

OTP Bank Annual Report

Corporate Governance

2019



Senior management and executive members of the Board of Directors¹ of OTP Bank



Dr. Sándor Csányi
Chairman & CEO

Dr. Sándor Csányi graduated from the College of Finance and Accountancy in 1974 with a bachelor's degree in business administration and in 1980 from the Karl Marx University of Economic Sciences with a degree in economics. He is an economist with a specialisation in finance, and a certified auditor. After graduation he worked at the Revenue Directorate and then at the Secretariat of the Ministry of Finance, after which, between 1983 and 1986, he was a departmental head at the Ministry of Agriculture and Food Industry. From 1986 to 1989 he worked as a head of department at Magyar Hitel Bank. He was deputy CEO of K&H Bank from 1989 to 1992. He has been Chairman & CEO of OTP Bank Plc. since 1992. He is Deputy Chairman of the Board of Directors of MOL Plc., Co-Chairman of the National Association of Entrepreneurs and Employers (VOSZ), and Co-Chairman of the Chinese-Hungarian Business Council. He has been Chairman of the Hungarian Football Association (MLSZ) since July 2010, and a member of the UEFA Executive Committee since March 2015; has been the Deputy Chairman of the UEFA Executive Committee since February 2019. Since April 2017 he has been a member of the FIFA Council and the Deputy Chairman of the FIFA Council since February 2018. As of 31 December 2019 he held 870,255 ordinary OTP shares (while the total number of OTP shares held by him directly and indirectly was 3,555,583).



Dr. Zsolt Barna
General Deputy CEO
Group Governance and Operations Division

Dr. Zsolt Barna started his professional career at the State Financial and Capital Market Supervisory Commission, and rising through the ranks he became managing director of the Financial and Capital Market Supervisory Directorate in 2006. In this position, he was responsible for the supervision of banks and banking groups. Between 2006 and 2010, he was a member and permanent invitee to the CESR's, CEBS's management bodies and professional committees. From 2008 to 2009 he was one of the decisive figures in crisis management activities conducted in the banking sector. He has been working for OTP Group since 2010, during which time he was appointed to Chairman of the Board of Directors of CKB Bank in Montenegro, where he was in charge of the bank's reorganisation. Following several executive positions within OTP Group, between 8 June 2016 and 31 August 2018 he held the position of the Chairman and CEO of OTP Real Estate Investment Fund Management Ltd. and, in addition, from September 2016 to 31 August 2018 he acted as Chairman of the Board of Directors of OTP Fund Management Ltd. He has been Chairman of the Board of Directors of OTP Real Estate Investment Fund Management Ltd. since 8 June 2016. In 2017-2018, he supervised the integration of OTP Bank's Croatian subsidiaries. Starting from 10 September 2018, he has been Chairman of the Supervisory Board of OTP Real Estate Ltd. In 2017-2018, he supervised the integration of OTP Bank's Croatian subsidiaries. Since 1 September 2018, he has been the General Deputy CEO in charge of OTP Bank's Group Governance and Operations Division. Between 10 September 2018 and 29 March 2019, he was Chairman of the Supervisory Board of OTP Real Estate Ltd. He has been Chairman of the Board of Directors of OTP Real Estate Ltd. since 29 March 2019. Since 13 December 2019 he has been a member of the Board of Directors, and since 16 December 2019 Chairman of the Board of SKB Bank in Slovenia. As of 31 December 2019 he held 1,010 ordinary OTP shares.



László Bencsik
Deputy CEO
Strategy and Finance Division

In 1996, László Bencsik graduated from the Faculty of Business Administration at the Budapest University of Economic Sciences, and in 1999 he obtained a Masters in Business Administration (MBA) from INSEAD Business School in France. Between 1996 and 2000 he worked as a consultant at Andersen Consulting (now Accenture). From 2000 to 2003 he was a project manager at consulting firm McKinsey & Company. He joined OTP Bank in 2003, when he became managing director of the Bank Operations Management Directorate, and the manager with overall responsibility for controlling and planning. He has been deputy CEO of OTP Bank, and head of the Strategy and Finance Division, since August 2009. Since 13 March 2012 he has been Chairman of the Supervisory Board of DSK Bank. As of 31 December 2019 he held 41,756 ordinary OTP shares.

¹ The members of the Board of Directors are elected by the General Meeting for a term of five years.



