5. Increased risk product



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Product brochure

OTP shares

Product description

Shares are securities issued by a public limited company, and represent membership or ownership rights. Shares represent the proportion of a company's registered capital equal to the share's face value. The minimum requirement for exercising shareholder rights is that the investor hold ownership over the specific share on a specific day preceding the company event (e.g. payment of dividends), referred to as the day of the shareholder identification procedure.

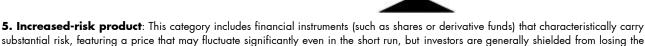
OTP Bank was established in 1949 and operated as the only retail bank in Hungary until 1987. The largest universal bank of Hungary, a major financial service provider in Central and Eastern Europe, it is present in numerous countries. The Bank's strategically important domestic subsidiaries are: OTP Mortgage Bank (the largest Hungarian mortgage credit institute), Merkantil Group (vehicle financing), OTP Real Estate Ltd., OTP Lakástakarékpénztár (housing savings and loans), OTP Factoring Ltd. and OTP Fund Management Ltd. OTP Bank holds key ownership interests in the region in DSK Bank, OTP Banka Slovensko, OTP Bank Romania, OTP banka Hrvatska, OAO OTP Bank, CJSC OTP Bank, OTP banka Srbija, Crnogorska komercijalna banka (source: BSE).

When is it recommended?

• If you are looking for an investment opportunity with a yield above the risk-free rate in the long run and have a firm idea of developments in share prices.

Product risk

1. VERY LOW	2. LOW	3. MODERATE	4. MEDIUM	5. INCREASED	6. HIGH	7. EXTREMELY
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substantial risk, featuring a price that may fluctuate significantly even in the short run, but investors are generally shielded from losing the entire value of their capital investment unless some extraordinary market event occurs. Based on historical data, the possible loss calculated for a one-year period is highly unlikely to exceed 65% of the capital invested. (To assess possible losses, the Bank determines the risk classification of a product using VaR calculation based on historical data, at a 99% confidence level, for a one-year investment horizon.)

Key risk factors

Issuer risk is the risk of the issuer of the securities. The value of the securities and the satisfaction of the claims

related to them depend on the issuer's business operations, liquidity position and net worth. Risk arising from

poor financial management is reflected primarily in the price of the issued shares.

Share price risk

The share price risk is the risk that the portfolio comprising the shares loses some of its value due to adverse

stock market developments. The investor may potentially lose all of his invested money, as the product is not

capital-guaranteed.

Country risk Economic, political and geographic factors fundamentally determine a country's country risk classification.

Changes in a country's assessment impacts the value of the country's firms, and thus stock market movements as

well.

Scenarios*

Example 1 Let's assume that today, you purchase 100 units of a blue-chip share with the intention of investing your money

for six months. The share price is HUF 12,945, so 100 shares are added to your portfolio at HUF 1,294,500. If six months later the shares can be sold at a price of HUF 13,550, that is HUF 1,355,000, you will realise a

profit of HUF 60,500 during the six months.

Example 2 Let's assume that today, you purchase 10,000 units of a less liquid share with the intention of investing your

money for six months. The share price is HUF 96, so 10,000 shares are added to your portfolio at HUF 960,000. If six months later the share price falls, the shares can be sold at a price of HUF 72, that is HUF 720,000, meaning you will incur a loss of HUF 240,000 during the six months. In these two examples, comparing the shares based on their liquidity, it can be stated that the more liquid a share, the safer it is, as it

is easier to find a counterparty on the market willing to buy the instrument in the case of liquid shares.

*PLEASE NOTE: The examples presented in this document do not show every possible outcome. For easier understanding the examples are simple and do not include any fees, commissions or taxes. They are insufficient to form the basis for an investment decision.

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Practical information

- Information for customers: https://www.raiffeisen.hu/maganszemely/megtakaritas-befektetes/befektetesi-tajekoztato
- Product-related descriptions and interpretations: https://www.raiffeisen.hu/treasury-utikalauz
- Information on investment products: https://www.raiffeisen.hu/maganszemely/megtakaritas-befektetes/befektetesi-tajekoztato
- Product-related fees and charges: https://www.raiffeisen.hu/hasznos/kondiciok
- Taxation of investments: http://www.nav.gov.hu/
- Institutional protection: http://www.oba.hu/ and http://www.bva.hu/
- Changes in the prices of financial instruments issued by Raiffeisen Bank Zrt.: https://www.raiffeisen.hu/hasznos/arfolyamok
- Changes in the prices of key products: http://bet.hu/ (Hungarian stock exchange), http://akk.hu/ (Hungarian government securities), http://www.mnb.hu/ (exchange rates)
- In the case of shares, no EHM (standardised rate of return on securities) is calculated.

Other information

- Depending on the nature of the given product, investments are exposed to various risks, including the possible loss of the capital invested. No reliable conclusions can be drawn from historical data or information regarding future returns, changes or performance.
- The risk of a financial instrument made up of more than one component may exceed the sum of the risks of the individual components.
- Conversion between different currencies may affect the result achievable.
- Any tax consequence related to an investment product may only be assessed on the basis of the Customer's individual conditions, and may change in the future as a function of changes in legislation.
- This document is intended for information purposes, and should not be construed as an offer to buy or sell any investment product or service or as investment or tax advice by Raiffeisen Bank Zrt. Consequently, before making an investment decision, please consider the appropriateness of the investment in light of your own goals, needs, financial position and the risks involved.