

ANNUAL GENERAL MEETING

Translation of the Hungarian presentation

12 April 2019

Agenda of the Annual General Meeting

1. The Company's parent company's financial statements and consolidated financial statements in accordance with International Financial Reporting Standards for the year ended 2018, as well as the proposal for the use of after-tax profit of the parent company and for dividend payment:
 - The report of the Board of Directors on the Company's business operation in 2018;
 - Proposal on the Company's parent company's financial statements in accordance with International Financial Reporting Standards for the year ended 2018 (statement of financial position, statement of profit or loss, statement of comprehensive income, statement of changes in equity, statement of cash-flows, notes to the financial statements);
 - Proposal for the use of the after-tax profit of the parent company and for dividend payment;
 - Proposal on the Company's consolidated financial statements in accordance with International Financial Reporting Standards for the year ended 2018 (statement of financial position, statement of profit or loss, statement of comprehensive income, statement of changes in equity, statement of cash-flows, notes to the financial statements);
 - Report of the Supervisory Board on the annual financial statements for 2018 and its proposal regarding the use of after-tax profit;
 - Audit Committee's report on the annual financial statement for 2018 and proposal for the use of the after-tax profit;
 - Results of the Independent Auditor's Report for the year ended 2018.
2. Approval of the Corporate Governance Report for Y2018
3. Evaluation of the activity of executive officers performed in the past business year, decision on the granting of discharge of liability
4. Election of the Company's audit firm, the determination of the audit remuneration, and determination of the substantive content of the contract to be concluded with the auditor
5. Proposal on the amendment of Article 9 Section 4, Article 9 Section 14, Article 10 Section 1, Article 10 Section 2, Article 10 Section 3, Article 10 Section 4, Article 11 Section 6, Article 12/A. Section 1, Article 12/A Section 2 of the OTP Bank Plc.'s Articles of Association
6. Election of the member of the Supervisory Board
7. Proposal on the remuneration principles of OTP Bank Plc.
8. Determination of the remuneration of members of the Board of Directors, the Supervisory Board and the Audit Committee
9. Authorization of the Board of Directors to acquire the Company's own shares

Item 1.a on the Agenda

The report of the Board of Directors on the Company's business operation in 2018

Presented by:

Dr. Sándor Csányi

Chairman of the Board of Directors & Chief Executive Officer

1.

Most significant achievements of the year 2018

1. a.

All-time high profit, outstanding return on equity

1. b.

Outstanding loan growth through accelerating organic credit expansion and new acquisitions

1. c.

Strong capital and liquidity position

1. d.

Innovations and digital transformation

1. e.

Positive perception by capital markets, prestigious professional awards

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Outstanding Hungarian performance

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Improving results at foreign subsidiaries

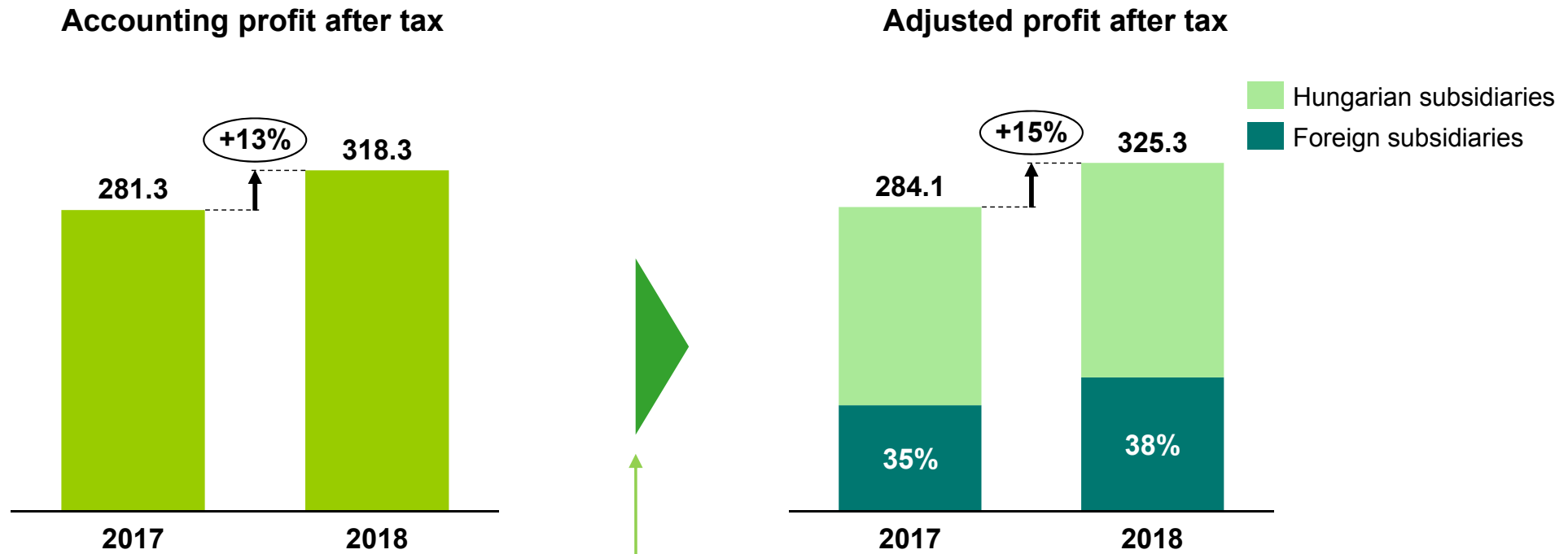
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Strong performance is expected in 2019

The accounting profit grew by 13% in 2018, while the adjusted profit increased by 15%. The annual profit contribution of foreign subsidiaries picked up to 38%

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After tax profit development y-o-y (in HUF billion)



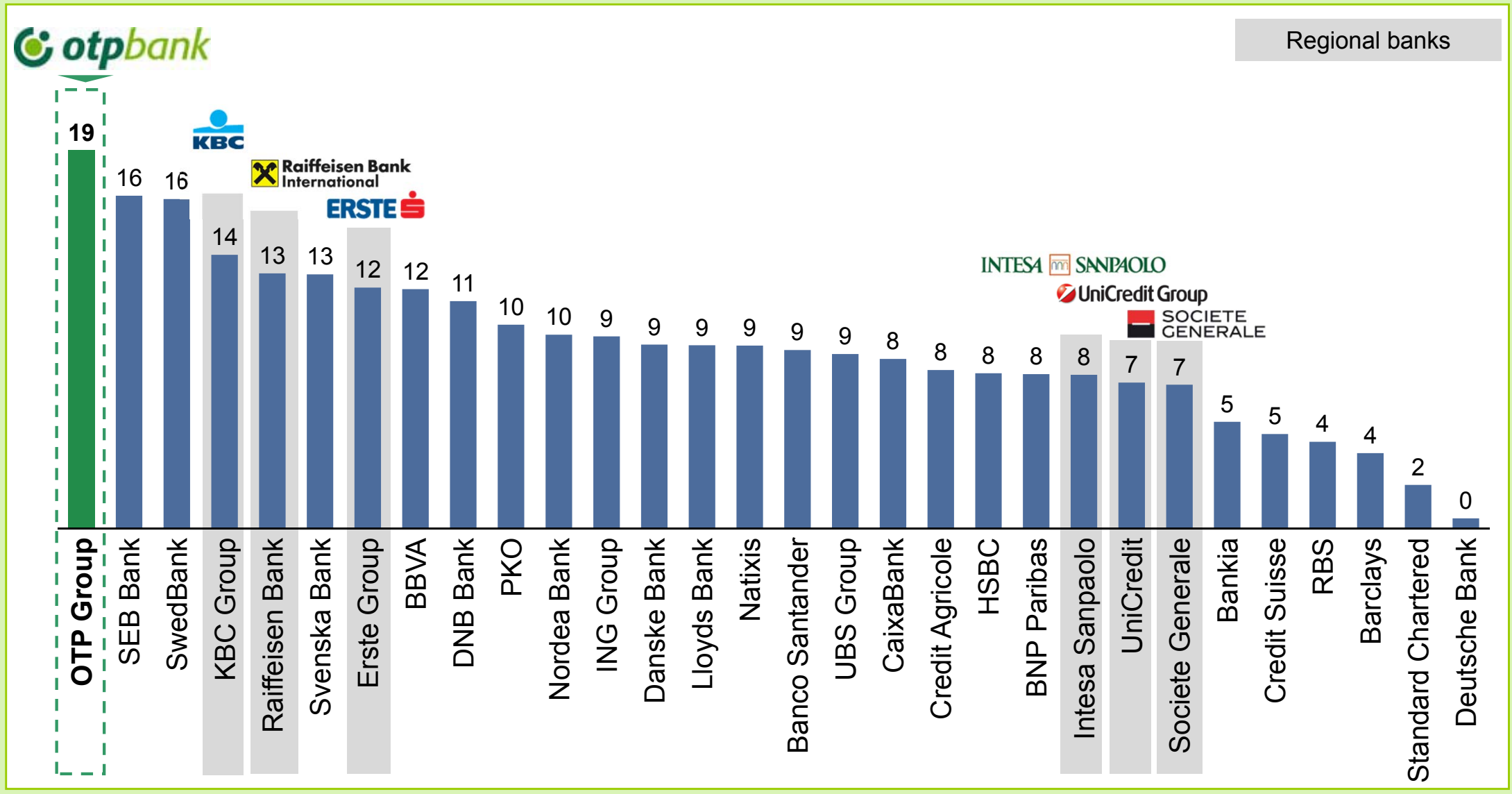
Adjustments (after tax)	2017	2018
Banking tax	-15.2	-15.3
Goodwill impairment	-6.1	-4.7
Gain on MIRS deals	0.0	18.8
Others	18.6	-5.8 ¹
Total	-2.7	-7.0

¹ Of which: -HUF 6.8 billion effect of acquisitions; +0.5 dividends and net cash transfers; +0.6 impact of fines imposed by the Hungarian Competition Authority.