Tibor András Johancsik
Deputy CEO
IT Division

Tibor András Johancsik graduated from the Budapest Technical University with a degree in electrical engineering in 1988, and then in 1993 earned a further degree in foreign trade business administration from the College of Foreign Trade. He began his professional career at as a researcher in the field of industrial automation at the Hungarian Academy of Sciences Institute for Computer Science and Control (MTA SZTAKI). From 1994 onwards he held management positions at the Hungarian subsidiaries of international IT development companies (ICL, Unisys, Cap Gemini). From 2001 he worked as an advisor in the fields of IT and organisational development, then from 2003, as managing director of JET-SOL Kft., he participated in the development of numerous systems in Hungary and abroad. Since 24 February 2016 he has been Deputy CEO in charge of OTP Bank's IT and Operations Division. He has been Chairman of the Supervisory Board of Monicomp Ltd. since 1 April 2016. As of 31 December 2019 he held 13,153 ordinary OTP shares.



György Kiss-Haypál
Deputy CEO
Credit Approval and Risk
Management Division

György Kiss-Haypál is a qualified economist. He graduated from the Budapest University of Economic Sciences in 1996. He started his career as a project finance analyst for Budapest Bank Plc., and by 2007 he had been appointed head of the bank's risk management department. Between 2002 and 2006 he also worked in Ireland as corporate credit risk portfolio manager for GE Consumer Finance, and in Austria as GE Money Bank's consumer loans portfolio manager. From 2015 he was deputy head of the Credit Approval and Risk Management Division of OTP Bank Plc., and was then appointed acting head of the Division. Since 3 May 2017, he has been deputy CEO of the Credit Approval and Risk Management Division. As of 31 December 2019 he held 1,776 ordinary OTP shares.



Antal György Kovács
Deputy CEO
Retail Division

Antal György Kovács graduated from the Karl Marx University of Economic Sciences with a degree in economics. He began his professional career in 1990 at the Nagyatád branch of K&H Bank, where he worked as a branch manager between 1993 and 1995. He has been working at OTP Bank Plc. since 1995, first as a county director and from 1998 as the executive director of OTP Bank's South Transdanubian Region. Since 1 July 2007 he has served as OTP Bank's Deputy CEO. He has received additional training at the International Training Centre for Bankers and on various courses held by the World Trade Institute. Between April 2007 and April 2012 he was Chairman of the Supervisory Board of OTP banka Hrvatska d.d. He has been Chairman of the Supervisory Board of OTP Bank Romania SA since 12 December 2012. He has been Chairman of the Board of Directors of OTP Mortgage Bank Ltd. and OTP Building Society Ltd. since 24 April 2014. He is Chairman of the Supervisory Board of OTP Fund Management and OTP Mobile Kft. He was a member of OTP Bank's Supervisory Board from 2004 to 14 April 2016. He has been a member of OTP Bank's Board of Directors since 15 April 2016. As of 31 December 2019 he held 35,948 ordinary OTP shares.



László Wolf
Deputy CEO
Commercial Banking Division

László Wolf graduated from the Karl Marx University of Economic Sciences in 1983. After graduation, he worked at the Bank Relations Department of the National Bank of Hungary for 8 years, and then served as head of Treasury at BNP-KH-Dresdner Bank between 1991 and 1993. From April 1993 he was managing director of OTP Bank's Treasury Directorate, and since 1994 he has been Deputy CEO of the Commercial Banking Division. Member of DSK Bank's Supervisory Board. He has been Chairman of the Board of Directors of OTP banka Srbija since 10 December 2010. He has been a member of OTP Bank's Board of Directors since 15 April 2016. As of 31 December 2019 he held 577,521 ordinary OTP shares.

Non-executive members of the Board of Directors of OTP Bank



Tamás Erdei
Deputy Chairman
BSc Business Administration

Tamás Erdei graduated in 1978 with a degree from the College of Finance and Accounting. He began his professional career at OTP, in a variety of administrative roles (his last position was branch manager), before going on to work at the Ministry of Finance in the area of bank supervision. Since 1983 he has been employed by the Hungarian Foreign Trade Bank (today MKB), where he gradually worked his way up through the ranks. In 1985 he became managing director, in 1990 he was appointed deputy CEO, then in 1994 he was made CEO, and from 1997 until the end of March 2012 he was chairman and CEO. Between 1997 and 2008, and between 2009 and 2011, he was the elected president of the Hungarian Banking Association. He is the chairman of the Supervisory Board of the International Children's Safety Service. He has been a member of OTP Bank's Board of Directors since 27 April 2012. He has been a member of OTP Bank's Risk Assumption and Risk Management Committee, and of its Nomination Committee, since 2014. He has been a member of the Board of Directors of OTP Bank Plc. since April 2019 and the Deputy Chairman of the Work-out Committee since October 2019. He has been Chairman of the Board of Directors at OTP Factoring Ltd. between since December 2019. As of 31 December 2019 he held 19,239 ordinary OTP shares.



