated), such listing or admission might not 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, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or

uses, the subject of or related to, any ESG Projects. Furthermore, the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. Any such listing or admission to trading might not be obtained in respect of any such Notes or, if obtained, that any such listing or admission to trading might not be maintained during the life of the Notes.

The relevant project(s) or use(s) the subject of, or related to, any ESG Projects might not be capable of being implemented in or substantially in such manner and/or accordance with any timing schedule and that accordingly such proceeds might not be totally or partially disbursed for such ESG Projects. Such ESG Projects might not 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. Any such event or failure by the Issuer will not constitute an event of default under the Notes or give the Holders the right to otherwise early terminate the Notes. Also, any failure by the Issuer to provide any reporting or obtain any opinion will not constitute an event of default under the Notes.

Payment of principal and interest of the Notes will be made from the general funds of the Issuer and will not be directly linked to the performance of any ESG Projects.

Notes issued as a green bond, sustainability bond or social bond will be subject to resolution tools (such as the bail-in tool) and resolution powers provided by the BRRD in the same way as any other Notes issued under the Programme. In this regard in relation to (i) preferred Senior Notes see the risk factor entitled "*Holders of preferred Senior Notes are exposed to the risk of statutory loss absorption.*", (ii) non-preferred Senior Notes see the risk factor entitled "*Holders of non-preferred Senior Notes are exposed to the risk of statutory loss absorption.*" and (iii) Subordinated Notes see the risk factor entitled "*Holders of Subordinated Notes are exposed to the risk of statutory loss absorption.*".

Any event or failure to apply the proceeds of any issue of Notes for any ESG Projects as aforesaid and/or withdrawal of any such opinion or certification or any such opinion or certification attesting that the Issuer is not complying in whole or in part with any matters for which such opinion or certification is opining or certifying on and/or any such 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 market price of such Notes and also potentially the market price of any other Notes which are intended to finance ESG Projects and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

## 2. GENERAL INFORMATION

**Listing and admission to trading.** Application may be made (i) for the Programme and/or the Notes to be admitted to the Official Market (*Amtlicher Handel*) of the Vienna Stock Exchange (*Wiener Börse*); and (ii) to admit the Notes to trading on the regulated market of the Budapest Stock Exchange (*Budapesti Értéktőzsde*). References to listing shall be construed accordingly. As specified in the relevant Final Terms, a Series may, but need not be, listed on any of the Markets. As of the date of this Securities Note, no notes of the Issuer are admitted to trading on regulated or unregulated markets.

**Approvals.** The Issuer has obtained all necessary consents, approvals and authorisations in Hungary in connection with the issue and performance of Notes. Tranches of Notes will be issued under the Programme in accordance with internal approvals, as in force from time to time and as specified in the relevant Final Terms.

### **Clearing systems.**

In case of Notes governed by German law the clearing systems will be OeKB CSD, also for Euroclear and CBL as accountholders in OeKB CSD and/or any other agreed clearing system (if any) and any successor in such capacity, all as specified in the relevant Final Terms.

In case of Notes governed by Hungarian law the clearing system will be KELER Központi Értéktár Zártkörűen Működő Részvénytársaság (registered seat: Rákóczi út 70-72., 1074 Budapest, Hungary, company registration number: 01-10-042346) as the Hungarian central depository and any successor in such capacity.

**Issue price.** Notes may be issued at their principal amount or at a discount or premium to their principal amount (except for Subordinated Notes), as specified in the relevant Final Terms. The issue price and the amount of the relevant Notes will be determined before filing of the relevant Final Terms of each Tranche, based on then prevailing market conditions. Where for a particular Tranche of Notes the issue price or aggregate principal amount are not fixed at the time of issue, the relevant Final Terms shall describe the procedures for calculation and publication of such information. The issue price for Notes issued in tap issues shall be specified in the relevant Final Terms at the start of their term and thereafter shall be fixed by the Issuer continuously according to market conditions prevailing from time to time. In such case, the aggregate principal amount of the Notes may increase from time to time upon subscriptions being made, and the Issuer will in such case specify on the Issue Date the upper limit of the aggregate principal amount of the Notes in the relevant Final Terms.

**Dealer(s).** The Issuer may from time to time terminate the appointment of any relevant Dealer under the Programme or appoint additional Dealers either in respect of one or more Tranches or in respect of the Programme, all in accordance with the Programme Agreement (as defined in "5. *Subscription and Sale*" below).

**Agents.** In case of Notes governed by (i) Hungarian law, the Issuer will act as initial fiscal agent, principal paying agent and calculation agent (if any) or (ii) German law, Erste Group Bank AG will act as initial fiscal agent, principal paying agent and calculation agent (if any). The fiscal agent solely serves the Issuer and bears no duty or obligation towards the Holders. A fiscal agent typically performs administrative functions, especially relating to receipt of interest and principal payments from the Issuer for distribution to the Holders, and also relays information from the Issuer to the Holders.

**Method of issue.** The Notes will be issued either on a syndicated basis (a Tranche which is issued and sold to two or more dealers) or a non-syndicated basis (a Tranche which is issued and sold to a single dealer). The Notes will be issued in Series. Each Series may be issued in Tranches (each a Tranche) on the same or different issue dates. The specific terms of each Tranche (save in respect of the issue date, issue price, first payment of interest and principal amount of the Tranche) will be identical to the terms of other Tranches of the same Series and will be set out in the relevant Final Terms.

### **Initial delivery of Notes.**

In case of Notes governed by German law each Tranche of Notes in bearer form will be represented by a Global Note. Global Notes will be deposited on the issue date with or on behalf of OeKB CSD also for Euroclear and CBL as accountholders in OeKB CSD and/or any other agreed clearing system (if any) and any successor in such capacity, all as specified in the relevant Final Terms.

In case of Notes governed by Hungarian law each Tranche of Notes will be issued as dematerialised registered securities and will be recorded with the relevant account in relation to the Holder held with an investment service provider maintaining a central securities account at the Hungarian central depository.

**Currencies.** Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in any currency if the Issuer and the relevant Dealer so agree.

**No negative pledge.** The Terms and Conditions of the Notes do not contain any negative pledge clauses; thus, the Holders will not have the benefit of such clauses.

**Method for the calculation of the yield.** If possible, the yield of a Tranche of Notes is displayed in the relevant Final Terms and is calculated by the following method: Calculated as the effective interest rate on the Notes on the Issue Date by reference to the internal rate of return. The internal rate of return is defined as the discount rate at which the present value of all future cash flows is equal to the initial investment. As set out above, the yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

**Categories of potential investors.** The Issuer generally does not distinct in various categories of potential investors to which the Notes are offered. The Issuer may only offer Notes to institutional investors in any jurisdiction where the legal and further requirements for offering securities are fulfilled. The target market as identified by the Issuer for the Notes (for the purposes of the product governance obligations in MiFID II and the FCA Handbook Conduct of Business Sourcebook, Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA and the UK MiFIR Product Governance Rules) is eligible counterparties and professional clients only and no key information document under PRIIPs Regulation or UK PRIIPS Regulation has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or the UK may be unlawful under the PRIIPs Regulation or the UK PRIIPS Regulation. If offers are being made simultaneously in the markets of two or more countries, the Issuer generally does not reserve any Tranches of Notes for certain of these.

**Selling restrictions.** Selling restrictions apply for the United States, the EEA, United Kingdom, Hong Kong, Japan, Singapore, the PRC (as defined herein) and such other restrictions as may be required in connection with a particular issue. Please see "5. Subscription and Sale".

**Restrictions on the free transferability of the securities.** The Terms and Conditions of the Notes do not contain any restrictions on the free transferability of the Notes. The Notes are freely transferable in accordance with applicable law and the applicable rules of the relevant clearing system.

**Representation of holders.** The Issuer does not publish any contracts relating to the representation of holders on its website.

**Use of proceeds.** The net proceeds from the issue of any Notes will be used by the Issuer for its general funding purposes. If the net proceeds shall not be applied for purposes set out here or if further details regarding the use of the net proceeds by the Issuer need to be disclosed, the relevant information may be set out in the relevant Final Terms.

**Green Bonds, Sustainability Bonds and Social Bonds.** The Issuer provides more details with regard to its green bond, sustainability bond or social bond issues (i) in the sustainability bond framework which is disclosed on the website of Erste Group (i.e. Erste Group Bank AG and all entities directly or indirectly controlled by Erste Group Bank AG) "[www.erstegroup.com/en/investors/debt/Sustainable\\_Finance\\_Framework](http://www.erstegroup.com/en/investors/debt/Sustainable_Finance_Framework)" and (ii) in the relevant Final Terms under "Use of Proceeds". Such sustainability bond framework may be updated from time to time. The sustainability bond framework is not, nor shall be deemed to be, incorporated into and/or form part of this Securities Note.

Further, the Issuer may provide more details with regard to any prospective green bond, sustainability bond or social bond issues (i) in a separate green bond framework, sustainability bond framework or social bond framework which will, if provided, be disclosed on its website and (ii) in the relevant Final Terms under "Use of Proceeds". Such prospective green bond framework, sustainability bond framework or social bond framework may be updated from time to time and will, if provided, not be, nor shall be deemed to be, incorporated into and/or form part of this Securities Note.

None of the Arranger, any Dealer, any of their affiliates or any other person mentioned in the Prospectus makes any representation as to the suitability of any Notes to fulfil environmental, social and/or sustainability criteria required by any prospective investors. Neither the Arranger nor any Dealer has undertaken, nor is



responsible for, any assessment of such frameworks (except for Erste Group Bank AG with regard to the sustainability bond framework which is disclosed on the website of Erste Group (i.e. Erste Group Bank AG and all entities directly or indirectly controlled by Erste Group Bank AG) "[www.erstegroup.com/en/investors/debt/Sustainable\\_Finance\\_Framework](http://www.erstegroup.com/en/investors/debt/Sustainable_Finance_Framework)"), any verification of whether ESG Projects meet the criteria set out in such frameworks or the monitoring of the use of proceeds.

In relation to issuances of green bonds, sustainability bonds or social bonds, Erste Group Bank AG has mandated ISS ESG as second party opinion ("**SPO**") provider which is a provider of environmental, social and governance (ESG) research and analysis. This SPO also covers issuances of green bonds, sustainability bonds or social bonds of the Issuer. The SPO provider has evaluated the robustness and credibility of Erste Group's sustainability bond framework and intended use of proceeds in terms of its alignment with relevant industry standards and provided its SPO thereon (as disclosed on the website "[www.erstegroup.com/en/investors/debt/Sustainable\\_Finance\\_Framework](http://www.erstegroup.com/en/investors/debt/Sustainable_Finance_Framework)"). Neither this SPO nor any other SPO is intended to address any credit, market or other aspects of an investment in any Notes, including without limitation market price, marketability, investor preference or suitability of any security. Such SPO is a statement of opinion, not a statement of fact. For the avoidance of doubt, any such SPO is not, nor shall be deemed to be, incorporated by reference into and/or form part of this Securities Note. Any such SPO is not, nor should be deemed to be, a recommendation by the Issuer, the Arranger, any Dealer or any other person to buy, sell or hold any such Notes. Any such SPO is only current as of the date that SPO was initially issued and may be updated, suspended or withdrawn by the relevant provider(s) at any time. Prospective investors must determine for themselves the relevance of any such SPO and/or the information contained therein and/or the provider of such SPO for the purpose of any investment in such Notes. Currently, the SPO providers are not subject to any specific regulatory or other regime or oversight. Holders might not have any recourse against such provider(s).

Currently, green bond, sustainability bond or social bond issues are subject of many and wide-ranging voluntary and regulatory initiatives to develop rules, guidelines, standards, taxonomies and objectives. For example, at EU level, the Taxonomy Regulation was published in the Official Journal of the European Union on 22 June 2020 and entered into force on 12 July 2020. It will apply in part as of 1 January 2022 and will apply in whole as of 1 January 2023. The Taxonomy Regulation tasks the European Commission with establishing the actual list of environmentally sustainability activities by defining technical screening criteria for each environmental objective through delegated acts. A first delegated act on sustainability activities for climate change adaptation and mitigation objectives (EU Taxonomy Climate Delegated Act) was approved in principle by the European Commission on 21 April 2021 and formally adopted on 4 June 2021 which was part of a package of measures to help channel private money towards more sustainability investments. A second delegated act for the remaining objectives under the Taxonomy Regulation will be published in 2022. On 6 July 2021, the delegated act supplementing Article 8 of the Taxonomy Regulation was adopted by the European Commission. This delegated act specifies the content, methodology and presentation of information to be disclosed by financial and non-financial undertakings concerning the proportion of environmentally sustainable economic activities in their business, investments or lending activities.

On 12 June 2020, the European Commission launched a public consultation on the creation of an EU Green Bond Standard. Based on the outcome of this consultation, as well as ongoing bilateral stakeholder dialogues, on 6 July 2021 the European Commission published a proposal for a Regulation on a European Green Bond.

### 3. TERMS AND CONDITIONS OF THE NOTES (ENGLISH LANGUAGE)

#### General

The Issuer and the relevant Dealer will agree on the terms and conditions applicable to each particular Tranche of Notes (the "**Conditions**"). These Conditions will be constituted by the relevant set of Terms and Conditions of the Notes set out in this section entitled "3. *Terms and Conditions of the Notes*" as further specified by the relevant Final Terms as described below.

#### Sets of Terms and Conditions of the Notes

A separate set of Terms and Conditions of the Notes shall apply to each type of Notes, as set out below. The relevant Final Terms shall provide for the Issuer to choose among the following Options:

Option I - Terms and Conditions for Notes with a fixed interest rate;

Option II - Terms and Conditions for Notes with a floating interest rate;

Option III - Terms and Conditions for Notes with a fixed to fixed interest rate; and

Option IV - Terms and Conditions for Notes with a fixed to floating interest rate.

#### Documentation of the Conditions

The Issuer shall document the Conditions in any of the following ways:

- The relevant Final Terms shall determine whether Option I, Option II, Option III or Option IV and whether certain further options contained in Option I, Option II, Option III or Option IV shall be applicable to the individual issue of Notes by replicating the relevant provisions of, and completing the relevant placeholders set out in Option I, Option II, Option III or Option IV in the relevant Final Terms. The replicated and completed provisions of the set of Terms and Conditions of the Notes alone shall constitute the Conditions (the "**Integrated Conditions**"). If the Notes are represented by a global note, the Integrated Conditions shall be attached to each global note representing the Notes of the relevant Tranche. The Issuer shall document the Conditions in this way if the Notes are represented by a global note and are intended to be publicly offered, in whole or in part.
- Alternatively, the relevant Final Terms shall determine whether Option I, Option II, Option III or Option IV and whether certain further options contained in Option I, Option II, Option III or Option IV shall be applicable to the individual issue of Notes by making reference to the specific sections of the relevant set of Terms and Conditions of the Notes. The relevant Final Terms and the relevant set of Terms and Conditions of the Notes (the "**Long-form Conditions**"), taken together, shall constitute the Conditions. If the Notes are represented by a global note, the relevant Final Terms and the Long-form Conditions shall be attached to each Global Note representing the Notes of the relevant Tranche.

#### Determination of Options / Completion of Placeholders

The relevant Final Terms shall determine whether Option I, Option II, Option III or Option IV shall be applicable to the individual issue of Notes. Each set of Terms and Conditions of the Notes constituting Option I, Option II, Option III or Option IV contains certain further options (characterised by indicating the respective optional provision through instructions and explanatory notes set out in square brackets within the text of the relevant set of Terms and Conditions of the Notes as set out in this Securities Note) as well as placeholders (characterised by square brackets which include the relevant items) which shall be determined by the relevant Final Terms as follows:

#### Determination of Options

The Issuer shall determine which options shall be applicable to the individual issue of Notes by either replicating the relevant provisions in the relevant Final Terms or by making reference in the relevant Final Terms to the relevant sections of the relevant set of Terms and Conditions of the Notes. If the relevant Final Terms do not replicate or make reference to an alternative or optional provision (as set out in the relevant set of Terms and Conditions of the Notes) such provision shall be deemed to have been deleted from the Conditions.

#### Completion of Placeholders

The relevant Final Terms shall specify the information completing the placeholders in the relevant set of Terms and Conditions of the Notes. In case the provisions of the relevant Final Terms and the relevant set of Terms and Conditions of the Notes, taken together, shall constitute the Conditions the relevant set of Terms

and Conditions of the Notes shall be deemed to have been completed by the information contained in the relevant Final Terms as if such information were inserted in the placeholders of such provisions.

In that case, all instructions and explanatory notes and text set out in square brackets in the relevant set of Terms and Conditions of the Notes and any footnotes and explanatory text set out in the relevant Final Terms shall be deemed to have been deleted from the Conditions.

## TERMS AND CONDITIONS OF THE NOTES

***[If the Long-form Conditions shall apply, insert:]***

The provisions of these Terms and Conditions of the Notes apply to the Notes as completed by the terms of the final terms which are attached hereto (the "**Final Terms**"). The blanks in the provisions of these Terms and Conditions of the Notes which are applicable to the Notes shall be deemed to be completed by the information contained in the Final Terms as if such information were inserted in the blanks of such provisions; alternative or optional provisions of these Terms and Conditions of the Notes as to which the corresponding provisions of the Final Terms are not completed or are deleted shall be deemed to be deleted from these Terms and Conditions of the Notes; and all provisions of these Terms and Conditions of the Notes which are inapplicable to the Notes (including instructions, explanatory notes and text set out in square brackets) shall be deemed to be deleted from these Terms and Conditions of the Notes, as required to give effect to the terms of the Final Terms. Copies of the Final Terms may be obtained free of charge at the principal office of the Issuer (as defined in § 1 of the Terms and Conditions of the Notes) provided that, in the case of Notes which are not listed on any stock exchange, copies of the Final Terms will only be available to holders of such Notes.]

## OPTION I – NOTES WITH A FIXED INTEREST RATE

### [OPTION I – TERMS AND CONDITIONS FOR NOTES WITH A FIXED INTEREST RATE:

#### § 1 CURRENCY, DENOMINATION, FORM, CERTAIN DEFINITIONS

(1) *Currency, Denomination.* This series of [notes] [subordinated notes] (the "**Notes**") is being issued by Erste Bank Hungary Zrt., with registered office at 1138 Budapest, Népfürdő utca 24-26., Hungary, Identification Number Cg. 01-10-041054 registered with the Company Registry Court of Budapest - Capital Regional Court (the "**Issuer**") in [insert specified currency] (the "**Specified Currency**") in the aggregate principal amount of [in case of Notes offered and issued as tap issues insert: up to] [insert specified currency and aggregate principal amount] (in words: [insert aggregate principal amount in words]) in the denomination of [insert specified currency and specified denomination] (the "**Specified Denomination**"). [If the Notes are governed by Hungarian law insert: Upon oversubscription, the Issuer reserves the right to alter the announced issue amount and determine the final aggregate principal amount of the Notes issued.]

(2) *Form.*

[If the Notes are governed by German law insert: The Notes are being issued in bearer form.]

[If the Notes are issued in domestic notes form governed by Hungarian law insert: The Notes are being issued as dematerialised registered securities (in Hungarian "*dematerializált, névre szóló*").]

[In case of Notes governed by German law insert:

(3) *Permanent Global Note.* The Notes are represented by a permanent global note in classical global note form (the "**Permanent Global Note**" or the "**Global Note**") without coupons; the claim for interest payments under the Notes is represented by the Permanent Global Note. The Permanent Global Note shall be signed by or on behalf of the Issuer. Definitive Notes and coupons will not be issued, and the Holders have no right to require the printing and delivery of definitive Notes and coupons.]

[In case of Notes governed by Hungarian law insert:

(3) *Title to the Notes.* The Notes will be owned by the relevant Holder of the Notes. The Notes will be recorded with the relevant account in relation to the Holder held with an investment service provider maintaining central securities account at Hungarian Central Depository. The Hungarian Central Depository maintains the client accounts of investment service providers which manage the Notes (the "**Holders' Registry**").]

(4) *Clearing System.*

[In case of Notes governed by German law insert:

The Global Note will be kept in custody by or on behalf of a Clearing System until all obligations of the Issuer under the Notes have been satisfied. "**Clearing System**" means [OeKB CSD GmbH, Strauchgasse 1-3, 1010 Vienna, Austria ("**OeKB**"), also for Clearstream Banking, S.A., Luxembourg, 42 Avenue J.F. Kennedy, 1855 Luxembourg, Grand Duchy of Luxembourg ("**CBL**") and Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, 1210 Brussels, Belgium ("**Euroclear**") as account holders in OeKB] [,] [and] [specify other Clearing System] and any successor in such capacity.]

[In case of Notes governed by Hungarian law insert:

The Notes will be kept and cleared in KELER Központi Értéktár Zártkörűen Működő Részvénytársaság (registered seat: 1074 Budapest, Rákóczi út 70-72; company registration number: 01-10-042346) as the central depository (the "**Hungarian Central Depository**" or the "**Clearing System**") and any successor in such capacity.]

[In case of Notes governed by German law insert:

(5) *Holder of Notes.* "**Holder**" means any holder of a proportionate co-ownership or other comparable right in the Global Note which may be transferred to a new Holder in accordance with the provisions of the Clearing System.]

**[In case of Notes governed by Hungarian law insert:**

(5) *Holder of Notes.* "**Holder**" means any holder of Notes to whose securities account such Notes are credited to. The title to the Notes will be transferred via change of ownership of the Notes in accordance with Hungarian law and with the rules of the Clearing System by transferring the Notes from the securities account of the Holder to the securities account of the new holder. The Holders are solely responsible to carry out all acts and formalities required for the change of ownership of the Notes.]

(6) *Certain Definitions.*

"**Applicable Supervisory Regulations**" means, at any time, any requirements under laws and any regulations, requirements, standards, guidelines, policies or other rules thereunder applicable from time to time (including, but not limited to, the guidelines and decisions of the European Banking Authority, the European Central Bank, the Competent Authority, the Single Resolution Board and/or the Resolution Authority, the administrative practice of any such authority, any applicable decision of a court and any applicable transitional provisions) relating to prudential requirements and/or resolution and applicable to the Issuer, on an individual and/or (sub-) consolidated basis, as the case may be, from time to time, including but not limited to the provisions of the applicable national banking act (i.e. the Hungarian Banking Act), the applicable national recovery and resolution act, the applicable national insolvency act, the BRRD, the SRM Regulation, the CRD, the CRR and the SSM Regulation, or such other law, regulation or directive as may come into effect in place thereof, as applicable to the Issuer on an individual and/or (sub-) consolidated basis, as the case may be, at the relevant time.

"**BRRD**" means the Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 (*Bank Recovery and Resolution Directive*), as implemented in Hungary and as amended or replaced from time to time, and any references to relevant provisions of the BRRD in these Terms and Conditions include references to any applicable provisions of law amending or replacing such provisions from time to time.

"**Business Day**" means a day (other than a Saturday or a Sunday) on which

**[If the Specified Currency is Euro, the following applies:**

(i) the Clearing System and (ii) all relevant parts of the Trans-European Automated Real-time Gross settlement Express Transfer system 2 or its successor ("**TARGET**") are open to effect payments.]

**[If the Specified Currency is not Euro, the following applies:**

(i) the Clearing System is open and (ii) commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in **[insert all relevant financial centres]** **[insert, as applicable:** and (iii) all relevant parts of the Trans-European Automated Real-time Gross Settlement Express Transfer System 2 or its successor ("**TARGET**") are open to effect payments].]

"**Competent Authority**" means the competent authority pursuant to Article 4(1)(40) CRR and/or Article 9(1) SSM Regulation, in each case, which is responsible to supervise the Issuer on an individual basis and/or (sub-) consolidated basis.

"**CRD**" means the Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 (*Capital Requirements Directive*), as amended or replaced from time to time, and any references to relevant provisions of the CRD in these Terms and Conditions include references to any applicable provisions of law amending or replacing such provisions from time to time.

"**CRR**" means the Regulation (EU) No 575/2013 of the European Parliament and the Council of 26 June 2013 (*Capital Requirements Regulation*), as amended or replaced from time to time, and any references to relevant provisions of the CRR in these Terms and Conditions include references to any applicable provisions of law amending or replacing such provisions from time to time.

"**Hungarian Banking Act**" means Act CCXXXVII of 2013 on Credit Institutions and Financial Enterprises as amended and any references in these Terms and Conditions to any relevant provisions of the Hungarian Banking Act include references to any applicable provisions of law amending or replacing such provisions from time to time.

"**Resolution Authority**" means the authority pursuant to Article 4(1)(130) CRR.

**"SRM Regulation"** means the Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014 (*Single Resolution Mechanism Regulation*), as amended or replaced from time to time, and any references to relevant provisions of the SRM Regulation in these Terms and Conditions include references to any applicable provisions of law amending or replacing such provisions from time to time.

**"SSM Regulation"** means the Council Regulation (EU) No 1024/2013 of 15 October 2013 (*Single Supervisory Mechanism Regulation*), as amended or replaced from time to time, and any references to relevant provisions of the SSM Regulation in these Terms and Conditions include references to any applicable provisions of law amending or replacing such provisions from time to time.

**"Subsidiary"** means any subsidiary of the Issuer pursuant to Article 4(1)(16) CRR.

**"Terms and Conditions"** means these terms and conditions of the Notes.

**"United States"** means the United States of America (including the States thereof and the District of Columbia) and its possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and Northern Mariana Islands).

## § 2 STATUS

### **[In the case of Preferred Senior Notes insert:**

(1) *Status.* The Notes constitute direct, unsecured and unsubordinated obligations of the Issuer. In the event of the involuntary liquidation (*felszámolás*) of the Issuer, the voluntary liquidation (*végelszámolás*) of the Issuer, the enforcement (*végrehajtás*) against the Issuer's assets or it is decided on the Issuer's insolvency (*fizetési képtelenség*), the obligations of the Issuer under the Notes

- (a) rank *pari passu* (i) among themselves and (ii) (subject to any applicable statutory exceptions and without prejudice to the aforesaid) with all other present or future unsecured and unsubordinated obligations of the Issuer which rank or are expressed to rank *pari passu* with the Issuer's obligations under the Notes;
- (b) rank senior to all present or future obligations under (i) Non-Preferred Senior Instruments and any obligations of the Issuer that rank *pari passu* with Non-Preferred Senior Instruments and (ii) all subordinated obligations of the Issuer; and
- (c) will be fully subordinated to the Issuer's Senior Ranking Obligations, so that in any such event no amounts will be payable in respect of the Notes until the Issuer's Senior Ranking Obligations have been satisfied in full.

**"Issuer's Senior Ranking Obligations"** means all obligations of the Issuer which pursuant to mandatory provisions of law, rank or are expressed to rank senior to the obligations of the Issuer under the Notes.

**"Non-Preferred Senior Instruments"** means any obligations of the Issuer which fall or are expressed to fall within the category of obligations described in Section 57(1b) of the Hungarian Banking Act implementing Article 108(2) BRRD and any other obligations of the Issuer which, to the extent permitted by Hungarian law, rank or are expressed to rank *pari passu* with the Non-Preferred Senior Instruments of the Issuer.]

### **[In the case of Non-Preferred Senior Notes insert:**

(1) *Status.* The Notes constitute direct, unsecured, non-preferred and unsubordinated obligations of the Issuer. In the event of the involuntary liquidation (*felszámolás*) of the Issuer, the voluntary liquidation (*végelszámolás*) of the Issuer, the enforcement (*végrehajtás*) against the Issuer's assets or it is decided on the Issuer's insolvency (*fizetési képtelenség*), the obligations of the Issuer under the Notes in respect of the principal amount of the Notes

- (a) rank *pari passu* (i) among themselves and (ii) with all other present or future Non-Preferred Senior Instruments; and
- (b) rank senior to all present or future obligations of the Issuer under (i) ordinary shares and other Common Equity Tier 1 instruments pursuant to Article 28 CRR of the Issuer; (ii) Additional Tier 1 instruments pursuant to Article 52 CRR of the Issuer; (iii) Tier 2 instruments pursuant to Article 63 CRR of the Issuer; and (iv) all other subordinated obligations of the Issuer not referred to in clauses (i) to (iii) of this § 2 (1) (b); and

- (c) will be fully subordinated to the Issuer's Senior Ranking Obligations, so that in any such event no amounts will be payable in respect of the Notes until the Issuer's Senior Ranking Obligations have been satisfied in full.

**"Issuer's Senior Ranking Obligations"** means all unsecured and unsubordinated obligations of the Issuer (other than Non-Preferred Senior Instruments) which, in accordance with their terms or pursuant to mandatory provisions of law, rank or are expressed to rank senior to the obligations of the Issuer under the Notes.

**"Non-Preferred Senior Instruments"** means any obligations of the Issuer which fall or are expressed to fall within the category of obligations described in Section 57(1b) of the Hungarian Banking Act implementing Article 108(2) BRRD and any other obligations of the Issuer which, to the extent permitted by Hungarian law, rank or are expressed to rank *pari passu* with the Non-Preferred Senior Instruments of the Issuer.]

**[In the case of Subordinated Notes insert:**

(1) *Status.* The Notes shall qualify as Tier 2 Instruments and constitute direct, unsecured and subordinated obligations of the Issuer. In the event of the involuntary liquidation (*felszámolás*) of the Issuer or it is decided on the Issuer's insolvency (*fizetéseképtelenség*), the obligations of the Issuer under the Notes in respect of the principal amount of the Notes

- (a) rank *pari passu* (i) among themselves; and (ii) with all other present or future claims from Tier 2 Instruments and other subordinated instruments or obligations of the Issuer (other than subordinated instruments or obligations of the Issuer ranking or expressed to rank senior or junior to the Notes);
- (b) rank senior to all present or future obligations under (i) ordinary shares and other Common Equity Tier 1 instruments pursuant to Article 28 CRR of the Issuer; (ii) Additional Tier 1 instruments pursuant to Article 52 CRR of the Issuer; and (iii) all other subordinated instruments or obligations of the Issuer ranking or expressed to rank junior to the Notes; and
- (c) will be fully subordinated to the Issuer's Senior Ranking Obligations, so that in any such event no amounts will be payable in respect of the Notes until the Issuer's Senior Ranking Obligations have been satisfied in full.

**"Issuer's Senior Ranking Obligations"** means (i) all unsecured and unsubordinated obligations of the Issuer; (ii) all eligible liabilities instruments of the Issuer pursuant to Article 72b CRR; and (iii) any other subordinated obligations of the Issuer which, in accordance with their terms or pursuant to mandatory provisions of law, rank or are expressed to rank senior to the obligations of the Issuer under the Notes at the relevant time.

**"Tier 2 Instruments"** means any (directly or indirectly issued) capital instruments of the Issuer that qualify as Tier 2 instruments pursuant to Article 63 CRR, including any capital (or other) instruments that qualify as Tier 2 items pursuant to transitional provisions under the CRR.]

(2) *No Set-off/Netting, No Security/Guarantee and No Enhancement of Seniority.* The Notes are not subject to any set off arrangements or netting rights that would undermine their capacity to absorb losses in resolution.

The Notes are neither secured, nor subject to any guarantee or any other arrangement that enhances the seniority of the claims under the Notes.

(3) *Subsequent Modifications of the Ranking and the Term as well as any Notice Periods.* No subsequent agreement may modify the ranking of the Notes or shorten the term of the Notes or any applicable notice period.

(4) *Note on the possibility of statutory resolution measures.* Prior to any involuntary liquidation (*felszámolás*) of the Issuer, any voluntary liquidation (*végelszámolás*) of the Issuer, any enforcement (*végrehajtás*) against the Issuer's assets or it is decided on the Issuer's insolvency (*fizetéseképtelenség*), under the Applicable Supervisory Regulations, the competent Resolution Authority may write down (including to zero) the obligations of the Issuer under the Notes, convert them into shares or other instruments of ownership of the Issuer, in each case in whole or in part, or apply any other resolution measure, including (but not limited to) any deferral of the obligations, any transfer of the obligations to another entity, an amendment of the Terms and Conditions or a cancellation of the Notes.



### § 3 INTEREST

(1) *Rate of Interest and Interest Payment Dates.* The Notes shall bear interest on their Specified Denomination from and including **[insert Interest Commencement Date]** (the "**Interest Commencement Date**") to but excluding the Maturity Date (as defined in § 5 (1)) at the rate of **[insert Rate of Interest]** per cent. *per annum*.

**[In the case of a short or long first or last interest period insert:** With the exception of the [first] [last] payment of interest, interest] **[Interest]** for each Interest Period shall be payable **[in case of quarterly interest payments insert:** quarterly] **[in case of semi-annual interest payments insert:** semi-annually] **[in case of annual interest payments insert:** annually] in arrear on **[insert Interest Payment Date(s)]** in each year (each such date, an "**Interest Payment Date**"), commencing on **[insert first Interest Payment Date]** and ending on **[insert last Interest Payment Date]** **[in case of a short or long first or last interest period insert:** ([short] [long] [first] [last] coupon)]. **[If Interest Periods are subject to adjustment in accordance with the Business Day Convention insert:** Interest Payment Dates are subject to adjustment in accordance with the provisions set out in § 4 (4).]

"**Interest Period**" means the period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including an Interest Payment Date to but excluding the following Interest Payment Date.

(2) *Calculation of Amount of Interest.* If the amount of interest payable on the Notes is required to be calculated for any period of time, such amount of interest shall be calculated by applying the rate of interest to the Specified Denomination, multiplying such sum by the applicable Day Count Fraction (as defined below), and rounding the resultant figure to the nearest [sub-unit]<sup>1</sup> [unit]<sup>2</sup> of the Specified Currency, half of such [sub-unit]<sup>1</sup> [unit]<sup>2</sup> being rounded upwards or otherwise in accordance with the applicable market convention.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Note for any period of time (the "**Calculation Period**"):

**[If "Actual/Actual (ICMA)" applies, insert:**

1. if the Calculation Period is equal to or shorter than the Determination Period during which the Calculation Period ends, the number of calendar days in such Calculation Period divided by the product of (x) the number of calendar days in such Determination Period and (y) the number of Determination Dates (as specified below) that would occur in any year; or
2. if the Calculation Period is longer than the Determination Period during which the Calculation Period ends, the sum of
  - (A) the number of calendar days in such Calculation Period falling in the Determination Period in which the Calculation Period begins divided by the product of (x) the number of calendar days in such Determination Period and (y) the number of Determination Dates that would occur in any year; and
  - (B) the number of calendar days in such Calculation Period falling in the next Determination Period divided by the product of (x) the number of calendar days in such Determination Period and (y) the number of Determination Dates that would occur in any year.

"**Determination Period**" means the period from, and including, a Determination Date to, but excluding, the next Determination Date (including, where the Interest Commencement Date is not a Determination Date, the period commencing on the first Determination Date prior to the Interest

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<sup>1</sup> Not for Japanese Yen.

<sup>2</sup> Only for Japanese Yen.

Commencement Date, and where the final Interest Payment Date is not a Determination Date, the first Determination Date falling after the final Interest Payment Date, as the case may be).

"Determination Date" means **[insert Determination Date(s)]** in each year.]

**[If "Actual/Actual (ISMA/Hungarian Bonds)" applies, insert:**

the actual number of calendar days in the Calculation Period divided by 365 (or 366 if that Calculation Period includes 29 February).]

**[If "Actual/365 (Fixed)" applies, insert:**

the actual number of calendar days in the Calculation Period divided by 365.]

**[If "Actual/360" applies, insert:**

the actual number of calendar days in the Calculation Period divided by 360.]

**[If "30/360", "360/360" or "Bond Basis" applies, insert:**

the number of calendar days in the Calculation Period divided by 360, the number of calendar days to be calculated on the basis of a year of 360 calendar days with twelve 30-calendar day months (unless (1) the last calendar day of the Calculation Period is the 31<sup>st</sup> calendar day of a month but the first calendar day of the Calculation Period is a calendar day other than the 30<sup>th</sup> or 31<sup>st</sup> calendar day of a month, in which case the month that includes that last calendar day shall not be considered to be shortened to a 30-calendar day month, or (2) the last calendar day of the Calculation Period is the last calendar day of the month of February in which case the month of February shall not be considered to be lengthened to a 30-calendar day month).]

**[If "30E/360" or "Eurobond Basis" applies, insert:**

the number of calendar days in the Calculation Period divided by 360 (the number of calendar days to be calculated on the basis of a year of 360 calendar days with twelve 30-calendar day months, without regard to the date of the first calendar day or last calendar day of the Calculation Period unless, in the case of the final Calculation Period, the Maturity Date is the last calendar day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-calendar day month).]

(3) *Cessation of Interest Accrual.* The Notes shall cease to bear interest from the end of the calendar day preceding their due date for redemption. If the Issuer fails to redeem the Notes when due, interest shall continue to accrue on the outstanding principal amount of the Notes beyond the due date until the end of the calendar day preceding the actual redemption of the Notes. The applicable rate of interest will be determined in accordance with this § 3. This does not affect any additional rights that might be available to the Holders.

## § 4 PAYMENTS

**[In case of Notes governed by German law insert:**

- (1) (a) *Payment of Principal.* Payment of principal on the Notes shall be made, subject to § 4 (2) below, to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System.
- (b) *Payment of Interest.* Payment of interest and any Additional Amounts on the Notes shall be made, subject to § 4 (2) below, to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System.]

**[In case of Notes governed by Hungarian law insert:**

- (1) (a) *Payment of Principal.* Payment of principal on the Notes shall be made, subject to § 4 (2) below, to the bank account or other cash account of the respective Holder held at the securities account manager holding the Notes of such Holder according to the register of the Hungarian Central Depository.
- (b) *Payment of Interest.* Payment of interest on the Notes shall be made, subject to § 4 (2) below, to the bank account or other cash account of the respective Holder held at the securities account manager holding the Notes of such Holder according to the register of the Hungarian Central Depository.

- (c) *Payment Day.* Payments of principal and/or interest on the Notes under these Terms and Conditions shall be made by the Issuer on the dates and conditions stipulated in these Terms and Conditions via the Paying Agent.
- (d) *Payment Reference Date.* The Paying Agent(s) will process, on behalf of the Issuer, payments of principal and/or interest on the Notes to the Holders and shall make payments of principal and/or interest on the Notes to the Holders recorded in the Holders' Registry on the payment reference date (the "**Payment Reference Date**") determined at the close of business on the second calendar day before the due date for payment thereof (including the Maturity Date).

Any person who acquires a Note between a Payment Reference Date and the corresponding due date for a payment of interest or principal shall not be entitled to receive payment of interest or principal on the Notes for the corresponding due date notwithstanding that such person is recorded in the Holders' Registry on the relevant due date as the Holder of the Note.

- (e) *Eligible Receiver(s).* Unless specified otherwise in these Terms and Conditions, "**Eligible Receivers**" are Holders which are recorded in the Holder's Registry by the Payment Reference Date and which are eligible for payments under these Terms and Conditions.
- (f) *Payment Logistics.* The Paying Agent will make payments to Eligible Receivers by means of a wire transfer to their bank account or other cash account held at the securities account manager holding the Notes of the Eligible Receiver according to the register of the Hungarian Central Depository.

No payments of principal and/or interest will be made in cash, by cheque or by postal order.

**[In case the Issuer is appointed as Paying Agent insert:** The Issuer shall not] **[in case a Paying Agent other than the Issuer is appointed insert:** Neither the Issuer nor the Paying Agent(s) shall] be liable to the Holders or any other person for any commissions, costs, losses or expenses in relation to or resulting from the credit or transfer of Euro or any other currency conversion or rounding effected in connection therewith.]

(2) *Manner of Payment.* Subject to applicable fiscal and other laws and regulations, payments of amounts due in respect of the Notes shall be made in the Specified Currency.

(3) *Discharge.*

**[In case of Notes governed by German law insert:**

The Issuer shall be discharged by payment to, or to the order of, the Clearing System.]

**[In case of Notes governed by Hungarian law insert:**

The Issuer's obligation to pay any amount due in respect to these Terms and Conditions shall be deemed to be fulfilled duly and on time if the relevant amount is remitted to the Eligible Receiver and such payment is debited from the Paying Agent's bank account and is credited to the bank account or other cash account of the Eligible Receiver held at the securities account manager holding the Notes of such Eligible Receiver according to the register of the Hungarian Central Depository.]

(4) *Business Day Convention.* If the due date for payment of any amount of principal or interest in respect of any Note is not a Business Day (as defined in § 1 (6)), then

**[In the case of Modified Following Business Day Convention (adjusted), the following applies:**

the due date shall be postponed to the next calendar day which is a Business Day unless it would thereby fall into the next calendar month, in which event the due date shall be brought forward to the immediately preceding Business Day, and the Interest Period shall be adjusted accordingly.]

**[In the case of Following Business Day Convention (adjusted), the following applies:**

the due date shall be postponed to the next calendar day which is a Business Day, and the Interest Period shall be adjusted accordingly.]

**[In the case of Preceding Business Day Convention (adjusted), the following applies:**

the due date shall be brought forward to the immediately preceding Business Day, and the Interest Period shall be adjusted accordingly.]

***[In the case of Modified Following Business Day Convention (unadjusted), the following applies:***

the relevant payment shall be made on the next calendar day which is a Business Day unless it would thereby fall into the next calendar month, in which event the relevant payment shall be made on the immediately preceding Business Day (the Interest Period shall not be adjusted accordingly).]

***[In the case of Following Business Day Convention (unadjusted), the following applies:***

the Holder shall not be entitled to payment until the next day that is a Business Day and shall not be entitled to further interest or other payment in respect of such delay (the Interest Period shall not be adjusted accordingly).

***[In the case of Preceding Business Day Convention (unadjusted), the following applies:***

the relevant payment shall be made on the immediately preceding Business Day (the Interest Period shall not be adjusted accordingly).]

(5) *References to Principal* ***[in case the Notes are early redeemable for reasons of taxation insert: and Interest]***. References in these Terms and Conditions to "principal" in respect of the Notes shall be deemed to include any premium and any other amounts (other than interest) which may be payable under or in respect of the Notes. ***[If the Notes are early redeemable for reasons of taxation insert:*** References in these Terms and Conditions to "interest" in respect of the Notes shall be deemed to include, as applicable, any Additional Amounts (as defined in § 7 (1)) which may be payable under § 7 (1).]

## § 5 REDEMPTION

(1) *Redemption on the Maturity Date*. Unless previously redeemed in whole or in part or repurchased and cancelled, and subject to adjustment in accordance with the provisions set out in § 4 (4), the Notes shall be redeemed at their principal amount on ***[insert Maturity Date]*** (the "Maturity Date").

***[If the Notes are subject to Early Redemption at the Option of the Issuer insert:***

(2) *Early Redemption at the Option of the Issuer*.

- (a) The Issuer may, upon giving not less than ***[insert Minimum Notice Period, which shall not be less than 5 Business Days]*** [calendar days'] [Business Days'] ***[in case of a Maximum Notice Period insert: and not more than [insert Maximum Notice Period]*** [calendar days'] [Business Days'] notice in accordance with § 5 (2) (b), redeem, on (any of) the Optional Redemption Date(s), all but not some only of the Notes at their Specified Denomination together with accrued interest, if any, to but excluding the Optional Redemption Date specified in the notice.

Any such early redemption pursuant to this § 5 (2) shall only be possible if the conditions to redemption and repurchase set out in § 5 ([5]) are met.

**"Optional Redemption Date(s)":** ***[insert Optional Redemption Date(s)]***<sup>3</sup>

- (b) The notice of redemption shall be given by the Issuer to the Holders in accordance with § 10. Such notice shall be irrevocable and shall specify:
- (i) the series of Notes subject to redemption; and
  - (ii) the Optional Redemption Date on which the Issuer will redeem the Notes.

<sup>3</sup> In the case of Preferred Senior Notes and Non-preferred Senior Notes, the first Optional Redemption Date must not be earlier than the first anniversary of the issue date of the last Tranche of the series of Notes.

In the case of Subordinated Notes, the first Optional Redemption Date must not be earlier than the fifth anniversary of the issue date of the last Tranche of the series of Notes.

***[If the Notes are not subject to Early Redemption at the Option of the Issuer for reasons other than for taxation or regulatory reasons insert:]***

(2) *No Early Redemption at the Option of the Issuer.* The Notes may not be redeemed at the option of the Issuer prior to their Maturity Date other than in case of an early redemption pursuant to § 5 (3) [or § 5 (4)].

(3) *Early Redemption for Regulatory Reasons.*

- (a) The Issuer may, upon giving not less than ***[insert Minimum Notice Period, which shall not be less than 5 Business Days]*** [calendar days'] [Business Days'] ***[in case of a Maximum Notice Period insert:]*** and not more than ***[insert Maximum Notice Period]*** [calendar days'] [Business Days'] notice in accordance with § 5 (3) (b), redeem all but not some only of the Notes at their principal amount together with accrued interest, if any, to but excluding the date fixed for redemption on the date fixed for redemption if, as a result of any change in, or amendment to, the directives, laws and regulations applicable in the European Union or Hungary or their interpretation,

***[In the case of Preferred Senior Notes or Non-preferred Senior Notes insert:]***

the Notes do no longer comply with the minimum requirements for eligible liabilities (MREL) (the "MREL Requirement") which are or, as the case may be, will be, applicable to the Issuer and/or the Issuer's MREL Group in accordance with

- (i) Article 45 of the BRRD (as defined in § 1 (6)), as amended, and any applicable national law, as amended, implementing the BRRD; or
- (ii) Article 12 of the Regulation (EU) No. 806/2014 of the European Parliament and of the Council of 15 July 2014, as amended,

except where such non-compliance would only be based on the remaining maturity of the Notes being less than any period prescribed in the applicable MREL regulations or any applicable limits on the amount of eligible liabilities instruments being exceeded.

Where:

"Issuer's MREL Group" means the Issuer and its subsidiaries which have to comply with the MREL Requirement on a group basis.]

***[In the case of Subordinated Notes insert:]***

- [(i)] there is a change in the regulatory classification of the Notes that would be likely to result in their exclusion in full or in part from own funds or reclassification as own funds of lower quality (in each case, on an individual basis of the Issuer and/or on a consolidated basis of the Issuer's Regulatory Group); or
- (ii) the Notes, to the extent that, pursuant to Article 64 CRR, a portion thereof does no longer qualify as a Tier 2 item but, pursuant to Article 72a(1)(b) CRR, as an eligible liabilities item, that portion does no longer comply with the minimum requirements for eligible liabilities (MREL) (the "MREL Requirement") which are or, as the case may be, will be, applicable to the Issuer and/or the Issuer's MREL Group in accordance with
  - (A) Article 45 of the BRRD (as defined in § 1 (6)), as amended, and any applicable national law, as amended, implementing the BRRD; or
  - (B) Article 12 of the Regulation (EU) No. 806/2014 of the European Parliament and of the Council of 15 July 2014, as amended,

except where such non-compliance would only be based on the remaining maturity of the Notes being less than any period prescribed in the applicable MREL regulations or any applicable limits on the amount of eligible liabilities instruments being exceeded].

Where:

"Issuer's Regulatory Group" means, from time to time, any banking group with a parent institution and/or any banking group with a parent financial holding company: (i) to which the Issuer belongs; and (ii) to which the own funds requirements on a consolidated basis due to prudential consolidation in accordance with the Applicable Supervisory Regulations apply.