The profitability of OTP Group is the highest among European banking groups

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Return on Equity (ROE) of European banking groups¹, 2018 (%)

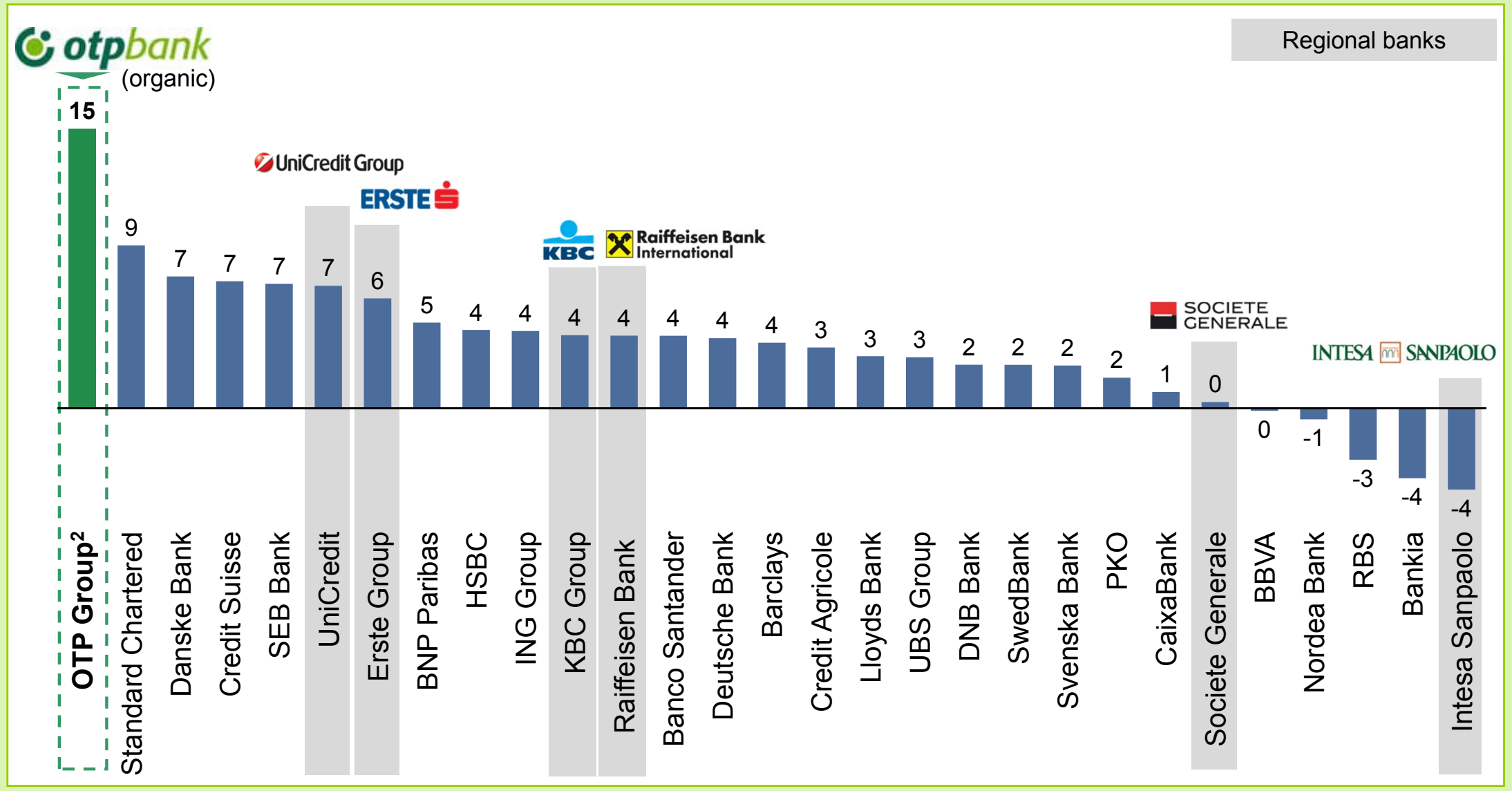


¹ Those members of Bloomberg BEUBANK Index are displayed which are headquartered within the EU.
Source: SNL banking database, company reports, OTP.

The 15% y-o-y net loan growth of OTP Group stands out from European banking groups, thanks to the increasing loan demand amid supportive economic environment

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Net loan growth of European banking groups¹ in 2018 (y-o-y, %)



¹ Those members of Bloomberg BEUBANK Index are displayed which are headquartered within the EU.








Natixis is not displayed on the chart because of outlier data (-49% y-o-y).

² OTP: change in HUF terms. Other banks' data are based on EUR figures.

Source: SNL banking database, company reports, OTP.

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Acquisitions in the past 2 years were concluded at an average of 1 Price to Book value¹ multiple. The latest five acquisitions announced in 2018-2019 would reduce the 2018 year-end CET1 by ~3%-points on a pro forma basis

Target (seller, date of announcement) (date of closing)	Net loan volumes (in HUF billion)	Market share in total assets (%)		Book value (in EUR million)		
		before/after acquisition ²				
2016 - 2017	 Splitska banka (SocGen, 4Q 2016) (2Q 2017)	(Nov 18) 631	4.8	→	11.2	(4Q 16) 496
	 Vojvodjanska banka (NBG, 3Q 2017) (4Q 2017)	(4Q 18) 258	1.5	→	5.7	(3Q 17) 174
2018 - 2019	 SocGen Expressbank (SocGen, 3Q 2018) (1Q 2019)	(4Q 18) 780	13.7	→	19.8	(4Q 18) 421
	 SocGen Albania (SocGen, 3Q 2018) (1Q 2019)	(4Q 18) 124			5.7	(4Q 18) 58
	 SocGen Serbia (SocGen, 4Q 2018) (in progress)	(4Q 18) 652	5.7	→	14.2	(4Q 18) 381
	 SocGen Moldova (SocGen, 1Q 2019) (in progress)	(4Q 18) 86			13.3	(4Q 18) 86
	 SocGen Montenegro (SocGen, 1Q 2019) (in progress)	(4Q 18) 121	15.8	→	27.3	(4Q 18) 66
Acquisitions total:		2,653				1,681

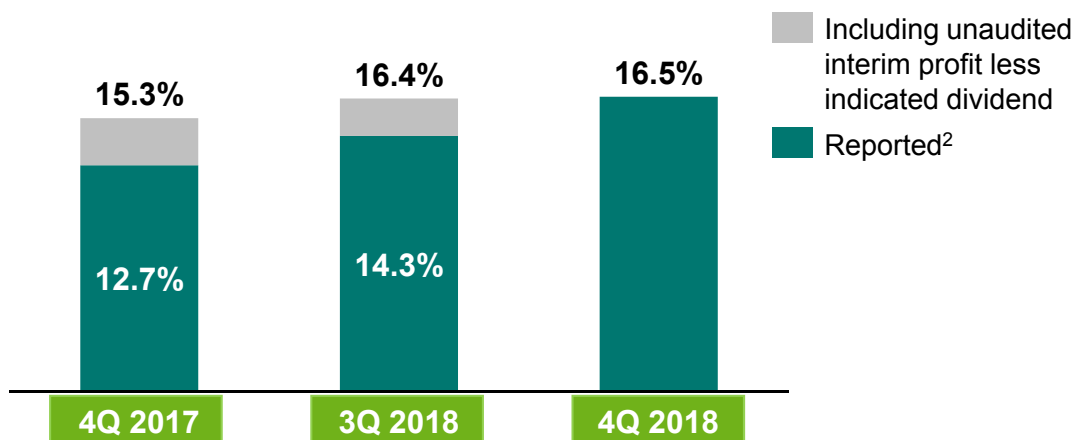
¹ OTP Bank has disclosed the purchase price of Splitska banka (EUR 425 million) and Vojvodjanska banka (EUR 125 million).

² Reference date of market share data: Croatia: 2Q 2017, Serbia - Vojvodjanska 4Q 2016, Bulgaria: 4Q 2018, Albania: 3Q 2018, Serbia - SocGen 3Q 2018, Moldova: 4Q 2018, Montenegro: 3Q 2018.

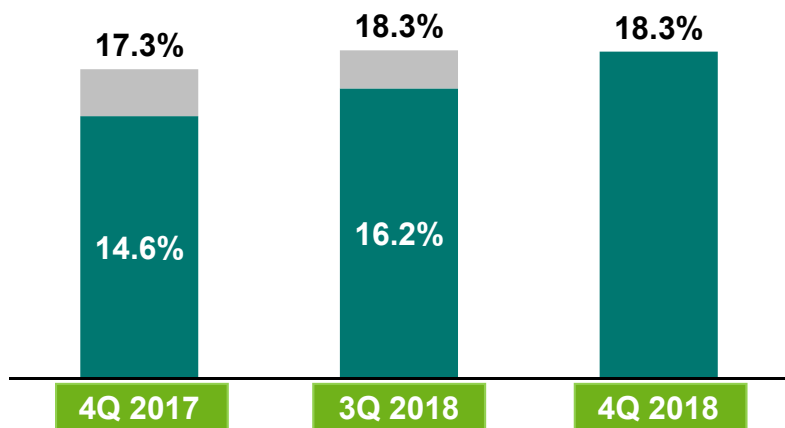
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Strong capital and liquidity position coupled with robust internal capital generation. In 2019 the Bank is exploring the opportunity to issue a euro denominated benchmark tier 2 item¹

Development of the fully loaded CET1 ratio of OTP Group









Development of the CAR ratio of OTP Group



In the 2018 stress test conducted by the European Banking Authority (EBA), OTP closed with strong results.

Under the adverse scenario out of 48 participants OTP reached 9th place in CET1 ratio drawdown ranking.

Amongst regional banks active in the CEE region, this was the third best result.

CET1 ratio	4Q 2017 (restated ³)	Adverse scenario 4Q 2020	Delta	Delta Ranking
INTESA  SANPAOLO	11.8%	9.7%	-2.2%p	6
 KBC	16.0%	13.6%	-2.4%p	7
 otpbank	14.9%	12.4%	-2.5%p	9
 Raiffeisen Bank International	12.5%	9.7%	-2.7%p	14
 UniCredit Group	12.7%	9.3%	-3.3%p	18
 ERSTE	13.0%	8.5%	-4.6%p	30

¹ This is not an offer for the sale of securities.

² In 4Q 2018 the capital adequacy ratios include the 2018 net earnings less the proposed annual dividend amount.

³ Including the impact of the introduction of IFRS 9.

Development of retail services

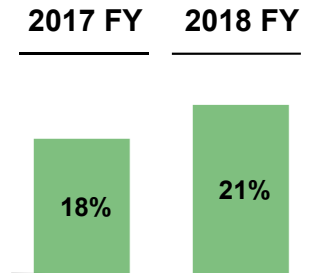
Available products online

Cash loan:
HUF 36.7 billion online initiated disbursement

Building Society:
>17,000 contracts

Current Account Credit:
>1,500 overdrafts

Online initiated sales

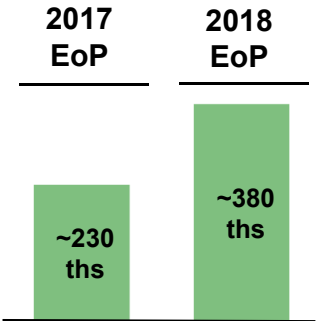


Mobile bank renewal

Development of a new login process (biometric authentication)

Simplification of frequent transactions

Number of active users¹



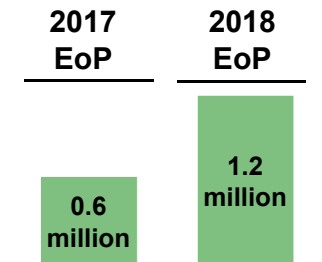
Digital signature pad

Can be found in all branches

Paperless administration

Secure signature

Registered customers



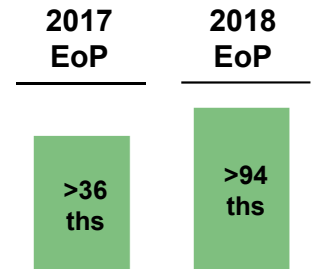
Mobile payment applications



Simple Wallet (NFC – Near Field Communication) mobile payment since 2017

First independent payment solution

No. of digitized bank cards



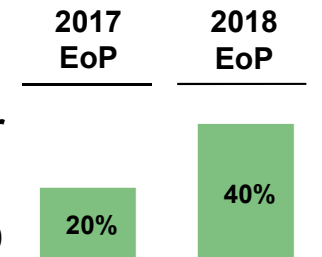
Cash-in ATM

Available at 210 locations

>200,000 payments per month

Further expansion in 2019

Cash payments



Innovation branch



Opened in November 2018 to develop and test future branch solutions together with customers

Novelty: cashless, customer tablets, new design counters for sitting and standing, new mobile devices for administrators

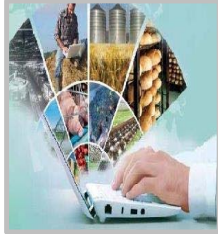
¹ Those customers who logged in at least one time in the previous month.