Mihály Baumstark
BSc Agricultural Business
Administration, MSc Economics

Mihály Baumstark graduated with a degree in agricultural business administration at Gödöllő University of Agriculture (1973), and went on to do a masters in economics at the Karl Marx University of Economic Science (1981). He was employed by the Ministry of Agriculture and Food Industry between 1978 and 1989. When he left the Ministry he was deputy head of the Investment Policy Department. After this he was managing director of Hubertus Bt., and from 1999 to 2011 he was deputy CEO and then Chairman & CEO of Villányi Winery Ltd. (now Csányi Winery Ltd.). He is currently retired. He was a member of OTP Bank's Supervisory Board from 1992 to 1999, and has been a non-executive member of OTP Bank's Board of Directors since 1999. He has been Chairman of OTP Bank's Ethics Committee since 2010, as well as a member of its Remuneration Committee since 2011, and of its Nomination Committee since 2014. As of 31 December 2019 he held 43,600 ordinary OTP shares.



Dr. Tibor Bíró
College Associate Professor

Dr. Tibor Bíró graduated from the College of Finance and Accountancy (1974) and from the Karl Marx University of Economics (1978) with a degree in business administration. He has been a certified auditor and chartered accountant since 1986. He was the Head of the Financial Department of the City Council of Tatabánya from 1978 to 1982. From 1982, he was a professor at the College of Finance and Accounting, and between 1990 and 2013 head of department at the Budapest Business School. Since his retirement in 2015, he has been a visiting lecturer, and working actively in his auditing and consulting company. From 2000 onwards, for a period of ten years, he was a member of the Presidium of the Budapest branch of the Chamber of Hungarian Auditors, and also worked as a member of the Chamber's Education Committee for five years. He has been a non-executive member of OTP Bank's Board of Directors since 1992. He has been a member of OTP Bank's Remuneration Committee since 2009, and of its Nomination Committee since 2014. As of 31 December 2019 he held 29,000 ordinary OTP shares.



Dr. István Gresa
PhD Business Administration
and Economics

Dr. István Gresa graduated from the College of Finance and Accountancy in 1974 and received a degree in economics from the Karl Marx University of Economic Sciences in 1980. He earned a PhD from the University of Economic Sciences in 1983. He has worked in the banking sector since 1989. Between 1989 and 1993 he was branch manager of Budapest Bank's Zalaegerszeg branch. From 1993 he was director of OTP Bank's Zala County Directorate, and from 1998 he served as the managing director of the bank's West Transdanubian Region. From 1 March 2006 until 14 April 2016 – when he retired – he was deputy CEO of the Credit Approval and Risk Management Division. He was Chairman of the Board of Directors at OTP Factoring Ltd. between 2006 and 2017. He has been a member of OTP Bank's Board of Directors since 27 April 2012. As of 31 December 2019 he held 154,012 ordinary OTP shares.



Dr. Antal Pongrácz
PhD Economics

Dr. Antal Pongrácz graduated from the Karl Marx University of Economic Sciences in 1969 and earned a PhD in 1971. From 1969 he worked as an analyst at the Petrochemical Investment Company, then as a group manager at the Revenue Directorate until 1975. From 1976 he held various executive positions at the Ministry of Finance. After that, he was the first Deputy Chairman of the State Office for Youth and Sports. Between 1988 and 1990 he was the first Deputy CEO of OTP Bank. Between 1991 and 1994 he was CEO, and then Chairman & CEO, of the European Commercial Bank Rt. Between 1994 and 1998 he was Chairman & CEO of Szerencsejáték Rt., then in 1998-1999 he served as CEO of Hungarian flagship carrier, Malév. Since 2001 he has been managing director of OTP Bank's Staff Division and more recently – up until his retirement on 14 April 2016 – Deputy CEO. He has been Chairman of the Supervisory Board of OTP banka Hrvatska d.d. since 12 April 2012, and was Chairman of the Supervisory Board of Splitska banka from 2 May 2017 until its successful integration (on 30 November 2018). He has been a member of OTP Bank's Board of Directors since 2002. He was Deputy Chairman of OTP Bank's Board of Directors from 9 June 2009 to 14 April 2016. As of 31 December 2019 he held 96,501 ordinary OTP shares.



Dr. László Utassy
Chairman & CEO
Merkantil Bank Ltd.