**["Issuer's MREL Group"** means the Issuer and its subsidiaries which have to comply with the MREL Requirement on a group basis.]]

Any such early redemption pursuant to this § 5 (3) shall only be possible if the conditions to redemption and repurchase set out in § 5 ([5]) are met.

- (b) The notice of redemption shall be given by the Issuer to the Holders in accordance with § 10. Such notice shall be irrevocable and shall specify:
  - (i) the series of Notes subject to redemption;
  - (ii) the date fixed for redemption.

**[If Notes are issued under German law insert:**

**(4) Early Redemption for Reasons of Taxation.**

- (a) The Issuer may, upon giving not less than **[insert Minimum Notice Period, which shall not be less than 5 Business Days]** [calendar days'] [Business Days'] **[in case of a Maximum Notice Period insert:** and not more than **[insert Maximum Notice Period]** [calendar days'] [Business Days']] notice in accordance with § 5 (4) (b), redeem all but not some only of the Notes at their principal amount together with accrued interest, if any, to but excluding the date fixed for redemption on the date fixed for redemption if, on the next succeeding Interest Payment Date, the Issuer will become obliged to pay Additional Amounts pursuant to § 7 (1) as a result of any change in, or amendment to, the laws or regulations of the Issuer's country of domicile for tax purposes or of any political subdivision or taxing authority of or in the Issuer's country of domicile for tax purposes, or as a result of any change in, or amendment to, an official interpretation or application of such laws or regulations, which amendment or change is effective on or after the date on which the last tranche of this series of Notes is issued, and such amendment or change has been evidenced by the delivery by the Issuer to the Fiscal Agent (who shall accept such certificate and opinion as sufficient evidence thereof) of (i) a certificate signed by two authorised representatives of the Issuer on behalf of the Issuer stating that such amendment or change has occurred (irrespective of whether such amendment or change is then effective), describing the facts leading thereto and stating that such requirement cannot be avoided by the Issuer taking reasonable measures available to it and (ii) an opinion of independent legal or tax advisers of recognised reputation to the effect that such amendment or change has occurred (irrespective of whether such amendment or change is then effective), provided that no such notice of redemption shall be given earlier than 90 calendar days prior to the earliest date on which the Issuer would be obliged to pay such Additional Amounts were a payment in respect of the Notes then due. No such notice of redemption shall be given if at the time such notice takes effect, the obligation to pay such Additional Amounts does not remain in effect.

Any such early redemption pursuant to this § 5 (4) shall only be possible if the conditions to redemption and repurchase set out in § 5 ([5]) are met.

- (b) The notice of redemption shall be given by the Issuer to the Holders in accordance with § 10. Such notice shall be irrevocable and shall specify:
  - (i) the series of Notes subject to redemption;
  - (ii) the date fixed for redemption.]

**[In the case of Preferred Senior Notes or Non-preferred Senior Notes insert:**

**([5]) Conditions to Redemption and Repurchase.** Any early redemption pursuant to this § 5 and any repurchase pursuant to § 9 (2) are subject to the Resolution Authority having granted the Issuer the prior permission in accordance with Articles 77 *et seq.* CRR or any successor provision for the early redemption or the repurchase, whereas such permission may, *inter alia*, require that either

- (a) before or at the same time as the redemption or repurchase, the Issuer replaces the Notes with own funds instruments or eligible liabilities of equal or higher quality at terms that are sustainable for the income capacity of the Issuer; or
- (b) the Issuer has demonstrated to the satisfaction of the Resolution Authority that the own funds and eligible liabilities of the Issuer would, following such early redemption or repurchase, exceed the

requirements for own funds and eligible liabilities laid down in the CRR, the CRD and the BRRD by a margin that the Resolution Authority considers necessary at such time; or

- (c) the Issuer has demonstrated to the satisfaction of the Resolution Authority that the partial or full replacement of the eligible liabilities with own funds instruments is necessary to ensure compliance with the own funds requirements laid down in the CRR and CRD for continuing authorisation.]

**[In the case of Subordinated Notes insert:**

**[(5)]** *Conditions to Redemption and Repurchase.* Any early redemption pursuant to this § 5 and any repurchase pursuant to § 9 (2) is subject to:

- (a) the Competent Authority having granted the Issuer the prior permission in accordance with Articles 77 *et seq.* CRR or any successor provision for the early redemption, whereas such permission may, *inter alia*, require that:
  - (i) either, before or at the same time as the redemption or repurchase, the Issuer replaces the Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer; or
  - (ii) the Issuer has demonstrated to the satisfaction of the Competent Authority that the own funds and eligible liabilities of the Issuer would, following such early redemption or repurchase, exceed the requirements for own funds and eligible liabilities laid down in the CRR, the CRD and the BRRD by a margin that the Competent Authority considers necessary; and
- (b) in the case of any early redemption or repurchase of the Notes during the five years following the date of issuance of the Notes:
  - (A) in the case of any early redemption pursuant to § 5 (3), the Competent Authority considers such change to be sufficiently certain and the Issuer has demonstrated to the satisfaction of the Competent Authority that the relevant change in the regulatory classification of the Notes was not reasonably foreseeable as at the date of issuance of the Notes; or
  - [(B) in the case of any early redemption pursuant to § 5 (4), the Issuer has demonstrated to the satisfaction of the Competent Authority that the applicable change in tax treatment is material and was not reasonably foreseeable as at the date of issuance of the Notes; or]
  - [(C)] in the case of any early redemption or repurchase of the Notes, the Issuer, earlier than or at the same time as the early redemption or the repurchase, replaces the Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer and the Competent Authority has permitted that early redemption or repurchase based on the determination that it would be beneficial from a prudential point of view and justified by exceptional circumstances; or
  - [(D)] the Notes being repurchased for market making purposes in accordance with the Applicable Supervisory Regulations.

Notwithstanding the above conditions, if, at the time of any early redemption or repurchase, the prevailing Applicable Supervisory Regulations permit the early redemption or repurchase only after compliance with one or more alternative or additional pre-conditions to those set out above, the Issuer shall comply with such other and/or, as appropriate, additional pre-conditions, if any.

For the avoidance of doubt, any refusal of the Competent Authority (or any other relevant supervisory authority) to grant any permission, approval or other authorisation required in accordance with the Applicable Supervisory Regulations shall not constitute a default for any purpose.]

**[(6)]** *No Early Redemption at the Option of a Holder.* The Holders do not have a right to demand the early redemption of the Notes.

## § 6

## FISCAL AGENT AND PAYING AGENT[S]

(1) *Appointment; Specified Offices.* The initial Fiscal Agent and the initial Principal Paying Agent **[if (a) further paying agent(s) shall be appointed, insert: and the initial Paying Agent(s)]** and **[their respective] [its] initial specified office[s] [are] [is]:**

Fiscal Agent and Principal Paying Agent:

***[If Erste Group Bank AG shall be appointed as initial Fiscal and Principal Paying Agent insert:***

Erste Group Bank AG  
Am Belvedere 1  
A-1100 Vienna  
Austria]

***[If Erste Bank Hungary Zrt. shall be appointed as initial Fiscal and Principal Paying Agent insert:***

Erste Bank Hungary Zrt.  
Népfürdő utca 24-26  
H-1138 Budapest  
Hungary]

***[If another Fiscal and Principal Paying Agent shall be appointed, insert its name and initial specified office.]***

***[If an additional or other paying agent shall be appointed, insert its name and initial specified office.]***

Where these Terms and Conditions refer to the term "Paying Agent(s)", such term shall include the Principal Paying Agent.

The Fiscal Agent and the Paying Agent(s) reserve the right at any time to change their respective specified office to some other specified office in the same city.

(2) *Variation or Termination of Appointment.* The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent or any Paying Agent and to appoint another Fiscal Agent or additional or other Paying Agents. The Issuer shall at all times maintain (i) a Fiscal Agent **[[,] [and]** (ii) so long as the Notes are listed on a stock exchange, a Paying Agent (which may be the Fiscal Agent) with a specified office in such place as may be required by the rules of such stock exchange or its supervisory **[authority] [authorities]]** **[in case of Notes the Specified Currency of which is U.S. dollar, insert: [,] [and] [(iii)]** if payments at or through the offices of all Paying Agents outside the United States become illegal or are effectively precluded because of the imposition of exchange controls or similar restrictions on the full payment or receipt of such amounts in U.S. dollar, a Paying Agent with a specified office in New York]. The Issuer will give notice to the Holders of any variation, termination, appointment or any other change as soon as possible upon the effectiveness of such change.

(3) *Agents of the Issuer.* The Fiscal Agent and , the Paying Agents act solely as agents of the Issuer and do not have any obligations towards or relationship of agency or trust to any Holder.

(4) *Determinations Binding.* All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of these Terms and Conditions by the Fiscal Agent shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Paying Agents and the Holders and, in the absence of the aforesaid, no liability to the Issuer, the Paying Agents or the Holders shall attach to the Fiscal Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

## § 7

## TAXATION

***[If the Notes are issued under German law insert:***

(1) *Gross-up.* All payments of interest or principal by or on behalf of the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**") imposed, levied, collected, withheld or assessed by or



within the Issuer's country of domicile for tax purposes or by any authority in or of the Issuer's country of domicile for tax purposes having power to tax, unless such withholding or deduction is required by law.

If the Issuer is required by law to make any withholding or deduction for any Taxes from any payment of interest in respect of the Notes, the Issuer shall pay such additional amounts (the "**Additional Amounts**") to the Holder as shall result in receipt by that Holder of such amounts as would have been received by the Holder had no such withholding or deduction been required, except that no such Additional Amounts shall be payable with respect to any Note:

- (a) which are payable to, or to a third party on behalf of, a Holder who is liable to such Taxes in respect of such Note by reason of it having some connection with the Issuer's country of domicile for tax purposes other than the mere holding of the Note; or
- (b) in respect of any Taxes which are to be withheld or deducted pursuant to (i) any European Union Directive or Regulation concerning the taxation of interest income, or (ii) any international treaty, agreement or understanding relating to such taxation and to which the Issuer's country of domicile for tax purposes or the European Union is a party, or (iii) any provision of law implementing, or complying with, or introduced to conform with, such Directive, Regulation, treaty, agreement or understanding; or
- (c) in respect of any Taxes which are payable by any person acting as custodian bank or collecting agent on behalf of a Holder, or otherwise in any manner which does not constitute a withholding or deduction by the Issuer from payments of interest made by it.

(2) *U.S. Foreign Account Tax Compliance Act (FATCA)*. The Issuer is authorised to withhold or deduct from amounts payable under the Notes to a Holder or beneficial owner of Notes sufficient funds for the payment of any tax that it is required to withhold or deduct pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), or that is otherwise imposed pursuant to Sections 1471 through 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.]

**[If the Notes are issued under Hungarian law insert:**

(1) *General Taxation*. All payments of principal and interest by or on behalf of the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Hungary or by any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

The Issuer shall withhold or deduct from amounts payable under the Notes to a Holder or beneficial owner of Notes sufficient funds for the payment of any tax that it is required to withhold or deduct under Hungarian law and it shall not be required to pay additional amounts to the Holder in respect of such withholding or deduction.

The Issuer shall not apply the withholding or deduction required by law or apply a lower rate of withholding or deduction if:

- (a) the Holder entitled to payment of interest on the Notes is resident for tax purposes in a jurisdiction with which Hungary has concluded a treaty for the avoidance of double taxation and in accordance with such treaty the relevant payment of interest on the Notes is not subject to taxation in Hungary, or subject to a lower rate of withholding or deduction in Hungary than the rate imposed under the relevant Hungarian law at the time of payment, and
- (b) at least 5 calendar days prior to the relevant interest due date, that Holder has provided to the Paying Agent the forms, certificates and documents as required by relevant Hungarian taxation laws for sake of evidencing residence in the relevant country with which Hungary has concluded a treaty for the avoidance of double taxation and application thereof.

(2) *U.S. Foreign Account Tax Compliance Act (FATCA)*. The Issuer is authorised to withhold or deduct from amounts payable under the Notes to a Holder or beneficial owner of Notes sufficient funds for the payment of any tax that it is required to withhold or deduct pursuant to an agreement described in Section 1471(b) of the

U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), or that is otherwise imposed pursuant to Sections 1471 through 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.]

***[In the case of Notes governed by German law insert:***

## § 8 PRESENTATION PERIOD

The presentation period provided in § 801 (1) sentence 1 German Civil Code (*Bürgerliches Gesetzbuch*) is reduced to ten years for the Notes.]

***[In the case of Notes governed by Hungarian law insert:***

## § 8 NO PRESCRIPTION

Claims against the Issuer for payment in respect of the Notes shall not be prescribed and shall not become void.]

## § 9 FURTHER ISSUES OF NOTES, REPURCHASES AND CANCELLATION

(1) *Further Issues of Notes.* The Issuer may from time to time, without the consent of the Holders, issue further Notes having the same terms as the Notes in all respects (except for the date of issuance, issue price, Interest Commencement Date and/or first Interest Payment Date) so as to form a single series with the Notes.

(2) *Repurchases.* Provided that all applicable regulatory and other statutory restrictions are observed, and provided further that the conditions to redemption and repurchase laid down in § 5 ([5]) are met, the Issuer and any of its Subsidiaries may at any time repurchase Notes in the open market or otherwise. Notes repurchased by the Issuer or any Subsidiary may, at the option of the Issuer or such Subsidiary, be held, resold or surrendered to the Fiscal Agent for cancellation.]

(3) *Cancellation.* All Notes redeemed in full shall be cancelled forthwith and may not be reissued or resold.

## § 10 NOTICES

***[In the case of Notes governed by German law insert:***

(1) *Notices of the Issuer.* All notices of the Issuer concerning the Notes shall be published in such media as determined by law and in electronic form on the website of the Issuer ("www.erstebank.hu"). Any notice so given will be deemed to have been validly given on the fifth calendar day following the date of such publication (or, if published more than once, on the fifth calendar day following the date of the first such publication).

***[Insert only if the Notes are not intended to be admitted to trading on a regulated market and the Issuer wishes to send notices directly to the Holders:***

The Issuer is, in addition, at any time entitled to send notices directly to Holders known to the Issuer.

A "**Holder known to the Issuer**" means a Holder whose contact details are known to the Issuer.

Any such notice shall be deemed to have been validly given upon receipt by the Holder.

If all Holders of a series of Notes are known to the Issuer, the Issuer is entitled to send notices exclusively directly to the Holders. In this case, the Issuer does not have to publish a notice pursuant to sentence 1.

This shall not affect any statutory notice obligations.

Each Holder may provide the Issuer with its contact details (name[,] address [,][and] [fax number] [and] [e-mail address]) by sending them to the following address:

Erste Bank Hungary Zrt. / Capital Markets, 1138 Budapest, Népfürdő u. 24-26., Hungary

Following such notice to the Issuer, the relevant Holder shall be deemed to be a Holder known to the Issuer.]

(2) *Publication of Notices of the Issuer via the Clearing System.* If the publication of notices pursuant to § 10 (1) is no longer required by law, the Issuer may, in lieu of publication in the media set forth in § 10 (1), deliver the relevant notices to the Clearing System, for communication by the Clearing System to the Holders. Any such notice shall be deemed to have been given to the Holders on the seventh calendar day after the calendar day on which said notice was delivered to the Clearing System.]

**[In the case of Notes governed by Hungarian law insert:**

(1) *Publication.* All notices of facts concerning the Notes shall be published on the website of the Issuer ("www.erstebank.hu"). Any notice so given will be deemed to have been validly given on the date of such publication (or, if published more than once, on the date of such publication). This does not affect any applicable mandatory provisions of law. Alternatively, the Issuer shall be entitled to send at any time notices directly to Holders known to the Issuer.

This provision is without prejudice to any applicable publication requirements in accordance with Hungarian capital markets laws.

(2) *Form of Notice to Be Given by any Holder.* Notices regarding the Notes which are to be given by any Holder to the Issuer shall be validly given if delivered in writing in the Hungarian or English language to the Issuer's registered office. The Holder shall provide evidence satisfactory to the Issuer of its holding of the Notes. Such evidence may be (i) a certificate issued by the Clearing System or the Custodian at which the Holder maintains a securities account in respect of the Notes that such Holder is, at the time such notice is given, the Holder of the relevant Notes, or (ii) in any other appropriate manner. "**Custodian**" means any bank or other financial institution of recognised standing authorised to engage in securities custody business with which the Holder maintains a securities account in respect of the Notes and includes the Clearing System.]

**[In the case of Notes governed by German law and in case the provisions of the German Act on Debt Securities regarding the amendment of Terms and Conditions and the appointment of a joint representative shall apply, insert:**

**§ 11**

**AMENDMENT OF THE TERMS AND CONDITIONS, JOINT REPRESENTATIVE**

(1) *Amendment of the Terms and Conditions.* In accordance with the German Act on Debt Securities (*Gesetz über Schuldverschreibungen aus Gesamtemissionen*; the "**Act on Debt Securities**") the Holders may agree with the Issuer on amendments of these Terms and Conditions with regard to matters permitted by the Act on Debt Securities by a Holders' resolution (*Beschluss*) with the majority specified in § 11 (2) below. Majority resolutions of the Holders shall be binding on all Holders alike. A majority resolution of the Holders which does not provide for identical conditions for all Holders is void, unless Holders who are disadvantaged have expressly consented to their being treated disadvantageously.

(2) *Majority Requirements.* Resolutions relating to material amendments of these Terms and Conditions, in particular consents to the measures set out in § 5 (3) of the Act on Debt Securities shall be passed by a majority of not less than 75 per cent. (Qualified Majority) of the votes cast. Resolutions relating to amendments of these Terms and Conditions which are not material require a simple majority of the votes cast.

(3) *Vote without a Meeting.* All votes will be taken exclusively by vote taken without a meeting. A meeting of Holders and the assumption of the fees by the Issuer for such a meeting will only take place in the circumstances set out in § 18 (4) sentence 2 of the Act on Debt Securities.

(4) *Chair of the Vote.* The vote will be chaired by a notary appointed by the Issuer or, if the Joint Representative (as defined below) has convened the vote, by the Joint Representative.

(5) *Voting Right.* Each Holder participating in any vote shall cast its vote in accordance with the nominal amount or the notional share of its entitlement to the outstanding Notes.

(6) *Joint Representative.*

***[If no Joint Representative is designated in the Terms and Conditions insert:***

The Holders may by majority resolution appoint a joint representative (the "**Joint Representative**") to exercise the Holders' rights on behalf of each Holder.]

***[If the Joint Representative is appointed in the Terms and Conditions insert:***

The joint representative (the "**Joint Representative**") to exercise the Holders' rights on behalf of each Holder shall be **[insert name and address of the Joint Representative]**. The liability of the Joint Representative shall be limited to ten times the amount of its annual remuneration, unless the Joint Representative has acted willfully or with gross negligence.]

The Joint Representative shall have the duties and powers provided by law or granted by majority resolution of the Holders. The Joint Representative shall comply with the instructions of the Holders. To the extent that the Joint Representative has been authorised to assert certain rights of the Holders, the Holders shall not be entitled to assert such rights themselves, unless explicitly provided for in the relevant majority resolution. The Joint Representative shall provide reports to the Holders on its activities. The regulations of the Act on Debt Securities apply with regard to the recall and the other rights and obligations of the Joint Representative.]

***[In the case of Notes governed by Hungarian law and if modifications of the Terms and Conditions by a meeting of Holders and appointment of a Joint Representative shall be possible, insert:*****§ 11****AMENDMENT OF THE TERMS AND CONDITIONS, JOINT REPRESENTATIVE**

(1) Amendment of the Terms and Conditions. In accordance with subsequent provisions the Holders may agree with the Issuer on amendments of these Terms and Conditions with regard to certain matters by resolution with the majority specified below. Majority resolutions of the Holders shall be binding on all Holders alike. A majority resolution of the Holders which does not provide for identical conditions for all Holders is void, unless Holders who are disadvantaged have expressly consented to their being treated disadvantageously.

(2) The Holders may consent, by qualified majority resolution as provided by § 11 (8), to the following material measures:

- (a) changes in the due date or reduction or exclusion of interest payments;
- (b) changes in the due date of the principal amount;
- (c) reduction of the principal amount;
- (d) changes in the currency of the Notes;
- (e) waiver or limitation of the Holders' right of termination;
- (f) substitution of the Issuer; and
- (g) amendments to or cancellation of ancillary conditions of the Notes.

All other resolutions/measures to be consented to and/or passed by the Holders (except the measures as stated under point (a) to (g) above) shall be deemed as not material and may be passed by simple majority of the Holders as provided by § 11 (8).

Any amendments will not be made if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to (i) result in a change in the regulatory classification of the Notes that would be likely to result in their exclusion from own funds or reclassification as a lower quality form of own funds, or (ii) prejudice the qualification of the Notes as eligible liabilities or loss absorbing capacity instruments for the purposes of the bank resolution laws applicable to the Issuer from time to time.

(3) *Convening a Meeting of Holders.* The Holders' meeting shall be convened by the Issuer or by the Joint Representative of the Holders. It shall be convened if Holders who together hold 5 per cent. of the outstanding Notes request such convocation in writing for the purpose of appointing or removing a Joint Representative or for any other particular interest in such convocation.

(4) *Contents of the Convening Notice, Publication.* The convening notice shall state the name and the registered office of the Issuer and the time and location of the Holders' meeting, the agenda with explanation

of the proposed decisions, record date and the conditions on which attendance at the Holders' meeting and the exercise of voting rights shall depend, including the form of the power of attorney for exercise of rights at the meeting. The convening notice shall be published pursuant to § 10.

(5) *Convening Period, Evidence.* The Holders' meeting shall be called at least 14 calendar days before the date of the meeting. As evidence for the entitlement to participate in the Holders' meeting a certificate of deposit or an up-to-date securities account statement issued by the Clearing System or the Custodian in text form shall be presented.

(6) *Agenda.* The convening party shall include in the agenda a proposed resolution for each subject on which the Holders' meeting is to pass a resolution. The agenda of the Holders' meeting shall be published together with the convening notice. No resolutions may be passed on agenda items that have not been published in accordance with § 10. Holders who together hold 5 per cent. of the outstanding Notes may request that new items be published for resolution. Such new items must be published in accordance with § 10 no later than the third calendar day preceding the Holders' meeting. Without undue delay and until the date of the Holders' meeting, the Issuer shall make available to the Holders in accordance with § 10, any counter-motions announced by a Holder before the meeting.

(7) *Quorum.* The Chairperson shall prepare a register of Holders participating in the vote. Such register shall include the Holders' names, their registered offices or places of residence and the number of voting rights represented by each Holder. Such register shall be signed by the Chairperson of the meeting and be made available for review without undue delay to all Holders at the location of the Holder's meeting designated in the convening notice. The Holders' meeting shall have a quorum if the persons present represent at least fifty per cent of the outstanding Notes by value. If the Holders' meeting does not have a quorum, the Chairperson may convene a second meeting on a day falling at least three days following the first Holders' meeting for the purposes of passing the resolution(s) anew. Such second meeting requires no quorum. For resolutions which require a qualified majority the persons present must represent at least 25 per cent. of the outstanding Notes. Notes for which voting rights have been suspended shall not be included in the outstanding Notes.

(8) *Majority Requirements.* Resolutions relating to material measures and amendments to the Terms and Conditions as set out in § 11 (2) lit (a) to (g) above shall be passed by a majority of not less than 75 per cent. (Qualified Majority) of the votes cast. Resolutions relating to amendments of these Terms and Conditions which are not material require a simple majority of the votes cast.

(9) *Vote without a Meeting.* All votes will be taken exclusively by vote taken without a meeting. The vote shall be conducted by the scrutineer. The scrutineer shall be a notary appointed by the Issuer, or the Joint Representative of the Holders if the meeting has been convened by him. The request for voting shall set out the period within which votes may be cast. Such period shall be at least 72 hours. During the voting period, the Holders may cast their votes to the scrutineer in written form as specified in the convening notice. The request shall set out in detail the conditions to be met in order for the votes to be valid. The scrutineer shall ascertain the entitlement to cast a vote by means of the evidence provided and shall prepare a list of Holders entitled to vote. If it is ascertained that no quorum exists, the scrutineer may convene a Holders' meeting, which shall be deemed to be a second Holders' meeting within the meaning of § 11 (7). Any resolution passed by the vote shall be recorded in the minutes by a notary. Each Holder participating in the vote may request within one year of the end of the voting period a copy of the minutes and its annexes from the Issuer. Each Holder participating in the vote may object to the result in writing within two weeks of publication of the resolutions. The scrutineer shall decide on any such objection. If it takes remedial action as a result of the objection, it shall publish the result without undue delay. § 11 (13) shall apply mutatis mutandis. If the scrutineer does not take remedial action as a result of the objection, it shall notify the objecting Holder without undue delay in writing.

(10) *Voting Right.* Each Holder shall participate in votes in accordance with the principal amount of the outstanding Notes held by such Holder. Voting rights are suspended with respect to the shares attributable to the Issuer or any of its Subsidiaries or held for the account of the Issuer or any of its Subsidiaries. The Issuer may not make available Notes for which the voting rights have been suspended to any third party for the purposes of exercising the voting rights in lieu of the Issuer. This shall also apply to any Subsidiaries of the Issuer. Exercise of voting rights for the purposes specified above is prohibited. It is prohibited to offer, promise or grant any advantage as consideration to any person entitled to vote not to vote, or to vote in a particular way, in a Holders' meeting or a vote. No person entitled to vote may require, accept any promise of

or accept any advantage or consideration for not voting, or voting in a particular way, in a Holders' meeting or a vote.

(11) *Chair of the Vote.* The vote will be chaired by a notary appointed by the Issuer or, if the Joint Representative has convened the vote, by the Joint Representative (the "**Chairperson**").

(12) *Voting, Minutes.* In order to be valid, any resolution passed by the Holders' meeting shall be recorded in minutes of the meeting. The minutes shall be recorded by a notary.

(13) *Publication of Resolutions.* The Issuer shall publish the resolutions passed by the Holders in appropriate form and at its own expense. The resolutions shall be published without undue delay pursuant § 10. In addition, for a period of one month commencing on the calendar day following the Holders' meeting, the Issuer shall make available in accordance with § 10 the resolutions passed by the Holders and, if these Terms and Conditions are amended by a Holders' resolution, the consolidated version of the new Terms and Conditions.

(14) *Joint Representative.*

***[If no Joint Representative is designated in the Terms and Conditions insert:***

The Holders may by a simple majority resolution appoint a joint representative (the "**Joint Representative**") to exercise the Holders' rights on behalf of each Holder.]

***[If the Joint Representative is appointed in the Terms and Conditions insert:***

The joint representative (the "**Joint Representative**") to exercise the Holders' rights on behalf of each Holder shall be **[insert name and address of the Joint Representative]**. The liability of the Joint Representative shall be limited to ten times the amount of its annual remuneration, unless the Joint Representative has acted wilfully or with gross negligence.]

The Joint Representative shall have the duties and powers granted by a simple majority resolution of the Holders. The Joint Representative shall comply with the instructions of the Holders. To the extent that the Joint Representative has been authorised to assert certain rights of the Holders, the Holders shall not be entitled to assert such rights themselves, unless explicitly provided for in the relevant simple majority resolution. The Joint Representative shall provide reports to the Holders on its activities. The Joint Representative shall be liable to the Holders as joint and several creditors for the due performance of its duties. In the performance of its duties, it shall act with the care of a prudent representative. The Joint Representative's liability may be limited by resolution of the Holders. An assertion of compensation claims against the Joint Representative shall be decided by the Holders. The Joint Representative may be removed by the Holders at any time without reason. The Joint Representative may require the Issuer to provide any information that is necessary for the performance of its duties.]

## § [12] APPLICABLE LAW, PLACE OF JURISDICTION AND ENFORCEMENT

***[In the case of Notes governed by German law insert:***

(1) *Applicable Law.* The Notes, as to form and content, and all rights and obligations of the Holders and the Issuer, shall be governed by, and shall be construed exclusively in accordance with, German law, save for the provisions of § 2, which shall be governed by, and shall be construed exclusively in accordance with, Hungarian law.

(2) *Place of Jurisdiction.* The courts in Frankfurt am Main, Federal Republic of Germany, shall have non-exclusive jurisdiction for any action or other legal proceedings (the "**Proceedings**") arising out of or in connection with the Notes. The Issuer appoints Erste Group Bank AG, Friedrichstraße 10, 70174 Stuttgart, Federal Republic of Germany, as its authorised agent for accepting service of process in connection with any Proceedings before German courts.

(3) *Enforcement.* Any Holder of Notes may in any Proceedings against the Issuer, or to which such Holder and the Issuer are parties, protect and enforce in its own name its rights arising under such Notes on the basis of (i) a statement issued by the Custodian with whom such Holder maintains a securities account in respect of the Notes (a) stating the full name and address of the Holder, (b) specifying the aggregate

principal amount of the Notes credited to such securities account on the date of such statement and (c) confirming that the Custodian has given written notice to the Clearing System containing the information pursuant to (a) and (b), and (ii) a copy of the Global Note certified as being a true copy by a duly authorised officer of the Clearing System or a depositary of the Clearing System, without the need for production in such Proceedings of the actual records or the Global Note representing the Notes. Each Holder may, without prejudice to the foregoing, protect and enforce its rights under the Notes also in any other way which is admitted in the country of the Proceedings.]

***[In the case of Notes governed by Hungarian law insert:***

(1) *Applicable Law.* The Notes and any non-contractual obligations arising out of or in connection with the Notes are governed by, and shall be construed in accordance with Hungarian law.

(2) *Place of Jurisdiction.* The competent Hungarian courts shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with any Notes (including any legal action or proceedings relating to any non-contractual obligations arising out of or in connection with Notes), to the extent permissible according to applicable mandatory consumer protection legislation.

(3) *Enforcement.* Any Holder may in any proceedings against the Issuer, or to which such Holder and the Issuer are parties, protect and enforce in its own name its rights arising under Notes in any way which is admitted in the country of the proceedings and which is permitted by the applicable mandatory provisions of law.]

## OPTION II – NOTES WITH A FLOATING INTEREST RATE

### [OPTION II – TERMS AND CONDITIONS FOR NOTES WITH A FLOATING INTEREST RATE:

#### § 1 CURRENCY, DENOMINATION, FORM, CERTAIN DEFINITIONS

(1) *Currency, Denomination.* This series of [notes] [subordinated notes] (the "**Notes**") is being issued by Erste Bank Hungary Zrt., with registered office at 1138 Budapest, Népfürdő utca 24-26., Hungary, Identification Number Cg. 01-10-041054 registered with the Company Registry Court of Budapest - Capital Regional Court (the "**Issuer**") in [insert specified currency] (the "**Specified Currency**") in the aggregate principal amount of [in case of Notes offered and issued as tap issues insert: up to] [insert specified currency and aggregate principal amount] (in words: [insert aggregate principal amount in words]) in the denomination of [insert specified currency and specified denomination] (the "**Specified Denomination**"). [If the Notes are governed by Hungarian law insert: Upon oversubscription, the Issuer reserves the right to alter the announced issue amount and determine the final aggregate principal amount of the Notes issued.]

(2) *Form.*

[If the Notes are governed by German law insert: The Notes are being issued in bearer form.]

[If the Notes are issued in domestic notes form governed by Hungarian law insert: The Notes are being issued as dematerialised registered securities (in Hungarian "*dematerializált, névre szóló*").]

[In case of Notes governed by German law insert:

(3) *Permanent Global Note.* The Notes are represented by a permanent global note in classical global note form (the "**Permanent Global Note**" or the "**Global Note**") without coupons; the claim for interest payments under the Notes is represented by the Permanent Global Note. The Permanent Global Note shall be signed by or on behalf of the Issuer. Definitive Notes and coupons will not be issued, and the Holders have no right to require the printing and delivery of definitive Notes and coupons.]

[In case of Notes governed by Hungarian law insert:

(3) *Title to the Notes.* The Notes will be owned by the relevant Holder of the Notes. The Notes will be recorded with the relevant account in relation to the Holder held with an investment service provider maintaining central securities account at Hungarian Central Depository. The Hungarian Central Depository maintains the client accounts of investment service providers which manage the Notes (the "**Holders' Registry**").]

(4) *Clearing System.*

[In case of Notes governed by German law insert:

The Global Note will be kept in custody by or on behalf of a Clearing System until all obligations of the Issuer under the Notes have been satisfied. "**Clearing System**" means [OeKB CSD GmbH, Strauchgasse 1-3, 1010 Vienna, Austria ("**OeKB**"), also for Clearstream Banking, S.A., Luxembourg, 42 Avenue J.F. Kennedy, 1855 Luxembourg, Grand Duchy of Luxembourg ("**CBL**") and Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, 1210 Brussels, Belgium ("**Euroclear**") as account holders in OeKB] [,] [and] [specify other Clearing System] and any successor in such capacity.]

[In case of Notes governed by Hungarian law insert:

The Notes will be kept and cleared in KELER Központi Értéktár Zártkörűen Működő Részvénytársaság (registered seat: 1074 Budapest, Rákóczi út 70-72; company registration number: 01-10-042346) as the central depository (the "**Hungarian Central Depository**" or the "**Clearing System**") and any successor in such capacity.]

[In case of Notes governed by German law insert:

(5) *Holder of Notes.* "**Holder**" means any holder of a proportionate co-ownership or other comparable right in the Global Note which may be transferred to a new Holder in accordance with the provisions of the Clearing System.]



**[In case of Notes governed by Hungarian law insert:**

(5) *Holder of Notes.* "**Holder**" means any holder of Notes to whose securities account such Notes are credited to. The title to the Notes will be transferred via change of ownership of the Notes in accordance with Hungarian law and with the rules of the Clearing System by transferring the Notes from the securities account of the Holder to the securities account of the new holder. The Holders are solely responsible to carry out all acts and formalities required for the change of ownership of the Notes.]

**(6) Certain Definitions.**

"**Applicable Supervisory Regulations**" means, at any time, any requirements under laws and any regulations, requirements, standards, guidelines, policies or other rules thereunder applicable from time to time (including, but not limited to, the guidelines and decisions of the European Banking Authority, the European Central Bank, the Competent Authority, the Single Resolution Board and/or the Resolution Authority, the administrative practice of any such authority, any applicable decision of a court and any applicable transitional provisions) relating to prudential requirements and/or resolution and applicable to the Issuer, on an individual and/or (sub-) consolidated basis, as the case may be, from time to time, including but not limited to the provisions of the applicable national banking act (i.e. the Hungarian Banking Act), the applicable national recovery and resolution act, the applicable national insolvency act, the BRRD, the SRM Regulation, the CRD, the CRR and the SSM Regulation, or such other law, regulation or directive as may come into effect in place thereof, as applicable to the Issuer on an individual and/or (sub-) consolidated basis, as the case may be, at the relevant time.

"**BRRD**" means the Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 (*Bank Recovery and Resolution Directive*), as implemented in Hungary and as amended or replaced from time to time, and any references to relevant provisions of the BRRD in these Terms and Conditions include references to any applicable provisions of law amending or replacing such provisions from time to time.

"**Business Day**" means a day (other than a Saturday or a Sunday) on which

**[If the Specified Currency is Euro, the following applies:**

(i) the Clearing System and (ii) all relevant parts of the Trans-European Automated Real-time Gross settlement Express Transfer system 2 or its successor ("**TARGET**") are open to effect payments.]

**[If the Specified Currency is not Euro, the following applies:**

(i) the Clearing System is open and (ii) commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in **[insert all relevant financial centres]** **[insert, as applicable:** and (iii) all relevant parts of the Trans-European Automated Real-time Gross Settlement Express Transfer System 2 or its successor ("**TARGET**") are open to effect payments].]

"**Competent Authority**" means the competent authority pursuant to Article 4(1)(40) CRR and/or Article 9(1) SSM Regulation, in each case, which is responsible to supervise the Issuer on an individual basis and/or (sub-) consolidated basis.

"**CRD**" means the Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 (*Capital Requirements Directive*), as amended or replaced from time to time, and any references to relevant provisions of the CRD in these Terms and Conditions include references to any applicable provisions of law amending or replacing such provisions from time to time.

"**CRR**" means the Regulation (EU) No 575/2013 of the European Parliament and the Council of 26 June 2013 (*Capital Requirements Regulation*), as amended or replaced from time to time, and any references to relevant provisions of the CRR in these Terms and Conditions include references to any applicable provisions of law amending or replacing such provisions from time to time.

"**Hungarian Banking Act**" means Act CCXXXVII of 2013 on Credit Institutions and Financial Enterprises as amended and any references in these Terms and Conditions to any relevant provisions of the Hungarian Banking Act include references to any applicable provisions of law amending or replacing such provisions from time to time.

"**Resolution Authority**" means the authority pursuant to Article 4(1)(130) CRR.

**"SRM Regulation"** means the Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014 (*Single Resolution Mechanism Regulation*), as amended or replaced from time to time, and any references to relevant provisions of the SRM Regulation in these Terms and Conditions include references to any applicable provisions of law amending or replacing such provisions from time to time.

**"SSM Regulation"** means the Council Regulation (EU) No 1024/2013 of 15 October 2013 (*Single Supervisory Mechanism Regulation*), as amended or replaced from time to time, and any references to relevant provisions of the SSM Regulation in these Terms and Conditions include references to any applicable provisions of law amending or replacing such provisions from time to time.

**"Subsidiary"** means any subsidiary of the Issuer pursuant to Article 4(1)(16) CRR.

**"Terms and Conditions"** means these terms and conditions of the Notes.

**"United States"** means the United States of America (including the States thereof and the District of Columbia) and its possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and Northern Mariana Islands).

## § 2 STATUS

### **[In the case of Preferred Senior Notes insert:**

(1) *Status*. The Notes constitute direct, unsecured and unsubordinated obligations of the Issuer. In the event of the involuntary liquidation (*felszámolás*) of the Issuer, the voluntary liquidation (*végelszámolás*) of the Issuer, the enforcement (*végrehajtás*) against the Issuer's assets or it is decided on the Issuer's insolvency (*fizetéseképtelenség*), the obligations of the Issuer under the Notes

- (a) rank *pari passu* (i) among themselves and (ii) (subject to any applicable statutory exceptions and without prejudice to the aforesaid) with all other present or future unsecured and unsubordinated obligations of the Issuer which rank or are expressed to rank *pari passu* with the Issuer's obligations under the Notes;
- (b) rank senior to all present or future obligations under (i) Non-Preferred Senior Instruments and any obligations of the Issuer that rank *pari passu* with Non-Preferred Senior Instruments and (ii) all subordinated obligations of the Issuer; and
- (c) will be fully subordinated to the Issuer's Senior Ranking Obligations, so that in any such event no amounts will be payable in respect of the Notes until the Issuer's Senior Ranking Obligations have been satisfied in full.

**"Issuer's Senior Ranking Obligations"** means all obligations of the Issuer which pursuant to mandatory provisions of law, rank or are expressed to rank senior to the obligations of the Issuer under the Notes.

**"Non-Preferred Senior Instruments"** means any obligations of the Issuer which fall or are expressed to fall within the category of obligations described in Section 57(1b) of the Hungarian Banking Act implementing Article 108(2) BRRD and any other obligations of the Issuer which, to the extent permitted by Hungarian law, rank or are expressed to rank *pari passu* with the Non-Preferred Senior Instruments of the Issuer.]

### **[In the case of Non-preferred Senior Notes insert:**

(1) *Status*. The Notes constitute direct, unsecured, non-preferred and unsubordinated obligations of the Issuer. In the event of the involuntary liquidation (*felszámolás*) of the Issuer, the voluntary liquidation (*végelszámolás*) of the Issuer, the enforcement (*végrehajtás*) against the Issuer's assets or it is decided on the Issuer's insolvency (*fizetéseképtelenség*), the obligations of the Issuer under the Notes in respect of the principal amount of the Notes

- (a) rank *pari passu* (i) among themselves and (ii) with all other present or future Non-Preferred Senior Instruments; and
- (b) rank senior to all present or future obligations of the Issuer under (i) ordinary shares and other Common Equity Tier 1 instruments pursuant to Article 28 CRR of the Issuer; (ii) Additional Tier 1 instruments pursuant to Article 52 CRR of the Issuer; (iii) Tier 2 instruments pursuant to Article 63 CRR of the Issuer; and (iv) all other subordinated obligations of the Issuer not referred to in clauses (i) to (iii) of this § 2 (1) (b); and

- (c) will be fully subordinated to the Issuer's Senior Ranking Obligations, so that in any such event no amounts will be payable in respect of the Notes until the Issuer's Senior Ranking Obligations have been satisfied in full.

**"Issuer's Senior Ranking Obligations"** means all unsecured and unsubordinated obligations of the Issuer (other than Non-Preferred Senior Instruments) which, in accordance with their terms or pursuant to mandatory provisions of law, rank or are expressed to rank senior to the obligations of the Issuer under the Notes.

**"Non-Preferred Senior Instruments"** means any obligations of the Issuer which fall or are expressed to fall within the category of obligations described in Section 57(1b) of the Hungarian Banking Act implementing Article 108(2) BRRD and any other obligations of the Issuer which, to the extent permitted by Hungarian law, rank or are expressed to rank *pari passu* with the Non-Preferred Senior Instruments of the Issuer.]

**[In the case of Subordinated Notes insert:**

(1) *Status.* The Notes shall qualify as Tier 2 Instruments and constitute direct, unsecured and subordinated obligations of the Issuer. In the event of the involuntary liquidation (*felszámolás*) of the Issuer or it is decided on the Issuer's insolvency (*fizetéseképtelenség*), the obligations of the Issuer under the Notes in respect of the principal amount of the Notes

- (a) rank *pari passu* (i) among themselves; and (ii) with all other present or future claims from Tier 2 Instruments and other subordinated instruments or obligations of the Issuer (other than subordinated instruments or obligations of the Issuer ranking or expressed to rank senior or junior to the Notes);
- (b) rank senior to all present or future obligations under (i) ordinary shares and other Common Equity Tier 1 instruments pursuant to Article 28 CRR of the Issuer; (ii) Additional Tier 1 instruments pursuant to Article 52 CRR of the Issuer; and (iii) all other subordinated instruments or obligations of the Issuer ranking or expressed to rank junior to the Notes; and
- (c) will be fully subordinated to the Issuer's Senior Ranking Obligations, so that in any such event no amounts will be payable in respect of the Notes until the Issuer's Senior Ranking Obligations have been satisfied in full.

**"Issuer's Senior Ranking Obligations"** means (i) all unsecured and unsubordinated obligations of the Issuer; (ii) all eligible liabilities instruments of the Issuer pursuant to Article 72b CRR; and (iii) any other subordinated obligations of the Issuer which, in accordance with their terms or pursuant to mandatory provisions of law, rank or are expressed to rank senior to the obligations of the Issuer under the Notes at the relevant time.

**"Tier 2 Instruments"** means any (directly or indirectly issued) capital instruments of the Issuer that qualify as Tier 2 instruments pursuant to Article 63 CRR, including any capital (or other) instruments that qualify as Tier 2 items pursuant to transitional provisions under the CRR.]

(2) *No Set-off/Netting, No Security/Guarantee and No Enhancement of Seniority.* The Notes are not subject to any set off arrangements or netting rights that would undermine their capacity to absorb losses in resolution.

The Notes are neither secured, nor subject to any guarantee or any other arrangement that enhances the seniority of the claims under the Notes.

(3) *Subsequent Modifications of the Ranking and the Term as well as any Notice Periods.* No subsequent agreement may modify the ranking of the Notes or shorten the term of the Notes or any applicable notice period.

(4) *Note on the possibility of statutory resolution measures.* Prior to any involuntary liquidation (*felszámolás*) of the Issuer, any voluntary liquidation (*végelszámolás*) of the Issuer, any enforcement (*végrehajtás*) against the Issuer's assets or it is decided on the Issuer's insolvency (*fizetéseképtelenség*), under the Applicable Supervisory Regulations, the competent Resolution Authority may write down (including to zero) the obligations of the Issuer under the Notes, convert them into shares or other instruments of ownership of the Issuer, in each case in whole or in part, or apply any other resolution measure, including (but not limited to) any deferral of the obligations, any transfer of the obligations to another entity, an amendment of the Terms and Conditions or a cancellation of the Notes.

### § 3 INTEREST

(1) *Rate of Interest and Interest Payment Dates.* Each Note bears interest on its Specified Denomination at the rate *per annum* equal to the Rate of Interest (as defined below) from and including **[insert Interest Commencement Date]** (the "Interest Commencement Date") to but excluding the first Interest Payment Date and thereafter from and including each Interest Payment Date to but excluding the next following Interest Payment Date. Interest on the Notes will be payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with § 3 (3).

"Interest Payment Date" means, subject to the Business Day Convention, **[insert Specified Interest Payment Dates and if applicable, any short or long first coupon]** in each year.

"Business Day Convention" has the following meaning: If any Interest Payment Date would otherwise fall on a calendar day which is not a Business Day (as defined in § 1 (6)),

**[In the case of Modified Following Business Day Convention (adjusted), the following applies:**

the Interest Payment Date shall be postponed to the next calendar day which is a Business Day unless it would thereby fall into the next calendar month, in which event the Interest Payment Date shall be brought forward to the immediately preceding Business Day.]

**[In the case of Following Business Day Convention (adjusted), the following applies:**

the Interest Payment Date shall be postponed to the next calendar day which is a Business Day.]

**[In the case of Preceding Business Day Convention (adjusted), the following applies:**

the Interest Payment Date shall be brought forward to the immediately preceding Business Day.]

**[In the case of Modified Following Business Day Convention (unadjusted), the following applies:**

the relevant interest payment shall be made on the next calendar day which is a Business Day unless it would thereby fall into the next calendar month, in which event the relevant interest payment shall be made on the immediately preceding Business Day (the Interest Period shall not be adjusted accordingly).]

**[In the case of Following Business Day Convention (unadjusted), the following applies:**

the Holder shall not be entitled to the relevant interest payment until the next day that is a Business Day and shall not be entitled to further interest or other payment in respect of such delay (the Interest Period shall not be adjusted accordingly).]

**[In the case of Preceding Business Day Convention (unadjusted), the following applies:**

the relevant interest payment shall be made on the immediately preceding Business Day (the Interest Period shall not be adjusted accordingly).]

(2) *Rate of Interest.*

The "Rate of Interest" for each Interest Period (as defined below) will be a rate *per annum* equal to the Reference Rate (as defined below) **[plus] [minus]** the Margin (as defined below) **[in case of a Factor insert: [and]** multiplied by the factor **[insert Factor]**, subject to a minimum of 0.00 per cent. *per annum*.

The Calculation Agent will, subject to § 3 (4), determine the relevant Reference Rate in accordance with this § 3 (2) on each Interest Determination Date.

The "Reference Rate" for each Interest Period will be,

- (A) as long as no Benchmark Event (as defined in § 3 (4)(iv)) has occurred,
  - (i) the Original Benchmark Rate on the relevant Interest Determination Date, as determined by the Calculation Agent; or
  - (ii) the Reference Bank Rate on the relevant Interest Determination Date if the Screen Page is unavailable or if the Original Benchmark Rate does not appear on the Screen Page as at such time on the relevant Interest Determination Date, all as determined by the Calculation Agent;

- (B) if a Benchmark Event has occurred, determined in accordance with § 3 (4) for each Interest Period commencing on or after the Effective Date (as defined in § 3 (4)(i)).