Development of corporate services

COMMERCIAL FACTORING AND BUSINESS FINANCE

New products available online and offline for agricultural clients and MSEs.

The client base grew fourfold, and OTP Bank's market share improved above 60%.



MFB POINTS

The operation of MFB Points has been integrated into the Bank's structure.

We are the market leader in the most important MSE programs, which are available at OTP MFB Points.



ACTIVE LOCAL MUNICIPALITY COOPERATION

As a result of increased cooperation activity, the Bank's loan portfolio in this segment could expand again, and we support the municipal sector in drawing down EU funds.



ENHANCEMENT OF CLIENT SATISFACTION

As part of our corporate CRM renewal, we are developing new processes and tools that support faster, more personalized and convenient client service.



CORPORATE CASH MANAGEMENT

High quality electronic account management solutions tailored to individual client needs.

Centralized service of multinational companies at OTP Group level.



STRENGTHENING ONLINE PRESENCE OF TREASURY PRODUCTS

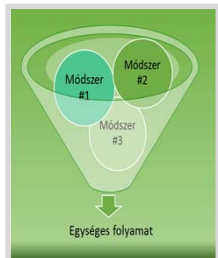
Introducing OTP Trader online platform and its associated FX quotation engine at more and more subs. Goal: the expansion of product range offered in the OTP Trader system: shift towards FX forward and FX options.



SPECIFIC AND STANDARD CREDIT PROCESS

The unification of the individual lending process was completed in 2018. In 2019 the aim is to speed up the decision making during the lending process.

In the standard process we, as a market leader, provide fast (3-5 days) loans up to HUF 250 million for the MSE sector with a wide product range.



MANAGEMENT OF NEW CLIENT DEMANDS - TREASURY PROCESS DEVELOPMENT

Developing ISDA contract and monitoring process tailored to the specific needs of Large Corporate Clients.

New Bond Auction Process: quick and flexible auction process for Institutional Clients.



Agile Transformation

Motivating circumstances



- Accelerated lifestyle, growing customer needs
- Increasing technological competition
- Changing regulatory environment
- Fight for talented people

Operation of the agile organization



- Organizational and operational transformation in Phase 1 units
- Business and IT professionals work closely together in one organizational unit
- Agile squads have a high degree of autonomy during the implementation of their tasks
- Classic leadership roles have also changed – task delivery, professional development, and quality management are separated from each other

Goals of the transformation



- Fastest adaptable bank – decreases in lead times of developments
- Most innovative bank in the region
- Excellent customer experience
- Candidates choose us in order to acquire present and future expertise

Process of the transformation

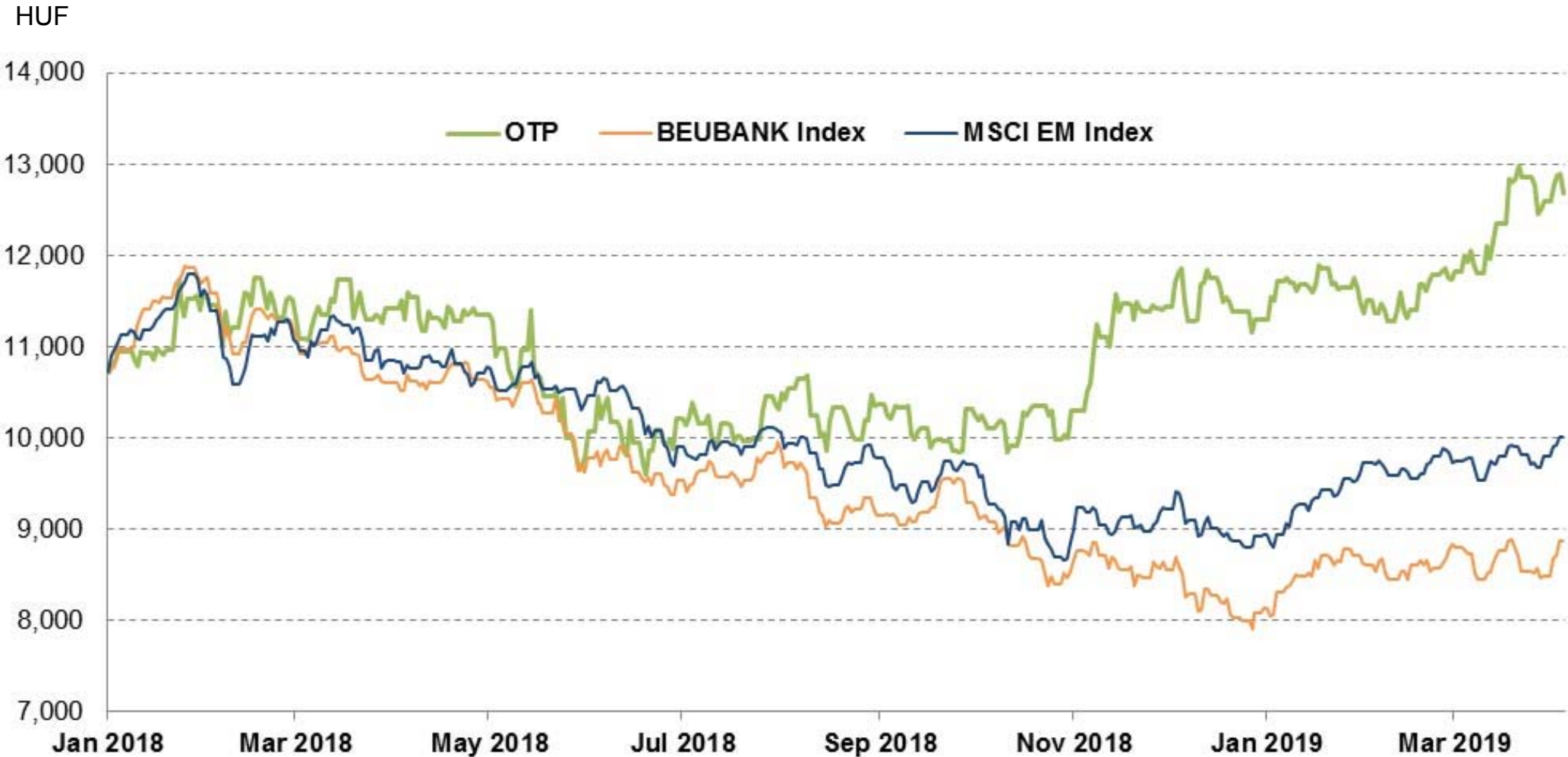


- Transformation means a multi-year process
- First phase was launched in January 2019
- Next phase is planned to start in 2020

OTP share price increased by 18% since 1 January 2018, while the BEUBANK index containing EMEA banks plummeted by 17%, and MSCI Emerging Markets index lost 7% of its value

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Change in share price since 1 January 2018, relative to OTP