Dr. László Utassy graduated from the Faculty of Law of Eötvös Loránd University in Budapest in 1978. He held various positions at the State Insurance Company between 1978 and 1995 and then went on to work at ÁB-Aegon Rt. He was Chairman & CEO of OTP Garancia Insurance from 1996 to 2008. He was managing director of OTP Bank between 2009 and 2010. Since 1 January 2011 he has been Chairman & CEO of Merkantil Bank Ltd. He has been a member of OTP Bank's Board of Directors since 2001. He has been a member of OTP Bank's Risk Assumption and Risk Management Committee since 2014. He has been Chairman of the Board of Directors of Merkantil Real Estate Leasing Ltd. since 4 April 2018. As of 31 December 2019 he held 145,597 ordinary OTP shares.



Dr. József Vörös
Professor, academician
University of Pécs

Dr. József Vörös earned a degree in economics from the Karl Marx University of Economic Science in 1974. In 1984 he earned a PhD in economics from the Hungarian Academy of Sciences, and a Doctor of Science degree in 1993. He has been a member of the Hungarian Academy of Sciences since 2013. Between 1990 and 1993 he was the dean of the Faculty of Business and Economics, Janus Pannonius University (JPTE) in Pécs. In 1993 he attended a course in management for senior executives at Harvard University. From 1994 he was a professor at JPTE, and was the senior Vice Rector of the University from 2004-2007, between 2007 and 2011 he was Chairman of the Economic Council of the University of Pécs. He has been a non-executive member of OTP Bank's Board of Directors since 1992. He has been Chairman of OTP Bank's Remuneration Committee since 2009, and of its Risk Assumption and Risk Management Committee since 2014. As of 31 December 2019 he held 154,914 ordinary OTP shares.

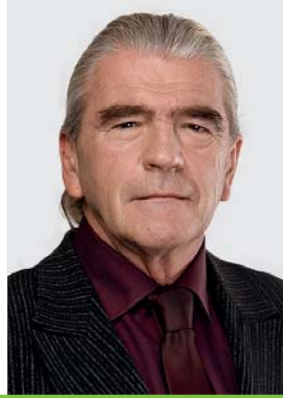
Members of the Supervisory Board² of OTP Bank

Independent members:



Tibor Tolnay
Chairman of the Supervisory Board

Tibor Tolnay graduated from the Budapest University of Technology with a degree in civil engineering in 1978 and then in economic engineering in 1983, and subsequently received a degree in economics from the Budapest University of Economics in 1993. From 1989 to 1992, he was Director of State Construction Company No. 21. From 1992 to 1994 he was CEO, then from 1994 to 2015 he was Chairman & CEO of Magyar Építő Rt. He has been the managing director of ÉRTÉK Kft. since 1994. From 2001 to 2015, he was President of the National Association of Building Contractors. From 2018, President of the National Association of Entrepreneurs and Employers, and a member of OTP Bank's Supervisory Board since 1992, and Chairman of the same Board since 1999. He was a member and Deputy Chairman of OTP Bank's Audit Committee between 2007 and 2011, and has been again since 2014. As of 31 December 2019 he held 54 ordinary OTP shares.



Dr. József Gábor Horváth
Deputy Chairman of the Supervisory Board
Lawyer

Dr. József Gábor Horváth earned a degree in law from Eötvös Loránd University in Budapest in 1980. From 1983 he worked for the Hungarian State Development Bank. He has been a lawyer since 1986, and since 1990 has run his own law firm, which specialises in corporate finance and corporate governance. His main fields of expertise are corporate finance and corporate governance. He has been a member of the Supervisory Board of OTP Bank since 1995, and was a member of MOL Plc.'s Board of Directors between 1999 and 2014. He has been Deputy Chairman of OTP Bank's Supervisory Board since 2007. He was a member of OTP Bank's Audit Committee between 2007 and 2011, and has been again since 2014. He was a member of the Board of Directors of INA Industrija Nafta d.d. from 2014 to 2018. As of 31 December 2019 he held no ordinary OTP shares.



Olivier Péqueux
Chairman
Groupama-Avic Property Insurance Company Ltd.

Olivier Péqueux graduated from the Institute of Actuaries of France and Université Paris-Dauphine. He started work in 1998 as an insurance commissioner for the French Insurance Supervisory Authority. In 2003, he joined the French Ministry of Finance to take part in the reform of the pension laws and the establishment of a pension fund for French civil servants. He then became technical adviser to the French Minister of Health and Pensions. In 2005, he joined Groupama Group, first in charge of the actuary and accounting department of Gan Patrimoine, a life insurance company, and then in 2007 as Chief Financial Officer of Groupama Paris Val de Loire. He moved to China in March 2011 as deputy CEO of Groupama China, where he was in charge of finance, actuary matters and investments in the joint venture between Groupama and AVIC. From 2015 to 2017, he was the CEO of Groupama AVIC. He has been the Chairman of Groupama-Avic Property Insurance Company Ltd. since 2017. He has been a member of the Supervisory Board and Audit Committee of OTP Bank since 2018. As of 31 December 2019 he held no ordinary OTP shares.