***[If the Reference Rate is EURIBOR the following applies:]***

**"Original Benchmark Rate"** in respect of any calendar day means (subject to § 3 (4)) the ***[insert applicable number of months]***-month Euro Interbank Offered Rate (expressed as a percentage rate *per annum*) fixed at, and appearing on the Screen Page as of [11:00 a.m. (Brussels time)] ***[insert other applicable time and financial centre]*** on such calendar day and which is calculated by its benchmark administrator using the methodology current on the Interest Commencement Date.

**"Reference Bank Rate"** means the rate (expressed as a percentage rate *per annum*) at which deposits in Euro are offered by the Reference Banks (as defined below) at approximately [11:00 a.m. (Brussels time)] ***[insert other applicable time and financial centre]*** on the relevant Interest Determination Date to prime banks in the Euro-Zone interbank market for the relevant Interest Period and in a Representative Amount, assuming an Actual/360 day count basis, determined as follows: The Issuer shall request each of the Reference Banks (as defined below) to provide the Calculation Agent with its offered quotation. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Reference Rate for such Interest Period shall be the arithmetic mean (rounded if necessary to the nearest one thousandth of a percentage point, with 0.0005 being rounded upwards) of such offered quotations, all as determined by the Calculation Agent.

If on the relevant Interest Determination Date only one or none of the selected Reference Banks provides the Calculation Agent with such offered quotations as provided in the preceding paragraph, the Reference Bank Rate for the relevant Interest Period shall be the rate *per annum* which the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the nearest one thousandth of a percentage point, with 0.0005 being rounded upwards) of the rates, as communicated at approximately [11:00 a.m. (Brussels time)] ***[insert other applicable time and financial centre]*** at the request of the Issuer to the Calculation Agent by major banks in the Euro-Zone interbank market, selected by the Calculation Agent, at which such banks offer, on the relevant Interest Determination Date, loans in Euro for the relevant Interest Period and in a Representative Amount to leading European banks.

If the Reference Bank Rate cannot be determined in accordance with the foregoing provisions of this definition of the term "Reference Bank Rate", the Reference Bank Rate for the relevant Interest Period shall be equal to the Original Benchmark Rate on the Screen Page on the last day preceding the Interest Determination Date on which such Original Benchmark Rate was displayed.

Where:

**"Euro-Zone"** means the region comprised of those member states of the European Union that have adopted, or will have adopted from time to time, the single currency in accordance with the Treaty establishing the European Community (signed in Rome on 25 March 1957), as amended by the Treaty on European Union (signed in Maastricht on 7 February 1992) and the Amsterdam Treaty of 2 October 1997, as further amended from time to time.

**"Interest Determination Date"** means the second TARGET Business Day prior to the commencement of the relevant Interest Period.

**"Interest Period"** means the period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including an Interest Payment Date to but excluding the following Interest Payment Date.

**["Margin"** means ***[insert number]*** per cent. *per annum*.]

**"Reference Banks"** means the principal Euro-Zone office of [four]***[insert other number]*** major banks in the Euro-Zone interbank market, in each case selected by the Issuer.

**"Representative Amount"** means an amount that is representative for a single transaction in the relevant market at the relevant time.

**"Screen Page"** means [the Reuters screen page EURIBOR01 or such other screen page of Reuters or such other information service which is the successor to Reuters screen page EURIBOR01] ***[insert other applicable Screen Page]***.

**"TARGET Business Day"** means a calendar day on which all relevant parts of the Trans-European Automated Real-time Gross settlement Express Transfer system 2 (TARGET) are open to effect payments.]

**[If the Reference Rate is not EURIBOR the following applies:**

**"Original Benchmark Rate"** in respect of any calendar day means (subject to § 3 (4)) the **[insert applicable reference rate]** (expressed as a percentage rate *per annum*) fixed at and appearing on the Screen Page as of **[insert applicable time and financial centre]** on such calendar day and which is calculated by its benchmark administrator using the methodology current on the Interest Commencement Date.

**"Reference Bank Rate"** means the rate (expressed as a percentage rate *per annum*) at which deposits in the Specified Currency are offered by the Reference Banks (as defined below) at approximately **[insert applicable time and financial centre]** on the relevant Interest Determination Date to prime banks in the **[insert relevant city of the interbank market]** interbank market for the relevant Interest Period and in a Representative Amount, assuming an **[insert the day count basis that is customarily used for the Original Benchmark Rate in the Specified Currency]** day count basis, determined as follows: The Issuer shall request each of the Reference Banks (as defined below) to provide the Calculation Agent with its offered quotation. If **[two]** **[insert other number]** or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Reference Rate for such Interest Period shall be the arithmetic mean (rounded if necessary to the nearest **[insert relevant fraction]** of a percentage point, with **[insert relevant fraction]** being rounded upwards) of such offered quotations, all as determined by the Calculation Agent.

If on the relevant Interest Determination Date only one or none of the selected Reference Banks provides the Calculation Agent with such offered quotations as provided in the preceding paragraph, the Reference Bank Rate for the relevant Interest Period shall be the rate *per annum* which the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the nearest **[insert relevant fraction]** of a percentage point, with **[insert relevant fraction]** being rounded upwards) of the rates, as communicated at approximately **[insert applicable time and financial centre]** at the request of the Issuer to the Calculation Agent by major banks in the **[insert relevant interbank market]**, selected by the Calculation Agent, at which such banks offer, on the relevant Interest Determination Date, loans in the Specified Currency for the relevant Interest Period and in a Representative Amount to leading European banks.

If the Reference Bank Rate cannot be determined in accordance with the foregoing provisions of this definition of the term "Reference Bank Rate", the Reference Bank Rate for the relevant Interest Period shall be equal to the Original Benchmark Rate on the Screen Page on the last day preceding the Interest Determination Date on which such Original Benchmark Rate was displayed.

Where:

**"Interest Determination Date"** means **[insert relevant Interest Determination Date]**.

**"Interest Period"** means each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including an Interest Payment Date to but excluding the following Interest Payment Date.

**[in case a special business day determination is required insert relevant business day definition]**

**["Margin"** means **[insert number]** per cent. *per annum*.]

**"Reference Banks"** means **[insert place of principal office]** of **[four][insert other number]** major banks in the **[insert relevant city]** interbank market, in each case selected by the Issuer.

**"Representative Amount"** means an amount that is representative for a single transaction in the relevant market at the relevant time.

**"Screen Page"** means **[insert applicable Screen Page]**.]

(3) *Calculation of Amount of Interest.* The Calculation Agent will, on or as soon as practicable after each date at which the Rate of Interest is to be determined, calculate the amount of interest (the **"Interest Amount"**) payable on the Notes in respect of each Specified Denomination for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest and the Day Count Fraction (as defined below) to each Specified Denomination and rounding the resulting figure **[if the Specified Currency is Euro insert: to the nearest 0.01 Euro, 0.005 Euro being rounded upwards.] [if the Specified Currency is not**

**Euro insert:** to the nearest minimum [sub-unit]<sup>4</sup> [unit]<sup>5</sup> of the Specified Currency, with 0.5 of such [sub-unit]<sup>1</sup> [unit]<sup>2</sup> being rounded upwards].

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Note for any period of time (whether or not constituting an Interest Period, the "**Calculation Period**"):

**[If "Actual/Actual (ICMA)" applies, insert:**

1. if the Calculation Period is equal to or shorter than the Determination Period during which the Calculation Period ends, the number of calendar days in such Calculation Period divided by the product of (x) the number of calendar days in such Determination Period and (y) the number of Determination Dates (as specified below) that would occur in any year; or
2. if the Calculation Period is longer than the Determination Period during which the Calculation Period ends, the sum of
  - (A) the number of calendar days in such Calculation Period falling in the Determination Period in which the Calculation Period begins divided by the product of (x) the number of calendar days in such Determination Period and (y) the number of Determination Dates that would occur in any year; and
  - (B) the number of calendar days in such Calculation Period falling in the next Determination Period divided by the product of (x) the number of calendar days in such Determination Period and (y) the number of Determination Dates that would occur in any year.

"**Determination Period**" means the period from, and including, a Determination Date to, but excluding, the next Determination Date (including, where the Interest Commencement Date is not a Determination Date, the period commencing on the first Determination Date prior to the Interest Commencement Date, and where the final Interest Payment Date is not a Determination Date, the first Determination Date falling after the final Interest Payment Date, as the case may be).

"**Determination Date**" means **[insert Determination Date(s)]** in each year.]

**[If "Actual/Actual (ISMA/Hungarian Bonds)" applies, insert:**

the actual number of calendar days in the Calculation Period divided by 365 (or 366 if that Calculation Period includes 29 February).]

**[If "Actual/365 (Fixed)" applies, insert:**

the actual number of calendar days in the Calculation Period divided by 365.]

**[If "Actual/360" applies, insert:**

the actual number of calendar days in the Calculation Period divided by 360.]

**[If "30/360", "360/360" or "Bond Basis" applies, insert:**

the number of calendar days in the Calculation Period divided by 360, the number of calendar days to be calculated on the basis of a year of 360 calendar days with twelve 30-calendar day months (unless (1) the last calendar day of the Calculation Period is the 31<sup>st</sup> calendar day of a month but the first calendar day of the Calculation Period is a calendar day other than the 30<sup>th</sup> or 31<sup>st</sup> calendar day of a month, in which case the month that includes that last calendar day shall not be considered to be shortened to a 30-calendar day month, or (2) the last calendar day of the Calculation Period is the last calendar day of the month of February in which case the month of February shall not be considered to be lengthened to a 30-calendar day month).]

<sup>4</sup> Not for Japanese Yen.

<sup>5</sup> Only for Japanese Yen.

**[If "30E/360" or "Eurobond Basis" applies, insert:**

the number of calendar days in the Calculation Period divided by 360 (the number of calendar days to be calculated on the basis of a year of 360 calendar days with twelve 30-calendar day months, without regard to the date of the first calendar day or last calendar day of the Calculation Period unless, in the case of the final Calculation Period, the Maturity Date is the last calendar day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-calendar day month).]

**(4) New Benchmark Rate.**

- (i) **Benchmark Event.** In the event of a Benchmark Event (as defined below),
  - (A) the Issuer shall, as soon as this is (in the Issuer's view) required following the occurrence of the Benchmark Event and prior to the next Interest Determination Date, use reasonable endeavours to appoint an Independent Advisor (as defined below) that shall determine in its reasonable discretion (in consultation with the Calculation Agent) a New Benchmark Rate (as defined below) which shall replace the Original Benchmark Rate affected by the Benchmark Event, the Adjustment Spread (in accordance with subparagraph § 3 (4)(ii) below) and the Benchmark Amendments (in accordance with subparagraph § 3 (4)(iii) below) (if required); or
  - (B) if, prior to the 10th Business Day prior to the Effective Date (as defined below), no Independent Advisor is or can be appointed by the Issuer or if an Independent Advisor is appointed by the Issuer, but has not determined a New Benchmark Rate, has not determined the Adjustment Spread and/or has not determined the Benchmark Amendments (if required), then the Issuer shall determine in its reasonable discretion (in consultation with the Calculation Agent) a New Benchmark Rate which shall replace the Original Benchmark Rate affected by the Benchmark Event, the Adjustment Spread and the Benchmark Amendments (if required).

Any New Benchmark Rate, the Adjustment Spread and any Benchmark Amendments shall apply from (and including) the Interest Determination Date selected by the Independent Advisor (in the case of (A) above) or the Issuer (in the case of (B) above) in its reasonable discretion, which shall fall no earlier than the Interest Determination Date falling on or, if it is not an Interest Determination Date, the Interest Determination Date immediately following the date on which the Benchmark Event becomes effective (the "**Effective Date**").

Notwithstanding the generality of the foregoing, and without prejudice to the definitions of Adjustment Spread, New Benchmark Rate, Substitute Benchmark Rate and Alternative Benchmark Rate below, the Independent Advisor (in the case of (A) above) or the Issuer (in the case of (B) above) shall, when making any determination in accordance with this § 3 (4), take into consideration any Official Substitution Concept, any Industry Solution or any Generally Accepted Market Practice.

- (ii) **Adjustment Spread.** The Independent Advisor (in the case of § 3 (4)(i)(A) above) or the Issuer (in the case of § 3 (4)(i)(B) above) shall determine in its reasonable discretion the Adjustment Spread (as defined below), and such Adjustment Spread shall be applied to the New Benchmark Rate.
- (iii) **Benchmark Amendments.** If the Independent Advisor (in the case of § 3 (4)(i)(A) above) or the Issuer (in the case of § 3 (4)(i)(B) above) determines in its reasonable discretion a New Benchmark Rate, the Issuer shall also be entitled to make, in its reasonable discretion, such adjustments to the Terms and Conditions relating to the determination of the Original Benchmark Rate (including, without limitation, the Interest Determination Date, the Day Count Fraction, the Business Days, the Business Day Convention, the relevant time and the relevant Screen Page for obtaining the New Benchmark Rate and the fall back provisions in the event that the relevant Screen Page is not available) which in the opinion of the Independent Advisor (in the case of § 3 (4)(i)(A) above) or the Issuer (in the case of § 3 (4)(i)(B) above) are necessary or expedient to make the substitution of the Original Benchmark Rate by the New Benchmark Rate operative (such amendments, the "**Benchmark Amendments**").
- (iv) **Definitions.**

**"Adjustment Spread"** means either a spread (which may be positive or negative), or the formula or methodology for calculating a spread, in either case, which the Independent Advisor (in the case of § 3 (4)(i)(A) above) or the Issuer (in the case of § 3 (4)(i)(B) above) determines in its reasonable discretion is required to be applied to the relevant New Benchmark Rate which:



- (A) is formally recommended in relation to the replacement of the Original Benchmark Rate with the New Benchmark Rate by any Official Substitution Concept or, failing which, any Industry Solution or, if there is more than one such formal recommendation, such recommendation as selected by the Independent Advisor (in the case of § 3 (4)(i)(A) above) or the Issuer (in the case of § 3 (4)(i)(B) above) in its reasonable discretion; or
- (B) if no such recommendation has been made, which the Independent Advisor (in the case of § 3 (4)(i)(A) above) or the Issuer (in the case of § 3 (4)(i)(B) above) determines in its reasonable discretion is otherwise recognised or acknowledged as being the industry standard for over-the-counter derivative transactions or customarily applied or is market practice to apply in the international debt capital markets for other bonds which in either case reference the Original Benchmark Rate, where such rate has been replaced by the New Benchmark Rate (or, alternatively, in the international swap markets); or
- (C) if the Independent Advisor (in the case of § 3 (4)(i)(A) above) or the Issuer (in the case of § 3 (4)(i)(B) above) determines that also no such other industry standard is recognised or acknowledged, the Independent Advisor (in the case of § 3 (4)(i)(A) above) or the Issuer (in the case of § 3 (4)(i)(B) above) determines in its reasonable discretion to be appropriate.

**"Alternative Benchmark Rate"** means an alternative benchmark or screen rate which is customarily applied in the international debt capital markets (or, alternatively, the international swap markets) for the purposes of determining reset rates of interest (or the relevant component part thereof) in the Specified Currency, provided that all determinations will be made by the Independent Advisor (in the case of § 3 (4)(i)(A) above) or the Issuer (in the case of § 3 (4)(i)(B) above).

**"Benchmark Event"** occurs if:

- (1) a public statement or publication of information by or on behalf of the regulatory supervisor of the Original Benchmark Rate administrator is made, stating that said administrator has ceased or will cease to provide the Original Benchmark Rate permanently or indefinitely, unless there is a successor administrator that will continue to provide the Original Benchmark Rate; or
- (2) a public statement or publication of information by or on behalf of the Original Benchmark Rate administrator is made, stating that said administrator has ceased or will cease to provide the Original Benchmark Rate permanently or indefinitely, unless there is a successor administrator that will continue to provide the Original Benchmark Rate; or
- (3) a public statement by the regulatory supervisor of the Original Benchmark Rate administrator is made that, in its view, the Original Benchmark Rate is no longer, or will no longer be, representative of the underlying market it purports to measure and no action to remediate such a situation is taken or expected to be taken as required by the supervisor of the Original Benchmark Rate administrator; or
- (4) it has become, for any reason, unlawful under any law or regulation applicable to the Principal Paying Agent, any Paying Agent, the Calculation Agent, the Issuer or any other party to use the Original Benchmark Rate; or
- (5) the Original Benchmark Rate is permanently no longer published without a previous official announcement by the competent authority or the administrator; or
- (6) a material change is made to the Original Benchmark Rate methodology.

**"Generally Accepted Market Practice"** means the customary use of a certain benchmark rate, subject to certain adjustments (if any), as substitute benchmark rate for the Original Benchmark Rate or of provisions, contractual or otherwise, providing for a certain procedure to determine payment obligations which would otherwise have been determined by reference to the Original Benchmark Rate in other bond issues following the occurrence of a Benchmark Event, or any other generally accepted market practice to replace the Original Benchmark Rate as reference rate for the determination of payment obligations.

**"Independent Advisor"** means an independent financial institution of international repute or other independent financial advisor experienced in the international debt capital markets, in each case appointed by the Issuer at its own expense.

**"Industry Solution"** means any public statement by the International Swaps and Derivatives Association (ISDA), the International Capital Markets Association (ICMA), the Association for Financial Markets in Europe (AFME), the Securities Industry and Financial Markets Association (SIFMA), the SIFMA Asset Management Group (SIFMA AMG), the Loan Markets Association (LMA), the Deutsche Derivate Verband (DDV), the Zertifikate Forum Austria or any other private association of the financial industry pursuant to which a certain reference rate, subject to certain adjustments (if any), should or could be used to replace the Original Benchmark Rate or pursuant to which a certain procedure should or could be used in order to determine payment obligations which would otherwise be determined by reference to the Original Benchmark Rate.

**"New Benchmark Rate"** means any substitute or alternative replacement rate (expressed as a percentage rate *per annum*) to the Original Benchmark Rate determined by the Independent Advisor (in the case of § 3 (4)(i)(A) above) or the Issuer (in the case of § 3 (4)(i)(B) above) in its reasonable discretion as follows:

- (A) If a Substitute Benchmark Rate exists, then such Substitute Benchmark Rate shall constitute the New Benchmark Rate.
- (B) If no Substitute Benchmark Rate exists but there is an Alternative Benchmark Rate, then such Alternative Benchmark Rate shall subsequently be the New Benchmark Rate.

**"Official Substitution Concept"** means any binding or non-binding public statement by (A) the EU Commission or any EU Member State taking into account, where available, the recommendation by an alternative reference rate working group operating under the auspices of the central bank responsible for the currency in which the interest rates of the replacement benchmark are denominated or (B) any of the following entities provided that they are competent to make such statement: a central bank, a supervisory authority or a supervisory or expert body of the financial sector established under public law or composed of publicly appointed members, pursuant to which a certain benchmark rate, subject to certain adjustments (if any), should or could be used to replace the Original Benchmark Rate or pursuant to which a certain procedure should or could be used in order to determine payment obligations which would otherwise be determined by reference to the Original Benchmark Rate.

**"Substitute Benchmark Rate"** means any substitute replacement rate to the Original Benchmark Rate (expressed as a percentage rate *per annum*) (i) nominated by the EU Commission or any EU Member State taking into account, where available, the recommendation by an alternative reference rate working group operating under the auspices of the central bank responsible for the currency in which the interest rates of the replacement benchmark are denominated; or (ii) nominated by any of the following entities provided that they are competent to make such nominations: a central bank, a supervisory authority or any supervisory or expert body of the financial sector established under public law or composed of publicly appointed members including any working group or committee chaired or co-chaired by or constituted at the request of the central bank or other supervisory authority for being used for determining the interest scheduled to be paid under the Notes determined by the Independent Advisor (in the case of § 3 (4)(i)(A) above) or the Issuer (in the case of § 3 (4)(i)(B) above) in its reasonable discretion.

- (v) If (A) the Issuer has not appointed an Independent Advisor or (B) the Independent Advisor appointed by it (in the case of § 3 (4)(i)(A) above) or the Issuer (in the case of § 3 (4)(i)(B) above) has not determined a New Benchmark Rate, has not determined the Adjustment Spread and/or has not determined the Benchmark Amendments (if required) in accordance with this § 3 (4), the Reference Rate applicable to the next Interest Period shall be equal to the Reference Rate determined on the last preceding Interest Determination Date. If this § 3 (4)(v) were to be applied on the first Interest Determination Date prior to the commencement of the first Interest Period, the Reference Rate applicable to the first Interest Period shall be equal to the Original Benchmark Rate on the Screen Page on the last day preceding the first Interest Determination Date on which such Original Benchmark Rate was displayed.

For the avoidance of doubt, the operation of this subparagraph (v) shall apply to the Effective Date and the corresponding Interest Period only. Any subsequent Interest Determination Date and Interest Period shall be subject to the subsequent operation of, and to adjustment as provided in, this § 3(4).

- (vi) Following the occurrence of a Benchmark Event, the Issuer will give notice of the occurrence of the Benchmark Event, the New Benchmark Rate, the Adjustment Spread and the Benchmark

Amendments (if required) to the Calculation Agent, to the Holders in accordance with § 10 and, if required by the rules of any stock exchange on which the Notes are from time to time listed, to such stock exchange as soon as possible but in no event later than on the 10<sup>th</sup> Business Day prior to the Effective Date.

- (vii) Notwithstanding the provisions of this § 3 (4), no New Benchmark Rate, no Adjustment Spread and/or no Benchmark Amendments, if any, will be adopted, nor will any other amendment to the Terms and Conditions be made to effect the same, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to entitle the Issuer to redeem the Notes for regulatory reasons pursuant to § 5 (3) and/or would prejudice the qualification [of the Notes as Tier 2 Instruments and/or] of the Notes as eligible liabilities or loss absorbing capacity instruments for the purposes of the bank resolution laws applicable to the Issuer from time to time.

If this § 3 (4)(vii) were to be applied on the first Interest Determination Date prior to the commencement of the first Interest Period, the Reference Rate applicable to the first and each subsequent Interest Period shall be equal to the Original Benchmark Rate on the Screen Page on the last day preceding the first Interest Determination Date on which such Original Benchmark Rate was displayed.

If this § 3 (4)(vii) were to be applied on an Interest Determination Date falling after the commencement of any Interest Period, the Reference Rate applicable to the next and each subsequent Interest Period shall be equal to the Reference Rate determined on the last preceding Interest Determination Date.

- (viii) If a Benchmark Event occurs in relation to any New Benchmark Rate, this § 3 shall apply *mutatis mutandis* to the replacement of such New Benchmark Rate by any new New Benchmark Rate. In this case, any reference in this § 3 to the term Original Benchmark Rate shall be deemed to be a reference to the New Benchmark Rate that last applied.
- (ix) Any reference in this § 3 (4) to the term Original Benchmark Rate shall be deemed to include a reference to any component part thereof, if any, in respect of which a Benchmark Event has occurred.

(5) *Notifications.* The Calculation Agent will cause the Rate of Interest, each Interest Amount for each Interest Period, each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and to the Holders by notice in accordance with § 10 and, if required by the rules of any stock exchange on which the Notes are from time to time listed at the initiative of the Issuer, to such stock exchange, without undue delay, but in no event later than the first calendar day of the relevant Interest Period. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to any relevant stock exchange on which the Notes are then listed at the initiative of the Issuer and to the Holders in accordance with § 10.

(6) *Determinations Binding.* All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this § 3 by the Calculation Agent or, as the case may be, any Independent Advisor or the Issuer, shall (in the absence of wilful default, bad faith, inequiteness or manifest error) be binding on the Issuer, the Fiscal Agent, the Paying Agents and the Holders and, in the absence of the aforesaid, no liability to the Issuer, the Fiscal Agent, the Paying Agents or the Holders shall attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(7) *Cessation of Interest Accrual.* The Notes shall cease to bear interest from the end of the calendar day preceding their due date for redemption. If the Issuer fails to redeem the Notes when due, interest shall continue to accrue on the outstanding principal amount of the Notes beyond the due date until the end of the calendar day preceding the actual redemption of the Notes. The applicable rate of interest will be determined in accordance with this § 3. This does not affect any additional rights that might be available to the Holders.

## § 4 PAYMENTS

**[In case of Notes governed by German law insert:**

- (1) (a) *Payment of Principal.* Payment of principal on the Notes shall be made, subject to § 4 (2) below, to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System.

- (b) *Payment of Interest.* Payment of interest and any Additional Amounts on the Notes shall be made, subject to § 4 (2) below, to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System.]

**[In case of Notes governed by Hungarian law insert:**

- (1) (a) *Payment of Principal.* Payment of principal on the Notes shall be made, subject to § 4 (2) below, to the bank account or other cash account of the respective Holder held at the securities account manager holding the Notes of such Holder according to the register of the Hungarian Central Depository.
- (b) *Payment of Interest.* Payment of interest on the Notes shall be made, subject to § 4 (2) below, to the bank account or other cash account of the respective Holder held at the securities account manager holding the Notes of such Holder according to the register of the Hungarian Central Depository.
- (c) *Payment Day.* Payments of principal and/or interest on the Notes under these Terms and Conditions shall be made by the Issuer on the dates and conditions stipulated in these Terms and Conditions via the Paying Agent.
- (d) *Payment Reference Date.* The Paying Agent(s) will process, on behalf of the Issuer, payments of principal and/or interest on the Notes to the Holders and shall make payments of principal and/or interest on the Notes to the Holders recorded in the Holders' Registry on the payment reference date (the "**Payment Reference Date**") determined at the close of business on the second calendar day before the due date for payment thereof (including the Maturity Date).

Any person who acquires a Note between a Payment Reference Date and the corresponding due date for a payment of interest or principal shall not be entitled to receive payment of interest or principal on the Notes for the corresponding due date notwithstanding that such person is recorded in the Holders' Registry on the relevant due date as the Holder of the Note.

- (e) *Eligible Receiver(s).* Unless specified otherwise in these Terms and Conditions, "**Eligible Receivers**" are Holders which are recorded in the Holder's Registry by the Payment Reference Date and which are eligible for payments under these Terms and Conditions.
- (f) *Payment Logistics.* The Paying Agent will make payments to Eligible Receivers by means of a wire transfer to their bank account or other cash account held at the securities account manager holding the Notes of the Eligible Receiver according to the register of the Hungarian Central Depository.

No payments of principal and/or interest will be made in cash, by cheque or by postal order.

**[In case the Issuer is appointed as Paying Agent insert:** The Issuer shall not] **[in case a Paying Agent other than the Issuer is appointed insert:** Neither the Issuer nor the Paying Agent(s) shall] be liable to the Holders or any other person for any commissions, costs, losses or expenses in relation to or resulting from the credit or transfer of Euro or any other currency conversion or rounding effected in connection therewith.]

- (2) *Manner of Payment.* Subject to applicable fiscal and other laws and regulations, payments of amounts due in respect of the Notes shall be made in the Specified Currency.

- (3) *Discharge.*

**[In case of Notes governed by German law insert:**

The Issuer shall be discharged by payment to, or to the order of, the Clearing System.]

**[In case of Notes governed by Hungarian law insert:**

The Issuer's obligation to pay any amount due in respect to these Terms and Conditions shall be deemed to be fulfilled duly and on time if the relevant amount is remitted to the Eligible Receiver and such payment is debited from the Paying Agent's bank account and is credited to the bank account or other cash account of the Eligible Receiver held at the securities account manager holding the Notes of such Eligible Receiver according to the register of the Hungarian Central Depository.]

- (4) *Business Day Convention.* If the due date for payment of any amount of principal or interest in respect of any Note is not a Business Day (as defined in § 1 (6)), then

***[In the case of Modified Following Business Day Convention (adjusted), the following applies:***

the due date shall be postponed to the next calendar day which is a Business Day unless it would thereby fall into the next calendar month, in which event the due date shall be brought forward to the immediately preceding Business Day, and the Interest Period shall be adjusted accordingly.]

***[In the case of Following Business Day Convention (adjusted), the following applies:***

the due date shall be postponed to the next calendar day which is a Business Day, and the Interest Period shall be adjusted accordingly.]

***[In the case of Preceding Business Day Convention (adjusted), the following applies:***

the due date shall be brought forward to the immediately preceding Business Day, and the Interest Period shall be adjusted accordingly.]

***[In the case of Modified Following Business Day Convention (unadjusted), the following applies:***

the relevant payment shall be made on the next calendar day which is a Business Day unless it would thereby fall into the next calendar month, in which event the relevant payment shall be made on the immediately preceding Business Day (the Interest Period shall not be adjusted accordingly).]

***[In the case of Following Business Day Convention (unadjusted), the following applies:***

the Holder shall not be entitled to payment until the next day that is a Business Day and shall not be entitled to further interest or other payment in respect of such delay (the Interest Period shall not be adjusted accordingly).

***[In the case of Preceding Business Day Convention (unadjusted), the following applies:***

the relevant payment shall be made on the immediately preceding Business Day (the Interest Period shall not be adjusted accordingly).]

(5) *References to Principal* ***[in case the Notes are early redeemable for reasons of taxation insert: and Interest]***. References in these Terms and Conditions to "principal" in respect of the Notes shall be deemed to include any premium and any other amounts (other than interest) which may be payable under or in respect of the Notes. ***[If the Notes are early redeemable for reasons of taxation insert: References in these Terms and Conditions to "interest" in respect of the Notes shall be deemed to include, as applicable, any Additional Amounts (as defined in § 7 (1)) which may be payable under § 7 (1).]***

## § 5 REDEMPTION

(1) *Redemption on the Maturity Date*. Unless previously redeemed in whole or in part or repurchased and cancelled, and subject to adjustment in accordance with the provisions set out in § 4 (4), the Notes shall be redeemed at their principal amount on the Interest Payment Date falling on or around ***[insert date]*** (the "Maturity Date").

***[If the Notes are subject to Early Redemption at the Option of the Issuer insert:***

(2) *Early Redemption at the Option of the Issuer*.

- (a) The Issuer may, upon giving not less than ***[insert Minimum Notice Period, which shall not be less than 5 Business Days]*** [calendar days'] [Business Days'] ***[in case of a Maximum Notice Period insert: and not more than [insert Maximum Notice Period]*** [calendar days'] [Business Days']] notice in accordance with § 5 (2) (b), redeem, on (any of) the Optional Redemption Date(s), all but not some only of the Notes at their Specified Denomination together with accrued interest, if any, to but excluding the Optional Redemption Date specified in the notice.

Any such early redemption pursuant to this § 5 (2) shall only be possible if the conditions to redemption and repurchase set out in § 5 ([5]) are met.

**"Optional Redemption Date(s)":** **[insert Optional Redemption Date(s)]**<sup>6</sup>

- (b) The notice of redemption shall be given by the Issuer to the Holders in accordance with § 10. Such notice shall be irrevocable and shall specify:
- (i) the series of Notes subject to redemption; and
  - (ii) the Optional Redemption Date on which the Issuer will redeem the Notes.

***[If the Notes are not subject to Early Redemption at the Option of the Issuer for reasons other than for taxation or regulatory reasons insert:]***

(2) *No Early Redemption at the Option of the Issuer.* The Notes may not be redeemed at the option of the Issuer prior to their Maturity Date other than in case of an early redemption pursuant to § 5 (3) [or § 5 (4)].

(3) *Early Redemption for Regulatory Reasons.*

- (a) The Issuer may, upon giving not less than **[insert Minimum Notice Period, which shall not be less than 5 Business Days]** [calendar days] [Business Days] **[in case of a Maximum Notice Period insert:]** and not more than **[insert Maximum Notice Period]** [calendar days] [Business Days] notice in accordance with § 5 (3) (b), redeem all but not some only of the Notes on any Interest Payment Date at their principal amount together with accrued interest, if any, to but excluding the date fixed for redemption on the date fixed for redemption if, as a result of any change in, or amendment to, the directives, laws and regulations applicable in the European Union or Hungary or their interpretation,

***[In the case of Preferred Senior Notes or Non-preferred Senior Notes insert:]***

the Notes do no longer comply with the minimum requirements for eligible liabilities (MREL) (the "MREL Requirement") which are or, as the case may be, will be, applicable to the Issuer and/or the Issuer's MREL Group in accordance with

- (i) Article 45 of the BRRD (as defined in § 1 (6)), as amended, and any applicable national law, as amended, implementing the BRRD; or
- (ii) Article 12 of the Regulation (EU) No. 806/2014 of the European Parliament and of the Council of 15 July 2014, as amended,

except where such non-compliance would only be based on the remaining maturity of the Notes being less than any period prescribed in the applicable MREL regulations or any applicable limits on the amount of eligible liabilities instruments being exceeded.

Where:

"Issuer's MREL Group" means the Issuer and its subsidiaries which have to comply with the MREL Requirement on a group basis.]

***[In the case of Subordinated Notes insert:]***

- [(i)] there is a change in the regulatory classification of the Notes that would be likely to result in their exclusion in full or in part from own funds or reclassification as own funds of lower quality (in each case, on an individual basis of the Issuer and/or on a consolidated basis of the Issuer's Regulatory Group); or

<sup>6</sup> In the case of Preferred Senior Notes and Non-preferred Senior Notes, the first Optional Redemption Date must not be earlier than the first anniversary of the issue date of the last Tranche of the series of Notes.

In the case of Subordinated Notes, the first Optional Redemption Date must not be earlier than the fifth anniversary of the issue date of the last Tranche of the series of Notes.

For all Floating Rate Notes the Optional Redemption Date(s) to be specified herein and in the Final Terms must fall on a (floating) Interest Payment Date.

- (ii) the Notes, to the extent that, pursuant to Article 64 CRR, a portion thereof does no longer qualify as a Tier 2 item but, pursuant to Article 72a(1)(b) CRR, as an eligible liabilities item, that portion does no longer comply with the minimum requirements for eligible liabilities (MREL) (the "**MREL Requirement**") which are or, as the case may be, will be, applicable to the Issuer and/or the Issuer's MREL Group in accordance with
- (A) Article 45 of the BRRD (as defined in § 1 (6)), as amended, and any applicable national law, as amended, implementing the BRRD; or
- (B) Article 12 of the Regulation (EU) No. 806/2014 of the European Parliament and of the Council of 15 July 2014, as amended,

except where such non-compliance would only be based on the remaining maturity of the Notes being less than any period prescribed in the applicable MREL regulations or any applicable limits on the amount of eligible liabilities instruments being exceeded].

Where:

"**Issuer's Regulatory Group**" means, from time to time, any banking group with a parent institution and/or any banking group with a parent financial holding company: (i) to which the Issuer belongs; and (ii) to which the own funds requirements on a consolidated basis due to prudential consolidation in accordance with the Applicable Supervisory Regulations apply.

"**Issuer's MREL Group**" means the Issuer and its subsidiaries which have to comply with the MREL Requirement on a group basis.]]

Any such early redemption pursuant to this § 5 (3) shall only be possible if the conditions to redemption and repurchase set out in § 5 ([5]) are met.

- (b) The notice of redemption shall be given by the Issuer to the Holders in accordance with § 10. Such notice shall be irrevocable and shall specify:
  - (i) the series of Notes subject to redemption;
  - (ii) the date fixed for redemption.

**[If Notes are issued under German law insert:**

(4) *Early Redemption for Reasons of Taxation.*

- (a) The Issuer may, upon giving not less than **[insert Minimum Notice Period, which shall not be less than 5 Business Days]** [calendar days] [Business Days] **[in case of a Maximum Notice Period insert: and not more than [insert Maximum Notice Period] [calendar days] [Business Days]]** notice in accordance with § 5 (4) (b), redeem all but not some only of the Notes on any Interest Payment Date at their principal amount together with accrued interest, if any, to but excluding the date fixed for redemption on the date fixed for redemption if, on the next succeeding Interest Payment Date, the Issuer will become obliged to pay Additional Amounts pursuant to § 7 (1) as a result of any change in, or amendment to, the laws or regulations of the Issuer's country of domicile for tax purposes or of any political subdivision or taxing authority of or in the Issuer's country of domicile for tax purposes, or as a result of any change in, or amendment to, an official interpretation or application of such laws or regulations, which amendment or change is effective on or after the date on which the last tranche of this series of Notes is issued, and such amendment or change has been evidenced by the delivery by the Issuer to the Fiscal Agent (who shall accept such certificate and opinion as sufficient evidence thereof) of (i) a certificate signed by two authorised representatives of the Issuer on behalf of the Issuer stating that such amendment or change has occurred (irrespective of whether such amendment or change is then effective), describing the facts leading thereto and stating that such requirement cannot be avoided by the Issuer taking reasonable measures available to it and (ii) an opinion of independent legal or tax advisers of recognised reputation to the effect that such amendment or change has occurred (irrespective of whether such amendment or change is then effective), provided that no such notice of redemption shall be given earlier than 90 calendar days prior to the earliest date on which the Issuer would be obliged to pay such Additional Amounts were a payment in respect of the Notes then due. No such notice of redemption shall be given if at the time such notice takes effect, the obligation to pay such Additional Amounts does not remain in effect.

Any such early redemption pursuant to this § 5 (4) shall only be possible if the conditions to redemption and repurchase set out in § 5 ([5]) are met.

- (b) The notice of redemption shall be given by the Issuer to the Holders in accordance with § 10. Such notice shall be irrevocable and shall specify:
  - (i) the series of Notes subject to redemption;
  - (ii) the date fixed for redemption.]

**[In the case of Preferred Senior Notes or Non-preferred Senior Notes insert:**

([5]) *Conditions to Redemption and Repurchase.* Any early redemption pursuant to this § 5 and any repurchase pursuant to § 9 (2) are subject to the Resolution Authority having granted the Issuer the prior permission in accordance with Articles 77 *et seq.* CRR or any successor provision for the early redemption or the repurchase, whereas such permission may, *inter alia*, require that either

- (a) before or at the same time as the redemption or repurchase, the Issuer replaces the Notes with own funds instruments or eligible liabilities of equal or higher quality at terms that are sustainable for the income capacity of the Issuer; or
- (b) the Issuer has demonstrated to the satisfaction of the Resolution Authority that the own funds and eligible liabilities of the Issuer would, following such early redemption or repurchase, exceed the requirements for own funds and eligible liabilities laid down in the CRR, the CRD and the BRRD by a margin that the Resolution Authority considers necessary at such time; or
- (c) the Issuer has demonstrated to the satisfaction of the Resolution Authority that the partial or full replacement of the eligible liabilities with own funds instruments is necessary to ensure compliance with the own funds requirements laid down in the CRR and CRD for continuing authorisation.]

**[In the case of Subordinated Notes insert:**

([5]) *Conditions to Redemption and Repurchase.* Any early redemption pursuant to this § 5 and any repurchase pursuant to § 9 (2) is subject to:

- (a) the Competent Authority having granted the Issuer the prior permission in accordance with Articles 77 *et seq.* CRR or any successor provision for the early redemption, whereas such permission may, *inter alia*, require that:
  - (i) either, before or at the same time as the redemption or repurchase, the Issuer replaces the Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer; or
  - (ii) the Issuer has demonstrated to the satisfaction of the Competent Authority that the own funds and eligible liabilities of the Issuer would, following such early redemption or repurchase, exceed the requirements for own funds and eligible liabilities laid down in the CRR, the CRD and the BRRD by a margin that the Competent Authority considers necessary; and
- (b) in the case of any early redemption or repurchase of the Notes during the five years following the date of issuance of the Notes:
  - (A) in the case of any early redemption pursuant to § 5 (3), the Competent Authority considers such change to be sufficiently certain and the Issuer has demonstrated to the satisfaction of the Competent Authority that the relevant change in the regulatory classification of the Notes was not reasonably foreseeable as at the date of issuance of the Notes; or
  - [(B) in the case of any early redemption pursuant to § 5 (4), the Issuer has demonstrated to the satisfaction of the Competent Authority that the applicable change in tax treatment is material and was not reasonably foreseeable as at the date of issuance of the Notes; or]
  - [(C)] in the case of any early redemption or repurchase of the Notes, the Issuer, earlier than or at the same time as the early redemption or the repurchase, replaces the Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer and the Competent Authority has permitted that early redemption or repurchase



based on the determination that it would be beneficial from a prudential point of view and justified by exceptional circumstances; or

([D]) the Notes being repurchased for market making purposes in accordance with the Applicable Supervisory Regulations.

Notwithstanding the above conditions, if, at the time of any early redemption or repurchase, the prevailing Applicable Supervisory Regulations permit the early redemption or repurchase only after compliance with one or more alternative or additional pre-conditions to those set out above, the Issuer shall comply with such other and/or, as appropriate, additional pre-conditions, if any.

For the avoidance of doubt, any refusal of the Competent Authority (or any other relevant supervisory authority) to grant any permission, approval or other authorisation required in accordance with the Applicable Supervisory Regulations shall not constitute a default for any purpose.]

([6]) No Early Redemption at the Option of a Holder. The Holders do not have a right to demand the early redemption of the Notes.

## § 6

### FISCAL AGENT, PAYING AGENT[S] AND CALCULATION AGENT

(1) *Appointment; Specified Offices.* The initial Fiscal Agent, the initial Principal Paying Agent **[if (a) further paying agent(s) shall be appointed, insert: the initial Paying Agent(s)]** and the initial Calculation Agent and their respective initial specified offices are:

Fiscal Agent and Principal Paying Agent:

***[If Erste Group Bank AG shall be appointed as initial Fiscal and Principal Paying Agent insert:***

Erste Group Bank AG  
Am Belvedere 1  
A-1100 Vienna  
Austria]

***[If Erste Bank Hungary Zrt. shall be appointed as initial Fiscal and Principal Paying Agent insert:***

Erste Bank Hungary Zrt.  
Népfürdő utca 24-26  
H-1138 Budapest  
Hungary]

***[If another Fiscal and Principal Paying Agent shall be appointed, insert its name and initial specified office.]***

***[If an additional or other paying agent shall be appointed, insert its name and initial specified office.]***

Calculation Agent:

***[If Erste Group Bank AG shall be appointed as Calculation Agent insert:***

Erste Group Bank AG  
Am Belvedere 1  
A-1100 Vienna  
Austria]

***[If Erste Bank Hungary Zrt. shall be appointed as initial Fiscal and Principal Paying Agent insert:***

Erste Bank Hungary Zrt.  
Népfürdő utca 24-26  
H-1138 Budapest  
Hungary]

***[If another Calculation Agent shall be appointed, insert its name and initial specified office.]***

Where these Terms and Conditions refer to the term "Paying Agent(s)", such term shall include the Principal Paying Agent.

The Fiscal Agent, the Paying Agent(s) and the Calculation Agent reserve the right at any time to change their respective specified office to some other specified office in the same city.

(2) *Variation or Termination of Appointment.* The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, any Paying Agent or the Calculation Agent and to appoint another Fiscal Agent, additional or other Paying Agents or another Calculation Agent. The Issuer shall at all times maintain (i) a Fiscal Agent **[,] [and]** (ii) so long as the Notes are listed on a stock exchange, a Paying Agent (which may be the Fiscal Agent) with a specified office in such place as may be required by the rules of such stock exchange or its supervisory [authority] [authorities] **[in case of Notes the Specified Currency of which is U.S. dollar, insert: [,] [and]** (iii) if payments at or through the offices of all Paying Agents outside the United States become illegal or are effectively precluded because of the imposition of exchange controls or similar restrictions on the full payment or receipt of such amounts in U.S. dollar, a Paying Agent with a specified office in New York] and (iv) a Calculation Agent. The Issuer will give notice to the Holders of any variation, termination, appointment or any other change as soon as possible upon the effectiveness of such change.

(3) *Agents of the Issuer.* The Fiscal Agent, the Paying Agents and the Calculation Agent act solely as agents of the Issuer and do not have any obligations towards or relationship of agency or trust to any Holder.

(4) *Determinations Binding.* All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of these Terms and Conditions by the Fiscal Agent shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Paying Agents, the Calculation Agent and the Holders and, in the absence of the aforesaid, no liability to the Issuer, the Paying Agents, the Calculation Agent or the Holders shall attach to the Fiscal Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(5) *Independent Advisor.* If the Issuer appoints an Independent Advisor in accordance with § 3(4), § 6(3) and (4) shall apply *mutatis mutandis* to the Independent Advisor.

## § 7 TAXATION

***[If the Notes are issued under German law insert:***

(1) *Gross-up.* All payments of interest or principal by or on behalf of the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**") imposed, levied, collected, withheld or assessed by or within the Issuer's country of domicile for tax purposes or by any authority in or of the Issuer's country of domicile for tax purposes having power to tax, unless such withholding or deduction is required by law.

If the Issuer is required by law to make any withholding or deduction for any Taxes from any payment of interest in respect of the Notes, the Issuer shall pay such additional amounts (the "**Additional Amounts**") to the Holder as shall result in receipt by that Holder of such amounts as would have been received by the Holder had no such withholding or deduction been required, except that no such Additional Amounts shall be payable with respect to any Note:

- (a) which are payable to, or to a third party on behalf of, a Holder who is liable to such Taxes in respect of such Note by reason of it having some connection with the Issuer's country of domicile for tax purposes other than the mere holding of the Note; or
- (b) in respect of any Taxes which are to be withheld or deducted pursuant to (i) any European Union Directive or Regulation concerning the taxation of interest income, or (ii) any international treaty, agreement or understanding relating to such taxation and to which the Issuer's country of domicile for tax purposes or the European Union is a party, or (iii) any provision of law implementing, or complying with, or introduced to conform with, such Directive, Regulation, treaty, agreement or understanding; or
- (c) in respect of any Taxes which are payable by any person acting as custodian bank or collecting agent on behalf of a Holder, or otherwise in any manner which does not constitute a withholding or deduction by the Issuer from payments of interest made by it.

(2) *U.S. Foreign Account Tax Compliance Act (FATCA).* The Issuer is authorised to withhold or deduct from amounts payable under the Notes to a Holder or beneficial owner of Notes sufficient funds for the payment of

any tax that it is required to withhold or deduct pursuant an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), or that is otherwise imposed pursuant to Sections 1471 through 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.]

**[If the Notes are issued under Hungarian law insert:**

(1) *General Taxation.* All payments of principal and interest by or on behalf of the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Hungary or by any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

The Issuer shall withhold or deduct from amounts payable under the Notes to a Holder or beneficial owner of Notes sufficient funds for the payment of any tax that it is required to withhold or deduct under Hungarian law and it shall not be required to pay additional amounts to the Holder in respect of such withholding or deduction.

The Issuer shall not apply the withholding or deduction required by law or apply a lower rate of withholding or deduction if:

- (a) the Holder entitled to payment of interest on the Notes is resident for tax purposes in a jurisdiction with which Hungary has concluded a treaty for the avoidance of double taxation and in accordance with such treaty the relevant payment of interest on the Notes is not subject to taxation in Hungary, or subject to a lower rate of withholding or deduction in Hungary than the rate imposed under the relevant Hungarian law at the time of payment, and
- (b) at least 5 calendar days prior to the relevant interest due date, that Holder has provided to the Paying Agent the forms, certificates and documents as required by relevant Hungarian taxation laws for sake of evidencing residence in the relevant country with which Hungary has concluded a treaty for the avoidance of double taxation and application thereof.