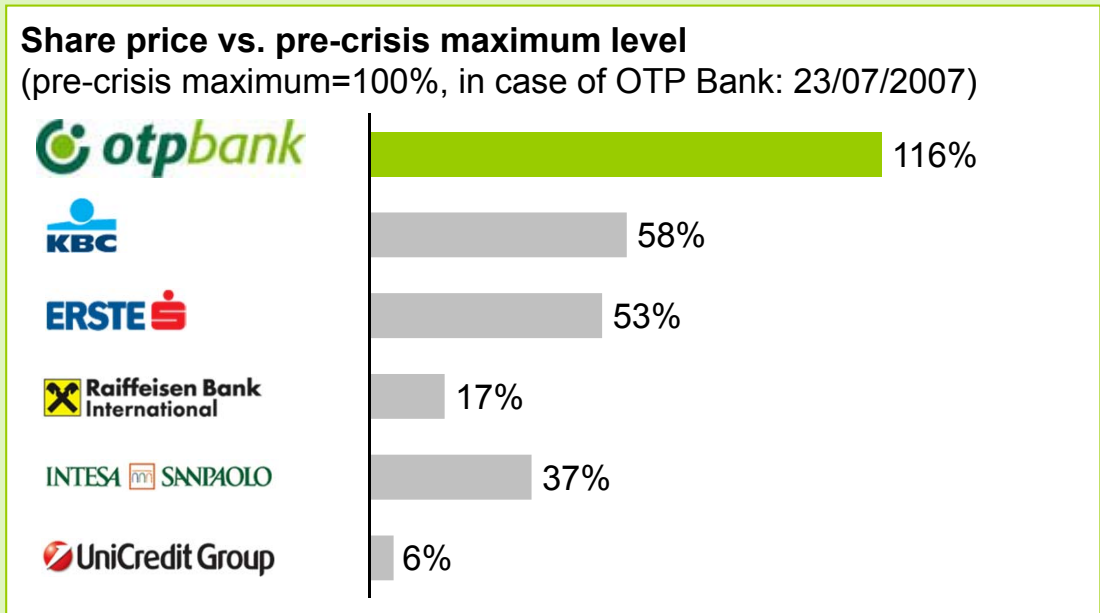
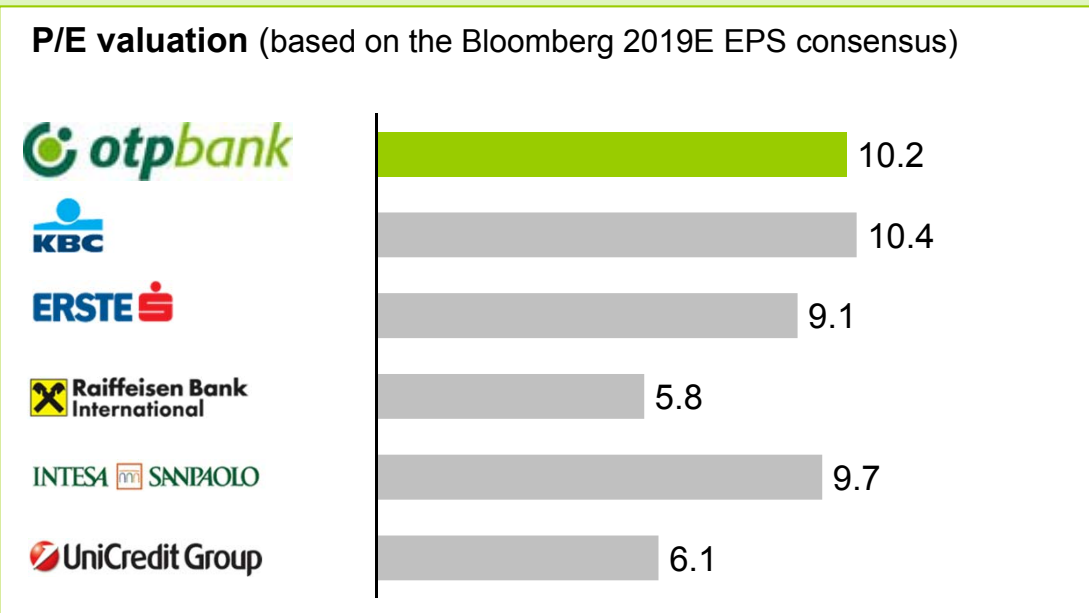
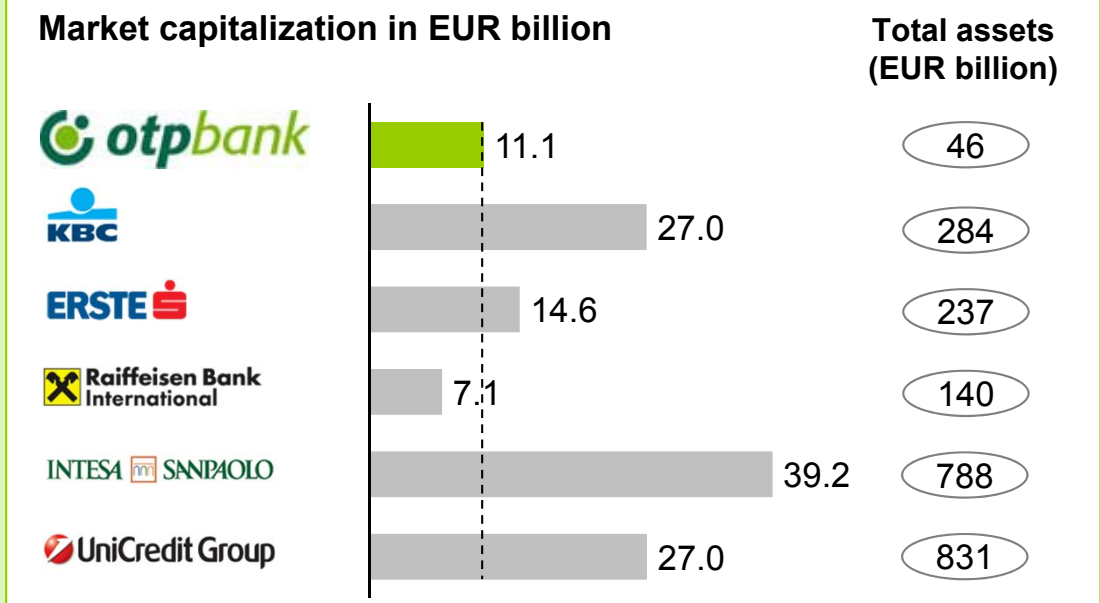
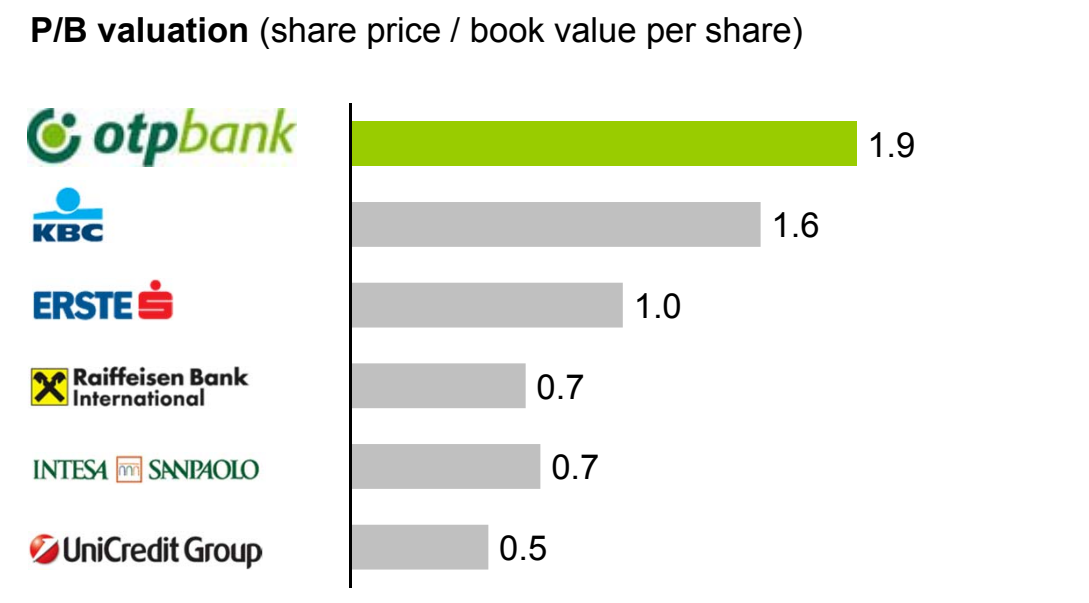


Source: Bloomberg
BEUBANK Index: Bloomberg EMEA (Europe, Middle East, Africa) Banks Index.
MSCI EM Index: MSCI Emerging Markets Index.



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OTP Bank enjoys outstanding P/B valuation among peers active in the CEE region, and it is the only bank surpassing the pre-crisis maximum share price level



Based on 04 April 2019 data. Source: Bloomberg

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The outstanding performance of OTP Group is traditionally recognized not only by capital markets, but professional organizations, too

2017



'Best Bank in Hungary 2017'
'Best FX providers in Hungary in 2018'
(Global Finance)



CEE Responsible Index Universe
 – sustainability equity index on the Vienna Stock Exchange



'Bank of the Year'
'The Most Innovative Bank of the Year'
'The Retail Online and Mobile Application of the Year'
'The Current Account of the Year' - 2nd place
'The Socially Responsible Bank of the Year' - 3rd place
(MasterCard)



'Dealer with the highest share in the sales of retail government securities'
(GDMA)



'Best Private Bank in Hungary'
(The Banker)



'Best Private Bank in Hungary 2017'
'Best Bank in Hungary 2017'
'Best Bank in Bulgaria 2017'
(Euromoney)

2018



'Best Bank in Hungary 2018'
'Best Private Bank in Hungary in 2018'
'Best FX providers in Hungary in 2019'
'Best Consumer Digital Bank Hungary in 2018'
(Global Finance)



'Fund Management of the year in 2018'
(privatbankar.hu)



'Best Private Bank in Hungary'
(The Banker)



'Best Bank in CEE 2018'
'Best Private Bank in Hungary 2018'
'Best Bank in Hungary 2018'
(Euromoney)



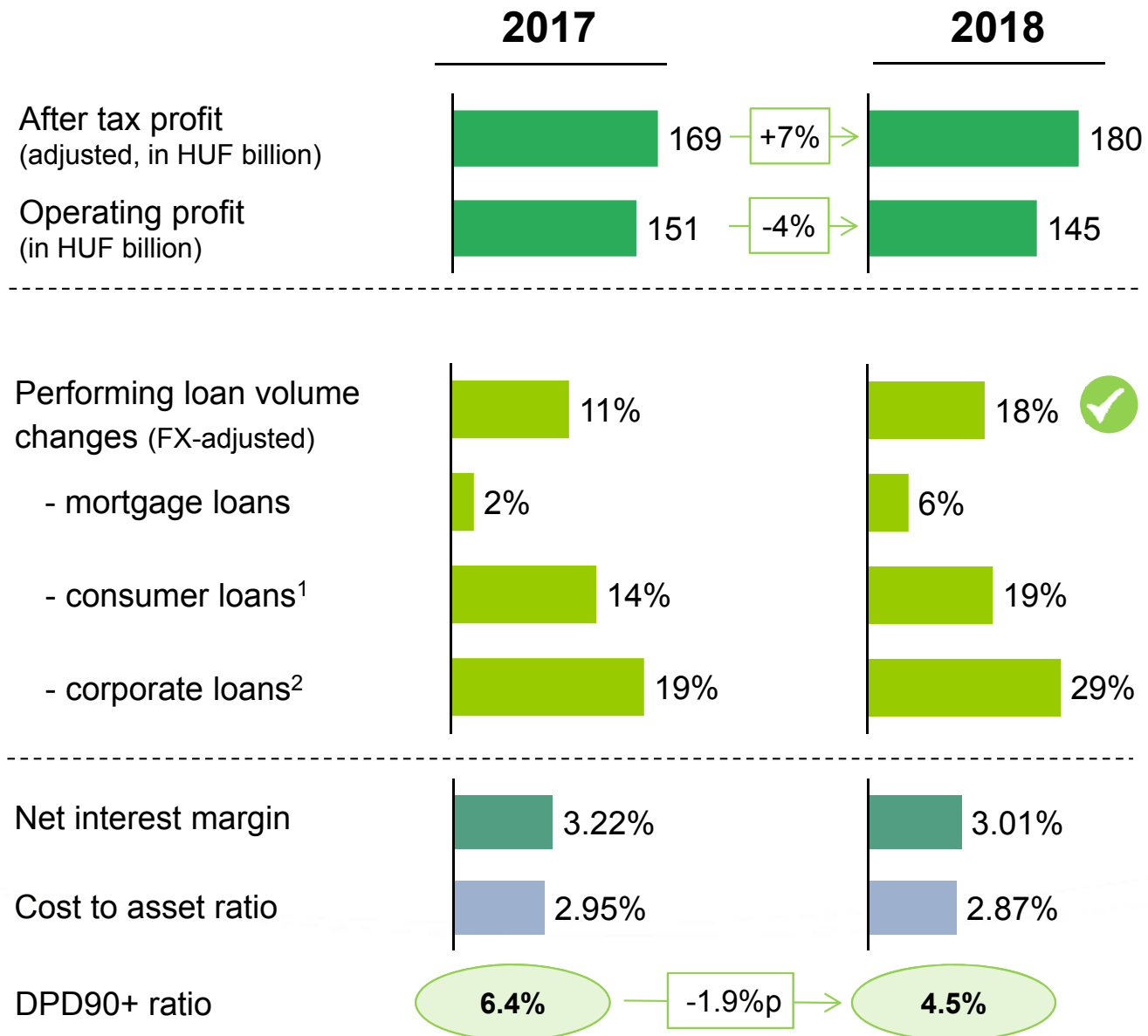
'Bank of the Year in 2018'
'The Most Innovative Bank of the Year in 2018'
'The Accessible Banking Innovation of the Year in 2018'
'The Credit Account of the Year' – 2nd place in 2018
'The Saving Account of the Year' – 2nd place in 2018
'The Current Account of the Year' – 2nd place in 2018
'The Retail Mobile and Online Banking Application' – 2nd place in 2018
(MasterCard)

Dates are indicating the year of the awards ceremony.