Dr. Márton Gellért Vági
General Secretary
Hungarian Football Association

Dr. Márton Gellért Vági graduated in 1987 from the department of foreign economics at the Karl Marx University of Economic Science (today the Corvinus University of Budapest), where he also earned his doctorate in 1994. From 1987 to 2000 he was a member of the university faculty, in the capacity of associate professor and head of department from 1994 onwards. Between 2000 and 2006 he worked at the State Holding and Privatisation Co. (ÁPV Zrt.), as managing director, deputy CEO and then CEO. Between 2006 and 2010 he was Chairman of the National Development Agency. From July 2002 until 1 January 2011 he was a member of the Board of Directors of FHB Nyrt., during which period he also spent four years as Chairman of the Board. Since 2010 he has been general secretary of the Hungarian Football Association. He has been a member of the UEFA HatTrick Committee since 2011 and of FIFA's Financial Committee since 2017. He has authored or co-authored more than 80 research papers, essays and books. He has been a member of OTP Bank's Supervisory Board since 2011. He has been a member of OTP Bank's Audit Committee since 2014. As of 31 December 2019 he held no ordinary OTP shares.

² Supervisory Board members are elected by the General Meeting for a term of three years.

Employee delegates:



Klára Bella
Director
Corporate Directorate

Klára Bella graduated from the College of Finance and Accountancy and later received a degree from the Budapest University of Economic Sciences. From 1992 to 1994 he worked as a clerk at the Fertőszentmiklós branch of OTP Bank. From 1994 to 1995 he was a lending consultant at Polgári Bank. From 1995 to 1996 he worked as a risk manager at the Central Branch of OTP Bank. From 1996 to 1997 he was a credit authorizer in the Credit Approval and Risk Management Division. From 1997 to 2010 he was Deputy Executive Director at the Central Branch. From 2010 to 2016 he was Director at the Central Branch. Since 2017 he has been Director of the Corporate Directorate. He has been a member of OTP Bank's Supervisory Board, and representative of the Bank's employees, since 12 April 2019. As of 31 December 2019 he held no ordinary OTP shares.



András Michnai
Managing Director

András Michnai graduated in 1981 from the College of Finance and Accounting with a degree in business administration. He has been an employee of the Bank since 1974, and until 1981 held a variety of posts in the branch network. Following this he held a management position in the central network coordination department before returning to work in the branch network. From 1994, as deputy management director, he participated in the central coordination of the branch network. Between 2005 and 2014 he headed the Bank's Compliance Department as a managing director. He further expanded his professional skills, earning a Master's degree at the Budapest Business School, and is a registered tax advisor. He has been a member of OTP Bank's Supervisory Board, and representative of the Bank's employees, since 2008. He has been Secretary of OTP Bank's Employees' Trade Union since December 2011. As of 31 December 2019 he held 100 ordinary OTP shares.

Information for Shareholders

General company data

Date of foundation:

31 December 1990, registered by the Metropolitan Court of Budapest as Court of Registration on 28 October 1991 under company registration number 01-10-041585. The latest Bylaws may be requested from the company or may be downloaded from the Bank's website.

Legal predecessor:

Országos Takarékpénztár, founded 1 March 1949

Registered head office of OTP Bank Plc.

H-1051 Budapest, Nádor utca 16.
Phone: +36 1 473 5000
Fax: +36 1 473 5955

Share capital:

OTP Bank's share capital as at 31 December 2019 was HUF 28,000,001,000, consisting of 280,000,010 ordinary shares of nominal value HUF 100 each.