(2) *U.S. Foreign Account Tax Compliance Act (FATCA).* The Issuer is authorised to withhold or deduct from amounts payable under the Notes to a Holder or beneficial owner of Notes sufficient funds for the payment of any tax that it is required to withhold or deduct pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), or that is otherwise imposed pursuant to Sections 1471 through 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.]

**[In the case of Notes governed by German law insert:**

**§ 8  
PRESENTATION PERIOD**

The presentation period provided in § 801 (1) sentence 1 German Civil Code (*Bürgerliches Gesetzbuch*) is reduced to ten years for the Notes.]

**[In the case of Notes governed by Hungarian law insert:**

**§ 8  
NO PRESCRIPTION**

Claims against the Issuer for payment in respect of the Notes shall not be prescribed and shall not become void.]

**§ 9  
FURTHER ISSUES OF NOTES,  
REPURCHASES AND  
CANCELLATION**

(1) *Further Issues of Notes.* The Issuer may from time to time, without the consent of the Holders, issue further Notes having the same terms as the Notes in all respects (except for the date of issuance, issue price, Interest Commencement Date and/or first Interest Payment Date) so as to form a single series with the Notes.

(2) *Repurchases.* Provided that all applicable regulatory and other statutory restrictions are observed, and provided further that the conditions to redemption and repurchase laid down in § 5 ([5]) are met, the Issuer and any of its Subsidiaries may at any time repurchase Notes in the open market or otherwise. Notes repurchased by the Issuer or any Subsidiary may, at the option of the Issuer or such Subsidiary, be held, resold or surrendered to the Fiscal Agent for cancellation.]

(3) *Cancellation.* All Notes redeemed in full shall be cancelled forthwith and may not be reissued or resold.

**§ 10  
NOTICES**

***[In the case of Notes governed by German law insert:***

(1) *Notices of the Issuer.* All notices of the Issuer concerning the Notes shall be published in such media as determined by law and in electronic form on the website of the Issuer ("www.erstebank.hu"). Any notice so given will be deemed to have been validly given on the fifth calendar day following the date of such publication (or, if published more than once, on the fifth calendar day following the date of the first such publication).

***[Insert only if the Notes are not intended to be admitted to trading on a regulated market and the Issuer wishes to send notices directly to the Holders:***

The Issuer is, in addition, at any time entitled to send notices directly to Holders known to the Issuer.

A "**Holder known to the Issuer**" means a Holder whose contact details are known to the Issuer.

Any such notice shall be deemed to have been validly given upon receipt by the Holder.

If all Holders of a series of Notes are known to the Issuer, the Issuer is entitled to send notices exclusively directly to the Holders. In this case, the Issuer does not have to publish a notice pursuant to sentence 1.

This shall not affect any statutory notice obligations.

Each Holder may provide the Issuer with its contact details (name[,] address [,][and] [fax number] [and] [e-mail address]) by sending them to the following address:

Erste Bank Hungary Zrt. / Capital Markets, 1138 Budapest, Népfürdő u. 24-26., Hungary

Following such notice to the Issuer, the relevant Holder shall be deemed to be a Holder known to the Issuer.]

(2) *Publication of Notices of the Issuer via the Clearing System.* If the publication of notices pursuant to § 10 (1) is no longer required by law, the Issuer may, in lieu of publication in the media set forth in § 10 (1), deliver the relevant notices to the Clearing System, for communication by the Clearing System to the Holders. Any such notice shall be deemed to have been given to the Holders on the seventh calendar day after the calendar day on which said notice was delivered to the Clearing System.]

***[In the case of Notes governed by Hungarian law insert:***

(1) *Publication.* All notices of facts concerning the Notes shall be published on the website of the Issuer ("www.erstebank.hu"). Any notice so given will be deemed to have been validly given on the date of such publication (or, if published more than once, on the date of such publication). This does not affect any applicable mandatory provisions of law. Alternatively, the Issuer shall be entitled to send at any time notices directly to Holders known to the Issuer.

This provision is without prejudice to any applicable publication requirements in accordance with Hungarian capital markets laws.

(2) *Form of Notice to Be Given by any Holder.* Notices regarding the Notes which are to be given by any Holder to the Issuer shall be validly given if delivered in writing in the Hungarian or English language to the Issuer's registered office. The Holder shall provide evidence satisfactory to the Issuer of its holding of the Notes. Such evidence may be (i) a certificate issued by the Clearing System or the Custodian at which the Holder maintains a securities account in respect of the Notes that such Holder is, at the time such notice is given, the Holder of the relevant Notes, or (ii) in any other appropriate manner. "**Custodian**" means any bank or other financial institution of recognised standing authorised to engage in securities custody business with which the Holder maintains a securities account in respect of the Notes and includes the Clearing System.]

***[In the case of Notes governed by German law and in case the provisions of the German Act on Debt Securities regarding the amendment of Terms and Conditions and the appointment of a joint representative shall apply, insert:***

## § 11

### AMENDMENT OF THE TERMS AND CONDITIONS, JOINT REPRESENTATIVE

(1) *Amendment of the Terms and Conditions.* In accordance with the German Act on Debt Securities (*Gesetz über Schuldverschreibungen aus Gesamtemissionen*; the "**Act on Debt Securities**") the Holders may agree with the Issuer on amendments of these Terms and Conditions with regard to matters permitted by the Act on Debt Securities by a Holders' resolution (*Beschluss*) with the majority specified in § 11 (2) below. Majority resolutions of the Holders shall be binding on all Holders alike. A majority resolution of the Holders which does not provide for identical conditions for all Holders is void, unless Holders who are disadvantaged have expressly consented to their being treated disadvantageously.

(2) *Majority Requirements.* Resolutions relating to material amendments of these Terms and Conditions, in particular consents to the measures set out in § 5 (3) of the Act on Debt Securities shall be passed by a majority of not less than 75 per cent. (Qualified Majority) of the votes cast. Resolutions relating to amendments of these Terms and Conditions which are not material require a simple majority of the votes cast.

(3) *Vote without a Meeting.* All votes will be taken exclusively by vote taken without a meeting. A meeting of Holders and the assumption of the fees by the Issuer for such a meeting will only take place in the circumstances set out in § 18 (4) sentence 2 of the Act on Debt Securities.

(4) *Chair of the Vote.* The vote will be chaired by a notary appointed by the Issuer or, if the Joint Representative (as defined below) has convened the vote, by the Joint Representative.

(5) *Voting Right.* Each Holder participating in any vote shall cast its vote in accordance with the nominal amount or the notional share of its entitlement to the outstanding Notes.

(6) *Joint Representative.*

***[If no Joint Representative is designated in the Terms and Conditions insert:***

The Holders may by majority resolution appoint a joint representative (the "**Joint Representative**") to exercise the Holders' rights on behalf of each Holder.]

***[If the Joint Representative is appointed in the Terms and Conditions insert:***

The joint representative (the "**Joint Representative**") to exercise the Holders' rights on behalf of each Holder shall be **[insert name and address of the Joint Representative]**. The liability of the Joint Representative shall be limited to ten times the amount of its annual remuneration, unless the Joint Representative has acted willfully or with gross negligence.]

The Joint Representative shall have the duties and powers provided by law or granted by majority resolution of the Holders. The Joint Representative shall comply with the instructions of the Holders. To the extent that the Joint Representative has been authorised to assert certain rights of the Holders, the Holders shall not be entitled to assert such rights themselves, unless explicitly provided for in the relevant majority resolution. The Joint Representative shall provide reports to the Holders on its activities. The regulations of the Act on Debt Securities apply with regard to the recall and the other rights and obligations of the Joint Representative.]

***[In the case of Notes governed by Hungarian law and if modifications of the Terms and Conditions by a meeting of Holders and appointment of a Joint Representative shall be possible, insert:***

## **§ 11**

### **AMENDMENT OF THE TERMS AND CONDITIONS, JOINT REPRESENTATIVE**

(1) Amendment of the Terms and Conditions. In accordance with subsequent provisions the Holders may agree with the Issuer on amendments of these Terms and Conditions with regard to certain matters by resolution with the majority specified below. Majority resolutions of the Holders shall be binding on all Holders alike. A majority resolution of the Holders which does not provide for identical conditions for all Holders is void, unless Holders who are disadvantaged have expressly consented to their being treated disadvantageously.

(2) The Holders may consent, by qualified majority resolution as provided by § 11 (8), to the following material measures:

- (a) changes in the due date or reduction or exclusion of interest payments;
- (b) changes in the due date of the principal amount;
- (c) reduction of the principal amount;
- (d) changes in the currency of the Notes;
- (e) waiver or limitation of the Holders' right of termination;
- (f) substitution of the Issuer; and
- (g) amendments to or cancellation of ancillary conditions of the Notes.

All other resolutions/measures to be consented to and/or passed by the Holders (except the measures as stated under point (a) to (g) above) shall be deemed as not material and may be passed by simple majority of the Holders as provided by § 11 (8).

Any amendments will not be made if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to (i) result in a change in the regulatory classification of the Notes that would be likely to result in their exclusion from own funds or reclassification as a lower quality form of own funds, or (ii) prejudice the qualification of the Notes as eligible liabilities or loss absorbing capacity instruments for the purposes of the bank resolution laws applicable to the Issuer from time to time.

(3) *Convening a Meeting of Holders.* The Holders' meeting shall be convened by the Issuer or by the Joint Representative of the Holders. It shall be convened if Holders who together hold 5 per cent. of the outstanding Notes request such convocation in writing for the purpose of appointing or removing a Joint Representative or for any other particular interest in such convocation.

(4) *Contents of the Convening Notice, Publication.* The convening notice shall state the name and the registered office of the Issuer and the time and location of the Holders' meeting, the agenda with explanation of the proposed decisions, record date and the conditions on which attendance at the Holders' meeting and the exercise of voting rights shall depend, including the form of the power of attorney for exercise of rights at the meeting. The convening notice shall be published pursuant to § 10.

(5) *Convening Period, Evidence.* The Holders' meeting shall be called at least 14 calendar days before the date of the meeting. As evidence for the entitlement to participate in the Holders' meeting a certificate of deposit or an up-to-date securities account statement issued by the Clearing System or the Custodian in text form shall be presented.

(6) *Agenda.* The convening party shall include in the agenda a proposed resolution for each subject on which the Holders' meeting is to pass a resolution. The agenda of the Holders' meeting shall be published together with the convening notice. No resolutions may be passed on agenda items that have not been published in accordance with § 10. Holders who together hold 5 per cent. of the outstanding Notes may request that new items be published for resolution. Such new items must be published in accordance with § 10 no later than the third calendar day preceding the Holders' meeting. Without undue delay and until the date of the Holders' meeting, the Issuer shall make available to the Holders in accordance with § 10, any counter-motions announced by a Holder before the meeting.

(7) *Quorum.* The Chairperson shall prepare a register of Holders participating in the vote. Such register shall include the Holders' names, their registered offices or places of residence and the number of voting rights represented by each Holder. Such register shall be signed by the Chairperson of the meeting and be made available for review without undue delay to all Holders at the location of the Holder's meeting designated in the convening notice. The Holders' meeting shall have a quorum if the persons present represent at least fifty per cent of the outstanding Notes by value. If the Holders' meeting does not have a quorum, the Chairperson may convene a second meeting on a day falling at least three days following the first Holders' meeting for the purposes of passing the resolution(s) anew. Such second meeting requires no quorum. For resolutions which require a qualified majority the persons present must represent at least 25 per cent. of the outstanding Notes. Notes for which voting rights have been suspended shall not be included in the outstanding Notes.

(8) *Majority Requirements.* Resolutions relating to material measures and amendments to the Terms and Conditions as set out in § 11 (2) lit (a) to (g) above shall be passed by a majority of not less than 75 per cent. (Qualified Majority) of the votes cast. Resolutions relating to amendments of these Terms and Conditions which are not material require a simple majority of the votes cast.

(9) *Vote without a Meeting.* All votes will be taken exclusively by vote taken without a meeting. The vote shall be conducted by the scrutineer. The scrutineer shall be a notary appointed by the Issuer, or the Joint Representative of the Holders if the meeting has been convened by him. The request for voting shall set out the period within which votes may be cast. Such period shall be at least 72 hours. During the voting period, the Holders may cast their votes to the scrutineer in written form as specified in the convening notice. The request shall set out in detail the conditions to be met in order for the votes to be valid. The scrutineer shall ascertain the entitlement to cast a vote by means of the evidence provided and shall prepare a list of Holders entitled to vote. If it is ascertained that no quorum exists, the scrutineer may convene a Holders' meeting, which shall be deemed to be a second Holders' meeting within the meaning of § 11 (7). Any resolution passed by the vote shall be recorded in the minutes by a notary. Each Holder participating in the vote may request within one year of the end of the voting period a copy of the minutes and its annexes from the Issuer. Each Holder participating in the vote may object to the result in writing within two weeks of publication of the resolutions. The scrutineer shall decide on any such objection. If it takes remedial action as a result of the objection, it shall publish the result without undue delay. § 11 (13) shall apply mutatis mutandis. If the scrutineer does not take remedial action as a result of the objection, it shall notify the objecting Holder without undue delay in writing.

(10) *Voting Right.* Each Holder shall participate in votes in accordance with the principal amount of the outstanding Notes held by such Holder. Voting rights are suspended with respect to the shares attributable to the Issuer or any of its Subsidiaries or held for the account of the Issuer or any of its Subsidiaries. The Issuer may not make available Notes for which the voting rights have been suspended to any third party for the purposes of exercising the voting rights in lieu of the Issuer. This shall also apply to any Subsidiaries of the Issuer. Exercise of voting rights for the purposes specified above is prohibited. It is prohibited to offer, promise or grant any advantage as consideration to any person entitled to vote not to vote, or to vote in a particular way, in a Holders' meeting or a vote. No person entitled to vote may require, accept any promise of or accept any advantage or consideration for not voting, or voting in a particular way, in a Holders' meeting or a vote.

(11) *Chair of the Vote.* The vote will be chaired by a notary appointed by the Issuer or, if the Joint Representative has convened the vote, by the Joint Representative (the "**Chairperson**").

(12) *Voting, Minutes.* In order to be valid, any resolution passed by the Holders' meeting shall be recorded in minutes of the meeting. The minutes shall be recorded by a notary.

(13) *Publication of Resolutions.* The Issuer shall publish the resolutions passed by the Holders in appropriate form and at its own expense. The resolutions shall be published without undue delay pursuant § 10. In addition, for a period of one month commencing on the calendar day following the Holders' meeting, the Issuer shall make available in accordance with § 10 the resolutions passed by the Holders and, if these Terms and Conditions are amended by a Holders' resolution, the consolidated version of the new Terms and Conditions.

(14) *Joint Representative.*

***[If no Joint Representative is designated in the Terms and Conditions insert:***

The Holders may by a simple majority resolution appoint a joint representative (the "**Joint Representative**") to exercise the Holders' rights on behalf of each Holder.]

***[If the Joint Representative is appointed in the Terms and Conditions insert:***

The joint representative (the "**Joint Representative**") to exercise the Holders' rights on behalf of each Holder shall be [insert name and address of the Joint Representative]. The liability of the Joint Representative shall be limited to ten times the amount of its annual remuneration, unless the Joint Representative has acted wilfully or with gross negligence.]

The Joint Representative shall have the duties and powers granted by a simple majority resolution of the Holders. The Joint Representative shall comply with the instructions of the Holders. To the extent that the Joint Representative has been authorised to assert certain rights of the Holders, the Holders shall not be entitled to assert such rights themselves, unless explicitly provided for in the relevant simple majority resolution. The Joint Representative shall provide reports to the Holders on its activities. The Joint Representative shall be liable to the Holders as joint and several creditors for the due performance of its duties. In the performance of its duties, it shall act with the care of a prudent representative. The Joint Representative's liability may be limited by resolution of the Holders. An assertion of compensation claims against the Joint Representative shall be decided by the Holders. The Joint Representative may be removed by the Holders at any time without reason. The Joint Representative may require the Issuer to provide any information that is necessary for the performance of its duties.]

**§ [12]  
APPLICABLE LAW,  
PLACE OF JURISDICTION  
AND ENFORCEMENT**

***[In the case of Notes governed by German law insert:***

(1) *Applicable Law.* The Notes, as to form and content, and all rights and obligations of the Holders and the Issuer, shall be governed by, and shall be construed exclusively in accordance with, German law, save for the provisions of § 2, which shall be governed by, and shall be construed exclusively in accordance with, Hungarian law.

(2) *Place of Jurisdiction.* The courts in Frankfurt am Main, Federal Republic of Germany, shall have non-exclusive jurisdiction for any action or other legal proceedings (the "**Proceedings**") arising out of or in connection with the Notes. The Issuer appoints Erste Group Bank AG, Friedrichstraße 10, 70174 Stuttgart, Federal Republic of Germany, as its authorised agent for accepting service of process in connection with any Proceedings before German courts.

(3) *Enforcement.* Any Holder of Notes may in any Proceedings against the Issuer, or to which such Holder and the Issuer are parties, protect and enforce in its own name its rights arising under such Notes on the basis of (i) a statement issued by the Custodian with whom such Holder maintains a securities account in respect of the Notes (a) stating the full name and address of the Holder, (b) specifying the aggregate principal amount of the Notes credited to such securities account on the date of such statement and (c) confirming that the Custodian has given written notice to the Clearing System containing the information pursuant to (a) and (b), and (ii) a copy of the Global Note certified as being a true copy by a duly authorised officer of the Clearing System or a depository of the Clearing System, without the need for production in such Proceedings of the actual records or the Global Note representing the Notes. Each Holder may, without prejudice to the foregoing, protect and enforce its rights under the Notes also in any other way which is admitted in the country of the Proceedings.]

***[In the case of Notes governed by Hungarian law insert:***

(1) *Applicable Law.* The Notes and any non-contractual obligations arising out of or in connection with the Notes are governed by, and shall be construed in accordance with Hungarian law.

(2) *Place of Jurisdiction.* The competent Hungarian courts shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with any Notes (including any legal action or proceedings relating to any non-contractual obligations arising out of or in connection with Notes), to the extent permissible according to applicable mandatory consumer protection legislation.



(3) *Enforcement.* Any Holder may in any proceedings against the Issuer, or to which such Holder and the Issuer are parties, protect and enforce in its own name its rights arising under Notes in any way which is admitted in the country of the proceedings and which is permitted by the applicable mandatory provisions of law.]

## OPTION III – NOTES WITH A FIXED TO FIXED INTEREST RATE

### [OPTION III – TERMS AND CONDITIONS FOR NOTES WITH A FIXED TO FIXED INTEREST RATE:

#### § 1

#### CURRENCY, DENOMINATION, FORM, CERTAIN DEFINITIONS

(1) *Currency, Denomination.* This series of [notes] [subordinated notes] (the "**Notes**") is being issued by Erste Bank Hungary Zrt., with registered office at 1138 Budapest, Népfürdő utca 24-26., Hungary, Identification Number Cg. 01-10-041054 registered with the Company Registry Court of Budapest - Capital Regional Court (the "**Issuer**") in [insert specified currency] (the "**Specified Currency**") in the aggregate principal amount of [in case of Notes offered and issued as tap issues insert: up to] [insert specified currency and aggregate principal amount] (in words: [insert aggregate principal amount in words]) in the denomination of [insert specified currency and specified denomination] (the "**Specified Denomination**"). [If the Notes are governed by Hungarian law insert: Upon oversubscription, the Issuer reserves the right to alter the announced issue amount and determine the final aggregate principal amount of the Notes issued.]

(2) *Form.*

[If the Notes are governed by German law insert: The Notes are being issued in bearer form.]

[If the Notes are issued in domestic notes form governed by Hungarian law insert: The Notes are being issued as dematerialised registered securities (in Hungarian "*dematerializált, névre szóló*").]

[In case of Notes governed by German law insert:

(3) *Permanent Global Note.* The Notes are represented by a permanent global note in classical global note form (the "**Permanent Global Note**" or the "**Global Note**") without coupons; the claim for interest payments under the Notes is represented by the Permanent Global Note. The Permanent Global Note shall be signed by or on behalf of the Issuer. Definitive Notes and coupons will not be issued, and the Holders have no right to require the printing and delivery of definitive Notes and coupons.]

[In case of Notes governed by Hungarian law insert:

(3) *Title to the Notes.* The Notes will be owned by the relevant Holder of the Notes. The Notes will be recorded with the relevant account in relation to the Holder held with an investment service provider maintaining central securities account at Hungarian Central Depository. The Hungarian Central Depository maintains the client accounts of investment service providers which manage the Notes (the "**Holders' Registry**").]

(4) *Clearing System.*

[In case of Notes governed by German law insert:

The Global Note will be kept in custody by or on behalf of a Clearing System until all obligations of the Issuer under the Notes have been satisfied. "**Clearing System**" means [OeKB CSD GmbH, Strauchgasse 1-3, 1010 Vienna, Austria ("**OeKB**"), also for Clearstream Banking, S.A., Luxembourg, 42 Avenue J.F. Kennedy, 1855 Luxembourg, Grand Duchy of Luxembourg ("**CBL**") and Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, 1210 Brussels, Belgium ("**Euroclear**") as account holders in OeKB] [,] [and] [specify other Clearing System] and any successor in such capacity.]

[In case of Notes governed by Hungarian law insert:

The Notes will be kept and cleared in KELER Központi Értéktár Zártkörűen Működő Részvénytársaság (registered seat: 1074 Budapest, Rákóczi út 70-72; company registration number: 01-10-042346) as the central depository (the "**Hungarian Central Depository**" or the "**Clearing System**") and any successor in such capacity.]

[In case of Notes governed by German law insert:

(5) *Holder of Notes.* "**Holder**" means any holder of a proportionate co-ownership or other comparable right in the Global Note which may be transferred to a new Holder in accordance with the provisions of the Clearing System.]

**[In case of Notes governed by Hungarian law insert:**

(5) *Holder of Notes.* "**Holder**" means any holder of Notes to whose securities account such Notes are credited to. The title to the Notes will be transferred via change of ownership of the Notes in accordance with Hungarian law and with the rules of the Clearing System by transferring the Notes from the securities account of the Holder to the securities account of the new holder. The Holders are solely responsible to carry out all acts and formalities required for the change of ownership of the Notes.]

(6) *Certain Definitions.*

"**Applicable Supervisory Regulations**" means, at any time, any requirements under laws and any regulations, requirements, standards, guidelines, policies or other rules thereunder applicable from time to time (including, but not limited to, the guidelines and decisions of the European Banking Authority, the European Central Bank, the Competent Authority, the Single Resolution Board and/or the Resolution Authority, the administrative practice of any such authority, any applicable decision of a court and any applicable transitional provisions) relating to prudential requirements and/or resolution and applicable to the Issuer, on an individual and/or (sub-) consolidated basis, as the case may be, from time to time, including but not limited to the provisions of the applicable national banking act (i.e. the Hungarian Banking Act), the applicable national recovery and resolution act, the applicable national insolvency act, the BRRD, the SRM Regulation, the CRD, the CRR and the SSM Regulation, or such other law, regulation or directive as may come into effect in place thereof, as applicable to the Issuer on an individual and/or (sub-) consolidated basis, as the case may be, at the relevant time.

"**BRRD**" means the Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 (*Bank Recovery and Resolution Directive*), as implemented in Hungary and as amended or replaced from time to time, and any references to relevant provisions of the BRRD in these Terms and Conditions include references to any applicable provisions of law amending or replacing such provisions from time to time.

"**Business Day**" means a day (other than a Saturday or a Sunday) on which

**[If the Specified Currency is Euro, the following applies:**

(i) the Clearing System and (ii) all relevant parts of the Trans-European Automated Real-time Gross settlement Express Transfer system 2 or its successor ("**TARGET**") are open to effect payments.]

**[If the Specified Currency is not Euro, the following applies:**

(i) the Clearing System is open and (ii) commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in **[insert all relevant financial centres]** **[insert, as applicable:** and (iii) all relevant parts of the Trans-European Automated Real-time Gross Settlement Express Transfer System 2 or its successor ("**TARGET**") are open to effect payments].]

"**Competent Authority**" means the competent authority pursuant to Article 4(1)(40) CRR and/or Article 9(1) SSM Regulation, in each case, which is responsible to supervise the Issuer on an individual basis and/or (sub-) consolidated basis.

"**CRD**" means the Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 (*Capital Requirements Directive*), as amended or replaced from time to time, and any references to relevant provisions of the CRD in these Terms and Conditions include references to any applicable provisions of law amending or replacing such provisions from time to time.

"**CRR**" means the Regulation (EU) No 575/2013 of the European Parliament and the Council of 26 June 2013 (*Capital Requirements Regulation*), as amended or replaced from time to time, and any references to relevant provisions of the CRR in these Terms and Conditions include references to any applicable provisions of law amending or replacing such provisions from time to time.

"**Hungarian Banking Act**" means Act CCXXXVII of 2013 on Credit Institutions and Financial Enterprises as amended and any references in these Terms and Conditions to any relevant provisions of the Hungarian Banking Act include references to any applicable provisions of law amending or replacing such provisions from time to time.

"**Resolution Authority**" means the authority pursuant to Article 4(1)(130) CRR.

"**SRM Regulation**" means the Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014 (*Single Resolution Mechanism Regulation*), as amended or replaced from time to time, and

any references to relevant provisions of the SRM Regulation in these Terms and Conditions include references to any applicable provisions of law amending or replacing such provisions from time to time.

**"SSM Regulation"** means the Council Regulation (EU) No 1024/2013 of 15 October 2013 (*Single Supervisory Mechanism Regulation*), as amended or replaced from time to time, and any references to relevant provisions of the SSM Regulation in these Terms and Conditions include references to any applicable provisions of law amending or replacing such provisions from time to time.

**"Subsidiary"** means any subsidiary of the Issuer pursuant to Article 4(1)(16) CRR.

**"Terms and Conditions"** means these terms and conditions of the Notes.

**"United States"** means the United States of America (including the States thereof and the District of Columbia) and its possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and Northern Mariana Islands).

## § 2 STATUS

### **[In the case of Preferred Senior Notes insert:**

(1) *Status*. The Notes constitute direct, unsecured and unsubordinated obligations of the Issuer. In the event of the involuntary liquidation (*felszámolás*) of the Issuer, the voluntary liquidation (*végelszámolás*) of the Issuer, the enforcement (*végrehajtás*) against the Issuer's assets or it is decided on the Issuer's insolvency (*fizetéseképtelenség*), the obligations of the Issuer under the Notes

- (a) rank *pari passu* (i) among themselves and (ii) (subject to any applicable statutory exceptions and without prejudice to the aforesaid) with all other present or future unsecured and unsubordinated obligations of the Issuer which rank or are expressed to rank *pari passu* with the Issuer's obligations under the Notes;
- (b) rank senior to all present or future obligations under (i) Non-Preferred Senior Instruments and any obligations of the Issuer that rank *pari passu* with Non-Preferred Senior Instruments and (ii) all subordinated obligations of the Issuer; and
- (c) will be fully subordinated to the Issuer's Senior Ranking Obligations, so that in any such event no amounts will be payable in respect of the Notes until the Issuer's Senior Ranking Obligations have been satisfied in full.

**"Issuer's Senior Ranking Obligations"** means all obligations of the Issuer which pursuant to mandatory provisions of law, rank or are expressed to rank senior to the obligations of the Issuer under the Notes.

**"Non-Preferred Senior Instruments"** means any obligations of the Issuer which fall or are expressed to fall within the category of obligations described in Section 57(1b) of the Hungarian Banking Act implementing Article 108(2) BRRD and any other obligations of the Issuer which, to the extent permitted by Hungarian law, rank or are expressed to rank *pari passu* with the Non-Preferred Senior Instruments of the Issuer.]

### **[In the case of Non-preferred Senior Notes insert:**

(1) *Status*. The Notes constitute direct, unsecured, non-preferred and unsubordinated obligations of the Issuer. In the event of the involuntary liquidation (*felszámolás*) of the Issuer, the voluntary liquidation (*végelszámolás*) of the Issuer, the enforcement (*végrehajtás*) against the Issuer's assets or it is decided on the Issuer's insolvency (*fizetéseképtelenség*), the obligations of the Issuer under the Notes in respect of the principal amount of the Notes

- (a) rank *pari passu* (i) among themselves and (ii) with all other present or future Non-Preferred Senior Instruments; and
- (b) rank senior to all present or future obligations of the Issuer under (i) ordinary shares and other Common Equity Tier 1 instruments pursuant to Article 28 CRR of the Issuer; (ii) Additional Tier 1 instruments pursuant to Article 52 CRR of the Issuer; (iii) Tier 2 instruments pursuant to Article 63 CRR of the Issuer; and (iv) all other subordinated obligations of the Issuer not referred to in clauses (i) to (iii) of this § 2 (1) (b); and
- (c) will be fully subordinated to the Issuer's Senior Ranking Obligations, so that in any such event no amounts will be payable in respect of the Notes until the Issuer's Senior Ranking Obligations have been satisfied in full.

**"Issuer's Senior Ranking Obligations"** means all unsecured and unsubordinated obligations of the Issuer (other than Non-Preferred Senior Instruments) which, in accordance with their terms or pursuant to mandatory provisions of law, rank or are expressed to rank senior to the obligations of the Issuer under the Notes.

**"Non-Preferred Senior Instruments"** means any obligations of the Issuer which fall or are expressed to fall within the category of obligations described in Section 57(1b) of the Hungarian Banking Act implementing Article 108(2) BRRD and any other obligations of the Issuer which, to the extent permitted by Hungarian law, rank or are expressed to rank *pari passu* with the Non-Preferred Senior Instruments of the Issuer.]

**[In the case of Subordinated Notes insert:**

(1) *Status.* The Notes shall qualify as Tier 2 Instruments and constitute direct, unsecured and subordinated obligations of the Issuer. In the event of the involuntary liquidation (*felszámolás*) of the Issuer or it is decided on the Issuer's insolvency (*fizetéseképtelenség*), the obligations of the Issuer under the Notes in respect of the principal amount of the Notes

- (a) rank *pari passu* (i) among themselves; and (ii) with all other present or future claims from Tier 2 Instruments and other subordinated instruments or obligations of the Issuer (other than subordinated instruments or obligations of the Issuer ranking or expressed to rank senior or junior to the Notes);
- (b) rank senior to all present or future obligations under (i) ordinary shares and other Common Equity Tier 1 instruments pursuant to Article 28 CRR of the Issuer; (ii) Additional Tier 1 instruments pursuant to Article 52 CRR of the Issuer; and (iii) all other subordinated instruments or obligations of the Issuer ranking or expressed to rank junior to the Notes; and
- (c) will be fully subordinated to the Issuer's Senior Ranking Obligations, so that in any such event no amounts will be payable in respect of the Notes until the Issuer's Senior Ranking Obligations have been satisfied in full.

**"Issuer's Senior Ranking Obligations"** means (i) all unsecured and unsubordinated obligations of the Issuer; (ii) all eligible liabilities instruments of the Issuer pursuant to Article 72b CRR; and (iii) any other subordinated obligations of the Issuer which, in accordance with their terms or pursuant to mandatory provisions of law, rank or are expressed to rank senior to the obligations of the Issuer under the Notes at the relevant time.

**"Tier 2 Instruments"** means any (directly or indirectly issued) capital instruments of the Issuer that qualify as Tier 2 instruments pursuant to Article 63 CRR, including any capital (or other) instruments that qualify as Tier 2 items pursuant to transitional provisions under the CRR.]

(2) *No Set-off/Netting, No Security/Guarantee and No Enhancement of Seniority.* The Notes are not subject to any set off arrangements or netting rights that would undermine their capacity to absorb losses in resolution.

The Notes are neither secured, nor subject to any guarantee or any other arrangement that enhances the seniority of the claims under the Notes.

(3) *Subsequent Modifications of the Ranking and the Term as well as any Notice Periods.* No subsequent agreement may modify the ranking of the Notes or shorten the term of the Notes or any applicable notice period.

(4) *Note on the possibility of statutory resolution measures.* Prior to any involuntary liquidation (*felszámolás*) of the Issuer, any voluntary liquidation (*végelszámolás*) of the Issuer, any enforcement (*végrehajtás*) against the Issuer's assets or it is decided on the Issuer's insolvency (*fizetéseképtelenség*), under the Applicable Supervisory Regulations, the competent Resolution Authority may write down (including to zero) the obligations of the Issuer under the Notes, convert them into shares or other instruments of ownership of the Issuer, in each case in whole or in part, or apply any other resolution measure, including (but not limited to) any deferral of the obligations, any transfer of the obligations to another entity, an amendment of the Terms and Conditions or a cancellation of the Notes.

### § 3 INTEREST

(1) *Rate of Interest and Interest Payment Dates.* The Notes shall bear interest on their Specified Denomination from and including [*insert Interest Commencement Date*] (the "**Interest Commencement Date**") to but excluding the [*insert First Reset Date*] (the "**First Reset Date**") at the rate of [*insert First Rate of Interest*] per cent. *per annum* and thereafter from and including [the] [each] Reset Date to but

excluding the [next following Reset Date] [Maturity Date (as defined in § 5 (1))] at the [relevant] Reset Rate (as determined according to § 3 (4)).

**[In the case of a short or long first or last interest period insert:** With the exception of the [first] [last] payment of interest, interest] [Interest] shall be payable **[in case of quarterly interest payments insert:** quarterly] **[in case of semi-annual interest payments insert:** semi-annually] **[in case of annual interest payments insert:** annually] in arrear on [insert Interest Payment Date(s)] in each year (each such date, an "Interest Payment Date"), commencing on [insert first Interest Payment Date] and ending on [insert last Interest Payment Date] **[in case of a short or long first or last interest period insert:** ([short] [long] [first] [last] coupon)]. Interest Payment Dates are subject to adjustment in accordance with the provisions set out in § 4 (4).

(2) *Calculation of Amount of Interest.* If the amount of interest payable on the Notes is required to be calculated for any period of time, such amount of interest shall be calculated by the Calculation Agent for any Interest Period falling before the First Reset Date by applying the First Rate of Interest to the Specified Denomination, and if the amount of interest payable under the Notes is required to be calculated for any Interest Period falling in any Reset Period, such amount of interest shall be calculated by the Calculation Agent by applying the applicable Reset Rate to the Specified Denomination, in each case multiplying such amount by the applicable Day Count Fraction (as defined below), and rounding the resultant figure to the nearest [sub-unit]<sup>7</sup> [unit]<sup>8</sup> of the Specified Currency, half of such [sub-unit]<sup>1</sup> [unit]<sup>2</sup> being rounded upwards or otherwise in accordance with the applicable market convention.

"Interest Period" means the period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including an Interest Payment Date to but excluding the following Interest Payment Date.

(3) *Day Count Fraction.* "Day Count Fraction" means, in respect of the calculation of an amount of interest on any Note for any period of time (the "Calculation Period"):

**[If "Actual/Actual (ICMA)" applies, insert:**

1. if the Calculation Period is equal to or shorter than the Determination Period during which the Calculation Period ends, the number of calendar days in such Calculation Period divided by the product of (x) the number of calendar days in such Determination Period and (y) the number of Determination Dates (as specified below) that would occur in any year; or
2. if the Calculation Period is longer than the Determination Period during which the Calculation Period ends, the sum of
  - (A) the number of calendar days in such Calculation Period falling in the Determination Period in which the Calculation Period begins divided by the product of (x) the number of calendar days in such Determination Period and (y) the number of Determination Dates that would occur in any year; and
  - (B) the number of calendar days in such Calculation Period falling in the next Determination Period divided by the product of (x) the number of calendar days in such Determination Period and (y) the number of Determination Dates that would occur in any year.

"Determination Period" means the period from, and including, a Determination Date to, but excluding, the next Determination Date (including, where the Interest Commencement Date is not a Determination Date, the period commencing on the first Determination Date prior to the Interest Commencement Date, and where the final Interest Payment Date is not a Determination Date, the first Determination Date falling after the final Interest Payment Date, as the case may be).

"Determination Date" means [insert Determination Date(s)] in each year.]

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<sup>7</sup> Not for Japanese Yen.

<sup>8</sup> Only for Japanese Yen.

**[If "Actual/Actual (ISMA/Hungarian Bonds)" applies, insert:**

the actual number of calendar days in the Calculation Period divided by 365 (or 366 if that Calculation Period includes 29 February).]

**[If "Actual/365 (Fixed)" applies, insert:**

the actual number of calendar days in the Calculation Period divided by 365.]

**[If "Actual/360" applies, insert:**

the actual number of calendar days in the Calculation Period divided by 360.]

**[If "30/360", "360/360" or "Bond Basis" applies, insert:**

the number of calendar days in the Calculation Period divided by 360, the number of calendar days to be calculated on the basis of a year of 360 calendar days with twelve 30-calendar day months (unless (1) the last calendar day of the Calculation Period is the 31<sup>st</sup> calendar day of a month but the first calendar day of the Calculation Period is a calendar day other than the 30<sup>th</sup> or 31<sup>st</sup> calendar day of a month, in which case the month that includes that last calendar day shall not be considered to be shortened to a 30-calendar day month, or (2) the last calendar day of the Calculation Period is the last calendar day of the month of February in which case the month of February shall not be considered to be lengthened to a 30-calendar day month).]

**[If "30E/360" or "Eurobond Basis" applies, insert:**

the number of calendar days in the Calculation Period divided by 360 (the number of calendar days to be calculated on the basis of a year of 360 calendar days with twelve 30-calendar day months, without regard to the date of the first calendar day or last calendar day of the Calculation Period unless, in the case of the final Calculation Period, the Maturity Date is the last calendar day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-calendar day month).]

**(4) Determination of the Reset Rate.**

(a) *Reset Rate.* The rate of interest for each Reset Period (each a "**Reset Rate**") shall be the Reference Rate (as defined below) [plus] [minus] the Margin (as defined below) [**in case of a Factor insert:** [and multiplied by the factor [**insert Factor**]], subject to a minimum of 0.00 per cent. *per annum*.

The Calculation Agent will determine the relevant Reference Rate in accordance with this § 3 (4) for each Reset Date on the relevant Reset Determination Date.

**[Insert in case of a Constant Maturity Treasury Rate:**

The "**Reference Rate**" for each Reset Date will be the CMT Rate (as defined below) on the relevant Reset Determination Date [**if the term of the regular interest payments is not semi-annual but quarterly or annual, insert:**, provided that in order to determine the Reset Rate the Reference Rate will be converted by the Calculation Agent to [**in the case of a quarterly rate, insert:** a quarterly] [**in the case of an annual rate, insert:** an annual] rate in a commercially reasonable manner.]

Where:

"**CMT Rate**" means

- (i) the rate expressed as a percentage equal to the semi-annual yield for U.S. Treasury Securities at "constant maturity" for a period to maturity of five years, as published in the H.15 under the caption "Treasury constant maturities (nominal)", as such yield is displayed on the relevant Reset Determination Date on the Bloomberg L.P. service, or any successor service, on page "NDX" (under caption "H15T5Y"), or any other page as may replace that page on that service for the purpose of displaying "Treasury constant maturities (nominal)" as reported in the H.15 (the "**Bloomberg Screen**");
- (ii) if (x) the yield referred to in clause (i) is not published on the Bloomberg Screen on the relevant Reset Determination Date, or (y) there is a manifest error with respect to the publication on the Bloomberg Screen, then a rate equal to the semi-annual yield for U.S. Treasury Securities at "constant maturity" having a period to maturity of five years as published on such Reset Determination Date in the H.15 under the caption "Treasury constant maturities (nominal)"; or
- (iii) if neither the yield referred to in paragraph (i) nor the yield referred to in paragraph (ii) above are published on the relevant Reset Determination Date, then the CMT Rate will be the rate (expressed as a percentage rate per annum and rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per

cent. being rounded upwards)) calculated by the Calculation Agent as a semi-annual yield to maturity for a Reset United States Treasury Security based on the arithmetic mean (as rounded as aforesaid) of a selection of three out of five bid prices on the secondary market at approximately 11:00 a.m. (New York time) on the U.S. Treasury Securities Business Day following the relevant Reset Determination Date provided to the Calculation Agent by five leading primary dealers of U.S. Treasury Securities in New York (each a "**Reference Dealer**") selected by the Calculation Agent, eliminating the highest (or, in the event of equality, one of the highest) and the lowest (or, in the event of equality, one of the lowest) of the five provided quotations.

If by 11:59 p.m. (New York time) on the U.S. Government Securities Business Day following the relevant Reset Determination Date fewer than five but more than two of such quotations are provided, then the CMT Rate will be the rate (expressed as a percentage rate per annum and rounded to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) calculated by the Calculation Agent and will be a semi-annual yield to maturity for a Reset United States Treasury Security based on the arithmetic mean (rounded as aforesaid) of all of the bid prices obtained on the secondary market as set forth above.

If by 11:59 p.m. (New York time) on the U.S. Government Securities Business Day following the relevant Interest Determination Date fewer than three Reference Dealers selected by the Calculation Agent provide bid prices, or there is no outstanding Reset United States Treasury Security, then (x) for each Reset Period except the first Reset Period, the CMT Rate for the relevant Reset Determination Date shall be the CMT Rate on the last preceding Reset Determination Date or (y) for the first Reset Period, the Reference Rate shall be [●] per cent.<sup>9</sup> per annum.

In each of clauses (i) to (iii) above, the relevant rate shall be as determined by the Calculation Agent.

"**H.15**" means the daily statistical release designated as H.15, or any successor publication, published by the board of governors of the Federal Reserve System at [www.federalreserve.gov/releases/H15/](http://www.federalreserve.gov/releases/H15/) or such other page, section, successor site or publication as may replace it (the "**Screen Page**").

"**Margin**" means [*insert credit spread as of the pricing date (which shall not include any increase of the rate of interest or other incentive to redeem the Notes)*] per cent. per annum.

"**Reset Determination Date**" means the second U.S. Government Securities Business Day preceding prior to any Reset Date.

"**Reset United States Treasury Securities**" means United States Treasury Securities:

- (i) with a designated maturity which is equal or comparable to the duration of the relevant Reset Period, a remaining term to maturity of no less than one year less than a maturity which is equal or comparable to the duration of the relevant Reset Period; and
- (ii) 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 United States Treasury Securities have remaining terms to maturity equally close to the duration of the relevant Reset Period, the United States Treasury Security with the shorter remaining term to maturity will be used for the purposes of the relevant determination.

"**United States Treasury Securities**" means securities that are direct obligations of the United States Treasury, issued other than on a discount basis.

"**U.S. Government Securities Business Day**" means any day except for a Saturday, Sunday or a day on which the U.S. 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 United States Treasury Securities.]

**[Insert in case of any mid swap rate as Reference Rate:**

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<sup>9</sup> Calculated as the reoffer yield at the time of pricing of the Notes less the Credit Spread.



The "Reference Rate" for each Reset Date will be,

- (A) as long as no Benchmark Event (as defined in § 3 (4) (c)(iv)) has occurred,
  - (i) the Original Benchmark Rate on the relevant Reset Determination Date, as determined by the Calculation Agent; or
  - (ii) the Reference Bank Rate on the relevant Reset Determination Date if the Screen Page is unavailable or if the Original Benchmark Rate does not appear on the Screen Page as at such time on the relevant Reset Determination Date, all as determined by the Calculation Agent;
- (B) if a Benchmark Event has occurred, determined in accordance with § 3 (4) (c) for each Reset Period commencing on or after the Effective Date (as defined in § 3 (4) (c)(i)).

**[If the term of the Reference Rate is different from the term of the regular interest payments (quarterly, semi-annual or annual), insert:** For purposes of the determination of the Reset Rate that is based upon a Reference Rate determined on the basis of a benchmark rate that is not expressed as a **[in the case of a quarterly rate, insert: quarterly]** **[in the case of a semi-annual rate, insert: semi-annual]** **[in the case of an annual rate, insert: annual]** rate, the sum of such Reference Rate and the Margin will be converted by the Independent Advisor to **[in the case of a quarterly rate, insert: a quarterly]** **[in the case of a semi-annual rate, insert: a semi-annual]** **[in the case of an annual rate, insert: an annual]** rate in a commercially reasonable manner.]

"Original Benchmark Rate" in respect of each Reset Period means the annual swap rate (expressed as a percentage) for swap transactions in the Specified Currency with a term **[of [insert relevant term]]** [equal to the term of the Reset Period starting on the relevant Reset Date], which appears on the Screen Page (as defined below) as of **[insert relevant time]** (**[insert relevant financial centre]** time) on the relevant Reset Determination Date (as defined below) determined by its benchmark administrator using the methodology prevailing on the Interest Commencement Date, all as determined by the Calculation Agent.

"Reference Bank Rate" means the rate determined as follows: the Issuer shall request the principal office of each Reference Bank (as defined below) to provide the Calculation Agent with its mid-market swap rate quotation (expressed as a percentage rate) at approximately **[insert relevant time]** (**[insert relevant financial centre]** time) on the relevant Reset Determination Date, where "mid-market swap rate" means 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 interest rate swap transaction in the Specified Currency with a term **[of [insert relevant term]]** [equal to the term of the Reset Period and commencing on the relevant Reset Date] and in an amount that is representative of a single transaction in the relevant market at the relevant time 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 based on **[insert relevant reference rate and designated maturity]** (or such other reference rate as is used in accordance with the customary market practice at such time).

If three or more of the Reference Banks provide the Calculation Agent with such rates, the Reference Bank Rate for the relevant Reset Period shall be deemed to be the arithmetic mean (rounded if necessary to the nearest one hundred-thousandth of a percentage point, with 0.000005 being rounded upwards) of such rates eliminating the highest rate (or, in the event of equality, one of the highest) and the lowest rate (or, in the event of equality, one of the lowest), all as determined by the Calculation Agent.

If the Reference Bank Rate cannot be determined in accordance with the foregoing provisions of this definition of the term "Reference Bank Rate", the Reference Bank Rate for the relevant Reset Period shall be deemed to be the rate determined by the [Issuer in consultation with] Calculation Agent in its reasonable discretion; the [Issuer in consultation with] Calculation Agent shall take general market practice into account when determining such rate.

"Margin" means **[insert credit spread as of the pricing date (which shall not include any increase of the rate of interest or other incentive to redeem the Notes)]** per cent. *per annum*.

Where:

"Reference Banks" means five leading swap dealers in the interbank market selected by the Issuer.

"Reset Date" means the First Reset Date [and each **[insert term]** anniversary thereof for as long as the Notes remain outstanding] **[insert other Reset Dates]**.

"Reset Determination Date" means the [first] [second] **[insert other relevant number of Business Days]** Business Day [(as defined in § 1 ([6]))] prior to any Reset Date. **[if a definition is required, which differs from the "Business Day" definition applicable in § 1 ([6]), insert:** For the purposes of this § 3 (4) only,

**"Business Day"** means a calendar day (other than a Saturday or a Sunday [*in case the Reference Rate is the USD-Swap Rate, insert:* or a calendar 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 calendar day for purposes of trading in U.S. government securities]) [,] [*if applicable, insert:* on which [*in case TARGET shall be open, insert:* all relevant parts of the Trans-European Automated Real-time Gross Settlement Express Transfer System 2 or its successor ("**TARGET**") are open to effect payments] [[and] commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in [*insert relevant financial centres*]].

**"Reset Period"** means the period from and including a Reset Date to but excluding the [next following Reset Date] [Maturity Date].