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As one of the largest donors in Hungary, OTP Bank is involved in around 300 initiatives every year. In 2018 OTP Bank donated HUF 2 billion for creating more opportunities and community development

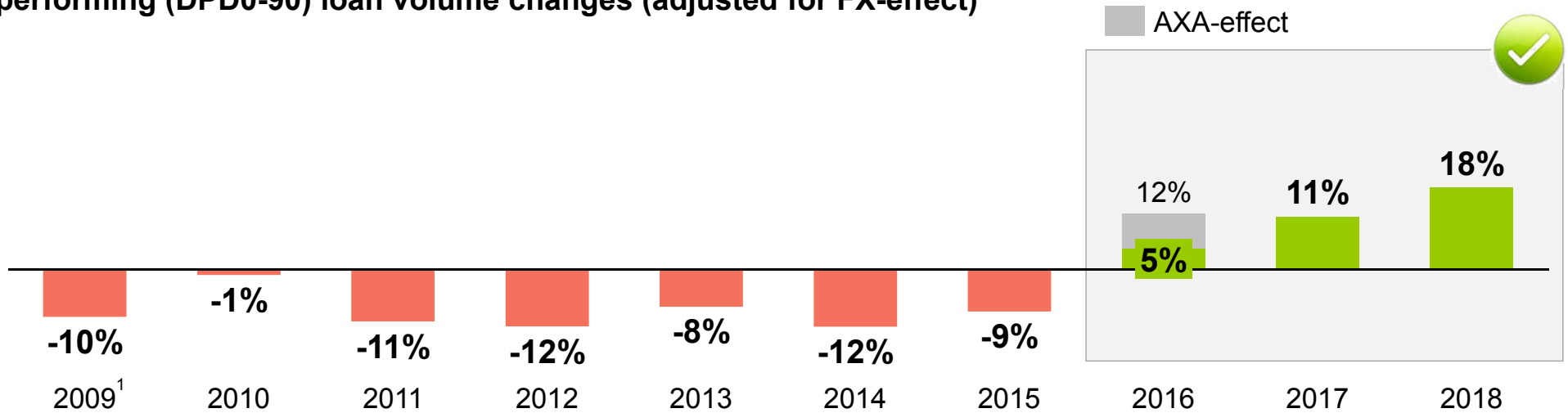
Financial Education	Creating Opportunities	Culture	Sports
<p>OTP FÁY ANDRÁS FOUNDATION</p> <p>OK Project (Hungary, Romania, Slovakia)</p> <ul style="list-style-type: none"> • Hungary: free financial trainings (12,000 students), teacher training at ELTE-PPK, regional program series, • Romania: 5 trainers, 337 trainings, 4,677 students + career oriented trainings • Slovakia: 5 trainers, 281 trainings, 3,575 students “Cross-border financial-economic education” program, adult learning and teacher training programs 	<p>HUMANITY SOCIAL FOUNDATION</p> <p>Equipment donation program medical and healthcare equipment, complete PCs,</p> <p>Student grant schemes</p> <hr/> <p>Partnerships:</p> <ul style="list-style-type: none"> • Children – dental screening, International Children’s Safety Service • Families – mobile playgrounds, Hungarian Charity Service of the Order of Malta • Persons living with disabilities – attitude-shaping programs, Hand in Hand Foundation 	<p>PRIMA PRIMISSIMA FOUNDATION</p> <p>Excellence is recognized every year in</p> <p>10 categories, 30 nominees</p> <hr/> <p>Partnerships:</p> <ul style="list-style-type: none"> • Museum of Fine Arts+ • Traditional Dance Convention and Fair • “Fölszállott a páva” folk talent show • Veszprém Street Music Festival 	<p>OTP BANK BOZSIK PROGRAM</p> <p>In the 2017/2018 school year, more students played football than ever before:</p> <p>106,350 kids 3,050 institutions</p> <hr/> <p>Partnerships:</p> <ul style="list-style-type: none"> • Hungarian Olympic Committee • Handball • Football • Judo



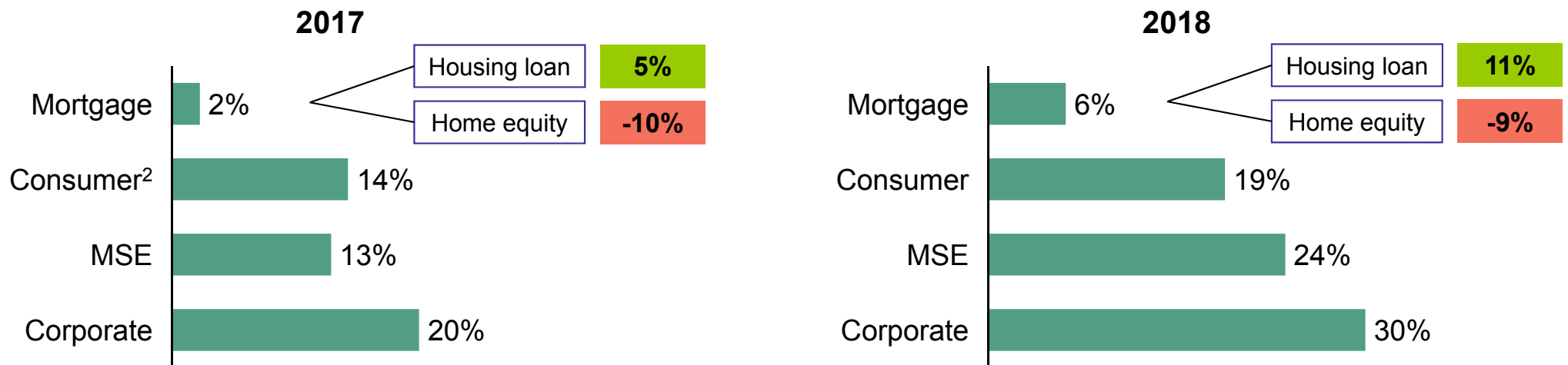
- 7% higher after tax profit mainly on the back of higher provision releases
- Operating profit declined by 4% y-o-y, predominantly driven by the 9% growth in operating costs; net interest income increased by 5%
- Accelerating organic performing loan growth, outstanding consumer and corporate loan increase. Within mortgage loans performing housing loan expansion was already double digit (+11%)
- 20 bps net interest margin erosion
- Operating expenses grew by 9%, but the cost to asset ratio improved
- The DPD90+ ratio improved to 4.5% (-1.9%-points)

¹ In 2017 performing consumer loans grew by 25% in total, supported by several big ticket lombard loans, adjusted for these the FX-adjusted yearly growth was 14%.
² Including performing MSE, medium and large corporate and local government exposures.

Y-o-Y performing (DPD0-90) loan volume changes (adjusted for FX-effect)



Y-o-Y performing (DPD0-90) loan volume changes by product segments (adjusted for FX-effect)



¹ Estimation.

² In 2017 performing consumer loans grew by 25% in total, supported by several big ticket lombard loans, adjusted for these the FX-adjusted yearly growth was 14%.



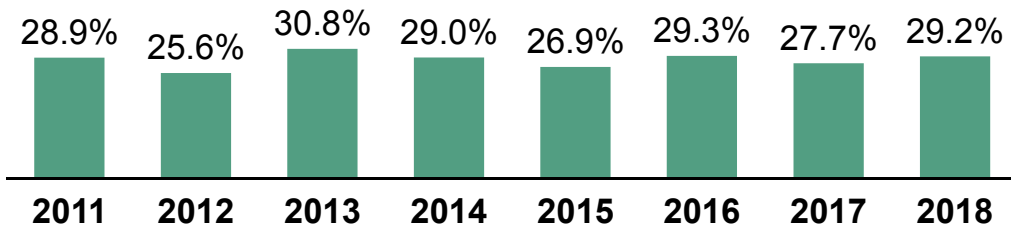
Mortgage loan disbursement dynamics remained strong in Hungary. OTP enjoys improving market share in new mortgage and cash loan disbursements, as well as in retail savings

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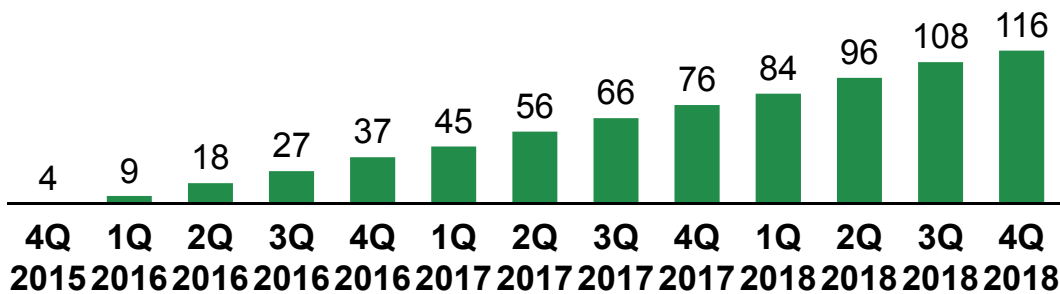
Change of mortgage loan disbursement of OTP Bank in 2018



OTP's market share in mortgage loan contractual amounts



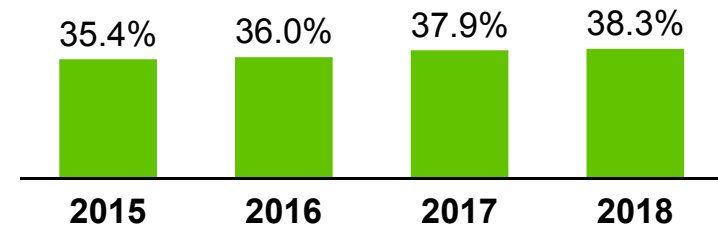
The cumulative amount of non-refundable CSOK subsidies contracted at OTP Bank since the launch of the programme (HUF billion)



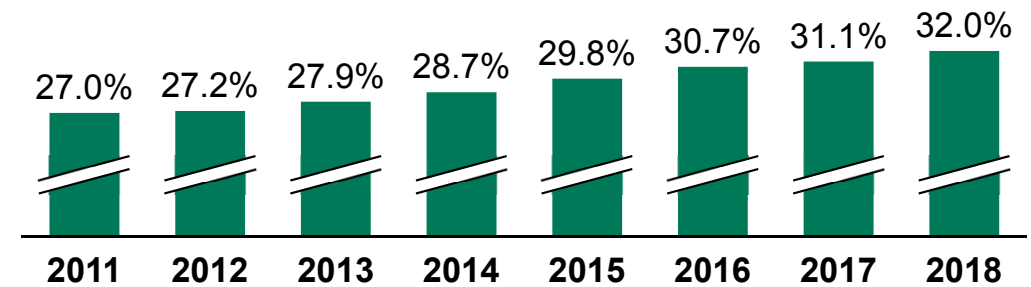
Performing cash loan volume growth (FX-adjusted)