Ownership structure of OTP Bank Plc. as at 31 December 2019:

Description of owner	Total equity					
	1 January 2019		31 December 2019			
	Ownership share	Voting rights ¹	Quantity	Ownership share	Voting rights ¹	Quantity
Domestic institution/company	19.32%	19.47%	54,092,340	18.84%	18.86%	52,750,611
Foreign institution/company	60.01%	60.49%	168,017,080	77.01%	77.10%	215,635,699
Domestic individual	3.53%	3.56%	9,896,546	2.98%	2.98%	8,344,202
Foreign individual	0.10%	0.10%	278,348	0.13%	0.13%	356,377
Employees, senior officers	0.85%	0.86%	2,376,450	0.80%	0.80%	2,240,465
Treasury shares ²	0.80%	0.00%	2,242,143	0.12%	0.00%	323,520
Government held owner	0.08%	0.08%	219,072	0.08%	0.08%	219,372
International Development Institutions	0.05%	0.05%	143,308	0.04%	0.04%	122,218
Other ³	15.26%	15.39%	42,734,723	0.00%	0.00%	7,546
TOTAL	100.00%	100.00%	280,000,010	100.00%	100.00%	280,000,010

¹ Voting rights in the General Meeting of the Issuer for participation in decision-making.

² Treasury shares do not include the OTP shares held by ESOP (OTP Bank Employee Stock Ownership Plan Organization). Pursuant to Act V of 2013 on the Civil Code, OTP shares held by the ESOP are not classified as treasury shares, but the ESOP must be consolidated in accordance with IFRS 10 Consolidated Financial Statements standard. On 31 December 2019 ESOP owned 2,963,204 OTP shares.

³ Non-identified shareholders according to the shareholders' registry.

Stock exchange listing

The ordinary shares of OTP Bank Plc. are listed on the Budapest Stock Exchange under category "Premium Equity", and the global depository receipts (GDRs) representing the ordinary shares that are traded abroad are listed on the Luxemburg Stock Exchange. (2 GDR represents 1 ordinary shares) Regulation S GDRs are traded on the London SEAQ International, and Rule 144A GDRs are traded in the PORTAL system. The custodian bank for OTP GDRs is the Bank of New York, and the safekeeping bank is OTP Bank Plc. (Stock exchange symbol for OTP Bank shares: OTP, Reuters: OTP.BU)

Participation and voting rights at the Annual General Meeting

OTP Bank Plc. (Hereinafter: the Company) is committed to protect the health and safety of its shareholders, investors, employees and any person interested in the General Meeting. In the situation caused by the coronavirus epidemic, the Company acts responsibly, in line with the legislation and health regulations in effect, and considers human life and health as the most important value.

The Company shall hold its Annual General Meeting of 2020 exclusively if it is permitted by law and in such manner and when the applicable epidemiological regulations permit it.

As the general legal regulations relevant to the convocation and holding of the General Meeting are in force which apply to corporate events planned beyond the currently ordered state of danger period the Company will, subject to statutory time limits, publish today the following Annual General Meeting Announcement.

The Company draws the attention of the Honorable Shareholders that due to the event of the epidemic caused by the corona virus, it is probable that changes shall be in the

conditions (including the possibility of holding, date, venue etc.) of the Annual General Meeting. The Company will promptly inform the Shareholders of such changes in public disclosures.

In case it is possible to hold the Annual General Meeting of 2020 at the scheduled date, we strongly recommend our Shareholders to consider representing themselves via proxy instead of in person attendance. The Company will provide assistance with proxy templates published later, as well as making suggestions to the person of the proxy. A proxy may represent several shareholders, thereby reducing the risk of infection.

The Annual General Meeting will be conducted with the personal presence of those entitled to participate. Shareholders may participate in the Annual General Meeting in person or through a proxy.

OTP Bank Plc. is entitled to check the personal identity of the shareholders and their proxies on the basis of documents, prior to their admission to the Annual General Meeting.

The authorisations relating to representation as a proxy at the Annual General Meeting must comply with the relevant provisions of Hungarian law. The authorisation must include, clearly and expressly, a statement of authorisation with respect to the proxy, a specification of the authoriser and of the proxy, and any limitations that may apply to the authorisation. The authorisation must be issued in the form of a notarised deed or a private document of full probative force.

One representative may represent several shareholders; however, he/she must possess authorisations from every shareholder represented by him/her, either in the form of a notarised deed or a private document of full probative force. If several proxies are indicated in one authorisation, then it must be specified that, under the authorisation, each proxy may exercise his/her right of representation independently. If one shareholder is represented

by several proxies, they may not vote or make statements differently from each other.

The letter of proxy may be issued as valid for one general meeting, or for a specified period, but for a maximum of twelve months. The letter of proxy – in the absence of a provision to the contrary – shall extend to a general meeting convened to continue a suspended general meeting, or a general meeting that has been reconvened due to lack of quorum.

If a shareholder is represented at the Annual General Meeting by its lawful representative (e.g. chief executive, managing director, mayor etc.), the court or company court document evidencing the right of representation – in its original form, or in the form of a copy certified as authentic by a notary public, issued not more than 30 days previously – or a certificate regarding the election of the mayor, as the case may be, must be presented at

the venue of the Annual General Meeting. When providing evidence of the existence of companies (and other organisations) registered abroad, and of the right to represent the entity issuing the authorisation, it is essential that the foreign document be issued by a certified public records body or that these facts be attested by a notary public.