**"Screen Page"** means [*insert relevant Screen Page, heading, caption*] or the successor page displayed by the same information provider or any other information provider nominated by the Calculation Agent as the replacement information provider for the purposes of displaying the Reference Rate.]

(b) *Notification of Reset Rate.* The Calculation Agent will cause the Reset Rate to be notified to the Issuer, any stock exchange on which the Notes are from time to time listed (if required by the rules of such stock exchange) and to the Holders in accordance with § 10 as soon as possible after its determination.

**[Insert in case of any mid swap rate as Reference Rate:**

(c) *New Benchmark Rate.*

- (i) *Benchmark Event.* In the event of a Benchmark Event (as defined below),
  - (A) the Issuer shall, as soon as this is (in the Issuer's view) required following the occurrence of the Benchmark Event and prior to the next Reset Determination Date, use reasonable endeavours to appoint an Independent Advisor (as defined below) that shall determine in its reasonable discretion (in consultation with the Calculation Agent) a New Benchmark Rate (as defined below) which shall replace the Original Benchmark Rate affected by the Benchmark Event, the Adjustment Spread (in accordance with subparagraph § 3 (4) (c)(ii) below) and the Benchmark Amendments (in accordance with subparagraph § 3 (4) (c)(iii) below) (if required); or
  - (B) if, prior to the 10<sup>th</sup> Business Day prior to the Effective Date (as defined below), no Independent Advisor is or can be appointed by the Issuer or if an Independent Advisor is appointed by the Issuer, but has not determined a New Benchmark Rate, has not determined the Adjustment Spread and/or has not determined the Benchmark Amendments (if required), then the Issuer shall determine in its reasonable discretion (in consultation with the Calculation Agent) a New Benchmark Rate which shall replace the Original Benchmark Rate affected by the Benchmark Event, the Adjustment Spread and the Benchmark Amendments (if required).

Any New Benchmark Rate, the Adjustment Spread and any Benchmark Amendments shall apply from (and including) the Reset Determination Date selected by the Independent Advisor (in the case of (A) above) or the Issuer (in the case of (B) above) in its reasonable discretion, which shall fall no earlier than the Reset Determination Date falling on or, if it is not a Reset Determination Date, the Reset Determination Date immediately following the date on which the Benchmark Event becomes effective (the "**Effective Date**").

Notwithstanding the generality of the foregoing, and without prejudice to the definitions of Adjustment Spread, New Benchmark Rate, Substitute Benchmark Rate and Alternative Benchmark Rate below, the Independent Advisor (in the case of (A) above) or the Issuer (in the case of (B) above) shall, when making any determination in accordance with this § 3 (4) (c), take into consideration any Official Substitution Concept, any Industry Solution or any Generally Accepted Market Practice.

- (ii) *Adjustment Spread.* The Independent Advisor (in the case of § 3 (4) (c)(i)(A) above) or the Issuer (in the case of § 3 (4) (c)(i)(B) above) shall determine in its reasonable discretion the Adjustment Spread (as defined below), and such Adjustment Spread shall be applied to the New Benchmark Rate.
- (iii) *Benchmark Amendments.* If the Independent Advisor (in the case of § 3 (4) (c)(i)(A) above) or the Issuer (in the case of § 3 (4) (c)(i)(B) above) determines in its reasonable discretion a New Benchmark Rate, the Issuer shall also be entitled to make, in its reasonable discretion, such adjustments to the Terms and Conditions relating to the determination of the Original Benchmark Rate (including, without limitation, the Reset Determination Date, the Day Count Fraction, the Business Days, the Business Day Convention the relevant time and the relevant Screen Page for obtaining the New Benchmark

Rate and the fall back provisions in the event that the relevant Screen Page is not available) which in the opinion of the Independent Advisor (in the case of § 3 (4) (c)(i)(A) above) or the Issuer (in the case of § 3 (4) (c)(i)(B) above) are necessary or expedient to make the substitution of the Original Benchmark Rate by the New Benchmark Rate operative (such amendments, the "**Benchmark Amendments**").

(iv) Definitions.

"**Adjustment Spread**" means either a spread (which may be positive or negative), or the formula or methodology for calculating a spread, in either case, which the Independent Advisor (in the case of § 3 (4)(c)(i)(A) above) or the Issuer (in the case of § 3 (4) (c)(i)(B) above) determines in its reasonable discretion is required to be applied to the relevant New Benchmark Rate which:

- (A) is formally recommended in relation to the replacement of the Original Benchmark Rate with the New Benchmark Rate by any Official Substitution Concept or, failing which, any Industry Solution or, if there is more than one such formal recommendation, such recommendation as selected by the Independent Advisor (in the case of § 3 (4) (c)(i)(A) above) or the Issuer (in the case of § 3 (4) (c)(i)(B) above) in its reasonable discretion; or
- (B) if no such recommendation has been made, which the Independent Advisor (in the case of § 3 (4) (c)(i)(A) above) or the Issuer (in the case of § 3 (4) (c)(i)(B) above) determines in its reasonable discretion is otherwise recognised or acknowledged as being the industry standard for over-the-counter derivative transactions or customarily applied or is market practice to apply in the international debt capital markets for other bonds which in either case reference the Original Benchmark Rate, where such rate has been replaced by the New Benchmark Rate (or, alternatively, in the international swap markets); or
- (C) if the Independent Advisor (in the case of § 3 (4) (c)(i)(A) above) or the Issuer (in the case of § 3 (4) (c)(i) (B) above) determines that also no such other industry standard is recognised or acknowledged, the Independent Advisor (in the case of § 3 (4) (c)(i)(A) above) or the Issuer (in the case of § 3 (4) (c)(i) (B) above) determines in its reasonable discretion to be appropriate.

"**Alternative Benchmark Rate**" means an alternative benchmark or screen rate which is customarily applied in the international debt capital markets (or, alternatively, the international swap markets) for the purposes of determining reset rates of interest (or the relevant component part thereof) in the Specified Currency, provided that all determinations will be made by the Independent Advisor (in the case of § 3 (4) (c)(i)(A) above) or the Issuer (in the case of § 3 (4) (c)(i)(B) above).

"**Benchmark Event**" occurs if:

- (1) a public statement or publication of information by or on behalf of the regulatory supervisor of the Original Benchmark Rate administrator is made, stating that said administrator has ceased or will cease to provide the Original Benchmark Rate permanently or indefinitely, unless there is a successor administrator that will continue to provide the Original Benchmark Rate; or
- (2) a public statement or publication of information by or on behalf of the Original Benchmark Rate administrator is made, stating that said administrator has ceased or will cease to provide the Original Benchmark Rate permanently or indefinitely, unless there is a successor administrator that will continue to provide the Original Benchmark Rate; or
- (3) a public statement by the regulatory supervisor of the Original Benchmark Rate administrator is made that, in its view, the Original Benchmark Rate is no longer, or will no longer be, representative of the underlying market it purports to measure and no action to remediate such a situation is taken or expected to be taken as required by the supervisor of the Original Benchmark Rate administrator; or
- (4) it has become, for any reason, unlawful under any law or regulation applicable to the Principal Paying Agent, any Paying Agent, the Calculation Agent, the Issuer or any other party to use the Original Benchmark Rate; or
- (5) the Original Benchmark Rate is permanently no longer published without a previous official announcement by the competent authority or the administrator; or
- (6) a material change is made to the Original Benchmark Rate methodology.

"**Generally Accepted Market Practice**" means the customary use of a certain benchmark rate, subject to certain adjustments (if any), as substitute benchmark rate for the Original Benchmark Rate

or of provisions, contractual or otherwise, providing for a certain procedure to determine payment obligations which would otherwise have been determined by reference to the Original Benchmark Rate in other bond issues following the occurrence of a Benchmark Event, or any other generally accepted market practice to replace the Original Benchmark Rate as reference rate for the determination of payment obligations.

**"Independent Advisor"** means an independent financial institution of international repute or other independent financial advisor experienced in the international debt capital markets, in each case appointed by the Issuer at its own expense.

**"Industry Solution"** means any public statement by the International Swaps and Derivatives Association (ISDA), the International Capital Markets Association (ICMA), the Association for Financial Markets in Europe (AFME), the Securities Industry and Financial Markets Association (SIFMA), the SIFMA Asset Management Group (SIFMA AMG), the Loan Markets Association (LMA), the Deutsche Derivate Verband (DDV), the Zertifikate Forum Austria or any other private association of the financial industry pursuant to which a certain reference rate, subject to certain adjustments (if any), should or could be used to replace the Original Benchmark Rate or pursuant to which a certain procedure should or could be used in order to determine payment obligations which would otherwise be determined by reference to the Original Benchmark Rate.

**"New Benchmark Rate"** means any substitute or alternative replacement rate (expressed as a percentage rate *per annum*) to the Original Benchmark Rate determined by the Independent Advisor (in the case of § 3 (4) (c)(i)(A) above) or the Issuer (in the case of § 3 (4) (c)(i)(B) above) in its reasonable discretion as follows:

- (A) If a Substitute Benchmark Rate exists, then such Substitute Benchmark Rate shall constitute the New Benchmark Rate.
- (B) If no Substitute Benchmark Rate exists but there is an Alternative Benchmark Rate, then such Alternative Benchmark Rate shall subsequently be the New Benchmark Rate.

**"Official Substitution Concept"** means any binding or non-binding public statement by (A) the EU Commission or any EU Member State taking into account, where available, the recommendation by an alternative reference rate working group operating under the auspices of the central bank responsible for the currency in which the interest rates of the replacement benchmark are denominated or (B) any of the following entities provided that they are competent to make such statement: a central bank, a supervisory authority or a supervisory or expert body of the financial sector established under public law or composed of publicly appointed members, pursuant to which a certain benchmark rate, subject to certain adjustments (if any), should or could be used to replace the Original Benchmark Rate or pursuant to which a certain procedure should or could be used in order to determine payment obligations which would otherwise be determined by reference to the Original Benchmark Rate.

**"Substitute Benchmark Rate"** means any substitute replacement rate to the Original Benchmark Rate (expressed as a percentage rate *per annum*) (i) nominated by the EU Commission or any EU Member State taking into account, where available, the recommendation by an alternative reference rate working group operating under the auspices of the central bank responsible for the currency in which the interest rates of the replacement benchmark are denominated; or (ii) nominated by any of the following entities provided that they are competent to make such nominations: a central bank, a supervisory authority or any supervisory or expert body of the financial sector established under public law or composed of publicly appointed members including any working group or committee chaired or co-chaired by or constituted at the request of the central bank or other supervisory authority for being used for determining the interest scheduled to be paid under the Notes determined by the Independent Advisor (in the case of § 3 (4) (c)(i) (A) above) or the Issuer (in the case of § 3 (4) (c)(i) (B) above) in its reasonable discretion.

- (v) If (A) the Issuer has not appointed an Independent Advisor or (B) the Independent Advisor appointed by it (in the case of § 3 (4) (c)(i)(A) above) or the Issuer (in the case of § 3 (4)(c)(i)(B) above) has not determined a New Benchmark Rate, has not determined the Adjustment Spread and/or has not determined the Benchmark Amendments (if required) in accordance with this § 3 (4) (c), the Reference Rate applicable to the next Interest Period shall be equal to the Reference Rate determined on the last preceding Reset Determination Date. If this § 3 (4) (c)(v) were to be applied on the first Reset Determination Date prior to the commencement of the first Interest Period, the Reference Rate applicable to the first Interest Period shall be equal to the Original Benchmark Rate on the Screen Page on the last day preceding the first Reset Determination Date on which such Original Benchmark Rate was displayed .

For the avoidance of doubt, the operation of this subparagraph (v) shall apply to the Effective Date and the corresponding Reset Period only. Any subsequent Reset Determination Date and Reset Period shall be subject to the subsequent operation of, and to adjustment as provided in, this § 3 (4) (c).

- (vi) Following the occurrence of a Benchmark Event, the Issuer will give notice of the occurrence of the Benchmark Event, the New Benchmark Rate, the Adjustment Spread and the Benchmark Amendments (if required) to the Calculation Agent, to the Holders in accordance with § 10 and, if required by the rules of any stock exchange on which the Notes are from time to time listed, to such stock exchange as soon as possible but in no event later than on the 10<sup>th</sup> Business Day prior to the Effective Date.
- (vii) Notwithstanding the provisions of this § 3 (4) (c), no New Benchmark Rate, no Adjustment Spread and/or no Benchmark Amendments, if any, will be adopted, nor will any other amendment to the Terms and Conditions be made to effect the same, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to entitle the Issuer to redeem the Notes for regulatory reasons pursuant to § 5 (3) and/or would prejudice the qualification [of the Notes as Tier 2 Instruments and/or] of the Notes as eligible liabilities or loss absorbing capacity instruments for the purposes of the bank resolution laws applicable to the Issuer from time to time.

If this § 3 (4) (c)(vii) were to be applied on the first Reset Determination Date prior to the commencement of the first Interest Period, the Reference Rate applicable to the first and each subsequent Interest Period shall be equal to the Original Benchmark Rate on the Screen Page on the last day preceding the first Reset Determination Date on which such Original Benchmark Rate was displayed.

If this § 3 (4) (c)(vii) were to be applied on a Reset Determination Date falling after the commencement of any Interest Period, the Reference Rate applicable to the next and each subsequent Interest Period shall be equal to the Reference Rate determined on the last preceding Reset Determination Date.

- (viii) If a Benchmark Event occurs in relation to any New Benchmark Rate, this § 3 (4) shall apply *mutatis mutandis* to the replacement of such New Benchmark Rate by any new New Benchmark Rate. In this case, any reference in this § 3 to the term Original Benchmark Rate shall be deemed to be a reference to the New Benchmark Rate that last applied.
- (ix) Any reference in this § 3 (4) (c) to the term Original Benchmark Rate shall be deemed to include a reference to any component part thereof, if any, in respect of which a Benchmark Event has occurred.]

[[c)] [(d)] **Determinations Binding.** All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this § 3 by the Calculation Agent or, as the case may be, any Independent Advisor or the Issuer, shall (in the absence of wilful default, bad faith, inequity or manifest error) be binding on the Issuer, the Fiscal Agent, the Paying Agents and the Holders and, in the absence of the aforesaid, no liability to the Issuer, the Fiscal Agent, the Paying Agents or the Holders shall attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(5) **Cessation of Interest Accrual.** The Notes shall cease to bear interest from the end of the calendar day preceding their due date for redemption. If the Issuer fails to redeem the Notes when due, interest shall continue to accrue on the outstanding principal amount of the Notes beyond the due date until the end of the calendar day preceding the actual redemption of the Notes. The applicable rate of interest will be determined in accordance with this § 3. This does not affect any additional rights that might be available to the Holders.

## § 4 PAYMENTS

**[In case of Notes governed by German law insert:**

- (1) (a) **Payment of Principal.** Payment of principal on the Notes shall be made, subject to § 4 (2) below, to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System.
- (b) **Payment of Interest.** Payment of interest and any Additional Amounts on the Notes shall be made, subject to § 4 (2) below, to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System.]

**[In case of Notes governed by Hungarian law insert:**

- (1) (a) *Payment of Principal.* Payment of principal on the Notes shall be made, subject to § 4 (2) below, to the bank account or other cash account of the respective Holder held at the securities account manager holding the Notes of such Holder according to the register of the Hungarian Central Depository.
- (b) *Payment of Interest.* Payment of interest on the Notes shall be made, subject to § 4 (2) below, to the bank account or other cash account of the respective Holder held at the securities account manager holding the Notes of such Holder according to the register of the Hungarian Central Depository.
- (c) *Payment Day.* Payments of principal and/or interest on the Notes under these Terms and Conditions shall be made by the Issuer on the dates and conditions stipulated in these Terms and Conditions via the Paying Agent.
- (d) *Payment Reference Date.* The Paying Agent(s) will process, on behalf of the Issuer, payments of principal and/or interest on the Notes to the Holders and shall make payments of principal and/or interest on the Notes to the Holders recorded in the Holders' Registry on the payment reference date (the "**Payment Reference Date**") determined at the close of business on the second calendar day before the due date for payment thereof (including the Maturity Date).

Any person who acquires a Note between a Payment Reference Date and the corresponding due date for a payment of interest or principal shall not be entitled to receive payment of interest or principal on the Notes for the corresponding due date notwithstanding that such person is recorded in the Holders' Registry on the relevant due date as the Holder of the Note.

- (e) *Eligible Receiver(s).* Unless specified otherwise in these Terms and Conditions, "**Eligible Receivers**" are Holders which are recorded in the Holder's Registry by the Payment Reference Date and which are eligible for payments under these Terms and Conditions.
- (f) *Payment Logistics.* The Paying Agent will make payments to Eligible Receivers by means of a wire transfer to their bank account or other cash account held at the securities account manager holding the Notes of the Eligible Receiver according to the register of the Hungarian Central Depository.

No payments of principal and/or interest will be made in cash, by cheque or by postal order.

**[In case the Issuer is appointed as Paying Agent insert:** The Issuer shall not] **[in case a Paying Agent other than the Issuer is appointed insert:** Neither the Issuer nor the Paying Agent(s) shall] be liable to the Holders or any other person for any commissions, costs, losses or expenses in relation to or resulting from the credit or transfer of Euro or any other currency conversion or rounding effected in connection therewith.]

- (2) *Manner of Payment.* Subject to applicable fiscal and other laws and regulations, payments of amounts due in respect of the Notes shall be made in the Specified Currency.

- (3) *Discharge.*

**[In case of Notes governed by German law insert:**

The Issuer shall be discharged by payment to, or to the order of, the Clearing System.]

**[In case of Notes governed by Hungarian law insert:**

The Issuer's obligation to pay any amount due in respect to these Terms and Conditions shall be deemed to be fulfilled duly and on time if the relevant amount is remitted to the Eligible Receiver and such payment is debited from the Paying Agent's bank account and is credited to the bank account or other cash account of the Eligible Receiver held at the securities account manager holding the Notes of such Eligible Receiver according to the register of the Hungarian Central Depository.]

- (4) *Business Day Convention.* If the due date for payment of any amount of principal or interest in respect of any Note is not a Business Day (as defined in § 1 (6)), then

**[In the case of Modified Following Business Day Convention (adjusted), the following applies:**

the due date shall be postponed to the next calendar day which is a Business Day unless it would thereby fall into the next calendar month, in which event the due date shall be brought forward to the immediately preceding Business Day, and the Interest Period shall be adjusted accordingly.]

**[In the case of Following Business Day Convention (adjusted), the following applies:**

the due date shall be postponed to the next calendar day which is a Business Day, and the Interest Period shall be adjusted accordingly.]

**[In the case of Preceding Business Day Convention (adjusted), the following applies:**

the due date shall be brought forward to the immediately preceding Business Day, and the Interest Period shall be adjusted accordingly.]

**[In the case of Modified Following Business Day Convention (unadjusted), the following applies:**

the relevant payment shall be made on the next calendar day which is a Business Day unless it would thereby fall into the next calendar month, in which event the relevant payment shall be made on the immediately preceding Business Day (the Interest Period shall not be adjusted accordingly).]

**[In the case of Following Business Day Convention (unadjusted), the following applies:**

the Holder shall not be entitled to payment until the next day that is a Business Day and shall not be entitled to further interest or other payment in respect of such delay (the Interest Period shall not be adjusted accordingly).

**[In the case of Preceding Business Day Convention (unadjusted), the following applies:**

the relevant payment shall be made on the immediately preceding Business Day (the Interest Period shall not be adjusted accordingly).]

(5) *References to Principal* **[in case the Notes are early redeemable for reasons of taxation insert: and Interest]**. References in these Terms and Conditions to "principal" in respect of the Notes shall be deemed to include any premium and any other amounts (other than interest) which may be payable under or in respect of the Notes. **[If the Notes are early redeemable for reasons of taxation insert:** References in these Terms and Conditions to "interest" in respect of the Notes shall be deemed to include, as applicable, any Additional Amounts (as defined in § 7 (1)) which may be payable under § 7 (1).]

## § 5 REDEMPTION

(1) *Redemption on the Maturity Date*. Unless previously redeemed in whole or in part or repurchased and cancelled, and subject to adjustment in accordance with the provisions set out in § 4 (4), the Notes shall be redeemed at their principal amount on **[insert Maturity Date]** (the "Maturity Date").

**[If the Notes are subject to Early Redemption at the Option of the Issuer insert:**

(2) *Early Redemption at the Option of the Issuer*.

- (a) The Issuer may, upon giving not less than **[insert Minimum Notice Period, which shall not be less than 5 Business Days]** [calendar days] [Business Days] **[in case of a Maximum Notice Period insert:** and not more than **[insert Maximum Notice Period]** [calendar days] [Business Days]] notice in accordance with § 5 (2) (b), redeem, on (any of) the Optional Redemption Date(s), all but not some only of the Notes at their Specified Denomination together with accrued interest, if any, to but excluding the Optional Redemption Date specified in the notice.

Any such early redemption pursuant to this § 5 (2) shall only be possible if the conditions to redemption and repurchase set out in § 5 ([5]) are met.

"Optional Redemption Date(s)": **[insert Optional Redemption Date(s)]**<sup>10</sup>

<sup>10</sup> In the case of Preferred Senior Notes and Non-preferred Senior Notes, the first Optional Redemption Date must not be earlier than the first anniversary of the issue date of the last Tranche of the series of Notes.

In the case of Subordinated Notes, the first Optional Redemption Date must not be earlier than the fifth anniversary of the issue date of the last Tranche of the series of Notes.

- (b) The notice of redemption shall be given by the Issuer to the Holders in accordance with § 10. Such notice shall be irrevocable and shall specify:
- (i) the series of Notes subject to redemption; and
  - (ii) the Optional Redemption Date on which the Issuer will redeem the Notes.

***[If the Notes are not subject to Early Redemption at the Option of the Issuer for reasons other than for taxation or regulatory reasons insert:]***

(2) *No Early Redemption at the Option of the Issuer.* The Notes may not be redeemed at the option of the Issuer prior to their Maturity Date other than in case of an early redemption pursuant to § 5 (3) [or § 5 (4)].

(3) *Early Redemption for Regulatory Reasons.*

- (a) The Issuer may, upon giving not less than ***[insert Minimum Notice Period, which shall not be less than 5 Business Days]*** [calendar days] [Business Days] ***[in case of a Maximum Notice Period insert:]*** and not more than ***[insert Maximum Notice Period]*** [calendar days] [Business Days] notice in accordance with § 5 (3) (b), redeem all but not some only of the Notes at their principal amount together with accrued interest, if any, to but excluding the date fixed for redemption on the date fixed for redemption if, as a result of any change in, or amendment to, the directives, laws and regulations applicable in the European Union or Hungary or their interpretation,

***[In the case of Preferred Senior Notes or Non-preferred Senior Notes insert:]***

the Notes do no longer comply with the minimum requirements for eligible liabilities (MREL) (the "MREL Requirement") which are or, as the case may be, will be, applicable to the Issuer and/or the Issuer's MREL Group in accordance with

- (i) Article 45 of the BRRD (as defined in § 1 (6)), as amended, and any applicable national law, as amended, implementing the BRRD; or
- (ii) Article 12 of the Regulation (EU) No. 806/2014 of the European Parliament and of the Council of 15 July 2014, as amended,

except where such non-compliance would only be based on the remaining maturity of the Notes being less than any period prescribed in the applicable MREL regulations or any applicable limits on the amount of eligible liabilities instruments being exceeded.

Where:

"Issuer's MREL Group" means the Issuer and its subsidiaries which have to comply with the MREL Requirement on a group basis.]

***[In the case of Subordinated Notes insert:]***

- [(i)] there is a change in the regulatory classification of the Notes that would be likely to result in their exclusion in full or in part from own funds or reclassification as own funds of lower quality (in each case, on an individual basis of the Issuer and/or on a consolidated basis of the Issuer's Regulatory Group); or
- (ii) the Notes, to the extent that, pursuant to Article 64 CRR, a portion thereof does no longer qualify as a Tier 2 item but, pursuant to Article 72a(1)(b) CRR, as an eligible liabilities item, that portion does no longer comply with the minimum requirements for eligible liabilities (MREL) (the "MREL Requirement") which are or, as the case may be, will be, applicable to the Issuer and/or the Issuer's MREL Group in accordance with
  - (A) Article 45 of the BRRD (as defined in § 1 (6)), as amended, and any applicable national law, as amended, implementing the BRRD; or
  - (B) Article 12 of the Regulation (EU) No. 806/2014 of the European Parliament and of the Council of 15 July 2014, as amended,

except where such non-compliance would only be based on the remaining maturity of the Notes being less than any period prescribed in the applicable MREL regulations or any applicable limits on the amount of eligible liabilities instruments being exceeded].



Where:

**"Issuer's Regulatory Group"** means, from time to time, any banking group with a parent institution and/or any banking group with a parent financial holding company: (i) to which the Issuer belongs; and (ii) to which the own funds requirements on a consolidated basis due to prudential consolidation in accordance with the Applicable Supervisory Regulations apply.

**["Issuer's MREL Group"** means the Issuer and its subsidiaries which have to comply with the MREL Requirement on a group basis.]]

Any such early redemption pursuant to this § 5 (3) shall only be possible if the conditions to redemption and repurchase set out in § 5 ([5]) are met.

- (b) The notice of redemption shall be given by the Issuer to the Holders in accordance with § 10. Such notice shall be irrevocable and shall specify:
  - (i) the series of Notes subject to redemption;
  - (ii) the date fixed for redemption.

**[If Notes are issued under German law insert:**

**(4) Early Redemption for Reasons of Taxation.**

- (a) The Issuer may, upon giving not less than **[insert Minimum Notice Period, which shall not be less than 5 Business Days]** [calendar days'] [Business Days'] **[in case of a Maximum Notice Period insert:** and not more than **[insert Maximum Notice Period]** [calendar days'] [Business Days']] notice in accordance with § 5 (4) (b), redeem all but not some only of the Notes at their principal amount together with accrued interest, if any, to but excluding the date fixed for redemption on the date fixed for redemption if, on the next succeeding Interest Payment Date, the Issuer will become obliged to pay Additional Amounts pursuant to § 7 (1) as a result of any change in, or amendment to, the laws or regulations of the Issuer's country of domicile for tax purposes or of any political subdivision or taxing authority of or in the Issuer's country of domicile for tax purposes, or as a result of any change in, or amendment to, an official interpretation or application of such laws or regulations, which amendment or change is effective on or after the date on which the last tranche of this series of Notes is issued, and such amendment or change has been evidenced by the delivery by the Issuer to the Fiscal Agent (who shall accept such certificate and opinion as sufficient evidence thereof) of (i) a certificate signed by two authorised representatives of the Issuer on behalf of the Issuer stating that such amendment or change has occurred (irrespective of whether such amendment or change is then effective), describing the facts leading thereto and stating that such requirement cannot be avoided by the Issuer taking reasonable measures available to it and (ii) an opinion of independent legal or tax advisers of recognised reputation to the effect that such amendment or change has occurred (irrespective of whether such amendment or change is then effective), provided that no such notice of redemption shall be given earlier than 90 calendar days prior to the earliest date on which the Issuer would be obliged to pay such Additional Amounts were a payment in respect of the Notes then due. No such notice of redemption shall be given if at the time such notice takes effect, the obligation to pay such Additional Amounts does not remain in effect.

Any such early redemption pursuant to this § 5 (4) shall only be possible if the conditions to redemption and repurchase set out in § 5 ([5]) are met.

- (b) The notice of redemption shall be given by the Issuer to the Holders in accordance with § 10. Such notice shall be irrevocable and shall specify:
  - (i) the series of Notes subject to redemption;
  - (ii) the date fixed for redemption.]

**[In the case of Preferred Senior Notes or Non-preferred Senior Notes insert:**

**([5]) Conditions to Redemption and Repurchase.** Any early redemption pursuant to this § 5 and any repurchase pursuant to § 9 (2) are subject to the Resolution Authority having granted the Issuer the prior permission in accordance with Articles 77 *et seq.* CRR or any successor provision for the early redemption or the repurchase, whereas such permission may, *inter alia*, require that either

- (a) before or at the same time as the redemption or repurchase, the Issuer replaces the Notes with own funds instruments or eligible liabilities of equal or higher quality at terms that are sustainable for the income capacity of the Issuer; or

- (b) the Issuer has demonstrated to the satisfaction of the Resolution Authority that the own funds and eligible liabilities of the Issuer would, following such early redemption or repurchase, exceed the requirements for own funds and eligible liabilities laid down in the CRR, the CRD and the BRRD by a margin that the Resolution Authority considers necessary at such time; or
- (c) the Issuer has demonstrated to the satisfaction of the Resolution Authority that the partial or full replacement of the eligible liabilities with own funds instruments is necessary to ensure compliance with the own funds requirements laid down in the CRR and CRD for continuing authorisation.]

**[In the case of Subordinated Notes insert:**

**([5]) Conditions to Redemption and Repurchase.** Any early redemption pursuant to this § 5 and any repurchase pursuant to § 9 (2) is subject to:

- (a) the Competent Authority having granted the Issuer the prior permission in accordance with Articles 77 *et seq.* CRR or any successor provision for the early redemption, whereas such permission may, *inter alia*, require that:
  - (i) either, before or at the same time as the redemption or repurchase, the Issuer replaces the Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer; or
  - (ii) the Issuer has demonstrated to the satisfaction of the Competent Authority that the own funds and eligible liabilities of the Issuer would, following such early redemption or repurchase, exceed the requirements for own funds and eligible liabilities laid down in the CRR, the CRD and the BRRD by a margin that the Competent Authority considers necessary; and
- (b) in the case of any early redemption or repurchase of the Notes during the five years following the date of issuance of the Notes:
  - (A) in the case of any early redemption pursuant to § 5 (3), the Competent Authority considers such change to be sufficiently certain and the Issuer has demonstrated to the satisfaction of the Competent Authority that the relevant change in the regulatory classification of the Notes was not reasonably foreseeable as at the date of issuance of the Notes; or
  - [(B) in the case of any early redemption pursuant to § 5 (4), the Issuer has demonstrated to the satisfaction of the Competent Authority that the applicable change in tax treatment is material and was not reasonably foreseeable as at the date of issuance of the Notes; or]
  - [(C)] in the case of any early redemption or repurchase of the Notes, the Issuer, earlier than or at the same time as the early redemption or the repurchase, replaces the Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer and the Competent Authority has permitted that early redemption or repurchase based on the determination that it would be beneficial from a prudential point of view and justified by exceptional circumstances; or
  - [(D)] the Notes being repurchased for market making purposes in accordance with the Applicable Supervisory Regulations.

Notwithstanding the above conditions, if, at the time of any early redemption or repurchase, the prevailing Applicable Supervisory Regulations permit the early redemption or repurchase only after compliance with one or more alternative or additional pre-conditions to those set out above, the Issuer shall comply with such other and/or, as appropriate, additional pre-conditions, if any.

For the avoidance of doubt, any refusal of the Competent Authority (or any other relevant supervisory authority) to grant any permission, approval or other authorisation required in accordance with the Applicable Supervisory Regulations shall not constitute a default for any purpose.]

**([6]) No Early Redemption at the Option of a Holder.** The Holders do not have a right to demand the early redemption of the Notes.

## § 6

## FISCAL AGENT, PAYING AGENT[S] AND CALCULATION AGENT

(1) *Appointment; Specified Offices.* The initial Fiscal Agent, the initial Principal Paying Agent **[if (a) further paying agent(s) shall be appointed, insert: , the initial Paying Agent(s)]** and the initial Calculation Agent and their respective initial specified offices are:

Fiscal Agent and Principal Paying Agent:

**[If Erste Group Bank AG shall be appointed as initial Fiscal and Principal Paying Agent insert:**

Erste Group Bank AG  
Am Belvedere 1  
A-1100 Vienna  
Austria]

**[If Erste Bank Hungary Zrt. shall be appointed as initial Fiscal and Principal Paying Agent insert:**

Erste Bank Hungary Zrt.  
Népfürdő utca 24-26  
H-1138 Budapest  
Hungary]

**[If another Fiscal and Principal Paying Agent shall be appointed, insert its name and initial specified office.]**

**[If an additional or other paying agent shall be appointed, insert its name and initial specified office.]**

Calculation Agent:

**[If Erste Group Bank AG shall be appointed as Calculation Agent insert:**

Erste Group Bank AG  
Am Belvedere 1  
A-1100 Vienna  
Austria]

**[If Erste Bank Hungary Zrt. shall be appointed as initial Fiscal and Principal Paying Agent insert:**

Erste Bank Hungary Zrt.  
Népfürdő utca 24-26  
H-1138 Budapest  
Hungary]

**[If another Calculation Agent shall be appointed, insert its name and initial specified office.]**

Where these Terms and Conditions refer to the term "Paying Agent(s)", such term shall include the Principal Paying Agent.

The Fiscal Agent, the Paying Agent(s) and the Calculation Agent reserve the right at any time to change their respective specified office to some other specified office in the same city.

(2) *Variation or Termination of Appointment.* The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, any Paying Agent or the Calculation Agent and to appoint another Fiscal Agent, additional or other Paying Agents or another Calculation Agent. The Issuer shall at all times maintain (i) a Fiscal Agent **[.,] [and]** (ii) so long as the Notes are listed on a stock exchange, a Paying Agent (which may be the Fiscal Agent) with a specified office in such place as may be required by the rules of such stock exchange or its supervisory **[authority] [authorities]] [in case of Notes the Specified Currency of which is U.S. dollar, insert: .,] [and]** (iii) if payments at or through the offices of all Paying Agents outside the United States become illegal or are effectively precluded because of the imposition of exchange controls or similar restrictions on the full payment or receipt of such amounts in U.S. dollar, a Paying Agent with a specified office in New York] and (iv) a Calculation Agent. The Issuer will give notice to the Holders of any variation, termination, appointment or any other change as soon as possible upon the effectiveness of such change.

(3) *Agents of the Issuer.* The Fiscal Agent, the Paying Agents and the Calculation Agent act solely as agents of the Issuer and do not have any obligations towards or relationship of agency or trust to any Holder.

(4) *Determinations Binding.* All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of these Terms and Conditions by the Fiscal Agent shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Paying Agents, the Calculation Agent and the Holders and, in the absence of the aforesaid, no liability to the Issuer, the Paying Agents, the Calculation Agent or the Holders shall attach to the Fiscal Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(5) *Independent Advisor.* If the Issuer appoints an Independent Advisor in accordance with § 3(4), § 6(3) and (4) shall apply mutatis mutandis to the Independent Advisor.

## § 7 TAXATION

### ***[If the Notes are issued under German law insert:***

(1) *Gross-up.* All payments of interest or principal by or on behalf of the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**") imposed, levied, collected, withheld or assessed by or within the Issuer's country of domicile for tax purposes or by any authority in or of the Issuer's country of domicile for tax purposes having power to tax, unless such withholding or deduction is required by law.

If the Issuer is required by law to make any withholding or deduction for any Taxes from any payment of interest in respect of the Notes, the Issuer shall pay such additional amounts (the "**Additional Amounts**") to the Holder as shall result in receipt by that Holder of such amounts as would have been received by the Holder had no such withholding or deduction been required, except that no such Additional Amounts shall be payable with respect to any Note:

- (a) which are payable to, or to a third party on behalf of, a Holder who is liable to such Taxes in respect of such Note by reason of it having some connection with the Issuer's country of domicile for tax purposes other than the mere holding of the Note; or
- (b) in respect of any Taxes which are to be withheld or deducted pursuant to (i) any European Union Directive or Regulation concerning the taxation of interest income, or (ii) any international treaty, agreement or understanding relating to such taxation and to which the Issuer's country of domicile for tax purposes or the European Union is a party, or (iii) any provision of law implementing, or complying with, or introduced to conform with, such Directive, Regulation, treaty, agreement or understanding; or
- (c) in respect of any Taxes which are payable by any person acting as custodian bank or collecting agent on behalf of a Holder, or otherwise in any manner which does not constitute a withholding or deduction by the Issuer from payments of interest made by it.

(2) *U.S. Foreign Account Tax Compliance Act (FATCA).* The Issuer is authorised to withhold or deduct from amounts payable under the Notes to a Holder or beneficial owner of Notes sufficient funds for the payment of any tax that it is required to withhold or deduct pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), or that is otherwise imposed pursuant to Sections 1471 through 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.]

### ***[If the Notes are issued under Hungarian law insert:***

(1) *General Taxation.* All payments of principal and interest by or on behalf of the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Hungary or by any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

The Issuer shall withhold or deduct from amounts payable under the Notes to a Holder or beneficial owner of Notes sufficient funds for the payment of any tax that it is required to withhold or deduct under Hungarian law and it shall not be required to pay additional amounts to the Holder in respect of such withholding or deduction.

The Issuer shall not apply the withholding or deduction required by law or apply a lower rate of withholding or deduction if:

- (a) the Holder entitled to payment of interest on the Notes is resident for tax purposes in a jurisdiction with which Hungary has concluded a treaty for the avoidance of double taxation and in accordance with such treaty the relevant payment of interest on the Notes is not subject to taxation in Hungary, or subject to a lower rate of withholding or deduction in Hungary than the rate imposed under the relevant Hungarian law at the time of payment, and
- (b) at least 5 calendar days prior to the relevant interest due date, that Holder has provided to the Paying Agent the forms, certificates and documents as required by relevant Hungarian taxation laws for sake of evidencing residence in the relevant country with which Hungary has concluded a treaty for the avoidance of double taxation and application thereof.

(2) *U.S. Foreign Account Tax Compliance Act (FATCA)*. The Issuer is authorised to withhold or deduct from amounts payable under the Notes to a Holder or beneficial owner of Notes sufficient funds for the payment of any tax that it is required to withhold or deduct pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), or that is otherwise imposed pursuant to Sections 1471 through 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.]

**[In the case of Notes governed by German law insert:**

#### § 8 PRESENTATION PERIOD

The presentation period provided in § 801 (1) sentence 1 German Civil Code (*Bürgerliches Gesetzbuch*) is reduced to ten years for the Notes.]

**[In the case of Notes governed by Hungarian law insert:**

#### § 8 NO PRESCRIPTION

Claims against the Issuer for payment in respect of the Notes shall not be prescribed and shall not become void.]

#### § 9 FURTHER ISSUES OF NOTES, REPURCHASES AND CANCELLATION

(1) *Further Issues of Notes*. The Issuer may from time to time, without the consent of the Holders, issue further Notes having the same terms as the Notes in all respects (except for the date of issuance, issue price, Interest Commencement Date and/or first Interest Payment Date) so as to form a single series with the Notes.

(2) *Repurchases*. Provided that all applicable regulatory and other statutory restrictions are observed, and provided further that the conditions to redemption and repurchase laid down in § 5 ([5]) are met, the Issuer and any of its Subsidiaries may at any time repurchase Notes in the open market or otherwise. Notes repurchased by the Issuer or any Subsidiary may, at the option of the Issuer or such Subsidiary, be held, resold or surrendered to the Fiscal Agent for cancellation.]

(3) *Cancellation*. All Notes redeemed in full shall be cancelled forthwith and may not be reissued or resold.

#### § 10 NOTICES

**[In the case of Notes governed by German law insert:**

(1) *Notices of the Issuer*. All notices of the Issuer concerning the Notes shall be published in such media as determined by law and in electronic form on the website of the Issuer ("www.erstebank.hu"). Any notice so given will be deemed to have been validly given on the fifth calendar day following the date of such publication (or, if published more than once, on the fifth calendar day following the date of the first such publication).

***[Insert only if the Notes are not intended to be admitted to trading on a regulated market and the Issuer wishes to send notices directly to the Holders:]***

The Issuer is, in addition, at any time entitled to send notices directly to Holders known to the Issuer.

A "**Holder known to the Issuer**" means a Holder whose contact details are known to the Issuer.

Any such notice shall be deemed to have been validly given upon receipt by the Holder.

If all Holders of a series of Notes are known to the Issuer, the Issuer is entitled to send notices exclusively directly to the Holders. In this case, the Issuer does not have to publish a notice pursuant to sentence 1.

This shall not affect any statutory notice obligations.

Each Holder may provide the Issuer with its contact details (name[,] address [,][and] [fax number] [and] [e-mail address]) by sending them to the following address:

Erste Bank Hungary Zrt. / Capital Markets, 1138 Budapest, Népfürdő u. 24-26., Hungary

Following such notice to the Issuer, the relevant Holder shall be deemed to be a Holder known to the Issuer.]

(2) *Publication of Notices of the Issuer via the Clearing System.* If the publication of notices pursuant to § 10 (1) is no longer required by law, the Issuer may, in lieu of publication in the media set forth in § 10 (1), deliver the relevant notices to the Clearing System, for communication by the Clearing System to the Holders. Any such notice shall be deemed to have been given to the Holders on the seventh calendar day after the calendar day on which said notice was delivered to the Clearing System.]

***[In the case of Notes governed by Hungarian law insert:]***

(1) *Publication.* All notices of facts concerning the Notes shall be published on the website of the Issuer ("www.erstebank.hu"). Any notice so given will be deemed to have been validly given on the date of such publication (or, if published more than once, on the date of such publication). This does not affect any applicable mandatory provisions of law. Alternatively, the Issuer shall be entitled to send at any time notices directly to Holders known to the Issuer.

This provision is without prejudice to any applicable publication requirements in accordance with Hungarian capital markets laws.

(2) *Form of Notice to Be Given by any Holder.* Notices regarding the Notes which are to be given by any Holder to the Issuer shall be validly given if delivered in writing in the Hungarian or English language to the Issuer's registered office. The Holder shall provide evidence satisfactory to the Issuer of its holding of the Notes. Such evidence may be (i) a certificate issued by the Clearing System or the Custodian at which the Holder maintains a securities account in respect of the Notes that such Holder is, at the time such notice is given, the Holder of the relevant Notes, or (ii) in any other appropriate manner. "**Custodian**" means any bank or other financial institution of recognised standing authorised to engage in securities custody business with which the Holder maintains a securities account in respect of the Notes and includes the Clearing System.]

***[In the case of Notes governed by German law and in case the provisions of the German Act on Debt Securities regarding the amendment of Terms and Conditions and the appointment of a joint representative shall apply, insert:]***

## § 11

### AMENDMENT OF THE TERMS AND CONDITIONS, JOINT REPRESENTATIVE

(1) *Amendment of the Terms and Conditions.* In accordance with the German Act on Debt Securities (*Gesetz über Schuldverschreibungen aus Gesamtemissionen*; the "**Act on Debt Securities**") the Holders may agree with the Issuer on amendments of these Terms and Conditions with regard to matters permitted by the Act on Debt Securities by a Holders' resolution (*Beschluss*) with the majority specified in § 11 (2) below. Majority resolutions of the Holders shall be binding on all Holders alike. A majority resolution of the Holders which does not provide for identical conditions for all Holders is void, unless Holders who are disadvantaged have expressly consented to their being treated disadvantageously.

(2) *Majority Requirements.* Resolutions relating to material amendments of these Terms and Conditions, in particular consents to the measures set out in § 5 (3) of the Act on Debt Securities shall be passed by a majority of not less than 75 per cent. (Qualified Majority) of the votes cast. Resolutions relating to amendments of these Terms and Conditions which are not material require a simple majority of the votes cast.

(3) *Vote without a Meeting.* All votes will be taken exclusively by vote taken without a meeting. A meeting of Holders and the assumption of the fees by the Issuer for such a meeting will only take place in the circumstances set out in § 18 (4) sentence 2 of the Act on Debt Securities.

(4) *Chair of the Vote.* The vote will be chaired by a notary appointed by the Issuer or, if the Joint Representative (as defined below) has convened the vote, by the Joint Representative.

(5) *Voting Right.* Each Holder participating in any vote shall cast its vote in accordance with the nominal amount or the notional share of its entitlement to the outstanding Notes.

(6) *Joint Representative.*

***[If no Joint Representative is designated in the Terms and Conditions insert:***

The Holders may by majority resolution appoint a joint representative (the "**Joint Representative**") to exercise the Holders' rights on behalf of each Holder.]

***[If the Joint Representative is appointed in the Terms and Conditions insert:***

The joint representative (the "**Joint Representative**") to exercise the Holders' rights on behalf of each Holder shall be ***[insert name and address of the Joint Representative]***. The liability of the Joint Representative shall be limited to ten times the amount of its annual remuneration, unless the Joint Representative has acted willfully or with gross negligence.]

The Joint Representative shall have the duties and powers provided by law or granted by majority resolution of the Holders. The Joint Representative shall comply with the instructions of the Holders. To the extent that the Joint Representative has been authorised to assert certain rights of the Holders, the Holders shall not be entitled to assert such rights themselves, unless explicitly provided for in the relevant majority resolution. The Joint Representative shall provide reports to the Holders on its activities. The regulations of the Act on Debt Securities apply with regard to the recall and the other rights and obligations of the Joint Representative.]

***[In the case of Notes governed by Hungarian law and if modifications of the Terms and Conditions by a meeting of Holders and appointment of a Joint Representative shall be possible, insert:***

**§ 11**

**AMENDMENT OF THE TERMS AND CONDITIONS, JOINT REPRESENTATIVE**

(1) Amendment of the Terms and Conditions. In accordance with subsequent provisions the Holders may agree with the Issuer on amendments of these Terms and Conditions with regard to certain matters by resolution with the majority specified below. Majority resolutions of the Holders shall be binding on all Holders alike. A majority resolution of the Holders which does not provide for identical conditions for all Holders is void, unless Holders who are disadvantaged have expressly consented to their being treated disadvantageously.

(2) The Holders may consent, by qualified majority resolution as provided by § 11 (8), to the following material measures:

- (a) changes in the due date or reduction or exclusion of interest payments;
- (b) changes in the due date of the principal amount;
- (c) reduction of the principal amount;
- (d) changes in the currency of the Notes;
- (e) waiver or limitation of the Holders' right of termination;
- (f) substitution of the Issuer; and
- (g) amendments to or cancellation of ancillary conditions of the Notes.

All other resolutions/measures to be consented to and/or passed by the Holders (except the measures as stated under point (a) to (g) above) shall be deemed as not material and may be passed by simple majority of the Holders as provided by § 11 (8).

Any amendments will not be made if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to (i) result in a change in the regulatory classification of the Notes that would be likely to result in their exclusion from own funds or reclassification as a lower quality form of own funds, or (ii) prejudice the qualification of the Notes as eligible liabilities or loss absorbing capacity instruments for the purposes of the bank resolution laws applicable to the Issuer from time to time.

(3) *Convening a Meeting of Holders.* The Holders' meeting shall be convened by the Issuer or by the Joint Representative of the Holders. It shall be convened if Holders who together hold 5 per cent. of the outstanding Notes request such convocation in writing for the purpose of appointing or removing a Joint Representative or for any other particular interest in such convocation.

(4) *Contents of the Convening Notice, Publication.* The convening notice shall state the name and the registered office of the Issuer and the time and location of the Holders' meeting, the agenda with explanation of the proposed decisions, record date and the conditions on which attendance at the Holders' meeting and the exercise of voting rights shall depend, including the form of the power of attorney for exercise of rights at the meeting. The convening notice shall be published pursuant to § 10.

(5) *Convening Period, Evidence.* The Holders' meeting shall be called at least 14 calendar days before the date of the meeting. As evidence for the entitlement to participate in the Holders' meeting a certificate of deposit or an up-to-date securities account statement issued by the Clearing System or the Custodian in text form shall be presented.