Market share in newly disbursed cash loans



OTP Bank's market share in household savings

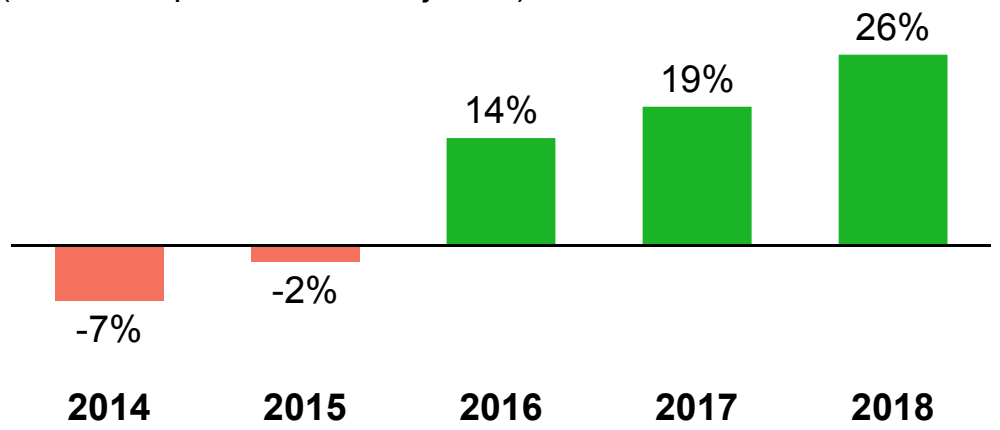




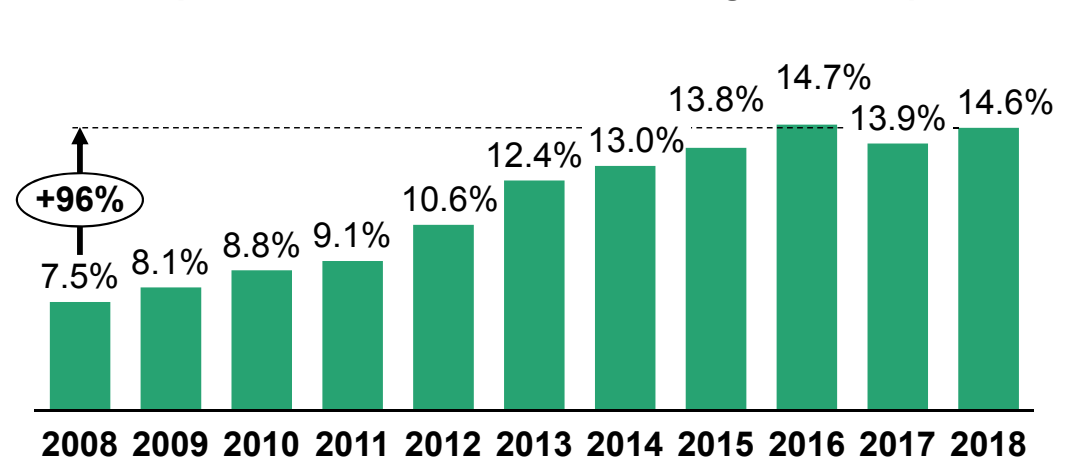
In the corporate segment OTP Core managed to demonstrate above 20% volume growth dynamics, thus OTP's corporate lending market share improved further in 2018

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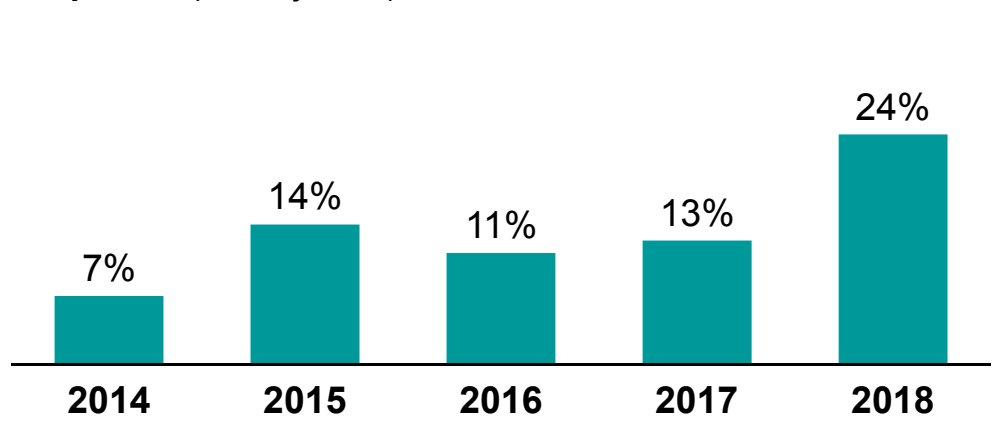
Performing medium and large corporate loan volume change (w/o municipal loans, FX-adjusted)



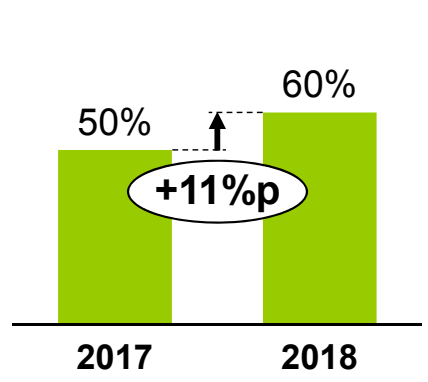
OTP Group's¹ market share in loans to Hungarian companies



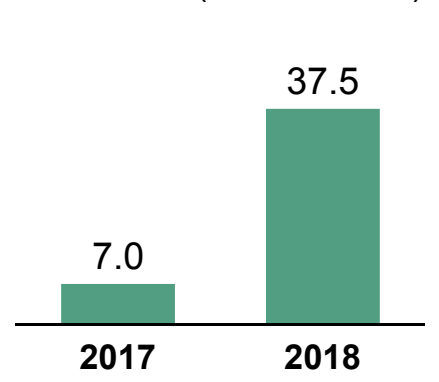
Performing loan volume change at micro and small companies (FX-adjusted)



OTP Group's market share in commercial factoring turnover²



MFB Points – the amount of credit accepted through the OTP network (in HUF billion)



¹ Aggregated market share of OTP Bank, OTP Mortgage Bank, OTP Building Society and Merkantil, based on central bank data (Supervisory Balance Sheet data provision until 2016 and Monetary Statistics from 2017).

² Source: Hungarian Factoring Association

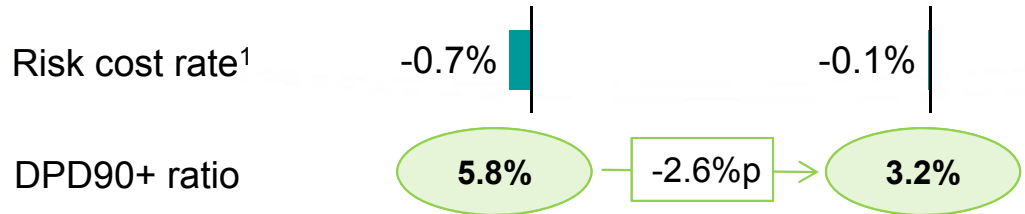
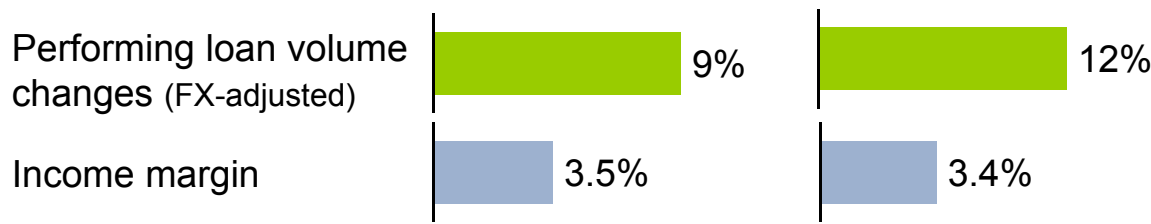
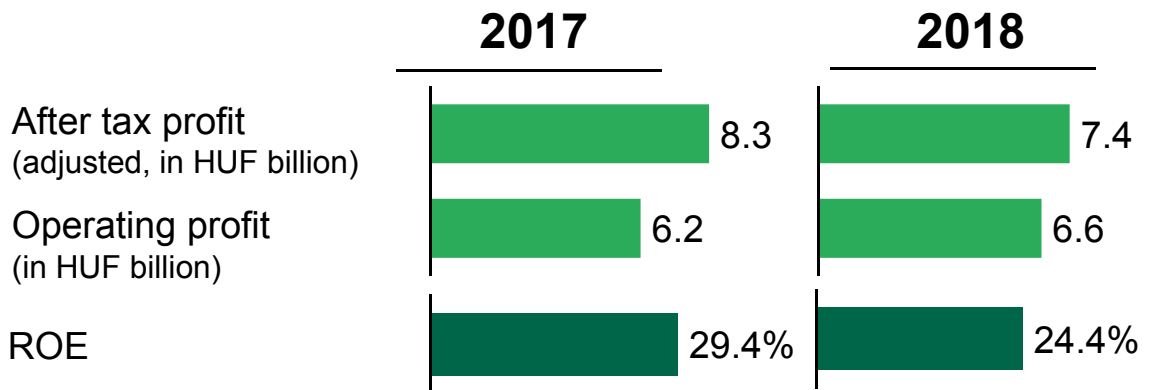
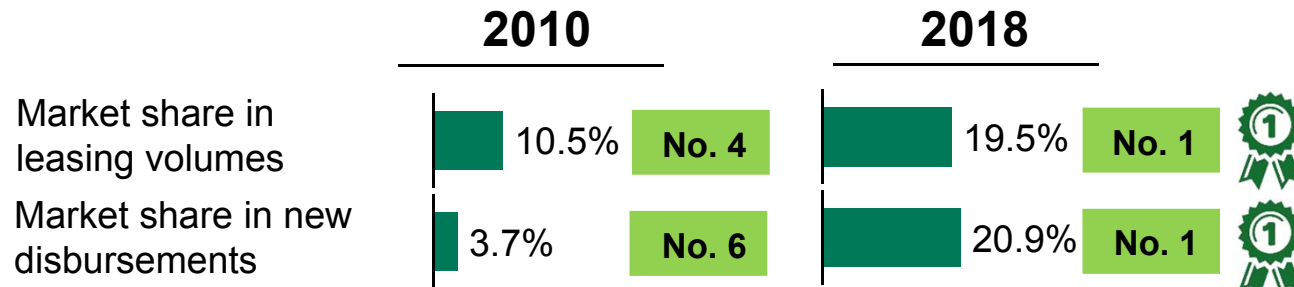




Merkantil

Merkantil retained its market leading position and its ROE exceeded 24%

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- Merkantil retained its market leading position both in terms of new disbursements and outstanding leasing volumes
- The market share in new disbursements has been steadily improving since 2010
- Merkantil Bank and Car posted HUF 7.4 billion adjusted after tax profit in 2018, the y-o-y moderation was due to lower positive total risk cost, despite higher operating profit
- ROE exceeded 24%
- Stronger lending activity, the growth rate of performing loans accelerated further
- The DPD90+ ratio decreased to 3.2%, supported also by sale / write-off of non-performing loans

¹ Provision for impairment on loan and placement losses/average gross loans. Negative ratio indicates positive risk cost.