If the authorisation or any document submitted as evidence of the representation right was not issued in Hungary, the form of the document must satisfy the legal regulations pertaining to the certification and/or legalisation of documents issued abroad. According to these regulations, in the absence of a bilateral international agreement to the contrary, (I) the diplomatic certification and/or legalisation of the document is needed, or (II) – if the given country is a party to the relevant international convention – the furnishing of the document with an apostille is



required. According to the Subparagraph (7) of Paragraph 44 of Act LXXVIII. of 2017 on the Activity of attorney at law, diplomatic certification and/or legalisation or apostille certification is not required for full probative force of a document countersigned by an attorney which is under the scope of this Act, but signed by the parties abroad. Detailed information on the applicable rules is provided by the Hungarian foreign representation offices. If the document is written in a language other than English or Hungarian, then a certified Hungarian translation of the document must be presented.

The authorisation and the related documents must be handed over by 14:00 p.m. Budapest time on 27 April 2020 (Monday) at the very latest, at any of the designated OTP branches listed under section X below, or – if the proxy, based on a foreign document, is representing more than one shareholder – at the Legal Directorate of OTP Bank Plc. (H-1051 Budapest, Nádor utca 16.).

Preconditions for participation in the Annual General Meeting and for the exercising of voting rights are that:

a) the result of the shareholder identification procedure confirms the shareholding as at the date of the shareholder identification procedure;

b) the shareholder be registered in the Company's Share Register by the closure of the register as specified in section III of this announcement;

c) the shareholding and/or the voting rights of the shareholder do not violate the legal regulations or the provisions of the Company's Articles of Association, and the Company shall check this circumstance.

Announcements

OTP Bank Plc. fulfils its disclosure obligations related to corporate events and prescribed in Act CXX of 2001 on the website of the OTP Bank Plc. (www.otpbank.hu), on the website of the Budapest Stock Exchange (www.bet.hu), and on the website operated by the National Bank of Hungary (www.kozzetetelek.hu).

Investor relations

Institutional shareholders of OTP Bank Plc. should contact the following address if they require further information:

OTP Bank Plc. Investor Relations & DCM

H-1051 Budapest, Nádor utca 16.

Phone: +36 1 473 5460

Fax: +36 1 473 5951

E-mail: investor.relations@otpbank.hu

Anti-money laundering measures

Money laundering is any act or attempted act by criminals or other persons to conceal or disguise the identity of obtained proceeds of criminal offences so that they appear to have originated from legitimate sources, for which they may try using the services of financial institutions.

In order to prevent the use of our bank for money-laundering purposes, we do our best to ascertain the true identities of those who would use our services and the rationale of using the services. OTP Bank establishes business relationship only with those clients who give evidence of their true identities in accordance with the relevant legal provisions.

In keeping with the provisions of Act LIII of 2017 on the Prevention and Combating of Money Laundering and Terrorist Financing OTP Bank has introduced, and applies, the following measures and rules:

- It operates an internal control and information system designed to prevent

banking or financial transactions that might enable, or in themselves constitute, money laundering.

- It has internal regulations, in accordance with the Anti-money Laundering Act, MNB Decree 45/2018. (XII.17.) and NGM Decree 21/2017. (VIII. 3.)
- The employees of the bank must fulfil their customer due diligence and reporting obligations.
- Compliance with the reporting obligations is not construed as a breach of bank, securities, insurance or business secrets.
- Failure to fulfil the reporting obligation may result in prosecution under criminal law.
- OTP Bank cooperates with the criminal investigation authorities in the investigation of all circumstances suggestive of money laundering.

OTP Bank discloses the customer identification procedure applied by the bank and the related data processing in an Announcement posted in all rooms open for serving customers.

With trust and responsibility for each other

Corporate social responsibility

In 2019, OTP Bank **gave a total of HUF 3,486 million** in charitable donations for empowerment and community building. As one of Hungary's primary donors, our bank channels its charitable donations mainly through its own foundations, contributing to the development of Hungarian culture (Prima Primissima Foundation), empowerment (Humanity Social Foundation) and education (OTP Fáy András Foundation). Our bank has also continued its cooperation with several

local NGOs and major strategic partners, in order to ensure the efficient and effective use of our resources.