(6) *Agenda.* The convening party shall include in the agenda a proposed resolution for each subject on which the Holders' meeting is to pass a resolution. The agenda of the Holders' meeting shall be published together with the convening notice. No resolutions may be passed on agenda items that have not been published in accordance with § 10. Holders who together hold 5 per cent. of the outstanding Notes may request that new items be published for resolution. Such new items must be published in accordance with § 10 no later than the third calendar day preceding the Holders' meeting. Without undue delay and until the date of the Holders' meeting, the Issuer shall make available to the Holders in accordance with § 10, any counter-motions announced by a Holder before the meeting.

(7) *Quorum.* The Chairperson shall prepare a register of Holders participating in the vote. Such register shall include the Holders' names, their registered offices or places of residence and the number of voting rights represented by each Holder. Such register shall be signed by the Chairperson of the meeting and be made available for review without undue delay to all Holders at the location of the Holder's meeting designated in the convening notice. The Holders' meeting shall have a quorum if the persons present represent at least fifty per cent of the outstanding Notes by value. If the Holders' meeting does not have a quorum, the Chairperson may convene a second meeting on a day falling at least three days following the first Holders' meeting for the purposes of passing the resolution(s) anew. Such second meeting requires no quorum. For resolutions which require a qualified majority the persons present must represent at least 25 per cent. of the outstanding Notes. Notes for which voting rights have been suspended shall not be included in the outstanding Notes.

(8) *Majority Requirements.* Resolutions relating to material measures and amendments to the Terms and Conditions as set out in § 11 (2) lit (a) to (g) above shall be passed by a majority of not less than 75 per cent. (Qualified Majority) of the votes cast. Resolutions relating to amendments of these Terms and Conditions which are not material require a simple majority of the votes cast.

(9) *Vote without a Meeting.* All votes will be taken exclusively by vote taken without a meeting. The vote shall be conducted by the scrutineer. The scrutineer shall be a notary appointed by the Issuer, or the Joint Representative of the Holders if the meeting has been convened by him. The request for voting shall set out the period within which votes may be cast. Such period shall be at least 72 hours. During the voting period, the Holders may cast their votes to the scrutineer in written form as specified in the convening notice. The request shall set out in detail the conditions to be met in order for the votes to be valid. The scrutineer shall ascertain the entitlement to cast a vote by means of the evidence provided and shall prepare a list of Holders entitled to vote. If it is ascertained that no quorum exists, the scrutineer may convene a Holders' meeting, which shall be deemed to be a second Holders' meeting within the meaning of § 11 (7). Any resolution passed by the vote shall be recorded in the minutes by a notary. Each Holder participating in the vote may request within one year of the end of the voting period a copy of the minutes and its annexes from the Issuer. Each Holder participating in the vote may object to the result in writing within two weeks of publication of the resolutions. The scrutineer shall decide on any such objection. If it takes remedial action as a result of the objection, it shall publish the result without undue delay. § 11 (13) shall apply mutatis mutandis. If the scrutineer does not take remedial action as a result of the objection, it shall notify the objecting Holder without undue delay in writing.

(10) *Voting Right.* Each Holder shall participate in votes in accordance with the principal amount of the outstanding Notes held by such Holder. Voting rights are suspended with respect to the shares attributable to the Issuer or any of its Subsidiaries or held for the account of the Issuer or any of its Subsidiaries. The Issuer may not make available Notes for which the voting rights have been suspended to any third party for the purposes of exercising the voting rights in lieu of the Issuer. This shall also apply to any Subsidiaries of



the Issuer. Exercise of voting rights for the purposes specified above is prohibited. It is prohibited to offer, promise or grant any advantage as consideration to any person entitled to vote not to vote, or to vote in a particular way, in a Holders' meeting or a vote. No person entitled to vote may require, accept any promise of or accept any advantage or consideration for not voting, or voting in a particular way, in a Holders' meeting or a vote.

(11) *Chair of the Vote.* The vote will be chaired by a notary appointed by the Issuer or, if the Joint Representative has convened the vote, by the Joint Representative (the "**Chairperson**").

(12) *Voting, Minutes.* In order to be valid, any resolution passed by the Holders' meeting shall be recorded in minutes of the meeting. The minutes shall be recorded by a notary.

(13) *Publication of Resolutions.* The Issuer shall publish the resolutions passed by the Holders in appropriate form and at its own expense. The resolutions shall be published without undue delay pursuant § 10. In addition, for a period of one month commencing on the calendar day following the Holders' meeting, the Issuer shall make available in accordance with § 10 the resolutions passed by the Holders and, if these Terms and Conditions are amended by a Holders' resolution, the consolidated version of the new Terms and Conditions.

(14) *Joint Representative.*

***[If no Joint Representative is designated in the Terms and Conditions insert:***

The Holders may by a simple majority resolution appoint a joint representative (the "**Joint Representative**") to exercise the Holders' rights on behalf of each Holder.]

***[If the Joint Representative is appointed in the Terms and Conditions insert:***

The joint representative (the "**Joint Representative**") to exercise the Holders' rights on behalf of each Holder shall be [insert name and address of the Joint Representative]. The liability of the Joint Representative shall be limited to ten times the amount of its annual remuneration, unless the Joint Representative has acted wilfully or with gross negligence.]

The Joint Representative shall have the duties and powers granted by a simple majority resolution of the Holders. The Joint Representative shall comply with the instructions of the Holders. To the extent that the Joint Representative has been authorised to assert certain rights of the Holders, the Holders shall not be entitled to assert such rights themselves, unless explicitly provided for in the relevant simple majority resolution. The Joint Representative shall provide reports to the Holders on its activities. The Joint Representative shall be liable to the Holders as joint and several creditors for the due performance of its duties. In the performance of its duties, it shall act with the care of a prudent representative. The Joint Representative's liability may be limited by resolution of the Holders. An assertion of compensation claims against the Joint Representative shall be decided by the Holders. The Joint Representative may be removed by the Holders at any time without reason. The Joint Representative may require the Issuer to provide any information that is necessary for the performance of its duties.]

## § [12] APPLICABLE LAW, PLACE OF JURISDICTION AND ENFORCEMENT

***[In the case of Notes governed by German law insert:***

(1) *Applicable Law.* The Notes, as to form and content, and all rights and obligations of the Holders and the Issuer, shall be governed by, and shall be construed exclusively in accordance with, German law, save for the provisions of § 2, which shall be governed by, and shall be construed exclusively in accordance with, Hungarian law.

(2) *Place of Jurisdiction.* The courts in Frankfurt am Main, Federal Republic of Germany, shall have non-exclusive jurisdiction for any action or other legal proceedings (the "**Proceedings**") arising out of or in connection with the Notes. The Issuer appoints Erste Group Bank AG, Friedrichstraße 10, 70174 Stuttgart, Federal Republic of Germany, as its authorised agent for accepting service of process in connection with any Proceedings before German courts.

(3) *Enforcement.* Any Holder of Notes may in any Proceedings against the Issuer, or to which such Holder and the Issuer are parties, protect and enforce in its own name its rights arising under such Notes on the basis of (i) a statement issued by the Custodian with whom such Holder maintains a securities account in respect of the Notes (a) stating the full name and address of the Holder, (b) specifying the aggregate

principal amount of the Notes credited to such securities account on the date of such statement and (c) confirming that the Custodian has given written notice to the Clearing System containing the information pursuant to (a) and (b), and (ii) a copy of the Global Note certified as being a true copy by a duly authorised officer of the Clearing System or a depositary of the Clearing System, without the need for production in such Proceedings of the actual records or the Global Note representing the Notes. Each Holder may, without prejudice to the foregoing, protect and enforce its rights under the Notes also in any other way which is admitted in the country of the Proceedings.]

**[In the case of Notes governed by Hungarian law insert:**

(1) *Applicable Law.* The Notes and any non-contractual obligations arising out of or in connection with the Notes are governed by, and shall be construed in accordance with Hungarian law.

(2) *Place of Jurisdiction.* The competent Hungarian courts shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with any Notes (including any legal action or proceedings relating to any non-contractual obligations arising out of or in connection with Notes), to the extent permissible according to applicable mandatory consumer protection legislation.

(3) *Enforcement.* Any Holder may in any proceedings against the Issuer, or to which such Holder and the Issuer are parties, protect and enforce in its own name its rights arising under Notes in any way which is admitted in the country of the proceedings and which is permitted by the applicable mandatory provisions of law.]

## OPTION IV – NOTES WITH A FIXED TO FLOATING INTEREST RATE

### [OPTION IV – TERMS AND CONDITIONS FOR NOTES WITH A FIXED TO FLOATING INTEREST RATE:

#### § 1

#### CURRENCY, DENOMINATION, FORM, CERTAIN DEFINITIONS

(1) *Currency, Denomination.* This series of [notes] [subordinated notes] (the "**Notes**") is being issued by Erste Bank Hungary Zrt., with registered office at 1138 Budapest, Népfürdő utca 24-26., Hungary, Identification Number Cg. 01-10-041054 registered with the Company Registry Court of Budapest - Capital Regional Court (the "**Issuer**") in [insert specified currency] (the "**Specified Currency**") in the aggregate principal amount of [in case of Notes offered and issued as tap issues insert: up to] [insert specified currency and aggregate principal amount] (in words: [insert aggregate principal amount in words]) in the denomination of [insert specified currency and specified denomination] (the "**Specified Denomination**"). [If the Notes are governed by Hungarian law insert: Upon oversubscription, the Issuer reserves the right to alter the announced issue amount and determine the final aggregate principal amount of the Notes issued.]

(2) *Form.*

[If the Notes are governed by German law insert: The Notes are being issued in bearer form.]

[If the Notes are issued in domestic notes form governed by Hungarian law insert: The Notes are being issued as dematerialised registered securities (in Hungarian "dematerializált, névre szóló").]

[In case of Notes governed by German law insert:

(3) *Permanent Global Note.* The Notes are represented by a permanent global note in classical global note form (the "**Permanent Global Note**" or the "**Global Note**") without coupons; the claim for interest payments under the Notes is represented by the Permanent Global Note. The Permanent Global Note shall be signed by or on behalf of the Issuer. Definitive Notes and coupons will not be issued, and the Holders have no right to require the printing and delivery of definitive Notes and coupons.]

[In case of Notes governed by Hungarian law insert:

(3) *Title to the Notes.* The Notes will be owned by the relevant Holder of the Notes. The Notes will be recorded with the relevant account in relation to the Holder held with an investment service provider maintaining central securities account at Hungarian Central Depository. The Hungarian Central Depository maintains the client accounts of investment service providers which manage the Notes (the "**Holders' Registry**").]

(4) *Clearing System.*

[In case of Notes governed by German law insert:

The Global Note will be kept in custody by or on behalf of a Clearing System until all obligations of the Issuer under the Notes have been satisfied. "**Clearing System**" means [OeKB CSD GmbH, Strauchgasse 1-3, 1010 Vienna, Austria ("**OeKB**"), also for Clearstream Banking, S.A., Luxembourg, 42 Avenue J.F. Kennedy, 1855 Luxembourg, Grand Duchy of Luxembourg ("**CBL**") and Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, 1210 Brussels, Belgium ("**Euroclear**") as account holders in OeKB] [,] [and] [specify other Clearing System] and any successor in such capacity.]

[In case of Notes governed by Hungarian law insert:

The Notes will be kept and cleared in KELER Központi Értéktár Zártkörűen Működő Részvénytársaság (registered seat: 1074 Budapest, Rákóczi út 70-72; company registration number: 01-10-042346) as the central depository (the "**Hungarian Central Depository**" or the "**Clearing System**") and any successor in such capacity.]

[In case of Notes governed by German law insert:

(5) *Holder of Notes.* "**Holder**" means any holder of a proportionate co-ownership or other comparable right in the Global Note which may be transferred to a new Holder in accordance with the provisions of the Clearing System.]

**[In case of Notes governed by Hungarian law insert:**

(5) *Holder of Notes.* "**Holder**" means any holder of Notes to whose securities account such Notes are credited to. The title to the Notes will be transferred via change of ownership of the Notes in accordance with Hungarian law and with the rules of the Clearing System by transferring the Notes from the securities account of the Holder to the securities account of the new holder. The Holders are solely responsible to carry out all acts and formalities required for the change of ownership of the Notes.]

**(6) *Certain Definitions.***

"**Applicable Supervisory Regulations**" means, at any time, any requirements under laws and any regulations, requirements, standards, guidelines, policies or other rules thereunder applicable from time to time (including, but not limited to, the guidelines and decisions of the European Banking Authority, the European Central Bank, the Competent Authority, the Single Resolution Board and/or the Resolution Authority, the administrative practice of any such authority, any applicable decision of a court and any applicable transitional provisions) relating to prudential requirements and/or resolution and applicable to the Issuer, on an individual and/or (sub-) consolidated basis, as the case may be, from time to time, including but not limited to the provisions of the applicable national banking act (i.e. the Hungarian Banking Act), the applicable national recovery and resolution act, the applicable national insolvency act, the BRRD, the SRM Regulation, the CRD, the CRR and the SSM Regulation, or such other law, regulation or directive as may come into effect in place thereof, as applicable to the Issuer on an individual and/or (sub-) consolidated basis, as the case may be, at the relevant time.

"**BRRD**" means the Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 (*Bank Recovery and Resolution Directive*), as implemented in Hungary and as amended or replaced from time to time, and any references to relevant provisions of the BRRD in these Terms and Conditions include references to any applicable provisions of law amending or replacing such provisions from time to time.

"**Business Day**" means a day (other than a Saturday or a Sunday) on which

**[If the Specified Currency is Euro, the following applies:**

(i) the Clearing System and (ii) all relevant parts of the Trans-European Automated Real-time Gross Settlement Express Transfer system 2 or its successor ("**TARGET**") are open to effect payments.]

**[If the Specified Currency is not Euro, the following applies:**

(i) the Clearing System is open and (ii) commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in **[insert all relevant financial centres]** **[insert, as applicable:** and (iii) all relevant parts of the Trans-European Automated Real-time Gross Settlement Express Transfer System 2 or its successor ("**TARGET**") are open to effect payments].]

"**Competent Authority**" means the competent authority pursuant to Article 4(1)(40) CRR and/or Article 9(1) SSM Regulation, in each case, which is responsible to supervise the Issuer on an individual basis and/or (sub-) consolidated basis.

"**CRD**" means the Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 (*Capital Requirements Directive*), as amended or replaced from time to time, and any references to relevant provisions of the CRD in these Terms and Conditions include references to any applicable provisions of law amending or replacing such provisions from time to time.

"**CRR**" means the Regulation (EU) No 575/2013 of the European Parliament and the Council of 26 June 2013 (*Capital Requirements Regulation*), as amended or replaced from time to time, and any references to relevant provisions of the CRR in these Terms and Conditions include references to any applicable provisions of law amending or replacing such provisions from time to time.

"**Hungarian Banking Act**" means Act CCXXXVII of 2013 on Credit Institutions and Financial Enterprises as amended and any references in these Terms and Conditions to any relevant provisions of the Hungarian Banking Act include references to any applicable provisions of law amending or replacing such provisions from time to time.

"**Resolution Authority**" means the authority pursuant to Article 4(1)(130) CRR.

"**SRM Regulation**" means the Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014 (*Single Resolution Mechanism Regulation*), as amended or replaced from time to time, and

any references to relevant provisions of the SRM Regulation in these Terms and Conditions include references to any applicable provisions of law amending or replacing such provisions from time to time.

**"SSM Regulation"** means the Council Regulation (EU) No 1024/2013 of 15 October 2013 (*Single Supervisory Mechanism Regulation*), as amended or replaced from time to time, and any references to relevant provisions of the SSM Regulation in these Terms and Conditions include references to any applicable provisions of law amending or replacing such provisions from time to time.

**"Subsidiary"** means any subsidiary of the Issuer pursuant to Article 4(1)(16) CRR.

**"Terms and Conditions"** means these terms and conditions of the Notes.

**"United States"** means the United States of America (including the States thereof and the District of Columbia) and its possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and Northern Mariana Islands).

## § 2 STATUS

### **[In the case of Preferred Senior Notes insert:**

(1) *Status*. The Notes constitute direct, unsecured and unsubordinated obligations of the Issuer. In the event of the involuntary liquidation (*felszámolás*) of the Issuer, the voluntary liquidation (*végelszámolás*) of the Issuer, the enforcement (*végrehajtás*) against the Issuer's assets or it is decided on the Issuer's insolvency (*fizetéseképtelenség*), the obligations of the Issuer under the Notes

- (a) rank *pari passu* (i) among themselves and (ii) (subject to any applicable statutory exceptions and without prejudice to the aforesaid) with all other present or future unsecured and unsubordinated obligations of the Issuer which rank or are expressed to rank *pari passu* with the Issuer's obligations under the Notes;
- (b) rank senior to all present or future obligations under (i) Non-Preferred Senior Instruments and any obligations of the Issuer that rank *pari passu* with Non-Preferred Senior Instruments and (ii) all subordinated obligations of the Issuer; and
- (c) will be fully subordinated to the Issuer's Senior Ranking Obligations, so that in any such event no amounts will be payable in respect of the Notes until the Issuer's Senior Ranking Obligations have been satisfied in full.

**"Issuer's Senior Ranking Obligations"** means all obligations of the Issuer which pursuant to mandatory provisions of law, rank or are expressed to rank senior to the obligations of the Issuer under the Notes.

**"Non-Preferred Senior Instruments"** means any obligations of the Issuer which fall or are expressed to fall within the category of obligations described in Section 57(1b) of the Hungarian Banking Act implementing Article 108(2) BRRD and any other obligations of the Issuer which, to the extent permitted by Hungarian law, rank or are expressed to rank *pari passu* with the Non-Preferred Senior Instruments of the Issuer.]

### **[In the case of Non-preferred Senior Notes insert:**

(1) *Status*. The Notes constitute direct, unsecured, non-preferred and unsubordinated obligations of the Issuer. In the event of the involuntary liquidation (*felszámolás*) of the Issuer, the voluntary liquidation (*végelszámolás*) of the Issuer, the enforcement (*végrehajtás*) against the Issuer's assets or it is decided on the Issuer's insolvency (*fizetéseképtelenség*), the obligations of the Issuer under the Notes in respect of the principal amount of the Notes

- (a) rank *pari passu* (i) among themselves and (ii) with all other present or future Non-Preferred Senior Instruments; and
- (b) rank senior to all present or future obligations of the Issuer under (i) ordinary shares and other Common Equity Tier 1 instruments pursuant to Article 28 CRR of the Issuer; (ii) Additional Tier 1 instruments pursuant to Article 52 CRR of the Issuer; (iii) Tier 2 instruments pursuant to Article 63 CRR of the Issuer; and (iv) all other subordinated obligations of the Issuer not referred to in clauses (i) to (iii) of this § 2 (1) (b); and
- (c) will be fully subordinated to the Issuer's Senior Ranking Obligations, so that in any such event no amounts will be payable in respect of the Notes until the Issuer's Senior Ranking Obligations have been satisfied in full.

**"Issuer's Senior Ranking Obligations"** means all unsecured and unsubordinated obligations of the Issuer (other than Non-Preferred Senior Instruments) which, in accordance with their terms or pursuant to mandatory provisions of law, rank or are expressed to rank senior to the obligations of the Issuer under the Notes.

**"Non-Preferred Senior Instruments"** means any obligations of the Issuer which fall or are expressed to fall within the category of obligations described in Section 57(1b) of the Hungarian Banking Act implementing Article 108(2) BRRD and any other obligations of the Issuer which, to the extent permitted by Hungarian law, rank or are expressed to rank *pari passu* with the Non-Preferred Senior Instruments of the Issuer.]

**[In the case of Subordinated Notes insert:**

(1) *Status.* The Notes shall qualify as Tier 2 Instruments and constitute direct, unsecured and subordinated obligations of the Issuer. In the event of the involuntary liquidation (*felszámolás*) of the Issuer or it is decided on the Issuer's insolvency (*fizetéseképtelenség*), the obligations of the Issuer under the Notes in respect of the principal amount of the Notes

- (a) rank *pari passu* (i) among themselves; and (ii) with all other present or future claims from Tier 2 Instruments and other subordinated instruments or obligations of the Issuer (other than subordinated instruments or obligations of the Issuer ranking or expressed to rank senior or junior to the Notes);
- (b) rank senior to all present or future obligations under (i) ordinary shares and other Common Equity Tier 1 instruments pursuant to Article 28 CRR of the Issuer; (ii) Additional Tier 1 instruments pursuant to Article 52 CRR of the Issuer; and (iii) all other subordinated instruments or obligations of the Issuer ranking or expressed to rank junior to the Notes; and
- (c) will be fully subordinated to the Issuer's Senior Ranking Obligations, so that in any such event no amounts will be payable in respect of the Notes until the Issuer's Senior Ranking Obligations have been satisfied in full.

**"Issuer's Senior Ranking Obligations"** means (i) all unsecured and unsubordinated obligations of the Issuer; (ii) all eligible liabilities instruments of the Issuer pursuant to Article 72b CRR; and (iii) any other subordinated obligations of the Issuer which, in accordance with their terms or pursuant to mandatory provisions of law, rank or are expressed to rank senior to the obligations of the Issuer under the Notes at the relevant time.

**"Tier 2 Instruments"** means any (directly or indirectly issued) capital instruments of the Issuer that qualify as Tier 2 instruments pursuant to Article 63 CRR, including any capital (or other) instruments that qualify as Tier 2 items pursuant to transitional provisions under the CRR.]

(2) *No Set-off/Netting, No Security/Guarantee and No Enhancement of Seniority.* The Notes are not subject to any set off arrangements or netting rights that would undermine their capacity to absorb losses in resolution.

The Notes are neither secured, nor subject to any guarantee or any other arrangement that enhances the seniority of the claims under the Notes.

(3) *Subsequent Modifications of the Ranking and the Term as well as any Notice Periods.* No subsequent agreement may modify the ranking of the Notes or shorten the term of the Notes or any applicable notice period.

(4) *Note on the possibility of statutory resolution measures.* Prior to any involuntary liquidation (*felszámolás*) of the Issuer, any voluntary liquidation (*végelszámolás*) of the Issuer, any enforcement (*végrehajtás*) against the Issuer's assets or it is decided on the Issuer's insolvency (*fizetéseképtelenség*), under the Applicable Supervisory Regulations, the competent Resolution Authority may write down (including to zero) the obligations of the Issuer under the Notes, convert them into shares or other instruments of ownership of the Issuer, in each case in whole or in part, or apply any other resolution measure, including (but not limited to) any deferral of the obligations, any transfer of the obligations to another entity, an amendment of the Terms and Conditions or a cancellation of the Notes.

### § 3 INTEREST

(1) *Fixed Rate Interest Periods.*

(a) *Fixed Rate of Interest and Fixed Rate Interest Payment Dates.* The Notes shall bear interest on their Specified Denomination during the period (the **"First Period"**) from and including **[insert Interest**

**Commencement Date**] (the "Interest Commencement Date") to but excluding **[insert Reset Date]** (the "Reset Date") at the rate of **[insert Fixed Rate of Interest]** per cent. *per annum*.

**[In the case of a short or long first or last interest period insert:** With the exception of the [first] [last] payment of interest, interest] [Interest] for each Interest Period shall be payable **[in case of quarterly interest payments insert:** quarterly] **[in case of semi-annual interest payments insert:** semi-annually] **[in case of annual interest payments insert:** annually] in arrear on **[insert Fixed Rate Interest Payment Date(s)]** in each year (each such date, a "Fixed Rate Interest Payment Date"), commencing on **[insert first Fixed Rate Interest Payment Date]** and ending on **[insert last Interest Payment Date being the Reset Date]** **[in case of a short or long first or last interest period insert:** ([short] [long] [first] [last] coupon)]. **[If Interest Periods are subject to adjustment in accordance with the Business Day Convention insert:** Fixed Rate Interest Payment Dates are subject to adjustment in accordance with the provisions set out in § 4 (4).]

**"Fixed Rate Interest Period"** means the period from and including the Interest Commencement Date to but excluding the first Fixed Rate Interest Payment Date and each successive period from and including a Fixed Rate Interest Payment Date to but excluding the following Fixed Rate Interest Payment Date, with the last Fixed Rate Interest Payment Date falling on the Reset Date.

(b) *Calculation of Amount of Fixed Rate Interest.* If the amount of interest payable on the Notes is required to be calculated for any period of time during the First Period, such amount of interest shall be calculated by applying the fixed rate of interest to the Specified Denomination, multiplying such sum by the applicable Fixed Rate Day Count Fraction (as defined below), and rounding the resultant figure to the nearest [sub-unit]<sup>11</sup> [unit]<sup>12</sup> of the Specified Currency, half of such [sub-unit]<sup>1</sup> [unit]<sup>2</sup> being rounded upwards or otherwise in accordance with the applicable market convention.

**"Fixed Rate Day Count Fraction"** means, in respect of the calculation of an amount of interest on any Note in accordance with this § 3 (1) for any period of time (the "Fixed Rate Calculation Period"):

**[If "Actual/Actual (ICMA)" applies, insert:**

1. if the Fixed Rate Calculation Period is equal to or shorter than the Fixed Rate Determination Period during which the Fixed Rate Calculation Period ends, the number of calendar days in such Fixed Rate Calculation Period divided by the product of (x) the number of calendar days in such Fixed Rate Determination Period and (y) the number of Fixed Rate Determination Dates (as specified below) that would occur in any year; or
2. if the Fixed Rate Calculation Period is longer than the Fixed Rate Determination Period during which the Fixed Rate Calculation Period ends, the sum of
  - (A) the number of calendar days in such Fixed Rate Calculation Period falling in the Fixed Rate Determination Period in which the Calculation Period begins divided by the product of (x) the number of calendar days in such Fixed Rate Determination Period and (y) the number of Fixed Rate Determination Dates that would occur in any year; and
  - (B) the number of calendar days in such Fixed Rate Calculation Period falling in the next Fixed Rate Determination Period divided by the product of (x) the number of calendar days in such Fixed Rate Determination Period and (y) the number of Fixed Rate Determination Dates that would occur in any year.

**"Fixed Rate Determination Period"** means the period from, and including, a Fixed Rate Determination Date to, but excluding, the next Fixed Rate Determination Date (including, where the Interest Commencement Date is not a Fixed Rate Determination Date, the period commencing on the first Fixed Rate Determination Date prior to the Interest Commencement Date, and where the final Fixed Rate Interest Payment Date is not a Fixed Rate Determination Date, the first Fixed Rate Determination Date falling after the final Fixed Rate Interest Payment Date, as the case may be).

**"Fixed Rate Determination Date"** means **[insert Fixed Rate Determination Date(s)]** in each year.]

<sup>11</sup> Not for Japanese Yen.

<sup>12</sup> Only for Japanese Yen.

***[If "Actual/Actual (ISMA/Hungarian Bonds)" applies, insert:***

the actual number of calendar days in the Fixed Rate Calculation Period divided by 365 (or 366 if that Calculation Period includes 29 February).]

***[If "Actual/365 (Fixed)" applies, insert:***

the actual number of calendar days in the Fixed Rate Calculation Period divided by 365.]

***[If "Actual/360" applies, insert:***

the actual number of calendar days in the Fixed Rate Calculation Period divided by 360.]

***[If "30/360", "360/360" or "Bond Basis" applies, insert:***

the number of calendar days in the Fixed Rate Calculation Period divided by 360, the number of calendar days to be calculated on the basis of a year of 360 calendar days with twelve 30-calendar day months (unless (1) the last calendar day of the Fixed Rate Calculation Period is the 31<sup>st</sup> calendar day of a month but the first calendar day of the Fixed Rate Calculation Period is a calendar day other than the 30<sup>th</sup> or 31<sup>st</sup> calendar day of a month, in which case the month that includes that last calendar day shall not be considered to be shortened to a 30-calendar day month, or (2) the last calendar day of the Fixed Rate Calculation Period is the last calendar day of the month of February in which case the month of February shall not be considered to be lengthened to a 30-calendar day month).]

***[If "30E/360" or "Eurobond Basis" applies, insert:***

the number of calendar days in the Fixed Rate Calculation Period divided by 360 (the number of calendar days to be calculated on the basis of a year of 360 calendar days with twelve 30-calendar day months, without regard to the date of the first calendar day or last calendar day of the Fixed Rate Calculation Period unless, in the case of the final Fixed Rate Calculation Period, the Reset Date is the last calendar day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-calendar day month).]

***(2) Floating Rate Interest Periods.***

(a) *Floating Rate of Interest and Floating Rate Interest Payment Dates.* Each Note bears interest on its Specified Denomination at the rate *per annum* equal to the Floating Rate of Interest (as defined below) from and including the Reset Date to but excluding the first Floating Rate Interest Payment Date and thereafter from and including each Floating Rate Interest Payment Date to but excluding the next following Floating Rate Interest Payment Date (each such period a "**Floating Rate Interest Period**"). Interest on the Notes will be payable in arrear on each Floating Rate Interest Payment Date. The amount of interest payable shall be determined in accordance with § 3 (2) (c).

"**Floating Rate Interest Payment Date**" means, subject to the Floating Rate Business Day Convention, ***[insert Specified Floating Rate Interest Payment Dates and if applicable, any short or long first coupon]*** in each year.

"**Floating Rate Business Day Convention**" has the following meaning: If any Floating Rate Interest Payment Date would otherwise fall on a calendar day which is not a Business Day (as defined in § 1 (6)),

***[In the case of Modified Following Business Day Convention (adjusted), the following applies:***

the Floating Rate Interest Payment Date shall be postponed to the next calendar day which is a Business Day unless it would thereby fall into the next calendar month, in which event the Floating Rate Interest Payment Date shall be brought forward to the immediately preceding Business Day.]

***[In the case of Following Business Day Convention (adjusted), the following applies:***

the Floating Rate Interest Payment Date shall be postponed to the next calendar day which is a Business Day.]

***[In the case of Preceding Business Day Convention (adjusted), the following applies:***

the Floating Rate Interest Payment Date shall be brought forward to the immediately preceding Business Day.]



***[In the case of Modified Following Business Day Convention (unadjusted), the following applies:***

the due date for the relevant interest payment shall be postponed to the next calendar day which is a Business Day unless it would thereby fall into the next calendar month, in which event the due date for the relevant interest payment shall be brought forward to the immediately preceding Business Day.]

***[In the case of Following Business Day Convention (unadjusted), the following applies:***

the Holder shall not be entitled to the relevant interest payment until the next day that is a Business Day and shall not be entitled to further interest or other payment in respect of such delay.]

***[In the case of Preceding Business Day Convention (unadjusted), the following applies:***

for the relevant interest payment shall be made on the immediately preceding Business Day, provided that the Floating Rate Interest Period shall not be adjusted accordingly.]

***(b) Floating Rate of Interest.***

The "**Floating Rate of Interest**" for each Floating Rate Interest Period (as defined below) will be a rate *per annum* equal to the Reference Rate (as defined below) **[[plus] [minus] the Margin (as defined below)]** ***[in case of a Factor insert: [and] multiplied by the factor [insert Factor]]***, subject to a minimum of 0.00 per cent. *per annum*.

The Calculation Agent will, subject to § 3 (2) (d), determine the relevant Reference Rate in accordance with this § 3 (2) (b) on each Interest Determination Date.

The "**Reference Rate**" for each Floating Rate Interest Period will be,

- (A) as long as no Benchmark Event (as defined in § 3 (2) (d)(iv)) has occurred,
  - (i) the Original Benchmark Rate on the relevant Interest Determination Date, as determined by the Calculation Agent; or
  - (ii) the Reference Bank Rate on the relevant Interest Determination Date if the Screen Page is unavailable or if the Original Benchmark Rate does not appear on the Screen Page as at such time on the relevant Interest Determination Date, all as determined by the Calculation Agent;
- (B) if a Benchmark Event has occurred, determined in accordance with § 3 (2) (d) for each Floating Rate Interest Period commencing on or after the Effective Date (as defined in § 3 (2) (d)(i)).

***[If the Reference Rate is EURIBOR the following applies:***

"**Original Benchmark Rate**" in respect of any calendar day means (subject to § 3 (2) (d)) the ***[insert applicable number of months]***-month Euro Interbank Offered Rate (expressed as a percentage rate *per annum*) fixed at, and appearing on the Screen Page as of ***[11:00 a.m. (Brussels time)]*** ***[insert other applicable time and financial centre]*** on such calendar day and which is calculated by its benchmark administrator using the methodology current on the Interest Commencement Date.

"**Reference Bank Rate**" means the rate (expressed as a percentage rate *per annum*) at which deposits in Euro are offered by the Reference Banks (as defined below) at approximately ***[11:00 a.m. (Brussels time)]*** ***[insert other applicable time and financial centre]*** on the relevant Interest Determination Date to prime banks in the Euro-Zone interbank market for the relevant Floating Rate Interest Period and in a Representative Amount, assuming an Actual/360 day count basis, determined as follows: The Issuer shall request each of the Reference Banks (as defined below) to provide the Calculation Agent with its offered quotation. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Reference Rate for such Interest Period shall be the arithmetic mean (rounded if necessary to the nearest one thousandth of a percentage point, with 0.0005 being rounded upwards) of such offered quotations, all as determined by the Calculation Agent.

If on the relevant Interest Determination Date only one or none of the selected Reference Banks provides the Calculation Agent with such offered quotations as provided in the preceding paragraph, the Reference Bank Rate for the relevant Floating Rate Interest Period shall be the rate *per annum* which the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the nearest one thousandth of a percentage point, with 0.0005 being rounded upwards) of the rates, as communicated at approximately ***[11:00 a.m. (Brussels time)]*** ***[insert other applicable time and financial centre]*** at the request of the Issuer to the Calculation Agent by major banks in the Euro-Zone interbank market, selected by the Calculation Agent, at which such banks offer, on the relevant Interest Determination Date, loans in Euro for the relevant Floating Rate Interest Period and in a Representative Amount to leading European banks.

If the Reference Bank Rate cannot be determined in accordance with the foregoing provisions of this definition of the term "Reference Bank Rate", the Reference Bank Rate for the relevant Floating Rate Interest Period shall be equal to the Original Benchmark Rate on the Screen Page on the last day preceding the Interest Determination Date on which such Original Benchmark Rate was displayed.

Where:

**"Euro-Zone"** means the region comprised of those member states of the European Union that have adopted, or will have adopted from time to time, the single currency in accordance with the Treaty establishing the European Community (signed in Rome on 25 March 1957), as amended by the Treaty on European Union (signed in Maastricht on 7 February 1992) and the Amsterdam Treaty of 2 October 1997, as further amended from time to time.

**"Interest Determination Date"** means the second TARGET Business Day prior to the commencement of the relevant Floating Rate Interest Period.

**"Floating Rate Interest Period"** means the period from and including the Reset Date to but excluding the first Floating Rate Interest Payment Date and each successive period from and including an Floating Rate Interest Payment Date to but excluding the following Floating Rate Interest Payment Date.

**"Margin"** means *[insert number]* per cent. *per annum*.]

**"Reference Banks"** means the principal Euro-Zone office of *[four][insert other number]* major banks in the Euro-Zone interbank market, in each case selected by the Issuer.

**"Representative Amount"** means an amount that is representative for a single transaction in the relevant market at the relevant time.

**"Screen Page"** means *[the Reuters screen page EURIBOR01 or such other screen page of Reuters or such other information service which is the successor to Reuters screen page EURIBOR01]* *[insert other applicable Screen Page]*.

**"TARGET Business Day"** means a calendar day on which all relevant parts of the Trans-European Automated Real-time Gross settlement Express Transfer system 2 (TARGET) are open to effect payments.]

***[If the Reference Rate is not EURIBOR the following applies:***

**"Original Benchmark Rate"** in respect of any calendar day means (subject to § 3 (2) (d)) the *[insert applicable reference rate]* (expressed as a percentage rate *per annum*) fixed at and appearing on the Screen Page as of *[insert applicable time and financial centre]* on such calendar day and which is calculated by its benchmark administrator using the methodology current on the Interest Commencement Date.

**"Reference Bank Rate"** means the rate (expressed as a percentage rate *per annum*) at which deposits in the Specified Currency are offered by the Reference Banks (as defined below) at approximately *[insert applicable time and financial centre]* on the relevant Interest Determination Date to prime banks in the *[insert relevant city of the interbank market]* interbank market for the relevant Floating Rate Interest Period and in a Representative Amount, assuming an *[insert the day count basis that is customarily used for the Original Benchmark Rate in the Specified Currency]* day count basis, determined as follows: The Issuer shall request each of the Reference Banks (as defined below) to provide the Calculation Agent with its offered quotation. If *[two]* *[insert other number]* or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Reference Rate for such Floating Rate Interest Period shall be the arithmetic mean (rounded if necessary to the nearest *[insert relevant fraction]* of a percentage point, with *[insert relevant fraction]* being rounded upwards) of such offered quotations, all as determined by the Calculation Agent.

If on the relevant Interest Determination Date only one or none of the selected Reference Banks provides the Calculation Agent with such offered quotations as provided in the preceding paragraph, the Reference Bank Rate for the relevant Floating Rate Interest Period shall be the rate *per annum* which the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the nearest *[insert relevant fraction]* of a percentage point, with *[insert relevant fraction]* being rounded upwards) of the rates, as communicated at approximately *[insert applicable time and financial centre]* at the request of the Issuer to the Calculation Agent by major banks in the *[insert relevant interbank market]*, selected by the Calculation Agent, at which such banks offer, on the relevant Interest Determination Date, loans in the Specified Currency for the relevant Floating Rate Interest Period and in a Representative Amount to leading European banks.

If the Reference Bank Rate cannot be determined in accordance with the foregoing provisions of this definition of the term "Reference Bank Rate", the Reference Bank Rate for the relevant Floating Rate Interest Period shall be equal to the Original Benchmark Rate on the Screen Page on the last day preceding the Interest Determination Date on which such Original Benchmark Rate was displayed.

Where:

**"Interest Determination Date"** means *[insert relevant Interest Determination Date]*.

**"Floating Rate Interest Period"** means each period from and including the Interest Commencement Date to but excluding the first Floating Rate Interest Payment Date and each successive period from and including an Floating Rate Interest Payment Date to but excluding the following Floating Rate Interest Payment Date.

*[in case a special business day determination is required insert relevant business day definition]*

**"Margin"** means *[insert number]* per cent. *per annum.*

**"Reference Banks"** means *[insert place of principal office]* of *[four][insert other number]* major banks in the *[insert relevant city]* interbank market, in each case selected by the Issuer.

**"Representative Amount"** means an amount that is representative for a single transaction in the relevant market at the relevant time.

**"Screen Page"** means *[insert applicable Screen Page].*

(c) *Calculation of Amount of Interest.* The Calculation Agent will, on or as soon as practicable after each date at which the Floating Rate of Interest is to be determined, calculate the amount of interest (the **"Floating Rate Interest Amount"**) payable on the Notes in respect of each Specified Denomination for the relevant Floating Rate Interest Period. Each Floating Rate Interest Amount shall be calculated by applying the Floating Rate of Interest and the Floating Rate Day Count Fraction (as defined below) to each Specified Denomination and rounding the resulting figure *[if the Specified Currency is Euro insert: to the nearest 0.01 Euro, 0.005 Euro being rounded upwards.] [if the Specified Currency is not Euro insert: to the nearest minimum [sub-unit]<sup>13</sup> [unit]<sup>14</sup> of the Specified Currency, with 0.5 of such [sub-unit]<sup>3</sup> [unit]<sup>4</sup> being rounded upwards].*

**"Floating Rate Day Count Fraction"** means, in respect of the calculation of an amount of floating rate interest on any Note in accordance with this § 3 (2) for any period of time (whether or not constituting a Floating Rate Interest Period, the **"Floating Rate Calculation Period"**):

*[If "Actual/Actual (ICMA)" applies, insert:*

1. if the Floating Rate Calculation Period is equal to or shorter than the Floating Rate Determination Period during which the Floating Rate Calculation Period ends, the number of calendar days in such Floating Rate Calculation Period divided by the product of (x) the number of calendar days in such Floating Rate Determination Period and (y) the number of Floating Rate Determination Dates (as specified below) that would occur in any year; or
2. if the Floating Rate Calculation Period is longer than the Floating Rate Determination Period during which the Floating Rate Calculation Period ends, the sum of
  - (A) the number of calendar days in such Floating Rate Calculation Period falling in the Floating Rate Determination Period in which the Calculation Period begins divided by the product of (x) the number of calendar days in such Floating Rate Determination Period and (y) the number of Floating Rate Determination Dates that would occur in any year; and
  - (B) the number of calendar days in such Floating Rate Calculation Period falling in the next Floating Rate Determination Period divided by the product of (x) the number of calendar days in such Floating Rate Determination Period and (y) the number of Floating Rate Determination Dates that would occur in any year.

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<sup>13</sup> Not for Japanese Yen.

<sup>14</sup> Only for Japanese Yen.

**"Floating Rate Determination Period"** means the period from, and including, a Floating Rate Determination Date to, but excluding, the next Floating Rate Determination Date.

**"Floating Rate Determination Date"** means *[insert Floating Rate Determination Date(s)]* in each year.]

***[If "Actual/Actual (ISMA/Hungarian Bonds)" applies, insert:***

the actual number of calendar days in the Calculation Period divided by 365 (or 366 if that Calculation Period includes 29 February).]

***[If "Actual/365 (Fixed)" applies, the following applies:***

the actual number of calendar days in the Floating Rate Calculation Period divided by 365.]

***[If "Actual/360" applies, the following applies:***

the actual number of calendar days in the Floating Rate Calculation Period divided by 360.]

***[If "30/360", "360/360" or "Bond Basis" applies, the following applies:***

the number of calendar days in the Floating Rate Calculation Period divided by 360 (the number of calendar days to be calculated on the basis of a year of 360 calendar days with 12 30-calendar day months (unless (A) the last calendar day of the Floating Rate Calculation Period is the 31<sup>st</sup> calendar day of a month but the first calendar day of the Floating Rate Calculation Period is a calendar day other than the 30<sup>th</sup> or 31<sup>st</sup> calendar day of a month, in which case the month that includes that last calendar day shall not be considered to be shortened to a 30-calendar day month, or (B) the last calendar day of the Floating Rate Calculation Period is the last calendar day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-calendar day month).]

***[If "30E/360" or "Eurobond Basis" applies, the following applies:***

the number of calendar days in the Floating Rate Calculation Period divided by 360 (the number of calendar days to be calculated on the basis of a year of 360 calendar days with 12 30-calendar day months, without regard to the date of the first calendar day or last calendar day of the Floating Rate Calculation Period unless in the case of the final Floating Rate Calculation Period, the Maturity Date is the last calendar day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-calendar day month).]

(d) *New Benchmark Rate.*

(i) *Benchmark Event.* In the event of a Benchmark Event (as defined below),

- (A) the Issuer shall, as soon as this is (in the Issuer's view) required following the occurrence of the Benchmark Event and prior to the next Interest Determination Date, use reasonable endeavours to appoint an Independent Advisor (as defined below) that shall determine in its reasonable discretion (in consultation with the Calculation Agent) a New Benchmark Rate (as defined below) which shall replace the Original Benchmark Rate affected by the Benchmark Event, the Adjustment Spread (in accordance with subparagraph § 3 (2) (d)(ii) below) and the Benchmark Amendments (in accordance with subparagraph § 3 (2) (d)(iii) below) (if required); or
- (B) if, prior to the 10<sup>th</sup> Business Day prior to the Effective Date (as defined below), no Independent Advisor is or can be appointed by the Issuer or if an Independent Advisor is appointed by the Issuer, but has not determined a New Benchmark Rate, has not determined the Adjustment Spread and/or has not determined the Benchmark Amendments (if required), then the Issuer shall determine in its reasonable discretion (in consultation with the Calculation Agent) a New Benchmark Rate which shall replace the Original Benchmark Rate affected by the Benchmark Event, the Adjustment Spread and the Benchmark Amendments (if required).

Any New Benchmark Rate, the Adjustment Spread and any Benchmark Amendments shall apply from (and including) the Interest Determination Date selected by the Independent Advisor (in the case of (A) above) or the Issuer (in the case of (B) above) in its reasonable discretion, which shall fall no earlier than the Interest Determination Date falling on or, if it is not an Interest Determination Date, the Interest Determination Date immediately following the date on which the Benchmark Event becomes effective (the **"Effective Date"**).

Notwithstanding the generality of the foregoing, and without prejudice to the definitions of Adjustment Spread, New Benchmark Rate, Substitute Benchmark Rate and Alternative Benchmark Rate below,

the Independent Advisor (in the case of (A) above) or the Issuer (in the case of (B) above) shall, when making any determination in accordance with this § 3 (2) (d), take into consideration any Official Substitution Concept, any Industry Solution or any Generally Accepted Market Practice.

- (ii) *Adjustment Spread.* The Independent Advisor (in the case of § 3 (2) (d)(i)(A) above) or the Issuer (in the case of § 3 (2) (d)(i)(B) above) shall determine in its reasonable discretion the Adjustment Spread (as defined below), and such Adjustment Spread shall be applied to the New Benchmark Rate.
- (iii) *Benchmark Amendments.* If the Independent Advisor (in the case of § 3 (2) (d)(i)(A) above) or the Issuer (in the case of § 3 (2) (d)(i)(B) above) determines in its reasonable discretion a New Benchmark Rate, the Issuer shall also be entitled to make, in its reasonable discretion, such adjustments to the Terms and Conditions relating to the determination of the Original Benchmark Rate (including, without limitation, the Interest Determination Date, the Floating Rate Day Count Fraction, the Business Days, the Business Day Convention the relevant time and the relevant Screen Page for obtaining the New Benchmark Rate and the fall back provisions in the event that the relevant Screen Page is not available) which in the opinion of the Independent Advisor (in the case of § 3 (2) (d)(i)(A) above) or the Issuer (in the case of § 3 (2) (d)(i)(B) above) are necessary or expedient to make the substitution of the Original Benchmark Rate by the New Benchmark Rate operative (such amendments, the **"Benchmark Amendments"**).
- (iv) *Definitions.*

**"Adjustment Spread"** means either a spread (which may be positive or negative), or the formula or methodology for calculating a spread, in either case, which the Independent Advisor (in the case of § 3 (2) (d)(i)(A) above) or the Issuer (in the case of § 3 (2) (d)(i)(B) above) determines in its reasonable discretion is required to be applied to the relevant New Benchmark Rate which:

- (A) is formally recommended in relation to the replacement of the Original Benchmark Rate with the New Benchmark Rate by any Official Substitution Concept or, failing which, any Industry Solution or, if there is more than one such formal recommendation, such recommendation as selected by the Independent Advisor (in the case of § 3 (2) (d)(i)(A) above) or the Issuer (in the case of § 3 (2) (d)(i)(B) above) in its reasonable discretion; or
- (B) if no such recommendation has been made, which the Independent Advisor (in the case of § 3 (2) (d)(i)(A) above) or the Issuer (in the case of § 3 (2) (d)(i)(B) above) determines in its reasonable discretion is otherwise recognised or acknowledged as being the industry standard for over-the-counter derivative transactions or customarily applied or is market practice to apply in the international debt capital markets for other bonds which in either case reference the Original Benchmark Rate, where such rate has been replaced by the New Benchmark Rate (or, alternatively, in the international swap markets); or
- (C) if the Independent Advisor (in the case of § 3 (2) (d)(i)(A) above) or the Issuer (in the case of § 3 (2) (d)(i)(B) above) determines that also no such other industry standard is recognised or acknowledged, the Independent Advisor (in the case of § 3 (2) (d)(i)(A) above) or the Issuer (in the case of § 3 (2) (d)(i)(B) above) determines in its reasonable discretion to be appropriate.