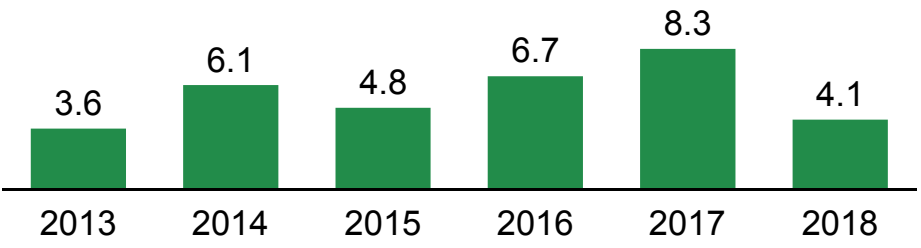
The lower profit at OTP Fund Management was reasoned by lower success fees due to the volatile environment. Owing to the increasing popularity of real estate funds, the managed assets at OTP Real Estate Fund Mgmt exceeded HUF 500 billion, and its profit grew by 40% to HUF 2.3 billion

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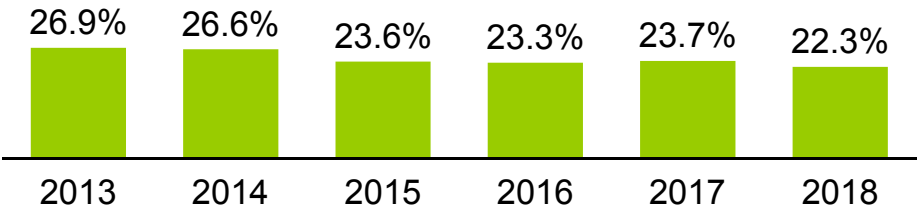
OTP Fund Management

- In 2018 OTP Fund Management's results were determined by the decline in the success fee revenues related to the investment performance
- Fee income from fund management remained at the previous year's level, as the negative impact of lower volume of assets under management was offset by a shift towards funds generating higher fees
- The Company retained its market leading position, while its market share declined in 2018

Adjusted after tax profit (w/o banking tax, in HUF billion)



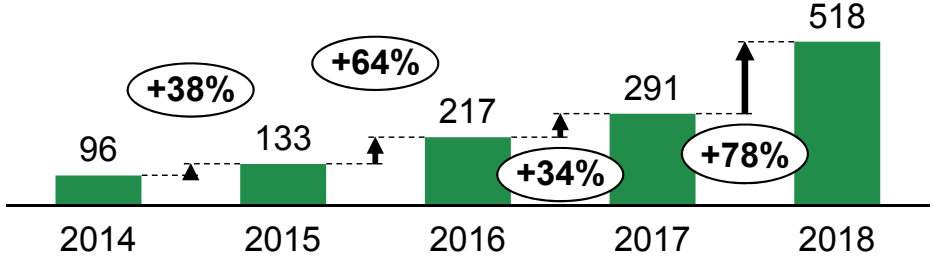
Market share in investment funds
(w/o real estate funds)



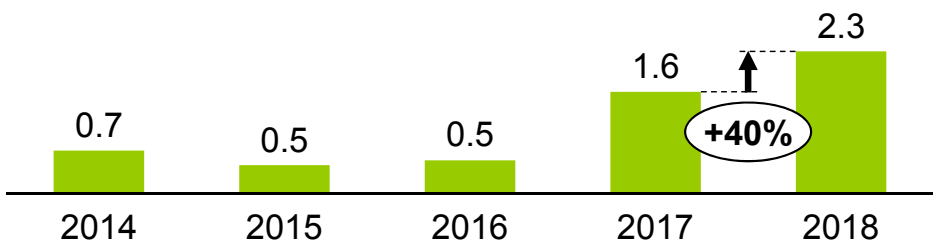
OTP Real Estate Fund Management

- HUF 2.3 billion profit, 40% higher than a year ago
- Assets under management climbed to HUF 518 billion (without duplications)
- OTP Real Estate Fund Management's market share in the real estate fund market was 32.3%, while in the entire fund management market it increased to 9.8%. Thus, the Group's asset management units have a combined market share of 25.7% in the entire Hungarian investment management market.

Asset under management (w/o duplications, in HUF billion)



Adjusted after tax profit (w/o banking tax, in HUF billion)



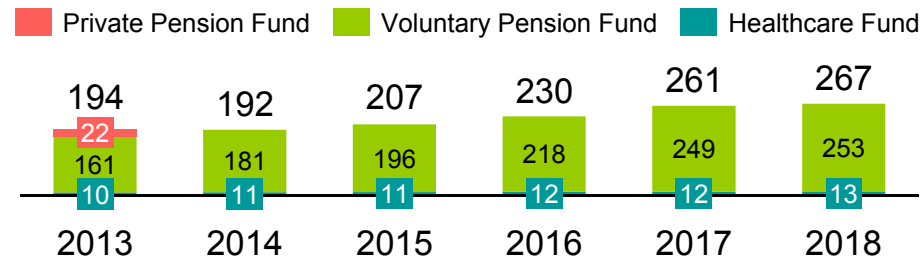


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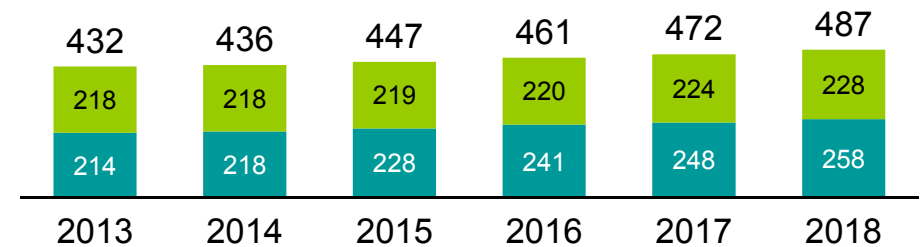
Pension- and Healthcare Funds

- OTP Voluntary Pension Fund and OTP Health Fund maintained their market leading position
- Assets managed by OTP Voluntary Pension Fund increased by 2%, with a 2% increase in the number of clients
- The managed assets of OTP Healthcare Fund increased by 8% and the client base by 4%

Asset under management (in HUF billion)



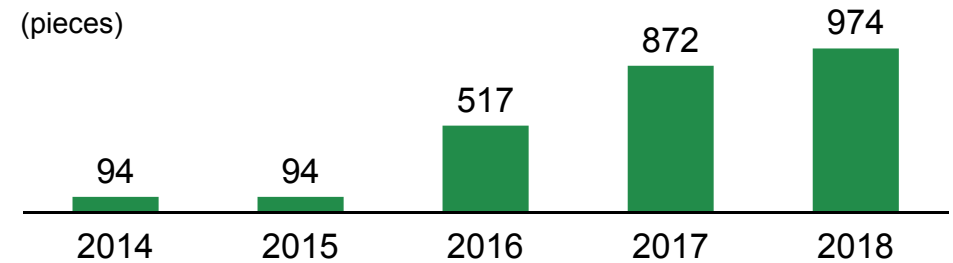
Members (in thousand people)



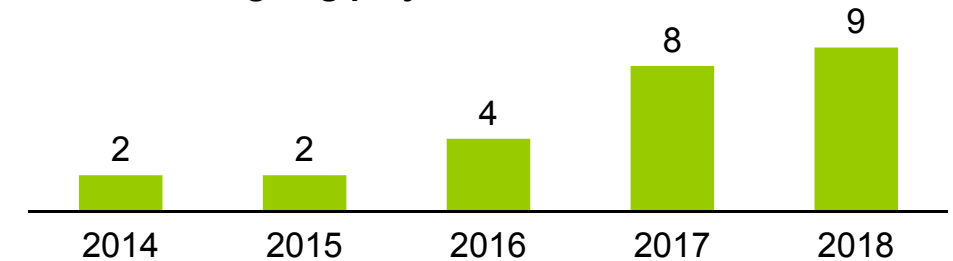
OTP Real Estate

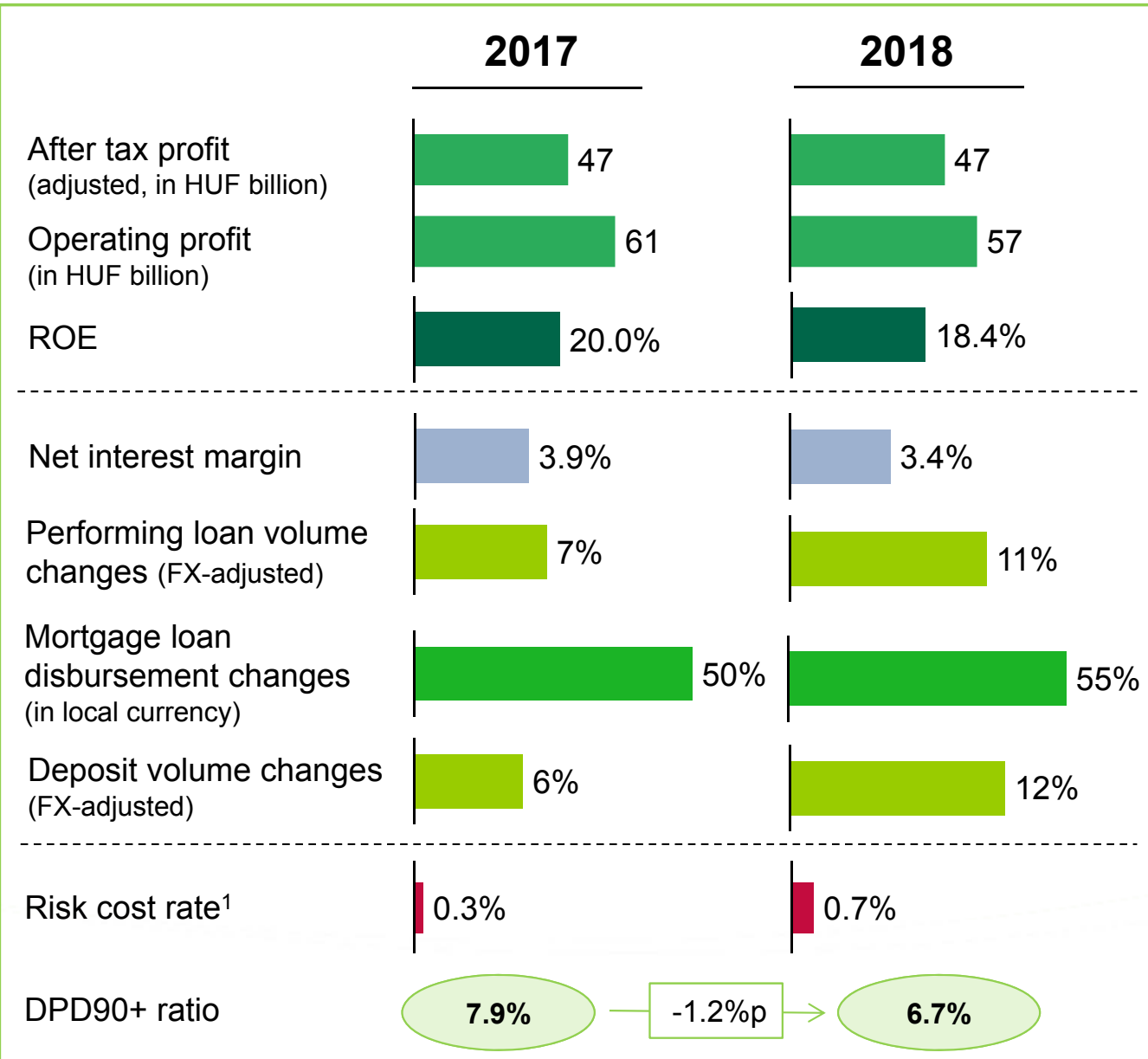
- Both the number of real estates under construction and the number of running projects are increasing
- Currently there are nearly 1,900 new residential real estates under construction or in preparation phase
- Sales of new apartments by OTP Real Estate in 2018 were combined with mortgage loans in the amount of HUF 2.5 billion, and HUF 0.5 billion contracted amount at OTP Building Society