Developing financial literacy

OTP Bank remains committed to improving financial literacy, which remains the focal point of its social responsibility schemes. In 2019, it **spent a total of HUF 1.8 billion on**



education, which was more than half of its total charitable donations.

The **OTP Fáy András Foundation's** OK Education Centre continued to be actively involved in the development of young people's financial, economic and management skills and offered career advice in 2019 as well.

Training modules developed in-house, using a unique methodology

The OTP Fáy András Foundation provides financial and economic education, a key element of which is operating the OK Educational Centre. The Centre offers free financial and economic education and career programmes to between 20,000 to 25,000 primary and secondary school students each year. Its centres in Budapest and Nyíregyháza use innovative teaching techniques and methodologies to provide knowledge sharing through compelling experiences. The Centre also plays an important role in raising financial awareness at festivals, exhibitions and road shows. Making the Centre available to more and more people is a key priority: in addition to running a club for educators and working with ELTE University to provide advanced teacher training, they have also produced training materials for adults and developed new digital content, including the Banking educational card game. Over recent years, the Centre's courses and methodologies have received numerous awards and certifications; in 2019, it was granted the right to become a partner organisation to OECD – INFE (International Network on Financial Education).

In addition to its charitable donations, the bank believes in the importance of shaping social attitudes; in 2019, it highlighted the problems of overconsumption. As part of its campaign, it supplemented its awareness-raising activities with publishing the results of its research into the characteristics of overconsumption on its website, with a psychologist offering expert advice on how to avoid unnecessary spending.

Empowerment

In addition to improving public financial literacy, empowerment continues to be a focal point of OTP Bank's CSR endeavours. As part of its socially responsible activities, OTP Bank supports valuable initiatives, encourages its employees to volunteer, and is ready to stand by private individuals who strive to serve noble causes, thus highlighting social issues.

Volunteering – OTP Local Value

In 2019, the bank's corporate volunteering programme received the **Corporate Volunteering Programme of the Year** award from Volunteering Hungary – Centre of Social Innovation (ÖKA).

Volunteering has been a tradition at our bank for over ten years now. Our employees work with local communities to help those in need; they can apply for funding from the programme twice a year. In addition to the programmes implemented with application funding, they have also organised volunteering events, with over 2000 employees taking part.

Besides the local employee initiatives, the head office also organised a number of volunteering events in 2019: **blood donation drives** in cooperation with the Hungarian Red Cross, the food donation project Kitcherity with the Hungarian Food Bank Association, and the Together We Move programme, organised jointly with the Hand in Hand Foundation (KézenFogva Alapítvány).

In 2019, OTP Bank received the highest accolade for corporate volunteering, the 'Company Supporting Volunteering' certificate. The evaluation took into account the strategy, the organised nature of the programme, the intensity and type of activities, their level of embeddedness within the organisation, and their impact.

Humanity Social Foundation

The Foundation's main objective is to support those in need due to social conditions or

health problems, by providing funding for the purchase of medicines, medical aids and treatments. In accordance with the principle of equal opportunities, the Foundation – in cooperation with its founder OTP Bank – regularly publishes calls for applications on its website, where private individuals can apply for the Foundation's grants.

The Foundation's traditional programmes and activities continued last year. With the Bank's financial support, the Foundation was able to **donate 325 PCs and computer screens** in 2019 to schools, hospitals, children's homes, institutions serving the disabled, and hospitals.

A foundation set up by the bank has been helping Hungarian healthcare institutions through donations of medical devices. The Humanity Social Foundation has thus far made donations worth over HUF 20 million to the Péterfy Hospital and the Bethesda Children's Hospital. This year, the Board of Trustees has decided to once more finance **equipment for the Bethesda Children's Hospital**, and purchased two respirators and one airway clearance device for the intensive

care unit, for a total of HUF 8.6 million. The Hospital treats children in need of active respiratory support due to spinal muscular atrophy, or other neurological damage. Two of these specialized respiratory devices are intended for children weighing less than 10 kgs, and one for young patients weighing over 10 kgs.

Play for Prevention

OTP Bank has been a sponsor of the **"Play for Prevention" programme of the Hungarian Charity Service of the Order of Malta** since 2011.

Over 8 years, the programme reached out to almost 25,000 children in 825 of Hungary's "most disadvantaged" small communities. In the Christmas seasons over the last 8 years, our bank granted a total of HUF 200 million to support this initiative, using the five mobile playgrounds (minibuses) received from OTP Bank to bring the experience of play to children. This is important because most children from an underprivileged background are unable to bridge the gap on their own.

For more information about OTP Bank's CSR principles, objectives and current events, please visit www.otpfenntarthatosag.hu



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