**"Alternative Benchmark Rate"** means an alternative benchmark or screen rate which is customarily applied in the international debt capital markets (or, alternatively, the international swap markets) for the purposes of determining reset rates of interest (or the relevant component part thereof) in the Specified Currency, provided that all determinations will be made by the Independent Advisor (in the case of § 3 (2) (d)(i)(A) above) or the Issuer (in the case of § 3 (2) (d)(i)(B) above).

**"Benchmark Event"** occurs if:

- (1) a public statement or publication of information by or on behalf of the regulatory supervisor of the Original Benchmark Rate administrator is made, stating that said administrator has ceased or will cease to provide the Original Benchmark Rate permanently or indefinitely, unless there is a successor administrator that will continue to provide the Original Benchmark Rate; or
- (2) a public statement or publication of information by or on behalf of the Original Benchmark Rate administrator is made, stating that said administrator has ceased or will cease to provide the Original Benchmark Rate permanently or indefinitely, unless there is a successor administrator that will continue to provide the Original Benchmark Rate; or
- (3) a public statement by the regulatory supervisor of the Original Benchmark Rate administrator is made that, in its view, the Original Benchmark Rate is no longer, or will no longer be,

representative of the underlying market it purports to measure and no action to remediate such a situation is taken or expected to be taken as required by the supervisor of the Original Benchmark Rate administrator; or

- (4) it has become, for any reason, unlawful under any law or regulation applicable to the Principal Paying Agent, any Paying Agent, the Calculation Agent, the Issuer or any other party to use the Original Benchmark Rate; or
- (5) the Original Benchmark Rate is permanently no longer published without a previous official announcement by the competent authority or the administrator; or
- (6) a material change is made to the Original Benchmark Rate methodology.

**"Generally Accepted Market Practice"** means the customary use of a certain benchmark rate, subject to certain adjustments (if any), as substitute benchmark rate for the Original Benchmark Rate or of provisions, contractual or otherwise, providing for a certain procedure to determine payment obligations which would otherwise have been determined by reference to the Original Benchmark Rate in other bond issues following the occurrence of a Benchmark Event, or any other generally accepted market practice to replace the Original Benchmark Rate as reference rate for the determination of payment obligations.

**"Independent Advisor"** means an independent financial institution of international repute or other independent financial advisor experienced in the international debt capital markets, in each case appointed by the Issuer at its own expense.

**"Industry Solution"** means any public statement by the International Swaps and Derivatives Association (ISDA), the International Capital Markets Association (ICMA), the Association for Financial Markets in Europe (AFME), the Securities Industry and Financial Markets Association (SIFMA), the SIFMA Asset Management Group (SIFMA AMG), the Loan Markets Association (LMA), the Deutsche Derivate Verband (DDV), the Zertifikate Forum Austria or any other private association of the financial industry pursuant to which a certain reference rate, subject to certain adjustments (if any), should or could be used to replace the Original Benchmark Rate or pursuant to which a certain procedure should or could be used in order to determine payment obligations which would otherwise be determined by reference to the Original Benchmark Rate.

**"New Benchmark Rate"** means any substitute or alternative replacement rate (expressed as a percentage rate *per annum*) to the Original Benchmark Rate determined by the Independent Advisor (in the case of § 3 (2) (d)(i)(A) above) or the Issuer (in the case of § 3 (2) (d)(i)(B) above) in its reasonable discretion as follows:

- (A) If a Substitute Benchmark Rate exists, then such Substitute Benchmark Rate shall constitute the New Benchmark Rate.
- (B) If no Substitute Benchmark Rate exists but there is an Alternative Benchmark Rate, then such Alternative Benchmark Rate shall subsequently be the New Benchmark Rate.

**"Official Substitution Concept"** means any binding or non-binding public statement by (A) the EU Commission or any EU Member State taking into account, where available, the recommendation by an alternative reference rate working group operating under the auspices of the central bank responsible for the currency in which the interest rates of the replacement benchmark are denominated or (B) any of the following entities provided that they are competent to make such statement: a central bank, a supervisory authority or a supervisory or expert body of the financial sector established under public law or composed of publicly appointed members, pursuant to which a certain benchmark rate, subject to certain adjustments (if any), should or could be used to replace the Original Benchmark Rate or pursuant to which a certain procedure should or could be used in order to determine payment obligations which would otherwise be determined by reference to the Original Benchmark Rate.

**"Substitute Benchmark Rate"** means any substitute replacement rate to the Original Benchmark Rate (expressed as a percentage rate *per annum*) (i) nominated by the EU Commission or any EU Member State taking into account, where available, the recommendation by an alternative reference rate working group operating under the auspices of the central bank responsible for the currency in which the interest rates of the replacement benchmark are denominated; or (ii) nominated by any of the following entities provided that they are competent to make such nominations: a central bank, a supervisory authority or any supervisory or expert body of the financial sector established under public law or composed of publicly appointed members including any working group or committee chaired or co-chaired by or constituted at the request of the central bank or other supervisory authority for being

used for determining the interest scheduled to be paid under the Notes determined by the Independent Advisor (in the case of § 3 (2) (d)(i)(A) above) or the Issuer (in the case of § 3 (2) (d)(i)(B) above) in its reasonable discretion.

- (v) If (A) the Issuer has not appointed an Independent Advisor or (B) the Independent Advisor appointed by it (in the case of § 3 (2) (d)(i)(A) above) or the Issuer (in the case of § 3 (2) (d)(i)(B) above) has not determined a New Benchmark Rate, has not determined the Adjustment Spread and/or has not determined the Benchmark Amendments (if required) in accordance with this § 3 (2) (d), the Reference Rate applicable to the next Floating Rate Interest Period shall be equal to the Reference Rate determined on the last preceding Interest Determination Date. If this § 3 (2) (d)(v) were to be applied on the first Interest Determination Date prior to the commencement of the first Floating Rate Interest Period, the Reference Rate applicable to the first Floating Rate Interest Period shall be equal to the Original Benchmark Rate on the Screen Page on the last day preceding the first Interest Determination Date on which such Original Benchmark Rate was displayed.

For the avoidance of doubt, the operation of this subparagraph (v) shall apply to the Effective Date and the corresponding Floating Rate Interest Period only. Any subsequent Interest Determination Date and Floating Rate Interest Period shall be subject to the subsequent operation of, and to adjustment as provided in, this § 3 (2) (d).

- (vi) Following the occurrence of a Benchmark Event, the Issuer will give notice of the occurrence of the Benchmark Event, the New Benchmark Rate, the Adjustment Spread and the Benchmark Amendments (if required) to the Calculation Agent, to the Holders in accordance with § 10 and, if required by the rules of any stock exchange on which the Notes are from time to time listed, to such stock exchange as soon as possible but in no event later than on the 10<sup>th</sup> Business Day prior to the Effective Date.
- (vii) Notwithstanding the provisions of this § 3 (2) (d), no New Benchmark Rate, no Adjustment Spread and/or no Benchmark Amendments, if any, will be adopted, nor will any other amendment to the Terms and Conditions be made to effect the same, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to entitle the Issuer to redeem the Notes for regulatory reasons pursuant to § 5 (3) and/or would prejudice the qualification [of the Notes as Tier 2 Instruments and/or] of the Notes as eligible liabilities or loss absorbing capacity instruments for the purposes of the bank resolution laws applicable to the Issuer from time to time.

If this § 3 (2) (d)(vii) were to be applied on the first Interest Determination Date prior to the commencement of the first Floating Rate Interest Period, the Reference Rate applicable to the first and each subsequent Floating Rate Interest Period shall be equal to the Original Benchmark Rate on the Screen Page on the last day preceding the first Interest Determination Date on which such Original Benchmark Rate was displayed.

If this § 3 (2) (d)(vii) were to be applied on an Interest Determination Date falling after the commencement of any Floating Rate Interest Period, the Reference Rate applicable to the next and each subsequent Floating Rate Interest Period shall be equal to the Reference Rate determined on the last preceding Interest Determination Date.

- (viii) If a Benchmark Event occurs in relation to any New Benchmark Rate, this § 3 (2) shall apply *mutatis mutandis* to the replacement of such New Benchmark Rate by any new New Benchmark Rate. In this case, any reference in this § 3 to the term Original Benchmark Rate shall be deemed to be a reference to the New Benchmark Rate that last applied.
- (ix) Any reference in this § 3 (2) (d) to the term Original Benchmark Rate shall be deemed to include a reference to any component part thereof, if any, in respect of which a Benchmark Event has occurred.

(e) Notifications. The Calculation Agent will cause the Floating Rate of Interest, each Floating Rate Interest Amount for each Floating Rate Interest Period, each Floating Rate Interest Period and the relevant Floating Rate Interest Payment Date to be notified to the Issuer and to the Holders by notice in accordance with § 10 and, if required by the rules of any stock exchange on which the Notes are from time to time listed at the initiative of the Issuer, to such stock exchange, without undue delay, but in no event later than the first calendar day of the relevant Floating Rate Interest Period. Each Floating Rate Interest Amount and Floating Rate Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Floating Rate Interest Period. Any such amendment will be promptly notified to any relevant stock exchange on which the Notes are then listed at the initiative of the Issuer and to the Holders in accordance with § 10.

(f) **Determinations Binding.** All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this § 3 by the Calculation Agent or, as the case may be, any Independent Advisor or the Issuer, shall (in the absence of wilful default, bad faith, inequiteness or manifest error) be binding on the Issuer, the Fiscal Agent, the Paying Agents and the Holders and, in the absence of the aforesaid, no liability to the Issuer, the Fiscal Agent, the Paying Agents or the Holders shall attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(3) **Cessation of Interest Accrual.** The Notes shall cease to bear interest from the end of the calendar day preceding their due date for redemption. If the Issuer fails to redeem the Notes when due, interest shall continue to accrue on the outstanding principal amount of the Notes beyond the due date until the end of the calendar day preceding the actual redemption of the Notes. The applicable rate of interest will be determined in accordance with this § 3. This does not affect any additional rights that might be available to the Holders.

## § 4 PAYMENTS

***[In case of Notes governed by German law insert:***

- (1) (a) **Payment of Principal.** Payment of principal on the Notes shall be made, subject to § 4 (2) below, to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System.
- (b) **Payment of Interest.** Payment of interest and any Additional Amounts on the Notes shall be made, subject to § 4 (2) below, to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System.]

***[In case of Notes governed by Hungarian law insert:***

- (1) (a) **Payment of Principal.** Payment of principal on the Notes shall be made, subject to § 4 (2) below, to the bank account or other cash account of the respective Holder held at the securities account manager holding the Notes of such Holder according to the register of the Hungarian Central Depository.
- (b) **Payment of Interest.** Payment of interest on the Notes shall be made, subject to § 4 (2) below, to the bank account or other cash account of the respective Holder held at the securities account manager holding the Notes of such Holder according to the register of the Hungarian Central Depository.
- (c) **Payment Day.** Payments of principal and/or interest on the Notes under these Terms and Conditions shall be made by the Issuer on the dates and conditions stipulated in these Terms and Conditions via the Paying Agent.
- (d) **Payment Reference Date.** The Paying Agent(s) will process, on behalf of the Issuer, payments of principal and/or interest on the Notes to the Holders and shall make payments of principal and/or interest on the Notes to the Holders recorded in the Holders' Registry on the payment reference date (the "**Payment Reference Date**") determined at the close of business on the second calendar day before the due date for payment thereof (including the Maturity Date).

Any person who acquires a Note between a Payment Reference Date and the corresponding due date for a payment of interest or principal shall not be entitled to receive payment of interest or principal on the Notes for the corresponding due date notwithstanding that such person is recorded in the Holders' Registry on the relevant due date as the Holder of the Note.

- (e) **Eligible Receiver(s).** Unless specified otherwise in these Terms and Conditions, "**Eligible Receivers**" are Holders which are recorded in the Holder's Registry by the Payment Reference Date and which are eligible for payments under these Terms and Conditions.
- (f) **Payment Logistics.** The Paying Agent will make payments to Eligible Receivers by means of a wire transfer to their bank account or other cash account held at the securities account manager holding the Notes of the Eligible Receiver according to the register of the Hungarian Central Depository.

No payments of principal and/or interest will be made in cash, by cheque or by postal order.

***[In case the Issuer is appointed as Paying Agent insert:*** The Issuer shall not] ***[in case a Paying Agent other than the Issuer is appointed insert:*** Neither the Issuer nor the Paying Agent(s) shall] be liable to the Holders or any other person for any commissions, costs, losses or expenses in relation to or resulting from the credit or transfer of Euro or any other currency conversion or rounding effected in connection therewith.]



(2) *Manner of Payment.* Subject to applicable fiscal and other laws and regulations, payments of amounts due in respect of the Notes shall be made in the Specified Currency.

(3) *Discharge.*

***[In case of Notes governed by German law insert:***

The Issuer shall be discharged by payment to, or to the order of, the Clearing System.]

***[In case of Notes governed by Hungarian law insert:***

The Issuer's obligation to pay any amount due in respect to these Terms and Conditions shall be deemed to be fulfilled duly and on time if the relevant amount is remitted to the Eligible Receiver and such payment is debited from the Paying Agent's bank account and is credited to the bank account or other cash account of the Eligible Receiver held at the securities account manager holding the Notes of such Eligible Receiver according to the register of the Hungarian Central Depository.]

(4) *Business Day Convention.*

(a) *Fixed Rate Interest Periods.* If the due date for payment of any amount of principal or interest in respect of any Note is not a Business Day (as defined in § 1 (6)), then

***[In the case of Modified Following Business Day Convention (adjusted), the following applies:***

the due date shall be postponed to the next calendar day which is a Business Day unless it would thereby fall into the next calendar month, in which event the due date shall be brought forward to the immediately preceding Business Day, and the Interest Period shall be adjusted accordingly.]

***[In the case of Following Business Day Convention (adjusted), the following applies:***

the due date shall be postponed to the next calendar day which is a Business Day, and the Interest Period shall be adjusted accordingly.]

***[In the case of Preceding Business Day Convention (adjusted), the following applies:***

the due date shall be brought forward to the immediately preceding Business Day, and the Interest Period shall be adjusted accordingly.]

***[In the case of Modified Following Business Day Convention (unadjusted), the following applies:***

the relevant payment shall be made on the next calendar day which is a Business Day unless it would thereby fall into the next calendar month, in which event the relevant payment shall be made on the immediately preceding Business Day (the Interest Period shall not be adjusted accordingly).]

***[In the case of Following Business Day Convention (unadjusted), the following applies:***

the Holder shall not be entitled to payment until the next day that is a Business Day and shall not be entitled to further interest or other payment in respect of such delay (the Interest Period shall not be adjusted accordingly).

***[In the case of Preceding Business Day Convention (unadjusted), the following applies:***

the relevant payment shall be made on the immediately preceding Business Day (the Interest Period shall not be adjusted accordingly).]

(b) *Floating Rate Interest Periods.* If the due date for payment of any amount of principal or interest in respect of any Note is not a Business Day (as defined in § 1 (6)), then

***[In the case of Modified Following Business Day Convention (adjusted), the following applies:***

the due date shall be postponed to the next calendar day which is a Business Day unless it would thereby fall into the next calendar month, in which event the due date shall be brought forward to the immediately preceding Business Day, and the Interest Period shall be adjusted accordingly.]

***[In the case of Following Business Day Convention (adjusted), the following applies:***

the due date shall be postponed to the next calendar day which is a Business Day, and the Interest Period shall be adjusted accordingly.]

***[In the case of Preceding Business Day Convention (adjusted), the following applies:***

the due date shall be brought forward to the immediately preceding Business Day, and the Interest Period shall be adjusted accordingly.]

***[In the case of Modified Following Business Day Convention (unadjusted), the following applies:***

the relevant payment shall be made on the next calendar day which is a Business Day unless it would thereby fall into the next calendar month, in which event the relevant payment shall be made on the immediately preceding Business Day (the Interest Period shall not be adjusted accordingly).]

***[In the case of Following Business Day Convention (unadjusted), the following applies:***

the Holder shall not be entitled to payment until the next day that is a Business Day and shall not be entitled to further interest or other payment in respect of such delay (the Interest Period shall not be adjusted accordingly).

***[In the case of Preceding Business Day Convention (unadjusted), the following applies:***

the relevant payment shall be made on the immediately preceding Business Day (the Interest Period shall not be adjusted accordingly).]

(5) *References to Principal* ***[in case the Notes are early redeemable for reasons of taxation insert: and Interest]***. References in these Terms and Conditions to "principal" in respect of the Notes shall be deemed to include any premium and any other amounts (other than interest) which may be payable under or in respect of the Notes. ***[If the Notes are early redeemable for reasons of taxation insert: References in these Terms and Conditions to "interest" in respect of the Notes shall be deemed to include, as applicable, any Additional Amounts (as defined in § 7 (1)) which may be payable under § 7 (1).]***

## § 5 REDEMPTION

(1) *Redemption on the Maturity Date*. Unless previously redeemed in whole or in part or repurchased and cancelled, and subject to adjustment in accordance with the provisions set out in § 4 (4), the Notes shall be redeemed at their principal amount on the Interest Payment Date falling on or around ***[insert date]*** (the "**Maturity Date**").

***[If the Notes are subject to Early Redemption at the Option of the Issuer insert:***

(2) *Early Redemption at the Option of the Issuer*.

(a) The Issuer may, upon giving not less than ***[insert Minimum Notice Period, which shall not be less than 5 Business Days]*** [calendar days] [Business Days] ***[in case of a Maximum Notice Period insert: and not more than [insert Maximum Notice Period] [calendar days] [Business Days]]*** notice in accordance with § 5 (2) (b), redeem, on (any of) the Optional Redemption Date(s), all but not some only of the Notes at their Specified Denomination together with accrued interest, if any, to but excluding the Optional Redemption Date specified in the notice.

Any such early redemption pursuant to this § 5 (2) shall only be possible if the conditions to redemption and repurchase set out in § 5 ([5]) are met.

**"Optional Redemption Date(s)":** ***[insert Optional Redemption Date(s)]***<sup>15</sup>

<sup>15</sup> In the case of Preferred Senior Notes and Non-preferred Senior Notes, the first Optional Redemption Date must not be earlier than the first anniversary of the issue date of the last Tranche of the series of Notes.

In the case of Subordinated Notes, the first Optional Redemption Date must not be earlier than the fifth anniversary of the issue date of the last Tranche of the series of Notes.

During the Floating Rate Interest Period the Optional Redemption Date(s) to be specified herein and in the Final Terms must fall on a Floating Interest Payment Date.

- (b) The notice of redemption shall be given by the Issuer to the Holders in accordance with § 10. Such notice shall be irrevocable and shall specify:
- (i) the series of Notes subject to redemption; and
  - (ii) the Optional Redemption Date on which the Issuer will redeem the Notes.

***[If the Notes are not subject to Early Redemption at the Option of the Issuer for reasons other than for taxation or regulatory reasons insert:***

(2) *No Early Redemption at the Option of the Issuer.* The Notes may not be redeemed at the option of the Issuer prior to their Maturity Date other than in case of an early redemption pursuant to § 5 (3) [or § 5 (4)].

(3) *Early Redemption for Regulatory Reasons.*

- (a) The Issuer may, upon giving not less than ***[insert Minimum Notice Period, which shall not be less than 5 Business Days]*** [calendar days] [Business Days] ***[in case of a Maximum Notice Period insert: and not more than [insert Maximum Notice Period]*** [calendar days] [Business Days]] notice in accordance with § 5 (3) (b), redeem all but not some only of the Notes at their principal amount together with accrued interest, if any, to but excluding the date fixed for redemption on the date fixed for redemption if, as a result of any change in, or amendment to, the directives, laws and regulations applicable in the European Union or Hungary or their interpretation,

***[In the case of Preferred Senior Notes or Non-preferred Senior Notes insert:***

the Notes do no longer comply with the minimum requirements for eligible liabilities (MREL) (the "MREL Requirement") which are or, as the case may be, will be, applicable to the Issuer and/or the Issuer's MREL Group in accordance with

- (i) Article 45 of the BRRD (as defined in § 1 (6)), as amended, and any applicable national law, as amended, implementing the BRRD; or
- (ii) Article 12 of the Regulation (EU) No. 806/2014 of the European Parliament and of the Council of 15 July 2014, as amended,

except where such non-compliance would only be based on the remaining maturity of the Notes being less than any period prescribed in the applicable MREL regulations or any applicable limits on the amount of eligible liabilities instruments being exceeded.

Where:

"Issuer's MREL Group" means the Issuer and its subsidiaries which have to comply with the MREL Requirement on a group basis.]

***[In the case of Subordinated Notes insert:***

- [(i)] there is a change in the regulatory classification of the Notes that would be likely to result in their exclusion in full or in part from own funds or reclassification as own funds of lower quality (in each case, on an individual basis of the Issuer and/or on a consolidated basis of the Issuer's Regulatory Group); or
- (ii) the Notes, to the extent that, pursuant to Article 64 CRR, a portion thereof does no longer qualify as a Tier 2 item but, pursuant to Article 72a(1)(b) CRR, as an eligible liabilities item, that portion does no longer comply with the minimum requirements for eligible liabilities (MREL) (the "MREL Requirement") which are or, as the case may be, will be, applicable to the Issuer and/or the Issuer's MREL Group in accordance with
  - (A) Article 45 of the BRRD (as defined in § 1 (6)), as amended, and any applicable national law, as amended, implementing the BRRD; or
  - (B) Article 12 of the Regulation (EU) No. 806/2014 of the European Parliament and of the Council of 15 July 2014, as amended,

except where such non-compliance would only be based on the remaining maturity of the Notes being less than any period prescribed in the applicable MREL regulations or any applicable limits on the amount of eligible liabilities instruments being exceeded].

Where:

**"Issuer's Regulatory Group"** means, from time to time, any banking group with a parent institution and/or any banking group with a parent financial holding company: (i) to which the Issuer belongs; and (ii) to which the own funds requirements on a consolidated basis due to prudential consolidation in accordance with the Applicable Supervisory Regulations apply.

**["Issuer's MREL Group"** means the Issuer and its subsidiaries which have to comply with the MREL Requirement on a group basis.]]

Any such early redemption pursuant to this § 5 (3) shall only be possible if the conditions to redemption and repurchase set out in § 5 ([5]) are met.

- (b) The notice of redemption shall be given by the Issuer to the Holders in accordance with § 10. Such notice shall be irrevocable and shall specify:
  - (i) the series of Notes subject to redemption;
  - (ii) the date fixed for redemption.

**[If Notes are issued under German law insert:**

**(4) Early Redemption for Reasons of Taxation.**

- (a) The Issuer may, upon giving not less than **[insert Minimum Notice Period, which shall not be less than 5 Business Days]** [calendar days'] [Business Days'] **[in case of a Maximum Notice Period insert:** and not more than **[insert Maximum Notice Period]** [calendar days'] [Business Days']] notice in accordance with § 5 (4) (b), redeem all but not some only of the Notes at their principal amount together with accrued interest, if any, to but excluding the date fixed for redemption on the date fixed for redemption if, on the next succeeding Interest Payment Date, the Issuer will become obliged to pay Additional Amounts pursuant to § 7 (1) as a result of any change in, or amendment to, the laws or regulations of the Issuer's country of domicile for tax purposes or of any political subdivision or taxing authority of or in the Issuer's country of domicile for tax purposes, or as a result of any change in, or amendment to, an official interpretation or application of such laws or regulations, which amendment or change is effective on or after the date on which the last tranche of this series of Notes is issued, and such amendment or change has been evidenced by the delivery by the Issuer to the Fiscal Agent (who shall accept such certificate and opinion as sufficient evidence thereof) of (i) a certificate signed by two authorised representatives of the Issuer on behalf of the Issuer stating that such amendment or change has occurred (irrespective of whether such amendment or change is then effective), describing the facts leading thereto and stating that such requirement cannot be avoided by the Issuer taking reasonable measures available to it and (ii) an opinion of independent legal or tax advisers of recognised reputation to the effect that such amendment or change has occurred (irrespective of whether such amendment or change is then effective), provided that no such notice of redemption shall be given earlier than 90 calendar days prior to the earliest date on which the Issuer would be obliged to pay such Additional Amounts were a payment in respect of the Notes then due. No such notice of redemption shall be given if at the time such notice takes effect, the obligation to pay such Additional Amounts does not remain in effect.

Any such early redemption pursuant to this § 5 (4) shall only be possible if the conditions to redemption and repurchase set out in § 5 ([5]) are met.

- (b) The notice of redemption shall be given by the Issuer to the Holders in accordance with § 10. Such notice shall be irrevocable and shall specify:
  - (i) the series of Notes subject to redemption;
  - (ii) the date fixed for redemption.]

**[In the case of Preferred Senior Notes or Non-preferred Senior Notes insert:**

**([5]) Conditions to Redemption and Repurchase.** Any early redemption pursuant to this § 5 and any repurchase pursuant to § 9 (2) are subject to the Resolution Authority having granted the Issuer the prior permission in accordance with Articles 77 *et seq.* CRR or any successor provision for the early redemption or the repurchase, whereas such permission may, *inter alia*, require that either

- (a) before or at the same time as the redemption or repurchase, the Issuer replaces the Notes with own funds instruments or eligible liabilities of equal or higher quality at terms that are sustainable for the income capacity of the Issuer; or

- (b) the Issuer has demonstrated to the satisfaction of the Resolution Authority that the own funds and eligible liabilities of the Issuer would, following such early redemption or repurchase, exceed the requirements for own funds and eligible liabilities laid down in the CRR, the CRD and the BRRD by a margin that the Resolution Authority considers necessary at such time; or
- (c) the Issuer has demonstrated to the satisfaction of the Resolution Authority that the partial or full replacement of the eligible liabilities with own funds instruments is necessary to ensure compliance with the own funds requirements laid down in the CRR and CRD for continuing authorisation.]

**[In the case of Subordinated Notes insert:**

**([5]) Conditions to Redemption and Repurchase.** Any early redemption pursuant to this § 5 and any repurchase pursuant to § 9 (2) is subject to:

- (a) the Competent Authority having granted the Issuer the prior permission in accordance with Articles 77 *et seq.* CRR or any successor provision for the early redemption, whereas such permission may, *inter alia*, require that:
  - (i) either, before or at the same time as the redemption or repurchase, the Issuer replaces the Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer; or
  - (ii) the Issuer has demonstrated to the satisfaction of the Competent Authority that the own funds and eligible liabilities of the Issuer would, following such early redemption or repurchase, exceed the requirements for own funds and eligible liabilities laid down in the CRR, the CRD and the BRRD by a margin that the Competent Authority considers necessary; and
- (b) in the case of any early redemption or repurchase of the Notes during the five years following the date of issuance of the Notes:
  - (A) in the case of any early redemption pursuant to § 5 (3), the Competent Authority considers such change to be sufficiently certain and the Issuer has demonstrated to the satisfaction of the Competent Authority that the relevant change in the regulatory classification of the Notes was not reasonably foreseeable as at the date of issuance of the Notes; or
  - [(B) in the case of any early redemption pursuant to § 5 (4), the Issuer has demonstrated to the satisfaction of the Competent Authority that the applicable change in tax treatment is material and was not reasonably foreseeable as at the date of issuance of the Notes; or]
  - [(C)] in the case of any early redemption or repurchase of the Notes, the Issuer, earlier than or at the same time as the early redemption or the repurchase, replaces the Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer and the Competent Authority has permitted that early redemption or repurchase based on the determination that it would be beneficial from a prudential point of view and justified by exceptional circumstances; or
  - [(D)] the Notes being repurchased for market making purposes in accordance with the Applicable Supervisory Regulations.

Notwithstanding the above conditions, if, at the time of any early redemption or repurchase, the prevailing Applicable Supervisory Regulations permit the early redemption or repurchase only after compliance with one or more alternative or additional pre-conditions to those set out above, the Issuer shall comply with such other and/or, as appropriate, additional pre-conditions, if any.

For the avoidance of doubt, any refusal of the Competent Authority (or any other relevant supervisory authority) to grant any permission, approval or other authorisation required in accordance with the Applicable Supervisory Regulations shall not constitute a default for any purpose.]

**([6]) No Early Redemption at the Option of a Holder.** The Holders do not have a right to demand the early redemption of the Notes.

## § 6

## FISCAL AGENT, PAYING AGENT[S] AND CALCULATION AGENT

(1) *Appointment; Specified Offices.* The initial Fiscal Agent, the initial Principal Paying Agent **[if (a) further paying agent(s) shall be appointed, insert: , the initial Paying Agent(s)]** and the initial Calculation Agent and their respective initial specified offices are:

Fiscal Agent and Principal Paying Agent:

***[If Erste Group Bank AG shall be appointed as initial Fiscal and Principal Paying Agent insert:***

Erste Group Bank AG  
Am Belvedere 1  
A-1100 Vienna  
Austria]

***[If Erste Bank Hungary Zrt. shall be appointed as initial Fiscal and Principal Paying Agent insert:***

Erste Bank Hungary Zrt.  
Népfürdő utca 24-26  
H-1138 Budapest  
Hungary]

***[If another Fiscal and Principal Paying Agent shall be appointed, insert its name and initial specified office.]***

***[If an additional or other paying agent shall be appointed, insert its name and initial specified office.]***

Calculation Agent:

***[If Erste Group Bank AG shall be appointed as Calculation Agent insert:***

Erste Group Bank AG  
Am Belvedere 1  
A-1100 Vienna  
Austria]

***[If Erste Bank Hungary Zrt. shall be appointed as initial Fiscal and Principal Paying Agent insert:***

Erste Bank Hungary Zrt.  
Népfürdő utca 24-26  
H-1138 Budapest  
Hungary]

***[If another Calculation Agent shall be appointed, insert its name and initial specified office.]***

Where these Terms and Conditions refer to the term "Paying Agent(s)", such term shall include the Principal Paying Agent.

The Fiscal Agent, the Paying Agent(s) and the Calculation Agent reserve the right at any time to change their respective specified office to some other specified office in the same city.

(2) *Variation or Termination of Appointment.* The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, any Paying Agent or the Calculation Agent and to appoint another Fiscal Agent, additional or other Paying Agents or another Calculation Agent. The Issuer shall at all times maintain (i) a Fiscal Agent **[[,] [and]** (ii) so long as the Notes are listed on a stock exchange, a Paying Agent (which may be the Fiscal Agent) with a specified office in such place as may be required by the rules of such stock exchange or its supervisory **[authority] [authorities]]** ***[in case of Notes the Specified Currency of which is U.S. dollar, insert: [,] [and] (iii)]*** if payments at or through the offices of all Paying Agents outside the United States become illegal or are effectively precluded because of the imposition of exchange controls or similar restrictions on the full payment or receipt of such amounts in U.S. dollar, a Paying Agent with a specified office in New York] and **[iv]** a Calculation Agent. The Issuer will give notice to the Holders of any variation, termination, appointment or any other change as soon as possible upon the effectiveness of such change.

(3) *Agents of the Issuer.* The Fiscal Agent, the Paying Agents and the Calculation Agent act solely as agents of the Issuer and do not have any obligations towards or relationship of agency or trust to any Holder.

(4) *Determinations Binding.* All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of these Terms and Conditions by the Fiscal Agent shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Paying Agents, the Calculation Agent and the Holders and, in the absence of the aforesaid, no liability to the Issuer, the Paying Agents, the Calculation Agent or the Holders shall attach to the Fiscal Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(5) *Independent Advisor.* If the Issuer appoints an Independent Advisor in accordance with § 3(4), § 6(3) and (4) shall apply *mutatis mutandis* to the Independent Advisor.

## § 7 TAXATION

### ***[If the Notes are issued under German law insert:***

(1) *Gross-up.* All payments of interest or principal by or on behalf of the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**") imposed, levied, collected, withheld or assessed by or within the Issuer's country of domicile for tax purposes or by any authority in or of the Issuer's country of domicile for tax purposes having power to tax, unless such withholding or deduction is required by law.

If the Issuer is required by law to make any withholding or deduction for any Taxes from any payment of interest in respect of the Notes, the Issuer shall pay such additional amounts (the "**Additional Amounts**") to the Holder as shall result in receipt by that Holder of such amounts as would have been received by the Holder had no such withholding or deduction been required, except that no such Additional Amounts shall be payable with respect to any Note:

- (a) which are payable to, or to a third party on behalf of, a Holder who is liable to such Taxes in respect of such Note by reason of it having some connection with the Issuer's country of domicile for tax purposes other than the mere holding of the Note; or
- (b) in respect of any Taxes which are to be withheld or deducted pursuant to (i) any European Union Directive or Regulation concerning the taxation of interest income, or (ii) any international treaty, agreement or understanding relating to such taxation and to which the Issuer's country of domicile for tax purposes or the European Union is a party, or (iii) any provision of law implementing, or complying with, or introduced to conform with, such Directive, Regulation, treaty, agreement or understanding; or
- (c) in respect of any Taxes which are payable by any person acting as custodian bank or collecting agent on behalf of a Holder, or otherwise in any manner which does not constitute a withholding or deduction by the Issuer from payments of interest made by it.

(2) *U.S. Foreign Account Tax Compliance Act (FATCA).* The Issuer is authorised to withhold or deduct from amounts payable under the Notes to a Holder or beneficial owner of Notes sufficient funds for the payment of any tax that it is required to withhold or deduct pursuant an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), or that is otherwise imposed pursuant to Sections 1471 through 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.]

### ***[If the Notes are issued under Hungarian law insert:***

(1) *General Taxation.* All payments of principal and interest by or on behalf of the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Hungary or by any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

The Issuer shall withhold or deduct from amounts payable under the Notes to a Holder or beneficial owner of Notes sufficient funds for the payment of any tax that it is required to withhold or deduct under Hungarian law and it shall not be required to pay additional amounts to the Holder in respect of such withholding or deduction.

The Issuer shall not apply the withholding or deduction required by law or apply a lower rate of withholding or deduction if:

- (a) the Holder entitled to payment of interest on the Notes is resident for tax purposes in a jurisdiction with which Hungary has concluded a treaty for the avoidance of double taxation and in accordance with such treaty the relevant payment of interest on the Notes is not subject to taxation in Hungary, or subject to a lower rate of withholding or deduction in Hungary than the rate imposed under the relevant Hungarian law at the time of payment, and
- (b) at least 5 calendar days prior to the relevant interest due date, that Holder has provided to the Paying Agent the forms, certificates and documents as required by relevant Hungarian taxation laws for sake of evidencing residence in the relevant country with which Hungary has concluded a treaty for the avoidance of double taxation and application thereof.

(2) *U.S. Foreign Account Tax Compliance Act (FATCA)*. The Issuer is authorised to withhold or deduct from amounts payable under the Notes to a Holder or beneficial owner of Notes sufficient funds for the payment of any tax that it is required to withhold or deduct pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), or that is otherwise imposed pursuant to Sections 1471 through 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.]

***[In the case of Notes governed by German law insert:***

#### **§ 8 PRESENTATION PERIOD**

The presentation period provided in § 801 (1) sentence 1 German Civil Code (*Bürgerliches Gesetzbuch*) is reduced to ten years for the Notes.]

***[In the case of Notes governed by Hungarian law insert:***

#### **§ 8 NO PRESCRIPTION**

Claims against the Issuer for payment in respect of the Notes shall not be prescribed and shall not become void.]

#### **§ 9 FURTHER ISSUES OF NOTES, REPURCHASES AND CANCELLATION**

(1) *Further Issues of Notes*. The Issuer may from time to time, without the consent of the Holders, issue further Notes having the same terms as the Notes in all respects (except for the date of issuance, issue price, Interest Commencement Date and/or first Interest Payment Date) so as to form a single series with the Notes.

(2) *Repurchases*. Provided that all applicable regulatory and other statutory restrictions are observed, and provided further that the conditions to redemption and repurchase laid down in § 5 ([5]) are met, the Issuer and any of its Subsidiaries may at any time repurchase Notes in the open market or otherwise. Notes repurchased by the Issuer or any Subsidiary may, at the option of the Issuer or such Subsidiary, be held, resold or surrendered to the Fiscal Agent for cancellation.]

(3) *Cancellation*. All Notes redeemed in full shall be cancelled forthwith and may not be reissued or resold.

#### **§ 10 NOTICES**

***[In the case of Notes governed by German law insert:***

(1) *Notices of the Issuer*. All notices of the Issuer concerning the Notes shall be published in such media as determined by law and in electronic form on the website of the Issuer ("www.erstebank.hu"). Any notice so given will be deemed to have been validly given on the fifth calendar day following the date of such publication (or, if published more than once, on the fifth calendar day following the date of the first such publication).



***[Insert only if the Notes are not intended to be admitted to trading on a regulated market and the Issuer wishes to send notices directly to the Holders:]***

The Issuer is, in addition, at any time entitled to send notices directly to Holders known to the Issuer.

A "**Holder known to the Issuer**" means a Holder whose contact details are known to the Issuer.

Any such notice shall be deemed to have been validly given upon receipt by the Holder.

If all Holders of a series of Notes are known to the Issuer, the Issuer is entitled to send notices exclusively directly to the Holders. In this case, the Issuer does not have to publish a notice pursuant to sentence 1.

This shall not affect any statutory notice obligations.

Each Holder may provide the Issuer with its contact details (name[,] address [,][and] [fax number] [and] [e-mail address]) by sending them to the following address:

Erste Bank Hungary Zrt. / Capital Markets, 1138 Budapest, Népfürdő u. 24-26., Hungary

Following such notice to the Issuer, the relevant Holder shall be deemed to be a Holder known to the Issuer.]

(2) *Publication of Notices of the Issuer via the Clearing System.* If the publication of notices pursuant to § 10 (1) is no longer required by law, the Issuer may, in lieu of publication in the media set forth in § 10 (1), deliver the relevant notices to the Clearing System, for communication by the Clearing System to the Holders. Any such notice shall be deemed to have been given to the Holders on the seventh calendar day after the calendar day on which said notice was delivered to the Clearing System.]

***[In the case of Notes governed by Hungarian law insert:]***

(1) *Publication.* All notices of facts concerning the Notes shall be published on the website of the Issuer ("www.erstebank.hu"). Any notice so given will be deemed to have been validly given on the date of such publication (or, if published more than once, on the date of such publication). This does not affect any applicable mandatory provisions of law. Alternatively, the Issuer shall be entitled to send at any time notices directly to Holders known to the Issuer.

This provision is without prejudice to any applicable publication requirements in accordance with Hungarian capital markets laws.

(2) *Form of Notice to Be Given by any Holder.* Notices regarding the Notes which are to be given by any Holder to the Issuer shall be validly given if delivered in writing in the Hungarian or English language to the Issuer's registered office. The Holder shall provide evidence satisfactory to the Issuer of its holding of the Notes. Such evidence may be (i) a certificate issued by the Clearing System or the Custodian at which the Holder maintains a securities account in respect of the Notes that such Holder is, at the time such notice is given, the Holder of the relevant Notes, or (ii) in any other appropriate manner. "**Custodian**" means any bank or other financial institution of recognised standing authorised to engage in securities custody business with which the Holder maintains a securities account in respect of the Notes and includes the Clearing System.]

***[In the case of Notes governed by German law and in case the provisions of the German Act on Debt Securities regarding the amendment of Terms and Conditions and the appointment of a joint representative shall apply, insert:]***

## § 11

### AMENDMENT OF THE TERMS AND CONDITIONS, JOINT REPRESENTATIVE

(1) *Amendment of the Terms and Conditions.* In accordance with the German Act on Debt Securities (*Gesetz über Schuldverschreibungen aus Gesamtemissionen*; the "**Act on Debt Securities**") the Holders may agree with the Issuer on amendments of these Terms and Conditions with regard to matters permitted by the Act on Debt Securities by a Holders' resolution (*Beschluss*) with the majority specified in § 11 (2) below. Majority resolutions of the Holders shall be binding on all Holders alike. A majority resolution of the Holders which does not provide for identical conditions for all Holders is void, unless Holders who are disadvantaged have expressly consented to their being treated disadvantageously.

(2) *Majority Requirements.* Resolutions relating to material amendments of these Terms and Conditions, in particular consents to the measures set out in § 5 (3) of the Act on Debt Securities shall be passed by a majority of not less than 75 per cent. (Qualified Majority) of the votes cast. Resolutions relating to amendments of these Terms and Conditions which are not material require a simple majority of the votes cast.

(3) *Vote without a Meeting.* All votes will be taken exclusively by vote taken without a meeting. A meeting of Holders and the assumption of the fees by the Issuer for such a meeting will only take place in the circumstances set out in § 18 (4) sentence 2 of the Act on Debt Securities.

(4) *Chair of the Vote.* The vote will be chaired by a notary appointed by the Issuer or, if the Joint Representative (as defined below) has convened the vote, by the Joint Representative.

(5) *Voting Right.* Each Holder participating in any vote shall cast its vote in accordance with the nominal amount or the notional share of its entitlement to the outstanding Notes.

(6) *Joint Representative.*

***[If no Joint Representative is designated in the Terms and Conditions insert:***

The Holders may by majority resolution appoint a joint representative (the "**Joint Representative**") to exercise the Holders' rights on behalf of each Holder.]

***[If the Joint Representative is appointed in the Terms and Conditions insert:***

The joint representative (the "**Joint Representative**") to exercise the Holders' rights on behalf of each Holder shall be **[insert name and address of the Joint Representative]**. The liability of the Joint Representative shall be limited to ten times the amount of its annual remuneration, unless the Joint Representative has acted willfully or with gross negligence.]

The Joint Representative shall have the duties and powers provided by law or granted by majority resolution of the Holders. The Joint Representative shall comply with the instructions of the Holders. To the extent that the Joint Representative has been authorised to assert certain rights of the Holders, the Holders shall not be entitled to assert such rights themselves, unless explicitly provided for in the relevant majority resolution. The Joint Representative shall provide reports to the Holders on its activities. The regulations of the Act on Debt Securities apply with regard to the recall and the other rights and obligations of the Joint Representative.]

***[In the case of Notes governed by Hungarian law and if modifications of the Terms and Conditions by a meeting of Holders and appointment of a Joint Representative shall be possible, insert:***

**§ 11**

**AMENDMENT OF THE TERMS AND CONDITIONS, JOINT REPRESENTATIVE**

(1) *Amendment of the Terms and Conditions.* In accordance with subsequent provisions the Holders may agree with the Issuer on amendments of these Terms and Conditions with regard to certain matters by resolution with the majority specified below. Majority resolutions of the Holders shall be binding on all Holders alike. A majority resolution of the Holders which does not provide for identical conditions for all Holders is void, unless Holders who are disadvantaged have expressly consented to their being treated disadvantageously.

(2) The Holders may consent, by qualified majority resolution as provided by § 11 (8), to the following material measures:

- (a) changes in the due date or reduction or exclusion of interest payments;
- (b) changes in the due date of the principal amount;
- (c) reduction of the principal amount;
- (d) changes in the currency of the Notes;
- (e) waiver or limitation of the Holders' right of termination;
- (f) substitution of the Issuer; and
- (g) amendments to or cancellation of ancillary conditions of the Notes.

All other resolutions/measures to be consented to and/or passed by the Holders (except the measures as stated under point (a) to (g) above) shall be deemed as not material and may be passed by simple majority of the Holders as provided by § 11 (8).

Any amendments will not be made if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to (i) result in a change in the regulatory classification of the Notes that would be likely to result in their exclusion from own funds or reclassification as a lower quality form of own funds, or (ii) prejudice the qualification of the Notes as eligible liabilities or loss absorbing capacity instruments for the purposes of the bank resolution laws applicable to the Issuer from time to time.

(3) *Convening a Meeting of Holders.* The Holders' meeting shall be convened by the Issuer or by the Joint Representative of the Holders. It shall be convened if Holders who together hold 5 per cent. of the outstanding Notes request such convocation in writing for the purpose of appointing or removing a Joint Representative or for any other particular interest in such convocation.

(4) *Contents of the Convening Notice, Publication.* The convening notice shall state the name and the registered office of the Issuer and the time and location of the Holders' meeting, the agenda with explanation of the proposed decisions, record date and the conditions on which attendance at the Holders' meeting and the exercise of voting rights shall depend, including the form of the power of attorney for exercise of rights at the meeting. The convening notice shall be published pursuant to § 10.

(5) *Convening Period, Evidence.* The Holders' meeting shall be called at least 14 calendar days before the date of the meeting. As evidence for the entitlement to participate in the Holders' meeting a certificate of deposit or an up-to-date securities account statement issued by the Clearing System or the Custodian in text form shall be presented.

(6) *Agenda.* The convening party shall include in the agenda a proposed resolution for each subject on which the Holders' meeting is to pass a resolution. The agenda of the Holders' meeting shall be published together with the convening notice. No resolutions may be passed on agenda items that have not been published in accordance with § 10. Holders who together hold 5 per cent. of the outstanding Notes may request that new items be published for resolution. Such new items must be published in accordance with § 10 no later than the third calendar day preceding the Holders' meeting. Without undue delay and until the date of the Holders' meeting, the Issuer shall make available to the Holders in accordance with § 10, any counter-motions announced by a Holder before the meeting.

(7) *Quorum.* The Chairperson shall prepare a register of Holders participating in the vote. Such register shall include the Holders' names, their registered offices or places of residence and the number of voting rights represented by each Holder. Such register shall be signed by the Chairperson of the meeting and be made available for review without undue delay to all Holders at the location of the Holder's meeting designated in the convening notice. The Holders' meeting shall have a quorum if the persons present represent at least fifty per cent of the outstanding Notes by value. If the Holders' meeting does not have a quorum, the Chairperson may convene a second meeting on a day falling at least three days following the first Holders' meeting for the purposes of passing the resolution(s) anew. Such second meeting requires no quorum. For resolutions which require a qualified majority the persons present must represent at least 25 per cent. of the outstanding Notes. Notes for which voting rights have been suspended shall not be included in the outstanding Notes.

(8) *Majority Requirements.* Resolutions relating to material measures and amendments to the Terms and Conditions as set out in § 11 (2) lit (a) to (g) above shall be passed by a majority of not less than 75 per cent. (Qualified Majority) of the votes cast. Resolutions relating to amendments of these Terms and Conditions which are not material require a simple majority of the votes cast.

(9) *Vote without a Meeting.* All votes will be taken exclusively by vote taken without a meeting. The vote shall be conducted by the scrutineer. The scrutineer shall be a notary appointed by the Issuer, or the Joint Representative of the Holders if the meeting has been convened by him. The request for voting shall set out the period within which votes may be cast. Such period shall be at least 72 hours. During the voting period, the Holders may cast their votes to the scrutineer in written form as specified in the convening notice. The request shall set out in detail the conditions to be met in order for the votes to be valid. The scrutineer shall ascertain the entitlement to cast a vote by means of the evidence provided and shall prepare a list of Holders entitled to vote. If it is ascertained that no quorum exists, the scrutineer may convene a Holders' meeting, which shall be deemed to be a second Holders' meeting within the meaning of § 11 (7). Any resolution passed by the vote shall be recorded in the minutes by a notary. Each Holder participating in the vote may request within one year of the end of the voting period a copy of the minutes and its annexes from the Issuer. Each Holder participating in the vote may object to the result in writing within two weeks of publication of the resolutions. The scrutineer shall decide on any such objection. If it takes remedial action as a result of the objection, it shall publish the result without undue delay. § 11 (13) shall apply mutatis mutandis. If the scrutineer does not take remedial action as a result of the objection, it shall notify the objecting Holder without undue delay in writing.

(10) *Voting Right.* Each Holder shall participate in votes in accordance with the principal amount of the outstanding Notes held by such Holder. Voting rights are suspended with respect to the shares attributable to the Issuer or any of its Subsidiaries or held for the account of the Issuer or any of its Subsidiaries. The Issuer may not make available Notes for which the voting rights have been suspended to any third party for the purposes of exercising the voting rights in lieu of the Issuer. This shall also apply to any Subsidiaries of

the Issuer. Exercise of voting rights for the purposes specified above is prohibited. It is prohibited to offer, promise or grant any advantage as consideration to any person entitled to vote not to vote, or to vote in a particular way, in a Holders' meeting or a vote. No person entitled to vote may require, accept any promise of or accept any advantage or consideration for not voting, or voting in a particular way, in a Holders' meeting or a vote.

(11) *Chair of the Vote.* The vote will be chaired by a notary appointed by the Issuer or, if the Joint Representative has convened the vote, by the Joint Representative (the "**Chairperson**").

(12) *Voting, Minutes.* In order to be valid, any resolution passed by the Holders' meeting shall be recorded in minutes of the meeting. The minutes shall be recorded by a notary.

(13) *Publication of Resolutions.* The Issuer shall publish the resolutions passed by the Holders in appropriate form and at its own expense. The resolutions shall be published without undue delay pursuant § 10. In addition, for a period of one month commencing on the calendar day following the Holders' meeting, the Issuer shall make available in accordance with § 10 the resolutions passed by the Holders and, if these Terms and Conditions are amended by a Holders' resolution, the consolidated version of the new Terms and Conditions.

(14) *Joint Representative.*

***[If no Joint Representative is designated in the Terms and Conditions insert:***

The Holders may by a simple majority resolution appoint a joint representative (the "**Joint Representative**") to exercise the Holders' rights on behalf of each Holder.]

***[If the Joint Representative is appointed in the Terms and Conditions insert:***

The joint representative (the "**Joint Representative**") to exercise the Holders' rights on behalf of each Holder shall be [insert name and address of the Joint Representative]. The liability of the Joint Representative shall be limited to ten times the amount of its annual remuneration, unless the Joint Representative has acted wilfully or with gross negligence.]

The Joint Representative shall have the duties and powers granted by a simple majority resolution of the Holders. The Joint Representative shall comply with the instructions of the Holders. To the extent that the Joint Representative has been authorised to assert certain rights of the Holders, the Holders shall not be entitled to assert such rights themselves, unless explicitly provided for in the relevant simple majority resolution. The Joint Representative shall provide reports to the Holders on its activities. The Joint Representative shall be liable to the Holders as joint and several creditors for the due performance of its duties. In the performance of its duties, it shall act with the care of a prudent representative. The Joint Representative's liability may be limited by resolution of the Holders. An assertion of compensation claims against the Joint Representative shall be decided by the Holders. The Joint Representative may be removed by the Holders at any time without reason. The Joint Representative may require the Issuer to provide any information that is necessary for the performance of its duties.]

## § [12] APPLICABLE LAW, PLACE OF JURISDICTION AND ENFORCEMENT

***[In the case of Notes governed by German law insert:***

(1) *Applicable Law.* The Notes, as to form and content, and all rights and obligations of the Holders and the Issuer, shall be governed by, and shall be construed exclusively in accordance with, German law, save for the provisions of § 2, which shall be governed by, and shall be construed exclusively in accordance with, Hungarian law.

(2) *Place of Jurisdiction.* The courts in Frankfurt am Main, Federal Republic of Germany, shall have non-exclusive jurisdiction for any action or other legal proceedings (the "**Proceedings**") arising out of or in connection with the Notes. The Issuer appoints Erste Group Bank AG, Friedrichstraße 10, 70174 Stuttgart, Federal Republic of Germany, as its authorised agent for accepting service of process in connection with any Proceedings before German courts.

(3) *Enforcement.* Any Holder of Notes may in any Proceedings against the Issuer, or to which such Holder and the Issuer are parties, protect and enforce in its own name its rights arising under such Notes on the basis of (i) a statement issued by the Custodian with whom such Holder maintains a securities account in respect of the Notes (a) stating the full name and address of the Holder, (b) specifying the aggregate

principal amount of the Notes credited to such securities account on the date of such statement and (c) confirming that the Custodian has given written notice to the Clearing System containing the information pursuant to (a) and (b), and (ii) a copy of the Global Note certified as being a true copy by a duly authorised officer of the Clearing System or a depositary of the Clearing System, without the need for production in such Proceedings of the actual records or the Global Note representing the Notes. Each Holder may, without prejudice to the foregoing, protect and enforce its rights under the Notes also in any other way which is admitted in the country of the Proceedings.]

***[In the case of Notes governed by Hungarian law insert:***

(1) *Applicable Law.* The Notes and any non-contractual obligations arising out of or in connection with the Notes are governed by, and shall be construed in accordance with Hungarian law.

(2) *Place of Jurisdiction.* The competent Hungarian courts shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with any Notes (including any legal action or proceedings relating to any non-contractual obligations arising out of or in connection with Notes), to the extent permissible according to applicable mandatory consumer protection legislation.

(3) *Enforcement.* Any Holder may in any proceedings against the Issuer, or to which such Holder and the Issuer are parties, protect and enforce in its own name its rights arising under Notes in any way which is admitted in the country of the proceedings and which is permitted by the applicable mandatory provisions of law.]

## 4. FORM OF FINAL TERMS

*[Set out below is the form of Final Terms which will be completed for each Tranche of Notes to be issued under the EMTN Programme]*

*[insert date]*

### Final Terms

#### PROHIBITION OF SALES TO RETAIL INVESTORS IN THE EUROPEAN ECONOMIC AREA

The 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"). Consequently, no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation. 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 the Directive 2014/65/EU, as amended ("**MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97, as amended (IDD), 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 RETAIL INVESTORS IN THE UK

The 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**"). Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**") (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation. 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 domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended (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 domestic law by virtue of the EUWA.

#### MiFID II Product Governance / Eligible Counterparties and Professional Investors Only Target Market

Solely for the purposes of [the] [each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**") [**specify further target market criteria**]; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [**specify negative target market, if applicable**]. Any person subsequently offering, selling or recommending the 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 Notes (by either adopting or refining the manufacturer[s]'s target market assessment) and determining appropriate distribution channels.

#### UK MIFIR Product Governance / Eligible Counterparties and Professional Investors Only Target Market

Solely for the purposes of [the] [each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [**specify negative target market, if applicable**]. Any person subsequently offering, selling or recommending the Notes (a "**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 (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[s]'s target market assessment) and determining appropriate distribution channels.]

**[insert title of relevant Tranche of Notes]** (the "**Notes**")

issued pursuant to the

**EMTN Programme**

of

**Erste Bank Hungary Zrt.**

[Initial] Issue Price: [ ] per cent. [plus the issue charge mentioned in Part B.]

Issue Date: [ ]<sup>16</sup>

Series No.: [ ]

Tranche No.: [ ]

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<sup>16</sup> The Issue Date is the date of issue and payment of the Notes. In the case of free delivery, the Issue Date is the delivery date.

## IMPORTANT NOTICE

These Final Terms have been prepared for the purpose of Article 8 of the Regulation (EU) 2017/1129, as amended and must be read in conjunction with the base prospectus consisting of separate documents (i.e. (i) the securities note dated 31 August 2021 [and its supplement[s]] (the "**Securities Note**") and (ii) the registration document of Erste Bank Hungary Zrt. (the "**Issuer**") dated 31 August 2021 [and its supplement[s]] (the "**Prospectus**") pertaining to the EMTN Programme of the Issuer (the "**Programme**"). The Prospectus and any supplements thereto are available for viewing in electronic form on the Issuer's website ("[www.erstebank.hu](http://www.erstebank.hu)"). Full information on the Issuer and the Notes is only available on the basis of the combination of the Prospectus, any supplements thereto and these Final Terms.



## PART A. – TERMS AND CONDITIONS OF THE NOTES

***[In case the options applicable to the relevant Tranche of Notes shall be determined by replicating the relevant provisions set forth in this Securities Note as Option I, Option II, Option III or Option IV (including any further options contained in such Options), and completing the relevant placeholders, insert:***

The Conditions applicable to the Notes are set out below:

***[In the case of Notes with a fixed interest rate the relevant provisions of Option I (including relevant further options set out therein) shall be replicated and relevant placeholders shall be completed.]***

***[In the case of Notes with a floating interest rate the relevant provisions of Option II (including relevant further options set out therein) shall be replicated and relevant placeholders shall be completed.]***

***[In the case of Notes which commence with a fixed interest rate which is superseded by another fixed interest rate the relevant provisions of Option III (including relevant further options set out therein) shall be replicated and relevant placeholders shall be completed.]***

***[In the case of Notes which commence with a fixed interest rate which is superseded by a floating interest rate the relevant provisions of Option IV (including relevant further options set out therein) shall be replicated and relevant placeholders shall be completed.]]***

***[In case the options applicable to the relevant Tranche of Notes shall be determined by making reference to the relevant provisions set forth in this Securities Note as Option I, Option II, Option III or Option IV (including any further options contained in such Options), insert:***

This Part A. of the Final Terms shall be read in conjunction with the set of Terms and Conditions of the Notes that applies to Notes [with a fixed interest rate] [with a floating interest rate] [which commence with a fixed interest rate which is superseded by another fixed interest rate] [which commence with a fixed interest rate which is superseded by a floating interest rate] (the "**Terms and Conditions**") and that is set forth in the Securities Note as [Option I] [Option II] [Option III] [Option IV]. Capitalised terms not otherwise defined in these Final Terms shall have the meanings specified in the Terms and Conditions of the Notes when used in these Final Terms.

All references in this Part A. of the Final Terms to sections and paragraphs are to sections and paragraphs of the Terms and Conditions of the Notes.

The blanks in the provisions of the Terms and Conditions of the Notes, which are applicable to the Notes shall be deemed to be completed by the information contained in these Final Terms as if such information were inserted in the blanks of such provisions. All provisions in the Terms and Conditions of the Notes corresponding to items in these Final Terms which are either not selected or completed or which are deleted shall be deemed to be deleted from the Terms and Conditions of the Notes applicable to the Notes.]

### **ISSUER, CURRENCY, DENOMINATION, FORM, CERTAIN DEFINITIONS (§ 1)**

#### **Currency and Denomination**

Specified Currency	[ ]
Aggregate Principal Amount	[up to] [ ]
Aggregate Principal Amount in words	[ ]
Specified Denomination	[ ] <sup>17</sup>

#### **Form of the Notes**

☐ Bearer form, Permanent Global Note in classical global note-format (CGN)

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<sup>17</sup> Minimum EUR 100,000 or equivalent.

- ☐ Dematerialised registered securities (in Hungarian "*dematerializált, névre szóló*")

### Clearing System[s]

- ☐ OeKB CSD GmbH, Strauchgasse 1-3, 1010 Vienna, Austria ("**OeKB**"), also for Clearstream Banking, S.A., Luxembourg, 42 Avenue J.F. Kennedy, 1855 Luxembourg, Grand Duchy of Luxembourg ("**CBL**") and Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, 1210 Brussels, Belgium ("**Euroclear**") as account holders in OeKB
- ☐ other Clearing System [specify]

### [Business Day

- ☐ Specified Currency is not Euro
- ☐ Relevant Financial Centre[s] [ ]
- ☐ TARGET]

### STATUS (§ 2)

- ☐ Preferred Senior Notes
- ☐ Non-Preferred Senior Notes
- ☐ Subordinated Notes

### INTEREST (§ 3)

- ☐ **Fixed Rate Notes (Option I)**

[Interest Commencement Date

[ ]

Rate of Interest

[ ] per cent. per annum

☐ Short or long first or last Interest Period

[short] [long] [first] [last] coupon

Regular interest payments

[quarterly] [semi-annually]  
[annually]

Interest Payment Dates

[ ]

First Interest Payment Date

[ ]

Last Interest Payment Date

[ ]

Day Count Fraction

☐ Actual/Actual (ICMA)

Determination Date(s)

[ ]

☐ Actual/Actual (ISMA/Hungarian Bonds)

☐ Actual/365 (Fixed)

☐ Actual/360

☐ 30/360, 360/360 or Bond Basis

☐ 30E/360 or Eurobond Basis]

- ☐ **Floating Rate Notes (Option II)**

[Interest Commencement Date

[ ]

Interest Payment Dates

[ ]

☐ Short or long first Interest Period

[short] [long] first coupon

Business Day Convention

- ☐ Modified Following Business Day Convention (adjusted)
- ☐ Following Business Day Convention (adjusted)
- ☐ Preceding Business Day Convention (adjusted)
- ☐ Modified Following Business Day Convention (unadjusted)
- ☐ Following Business Day Convention (unadjusted)
- ☐ Preceding Business Day Convention (unadjusted)
- Rate of Interest
- Reference Rate ☐ plus ☐ minus Margin ☐ and multiplied by the Factor
- ☐ Margin
- ☐ plus [ ] per cent. *per annum*
- ☐ minus [ ] per cent. *per annum*
- ☐ Factor [ ]
- ☐ EURIBOR
- [Original Benchmark Rate] [insert number]-month EURIBOR
- Reference Banks [four] [insert number] major banks in the Euro-Zone interbank market
- Screen Page [Reuters screen page EURIBOR01] [specify]
- Time of the Screen Page Determination [11:00 a.m. (Brussels time)] ☐ [insert other applicable time] ([insert other applicable financial centre] time)]
- ☐ Reference Rate other than EURIBOR
- [Original Benchmark Rate] [insert applicable reference rate]
- Screen Page [specify]
- Time of the Screen Page Determination [insert applicable time and financial centre]
- Financial centre and time [insert relevant financial centre and time]
- City of the interbank market [ ]
- Interest Determination Date [ ]
- Reference Banks [insert place of principal office] of [four] [insert number] major banks in the [insert relevant city] interbank market
- Minimum number of Reference Banks offering quotations for the Reference Rate for determinations of the Calculation Agent [two] [insert number]
- Rounding method for Calculation Agent's determinations to the nearest [insert relevant fraction] of a percentage point, with [insert relevant fraction] being rounded upwards
- Day count basis [specify]
- ☐ Business Days for the purposes of § 3(2)

<input type="checkbox"/>	Business Days as defined in § 1(6)	
<input type="checkbox"/>	Relevant Financial Centre(s)	[   ]
<input type="checkbox"/>	TARGET	
<input type="checkbox"/>	Other	[specify]
Day Count Fraction		
<input type="checkbox"/>	Actual/Actual (ICMA)	
	Determination Date(s)	[   ]
<input type="checkbox"/>	Actual/Actual (ISMA/Hungarian Bonds)	
<input type="checkbox"/>	Actual/365 (Fixed)	
<input type="checkbox"/>	Actual/360	
<input type="checkbox"/>	30/360, 360/360 or Bond Basis	
<input type="checkbox"/>	30E/360 or Eurobond Basis]	
<input type="checkbox"/>	<b>Fixed to Fixed Rate Notes (Option III)</b>	
	[Interest Commencement Date	[   ]
	First Rate of Interest	[   ] per cent. <i>per annum</i>
<input type="checkbox"/>	Short or long first or last Interest Period	[short] [long] [first] [last] coupon
	Regular interest payments	[quarterly] [semi-annually] [annually]
	Interest Payment Dates	[   ]
	First Interest Payment Date	[   ]
	Last Interest Payment Date	[   ]
	First Reset Date	[   ]
	Reset Date(s)	First Reset Date [and each [insert <i>term</i> ] anniversary thereof for as long as the Notes remain outstanding] [insert other Reset Dates]
	Reset Rate	Reference Rate [plus] [minus] the Margin [and multiplied by the Factor]
<input type="checkbox"/>	Constant Maturity Treasury Rate	
	[Time of the Reference Bank Rate Determination	[insert relevant time]
	Time of Reference Bond Quotation	[insert relevant time]
	Margin	
<input type="checkbox"/>	plus	[insert credit spread as of the pricing date (which shall not include any increase of the rate of interest or other incentive to redeem the Notes)] per cent. <i>per annum</i>
<input type="checkbox"/>	minus	[insert credit spread as of the pricing date (which shall not include any increase of the rate of interest or other incentive to redeem the Notes)] per cent. <i>per annum</i>

<input type="checkbox"/> Factor	[ ]
Reset Determination Date	[the [second] [●] U.S. Government Securities Business Day preceding] prior to any Reset Date]
<input type="checkbox"/> Other Reference Rate	
[Original Benchmark Rate	[insert number, term, currency and name of the relevant Reference Rate]
Margin	
<input type="checkbox"/> plus	[ ] per cent. <i>per annum</i>
<input type="checkbox"/> minus	[ ] per cent. <i>per annum</i>
<input type="checkbox"/> Factor	[ ]
Reset Determination Date	[[first] [second] [insert other relevant number of Reset Determination Business Days] Reset Determination Business Day(s) prior to the] Reset Date
Time of the Screen Page Determination	[insert relevant time] ([insert relevant financial centre] time)
Reset Determination Business Day	
<input type="checkbox"/> Business Day as defined in § 1(6)	
<input type="checkbox"/> calendar day other than Saturday or Sunday	
<input type="checkbox"/> 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	
<input type="checkbox"/> TARGET	
Relevant Financial Centre(s)	[ ]
Screen page	[insert relevant Screen Page, heading, caption]
Term of the mid-market swap rate	[insert term]
Reference Rate for the floating leg of the interest rate swap transaction	[insert number, term and name of the relevant Reference Rate]
Reset Period	from and including a Reset Date to but excluding the [next following Reset Date] [Maturity Date]]
Day Count Fraction	
<input type="checkbox"/> Actual/Actual (ICMA)	
Determination Date(s)	[ ]
<input type="checkbox"/> Actual/Actual (ISMA/Hungarian Bonds)	
<input type="checkbox"/> Actual/365 (Fixed)	
<input type="checkbox"/> Actual/360	
<input type="checkbox"/> 30/360, 360/360 or Bond Basis	

<input type="checkbox"/>	30E/360 or Eurobond Basis]	
<input type="checkbox"/>	<b>Fixed to Floating Rate Notes (Option IV)</b>	
	<b>[Fixed Rate Interest Periods (§ 3 (1))</b>	
	Interest Commencement Date	[ ]
	Fixed Rate of Interest	[ ] per cent. <i>per annum</i>
<input type="checkbox"/>	Short or long first or last Interest Period	[short] [long] [first] [last] coupon
	Regular fixed rate interest payments	[quarterly] [semi-annually] [annually]
	Fixed Rate Interest Payment Dates	[ ]
	First Fixed Rate Interest Payment Date	[ ]
	Reset Date	[ ]
	Fixed Rate Day Count Fraction	
<input type="checkbox"/>	Actual/Actual (ICMA)	
	Fixed Rate Determination Date(s)	[ ]
<input type="checkbox"/>	Actual/Actual (ISMA/Hungarian Bonds)	
<input type="checkbox"/>	Actual/365 (Fixed)	
<input type="checkbox"/>	Actual/360	
<input type="checkbox"/>	30/360, 360/360 or Bond Basis	
<input type="checkbox"/>	30E/360 or Eurobond Basis	
	<b>Floating Rate Interest Periods (§ 3 (2))</b>	
	Specified Floating Interest Payment Dates	[ ]
<input type="checkbox"/>	Short or long first or last Floating Rate Interest Period	[short] [long] [first] [last] coupon
	Regular floating rate interest payments	[quarterly] [semi-annually] [annually]
	Floating Rate Business Day Convention	
<input type="checkbox"/>	Modified Following Business Day Convention (adjusted)	
<input type="checkbox"/>	Following Business Day Convention (adjusted)	
<input type="checkbox"/>	Preceding Business Day Convention (adjusted)	
<input type="checkbox"/>	Modified Following Business Day Convention (unadjusted)	
<input type="checkbox"/>	Following Business Day Convention (unadjusted)	
<input type="checkbox"/>	Preceding Business Day Convention (unadjusted)	
<input type="checkbox"/>	Margin	
	<input type="checkbox"/> plus	[ ] per cent. <i>per annum</i>
	<input type="checkbox"/> minus	[ ] per cent. <i>per annum</i>
	<input type="checkbox"/> Factor	[ ]
<input type="checkbox"/>	EURIBOR	
	[Original Benchmark Rate	[insert number]-month EURIBOR
	Reference Banks	[four] [insert number] major banks in the Euro-Zone interbank market

Screen Page	[Reuters screen page EURIBOR01] [specify]
Time of the Screen Page Determination	[11:00 a.m. (Brussels time)] [[insert other applicable time] ([insert other applicable financial centre] time)]]
<input type="checkbox"/> Reference Rate other than EURIBOR	
[Original Benchmark Rate	[insert applicable reference rate]
Screen Page	[specify]
Time of the Screen Page Determination	[insert applicable time and financial centre]
Financial centre and time	[insert relevant financial centre and time]
City of the interbank market	[   ]
Interest Determination Date	[   ]
Reference Banks	[insert place of principal office] of [four] [insert other number] major banks in the [insert relevant city] interbank market
Minimum number of Reference Banks offering quotations for the Reference Rate for determinations of the Calculation Agent	[two] [insert number]
Rounding method for Calculation Agent's determinations	to the nearest [insert relevant fraction] of a percentage point, with [insert relevant fraction] being rounded upwards
Day count basis	[specify]]
<input type="checkbox"/> Business Days for the purposes of § 3(2)(b)	
<input type="checkbox"/> Business Days as defined in § 1(6)	
<input type="checkbox"/> Relevant Financial Centre(s)	[   ]
<input type="checkbox"/> TARGET	
<input type="checkbox"/> Other	[specify]
Floating Rate Day Count Fraction	
<input type="checkbox"/> Actual/Actual (ICMA)	
Floating Rate Determination Date(s)	[   ]
<input type="checkbox"/> Actual/Actual (ISMA/Hungarian Bonds)	
<input type="checkbox"/> Actual/365 (Fixed)	
<input type="checkbox"/> Actual/360	
<input type="checkbox"/> 30/360, 360/360 or Bond Basis	
<input type="checkbox"/> 30E/360 or Eurobond Basis]	

## PAYMENTS (§ 4)

Business Day Convention [for Fixed Rate Interest Periods]<sup>18</sup>

- ☐ Modified Following Business Day Convention (adjusted)
  - ☐ Following Business Day Convention (adjusted)
  - ☐ Preceding Business Day Convention (adjusted)
- ☐ Modified Following Business Day Convention (unadjusted)
  - ☐ Following Business Day Convention (unadjusted)
  - ☐ Preceding Business Day Convention (adjusted)

[Business Day Convention for Floating Rate Interest Periods]<sup>19</sup>

- ☐ Modified Following Business Day Convention (adjusted)
  - ☐ Following Business Day Convention (adjusted)
  - ☐ Preceding Business Day Convention (adjusted)
- ☐ Modified Following Business Day Convention (unadjusted)
  - ☐ Following Business Day Convention (unadjusted)
  - ☐ Preceding Business Day Convention (adjusted)]

## REDEMPTION (§ 5)

Redemption at Maturity

Maturity Date

[ ]

Early Redemption at the Option of the Issuer

[yes] [no]

[Minimum Notice Period

[insert Minimum Notice Period  
(which shall not be less than 5  
Business Days)] [calendar days]  
[Business Days]

Maximum Notice Period

[not applicable] [insert Maximum  
Notice Period] [calendar days]  
[Business Days]

Optional Redemption Date(s)

[specify]

Early Redemption for Regulatory Reasons

Minimum Notice Period

[insert Minimum Notice Period  
(which shall not be less than 5  
Business Days)] [calendar days]  
[Business Days]

Maximum Notice Period

[not applicable] [insert Maximum  
Notice Period] [calendar days]  
[Business Days]

Early Redemption following an MREL disqualification event  
(§ 5 (3)(a)(ii))<sup>20</sup>

[yes] [no]

---

<sup>18</sup> Insert only in case of Fixed to Floating Rate Notes (Option IV).

<sup>19</sup> Insert only in case of Fixed to Floating Rate Notes (Option IV).

<sup>20</sup> This option may only be chosen in case of Subordinated Notes.



Early Redemption for Reasons of Taxation

[yes] [no]

[Minimum Notice Period

[insert Minimum Notice Period  
(which shall not be less than 5  
Business Days)] [calendar days]  
[Business Days]

Maximum Notice Period

[not applicable] [insert Maximum  
Notice Period] [calendar days]  
[Business Days]]

**FISCAL AGENT[, ] [AND] PAYING AGENT[S] [AND CALCULATION AGENT] (§ 6)**

☐ Fiscal Agent

☐ Erste Group Bank AG

☐ Erste Bank Hungary Zrt.

☐ Other

[ ]

☐ Principal Paying Agent

☐ Erste Group Bank AG

☐ Erste Bank Hungary Zrt.

☐ Other

[ ]

☐ Additional or other Paying Agent[s] and specified office[s]

[ ]

☐ Calculation Agent

☐ Erste Group Bank AG

☐ Erste Bank Hungary Zrt.

☐ Other

[ ]

**[Notices (§ 10)**

Notices be sent directly to the Holders

[yes[, Holders will provide the Issuer  
with the following contact details:  
name[, ] address [, ] [and] [fax  
number] [and] [e-mail address]]  
[no]]

**[[AMENDMENT OF THE TERMS AND CONDITIONS, JOINT REPRESENTATIVE (§ 11)]<sup>21</sup>**

☐ Applicable

☐ Not applicable

Appointment of a Joint Representative of the Holders

☐ by majority resolution of the Holders

☐ in the Terms and Conditions

[insert name and address of the  
Joint Representative]]

**APPLICABLE LAW, PLACE OF JURISDICTION AND ENFORCEMENT (§ [12])**

Governing Law

☐ German law (save for the provisions of § 2 which shall be

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<sup>21</sup> Insert only in case of Notes other than Subordinated Notes.

governed by Hungarian law)

☐ Hungarian law

## PART B. – OTHER INFORMATION

### ESSENTIAL INFORMATION

#### Interests of Natural and Legal Persons Involved in the Issue or the Offering

Save for [the fees payable to the Manager[s]] [the commercial interests of the Manager[s]] [the [swap] [derivatives] agreement [●] and the Issuer have entered into with regard to the Notes] [if any], so far as the Issuer is aware, no person involved in the issue or offering of the Notes has an interest material to the issue or the offering.

☐ Other Interests, including conflicts of interest

[specify details]

[Use of Proceeds<sup>22</sup>

[specify details]]

Estimated net amount of the proceeds

[ ]

#### INFORMATION CONCERNING THE SECURITIES TO BE OFFERED OR ADMITTED TO TRADING

##### Security Codes

☐ ISIN

[ ]

☐ Common Code

[ ]

☐ German Security Code (WKN)

[ ]

☐ Any Other Security Code

[ ]

Issue Yield<sup>23</sup>

[Not applicable] [[ ] per cent. *per annum* [until the Reset Date] (in case there is no early redemption).]

Issue charge

[Not applicable] [[ ] per cent.]

Representation of debt security holders including an identification of the organisation representing the investors and provisions applying to such representation. Indication of where the public may have access to the contracts relating to these forms of representation<sup>24</sup>

[Not applicable] [specify details]

Resolutions, authorisations and approvals by virtue of which the Notes will be created and/or issued

[specify details]

[Offeror of the Notes and/or the person asking for admission to trading<sup>25</sup>

**[Insert the identity and contact details of the offeror of the Notes and/or the person asking for admission to trading, including the legal entity identifier (LEI) where the offeror has legal personality]]**

<sup>22</sup> See the section entitled "2. General Information - Use of proceeds" in the Securities Note. If the use of the net proceeds is different from the information set out therein, insert the relevant information. If further details regarding the use of the net proceeds by the Issuer need to be disclosed, insert those details.

<sup>23</sup> Applicable only in the case of Fixed Rate Notes.

<sup>24</sup> Specify further details in case a Joint Representative will be appointed pursuant to § 11 of the Terms and Conditions of the Notes.

<sup>25</sup> Insert only if the offeror of the Notes and/or the person asking for admission to trading is different from the Issuer.

## PLACING AND UNDERWRITING

### Method of Distribution

- ☐ Non-Syndicated
- ☐ Syndicated

### Details with regard to the Manager[s] (including the type of commitment)

- ☐ Manager[s] **[specify name(s) and address(es) of Manager(s)]**
- ☐ Firm Commitment
- ☐ Without Firm Commitment
- ☐ Stabilising Manager **[specify details]** [Not applicable]

## LISTING[S], ADMISSION[S] TO TRADING AND DEALING ARRANGEMENTS

### Listing[s]

[Yes] [No]

- ☐ Vienna - Official Market
- ☐ Budapest - Regulated Market

### [Expected] Date of Admission

[ ]

Estimate of the total expenses related to the admission to trading

[ ]

## ADDITIONAL INFORMATION

### Rating[s]

[As at the date of these Final Terms the Notes [have not been rated. The Issuer reserves the right to apply for a rating in future.] [have been rated as follows:]] [It is expected that the Notes will be rated as follows:]<sup>26</sup>

**[Insert details on whether the relevant rating agency is established in the European Union and is registered (pursuant to the current list of registered and certified credit rating agencies published on the website of the European Securities and Markets Authority ("www.esma.europa.eu")) pursuant to Regulation (EC) No 1060/2009, as amended or has applied for registration.]**

### Selling Restrictions

TEFRA

- ☐ TEFRA C
- ☐ Non-TEFRA

Additional Selling Restrictions

[Not applicable] **[specify detail]**

### [Third Party Information]

**[specify relevant information]** has been extracted from **[specify relevant source of information]**. The Issuer confirms that such information has been accurately reproduced and that, as far as it is aware and is able to ascertain from information published by **[specify relevant source of information]**, no facts have been omitted which would render the reproduced information inaccurate or misleading.]

**[Statement on benchmarks according to Article 29 (2) of the Benchmark Regulation:** **[[As of the Reset Date the] [The] amount(s) payable under the Notes is/are calculated by reference to [specify benchmark(s): ●], which is/are provided by [insert administrator(s) legal name: ●]. As at the date**

<sup>26</sup> If the Notes have been rated independently of the Programme insert such ratings.

of these Final Terms, **[insert administrator(s) legal name: ●]** is/are [not] included in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ("ESMA") pursuant to Article 36 of the Regulation (EU) 2016/1011. [As at the date of these Final Terms, **[insert administrator(s) legal name: ●]** is/are not included in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of the Regulation (EU) 2016/1011.]]

[As far as the Issuer is aware, **[[insert benchmark(s): ●]** does/do not fall within the scope of the Regulation (EU) 2016/1011 by virtue of Article 2 of that regulation] [and/or] [the transitional provisions in Article 51 of the Regulation (EU) 2016/1011 apply], such that **[insert names(s) of administrator(s): ●]** is/are not currently required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence).] **[insert alternative statement on benchmarks according to Article 29 (2) of the Benchmark Regulation, if applicable: ●]**

Signed on behalf of the Issuer

By:

Duly authorised

By:

Duly authorised

## 5. SUBSCRIPTION AND SALE

The sale and/or distribution of the Notes may be subject to restrictions in various jurisdictions. The Issuer may from time to time request the FMA to provide to competent authorities of the member states of the EEA a notification concerning the approval of the Prospectus consisting of separate documents (i.e. this Securities Note and the Registration Document).

Except for publishing and filing the Prospectus consisting of separate documents (i.e. this Securities Note and the Registration Document), the Issuer has not taken any measures and will not take any measure in order to make the public offer of the Notes or their possession or the distribution of offer documents relating to the Notes permissible in a jurisdiction where special measures have to be taken for this purpose. Notes may be offered, sold, or delivered within a jurisdiction or originating from a jurisdiction only, if this is permitted pursuant to applicable laws and other legal provisions and if no obligations arise for the Issuer.

### GENERAL

The Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it will (to the best of its knowledge and belief) comply with all applicable laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes the Prospectus or any offering material in relation to the Prospectus or the Notes and will obtain any consent, approval or permission required from it for the purchase, offer, sale or delivery by it of 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 of Notes and neither the Issuer nor any other Dealer shall have any responsibility therefor.

Neither the Issuer nor any Dealer represent that 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.

With regard to each Tranche of Notes, the relevant Dealer will be required to comply with such other additional restrictions as the Issuer and the relevant Dealer shall agree and as shall be specified in the relevant Final Terms.

### NO PUBLIC OFFERING

No action has been or will be taken in any country or jurisdiction by the Issuer or the Dealers that would permit a public offering of the Notes, or possession or distribution of any offering material in relation thereto, in any country or jurisdiction where action for that purpose is required. Persons who have access to this Securities Note are required by the Issuer and the Dealers to comply with all applicable laws and regulations in each country or jurisdictions in or from which they purchase, offer, sell or deliver the Notes or have in their possession or distribution such offering material, in all cases at their own expense.

### UNITED STATES OF AMERICA

The Notes have not been and will not be registered under the Securities Act. Except in certain transactions exempt from the registration requirements of the Securities Act, the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S under the Securities Act ("**Regulation S**") or pursuant to an exemption from the registration requirements of the Securities Act.

The Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that, except as permitted by the Programme Agreement, it has not offered, sold or delivered the Notes, and will not offer, sell or deliver the Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the closing date, only in accordance with Rule 903 of Regulation S. The Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that, at or prior to confirmation of sale of the Notes, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from it during the distribution compliance period a confirmation or notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons to substantially the following effect:

"The securities covered hereby have not been registered under the U.S. Securities Act of 1933, as amended (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 (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the date of the commencement of the offering and the closing date, except in either case in accordance

with Regulation S under the Securities Act. Terms used above have the meanings given to them in Regulation S."

Terms used above have the meanings given to them by Regulation S.

In addition, until 40 days after the commencement of the offering of the Notes of the Tranche of which such Notes are a part, an offer or sale of the 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.

The Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it has not entered and will not enter into any contractual arrangement with any distributor (as that term is defined in Regulation S) with respect to the distribution or delivery of the Notes, except with its affiliates or with the prior written consent of the Issuer.

The Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it, its affiliates or any persons acting on its or their behalf have not engaged and will not engage in any directed selling efforts (as defined in Regulation S) with respect to any Note, and it and they have complied and will comply with the offering restrictions requirement of Regulation S.

Bearer Notes which are subject to U.S. tax law requirements may not be offered, sold or delivered in the United States or its possessions or to a U.S. person, except in certain transactions permitted by U.S. tax regulations. Under U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (the "**TEFRA C Rules**"), notes in bearer form must be issued and delivered outside the United States and its possessions in connection with their original issuance by an issuer that (directly or indirectly through its agents) does not significantly engage in interstate commerce with respect to the issuance. The Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that (i) it has not offered, sold or delivered, and will not offer, sell or deliver, directly or indirectly, the Notes in bearer form within the United States or its possessions in connection with their original issuance; (ii) it has not communicated, and will not communicate, directly or indirectly, with a prospective purchaser of the Notes in bearer form if either of them is within the United States or its possessions; and (iii) it will not otherwise involve its U.S. office in the offer and sale of the Notes in bearer form. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder, including the TEFRA C Rules.

## **PROHIBITION OF SALES TO RETAIL INVESTORS IN THE EUROPEAN ECONOMIC AREA**

The 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 Notes which are the subject of the offering contemplated by the Prospectus as completed by the relevant Final Terms in relation hereto 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:

- (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
- (ii) a customer within the meaning of IDD, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

## **UNITED KINGDOM**

### **Prohibition of sales to UK Retail Investors**

The 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 Notes which are the subject of the offering contemplated by the Prospectus as completed by the relevant 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 the following:

- (i) a retail client, as defined in point (8) of Article 2 of Regulation EU No 2017/565 as it forms part of domestic law by virtue of the EUWA; or
- (ii) a customer within the meaning of the provisions of 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 domestic law by virtue of the EUWA.

### Other regulatory restrictions

The Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) 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 Notes in circumstances in which Section 21 (1) of the FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

### HONG KONG

The Dealer has represented, warranted and agreed and each further Dealer appointed under the Programme will be required to represent, warrant and agree that

- (i) it has not offered or sold, and will not offer or sell, in Hong Kong, by means of any document, any Notes (except for Notes which are a "structured product" (as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**")) other than (a) to "professional investors" (as defined in the SFO and any rules made under the SFO); or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMPO)**") or which do not constitute an offer to the public within the meaning of the C(WUMPO); and
- (ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

### JAPAN

The 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**") and the Dealer has represented and agreed, and each further Dealer to be appointed under the Programme will be required to represent and agree that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan), 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 relevant laws and regulations of Japan.

### SINGAPORE

The Dealer has acknowledged, and each further Dealer to be appointed under the Programme will be required to acknowledge, that the Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, the 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 Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the 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, the Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (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.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law;
- (iv) as specified in Section 276(7) of the SFA; or

as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

## THE PRC

The Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that the Notes are not being offered or sold and may not be offered or sold, directly or indirectly, in the People's Republic of China ("**PRC**") (for such purposes, not including the Hong Kong and Macau Special Administrative Regions or Taiwan), except as permitted by the securities applicable laws of the PRC.

## 6. TAXATION

*This section on taxation contains a brief summary of the Issuer's understanding with regard to certain important principles which are of significance in connection with the purchase, holding or disposition of the Notes in Hungary. This summary does not purport to exhaustively describe all possible tax aspects which may be relevant to a decision to purchase, hold or dispose of the Notes and further disclosure may be included in a supplement to this Securities Note. This summary does not deal with specific situations which may be of relevance for certain prospective holders of the Notes. The following comments are rather of a general nature and included herein solely for information purposes. They are not intended to be, nor should they be construed to be, legal or tax advice. This summary is based on the applicable tax legislation and regulations of the tax authorities, as well as their respective interpretation, as of the date of this Securities Note all of which may be amended from time to time. Such amendments may possibly also be effected with retroactive effect and may negatively impact on the tax consequences described. Prospective holders of the Notes should consult their legal and tax advisors as to the relevant tax consequences of the purchase, holding or disposition of the Notes. Tax risks resulting from the Notes shall in any case be borne by the holders.*

*The description below assumes that the person receiving any payments on the Notes is the beneficial owner of that income; i.e. that the person is not an agent or depositary receiving the payments on behalf of another person.*

Corporations having their place of management and/or their legal seat in Hungary are subject to corporate income tax in Hungary on their worldwide income (unlimited corporate income tax liability). Corporations having neither their place of management nor their legal seat in Hungary are subject to corporate income tax only on income from certain Hungarian sources (limited corporate income tax liability). Both in case of unlimited and limited (corporate) income tax liability Hungary's right to tax may be restricted by double taxation treaties.

### **Taxation of Holders non-resident in Hungary for tax purposes**

Interest on Notes paid to a foreign resident corporate Holder, who does not have a permanent establishment in Hungary, by the Issuer and any capital gains realised by such foreign resident Holders on the sale of the Notes is not subject to withholding 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. Therefore, for the non-Hungarian tax resident Holder which holds the Notes through a Hungarian permanent establishment, the income will not be subject to a withholding tax but it will be included in the general corporate income tax base (on an accrual basis) of the Hungarian permanent establishment, which in turn will be subject to a tax rate of 9 per cent.

### **Taxation of Holders resident in Hungary for tax purposes**

Under Act LXXXI of 1996 on Corporate Tax and Dividend Tax (the "**Corporation Tax Act**") interest and capital gains realised by Hungarian resident corporate Holders on the 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.

Pursuant to Act C of 1990 on Local Taxes (the "**Local Taxes Act**"), financial institutions, financial enterprises, insurance companies and investment enterprises may be subject to local business tax on the basis of the proceeds realised on the Notes.

### **Value Added Tax**

No value added tax is payable in Hungary for payments made in consideration for the issue of the Notes, for interest or principal payments on the Notes or for the transfer of the Notes.

### **Other Taxes or Duties**

No registration tax, capital tax, customs duty, transfer tax, stamp duty or other similar tax or duty is payable in Hungary for or in connection with the purchase, holding or disposal of the Notes, save for disposals by donation or inheritance in certain cases.

# GLOSSARY AND LIST OF ABBREVIATIONS

For ease of reference, the glossary below sets out certain abbreviations and meanings of certain terms used in this Securities Note. Readers of this Securities Note should always have regard to the full description of a term contained in this Securities Note.

<b>Arranger</b>	Erste Group Bank AG in its capacity as arranger of the Programme
<b>AT 1</b>	own funds pursuant to Article 51 CRR ( <i>Additional Tier 1</i> )
<b>Benchmark Regulation</b>	Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014, as amended
<b>BRRD</b>	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, as amended
<b>CBL</b>	Clearstream Banking, S.A., Luxembourg, 42 Avenue J.F. Kennedy, 1855 Luxembourg, Grand Duchy of Luxembourg
<b>CET 1</b>	own funds pursuant to Article 26 CRR ( <i>Common Equity Tier 1</i> )
<b>CRR</b>	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 and amending Regulation (EU) No 648/2012, as amended ( <i>Capital Requirements Regulation</i> )
<b>Dealer or Dealers</b>	Erste Group Bank AG in its capacity as dealer under the Programme or any additional dealer appointed from time to time under the Programme
<b>EEA</b>	European Economic Area
<b>EMTN</b>	Euro Medium Term Notes
<b>EU</b>	European Union
<b>Euroclear</b>	Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, 1210 Brussels, Belgium
<b>EUWA</b>	European Union (Withdrawal) Act 2018
<b>Final Terms</b>	final terms setting forth the applicable terms and conditions for Notes issued under the Prospectus, a form of which is included in this Securities Note
<b>Fixed Rate Notes</b>	Notes with a fixed interest rate (Option I)
<b>Fixed to Fixed Rate Notes</b>	Notes which commence with a fixed interest rate which is superseded by another fixed interest rate (Option III)
<b>Fixed to Floating Rate Notes</b>	Notes which commence with a fixed interest rate which is superseded by a floating interest rate (Option IV)
<b>Floating Rate Notes</b>	Notes with a floating interest rate (Option II)
<b>FMA</b>	Austrian Financial Market Authority ( <i>Finanzmarktaufsichtsbehörde</i> )
<b>FSMA</b>	Financial Services and Markets Act 2000
<b>Global Note</b>	a permanent global note in bearer form representing each tranche of Notes governed by German law
<b>Holder</b>	a holder of the Notes
<b>IDD</b>	Directive (EU) 2016/97 of the European Parliament and of the Council of

		20 January 2016 on insurance distribution (recast), as amended
<b>ISIN</b>		International Securities Identification Number
<b>Issuer</b>		Erste Bank Hungary Zrt.
<b>Markets</b>		the Official Market ( <i>Amtlicher Handel</i> ) of the Vienna Stock Exchange ( <i>Wiener Börse</i> ) and the regulated market of the Budapest Stock Exchange ( <i>Budapesti Értéktőzsde</i> )
<b>MiFID II</b>		Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (recast), as amended ( <i>Markets in Financial Instruments Directive II</i> )
<b>MREL</b>		the minimum requirements for eligible liabilities
<b>Non-preferred Notes</b>	<b>Senior</b>	non-preferred senior notes which shall constitute eligible liabilities instruments
<b>Notes</b>		(i) the notes in the English language under German law (the relevant status clause being governed by Hungarian law) and (ii) the notes in the English language under Hungarian law
<b>Notification</b>		a certificate of approval attesting that the Prospectus consisting of separate documents (i.e. this Securities Note and the Registration Document) has been drawn up in accordance with the Prospectus Regulation (sent by the FMA to the host member state as requested by the Issuer)
<b>OeKB CSD</b>		OeKB CSD GmbH, Strauchgasse 1-3, A-1010 Vienna, Austria
<b>Preferred Senior Notes</b>		preferred senior notes which shall constitute eligible liabilities instruments
<b>PRIPs Regulation</b>		Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products, as amended (PRIPs)
<b>Programme</b>		the EMTN programme of the Issuer
<b>Prospectus</b>		the base prospectus consisting of separate documents, i.e. this Securities Note and the Registration Document
<b>Prospectus Regulation</b>		Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as amended
<b>Registration Document</b>		the registration document of the Issuer dated 31 August 2021, as supplemented from time to time
<b>Securities Act</b>		United States Securities Act of 1933, as amended
<b>Securities Note</b>		this Securities Note, as supplemented from time to time
<b>Series</b>		series of the Notes as specified in the relevant Final Terms
<b>Subordinated Notes</b>		Subordinated notes which shall constitute Tier 2 instruments
<b>Taxonomy Regulation</b>		Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088
<b>Terms and Conditions</b>		the terms and conditions of the Notes which are set out on pages 27 <i>et seqq</i> of this Securities Note
<b>Tier 2</b>		own funds pursuant to Article 62 CRR ( <i>Tier 2</i> )
<b>Tranche</b>		a tranche of a Series of Notes
<b>UK</b>		United Kingdom
<b>UK MiFIR Product</b>		FCA Handbook Product Intervention and Product Governance Sourcebook

**Governance Rules****UK PRIIPs Regulation**

Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA

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Signaturwert	j/RjHXWIlj0riHw4ggPsC6r1Rblx1BzFW4aiqBfmPJQSEyYctMxMC19UHRyzXVFGvIQ2FGdFvBZ+fd8WKm8Ox1IM+FqIfM0lM5SDkNr+QRHK5dCDB3UZcnWtTW+48rUGWclZ1BIq258a/WZEvUKMTazkf4PO2tJnFR94TMlrIV2FPCYvfKxjRXUhbIIIdYDfcwTP9gg/nbZo0U8g974x5A7GxUeTctta3pWow1HsRXs8S+QZa3XP/nVrOUP6TPiueOvFfar8SB74Usc22JYjA6YTS3Qd8AMe75MKbf11tiRf1KAD9m21hn/oSh6TvWfm4p7/p+ijzkVWwRtAt6UkH0g==	
	Unterzeichner	Österreichische Finanzmarktaufsichtsbehörde
	Datum/Zeit-UTC	2021-08-31T07:03:49Z
	Aussteller-Zertifikat	CN=a-sign-corporate-light-02,OU=a-sign-corporate-light-02,O=A-Trust Ges. f. Sicherheitssysteme im elektr. Datenverkehr GmbH,C=AT
	Serien-Nr.	532114608
	Methode	urn:pdfsigfilter:bka.gv.at:binaer:v1.1.0
Prüfinformation	Informationen zur Prüfung des elektronischen Siegels bzw. der elektronischen Signatur finden Sie unter: <a href="http://www.signaturpruefung.gv.at">http://www.signaturpruefung.gv.at</a>	
Hinweis	Dieses Dokument wurde amtssigniert. Auch ein Ausdruck dieses Dokuments hat gemäß § 20 E-Government-Gesetz die Beweiskraft einer öffentlichen Urkunde.	