Residential real estates under construction (pieces)



Number of ongoing projects (pieces)





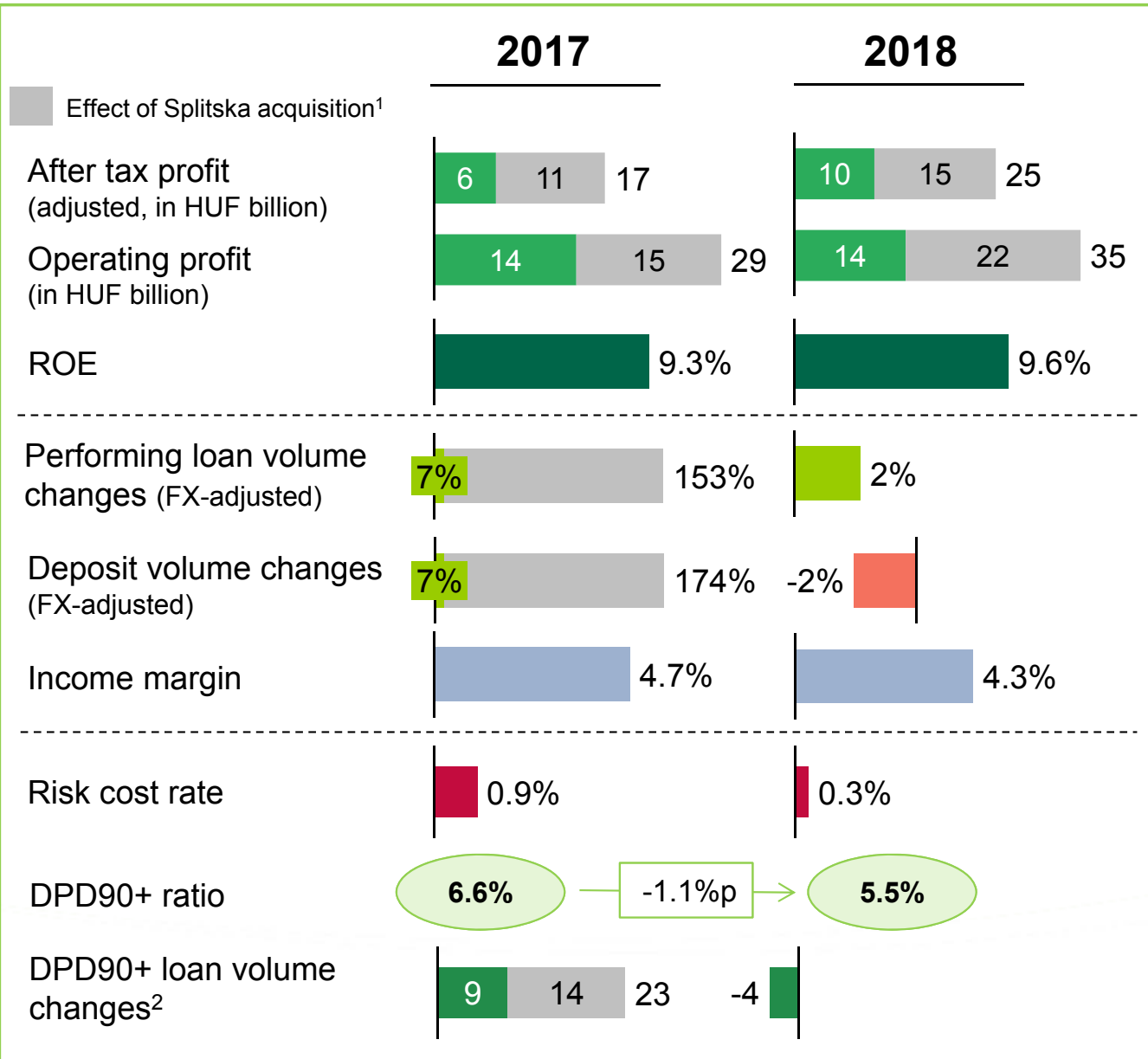
- The Expressbank transaction announced in August 2018 was completed in January 2019, therefore DSK's 2018 balance sheet and income statement do not include the performance of Expressbank
- Stable after tax profit of HUF 47 billion
- The decline in operating profit was partly attributable to the gradually shrinking net interest margin
- Lending activity continued to pick up, with the pace of performing loan volume growth accelerating to double digits
- The underlying portfolio quality trends remained favourable, with total risk costs down by 42%. The lending-related risk cost rate increased
- The trend-like improvement in the DPD90+ ratio continued

¹ Provision for impairment on loan and placement losses/average gross loans.



Key financials of DSK Group and Express Group (Bank and Leasing) and their aggregated "pro forma" financial data and performance indicators (2018)

2018	DSK Group	Express Group	DSK + Express, "pro forma"
Market share in total assets (DSK Bank and Expressbank)	13.7%	6.1%	19.8%
Number of branches (pieces)	345	134	479
After tax profit (HUF billion)	47	19	66
Total assets (HUF billion)	2,381	1,211	3,592
Net loans (HUF billion)	1,232	826	2,059
Deposits (HUF billion)	1,891	875	2,765
ROE	18.4%	15.6%	17.5%
Net interest margin	3.37%	2.71%	3.14%
Cost/income ratio	47.0%	40.2%	45.0%
Net loan/deposit ratio	65%	94%	74%

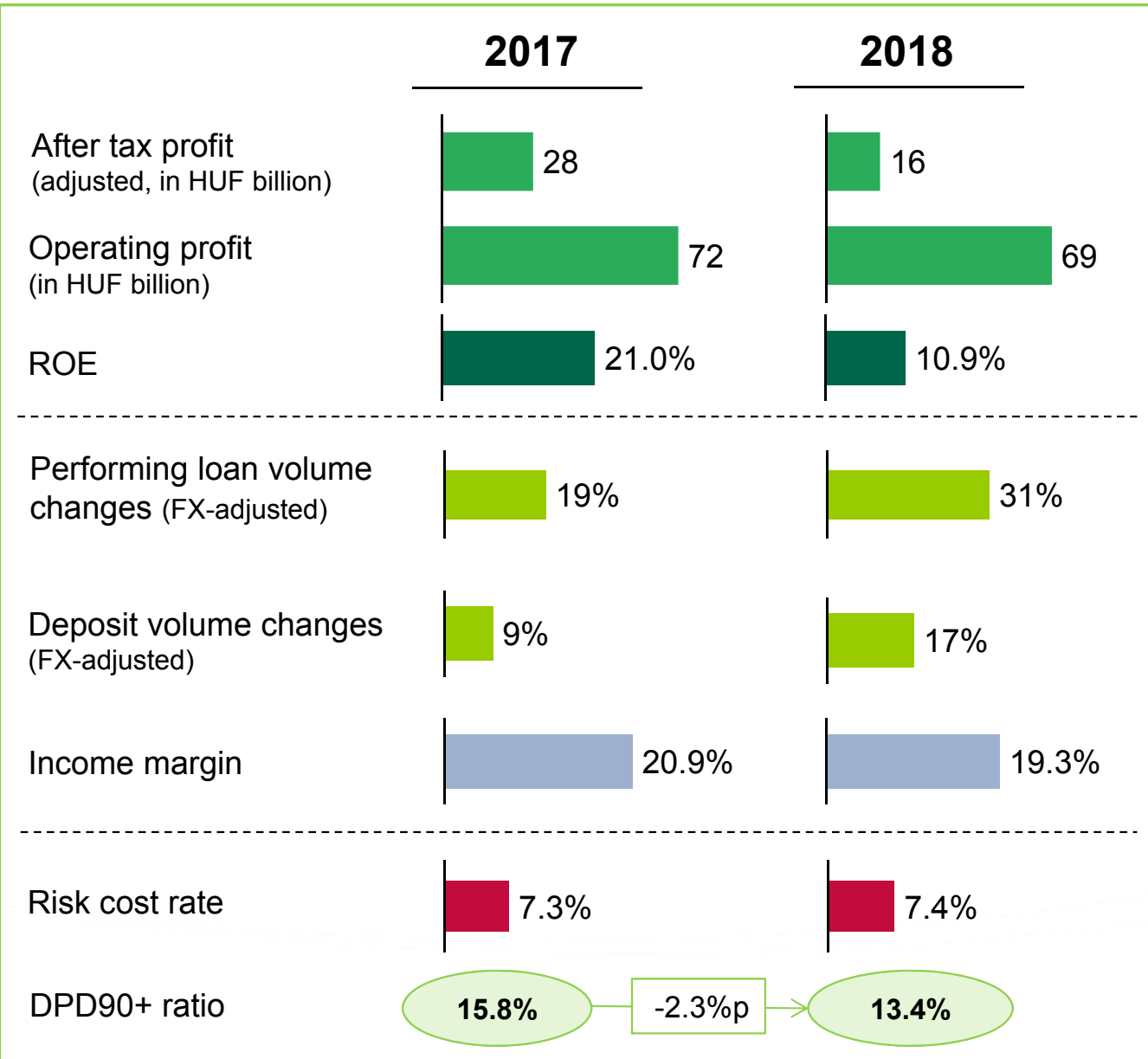


- The integration of Splitska banka was successfully completed in December 2018, opening up the opportunity to realize cost synergies
- 52 branches were closed down in 2018 as a whole due to network rationalization, out of which 44 units in December
- With a profit of HUF 25 billion reached in 2018, the Croatian ROE improved to 9.6%
- Performing loan volumes increased by 2%, while deposit volumes shrank to the same extent (FX-adjusted)
- The revenue margin slightly decreased, mainly due to the dilution effect of the lower margin level of Splitska banka
- Risk indicators developed favourably: both DPD90+ ratio and risk cost rate moderated

¹ In the case of Splitska banka, in 2017 only 8 month profit was consolidated, whereas its December 2018 contribution is based on an estimate.
² In HUF billion, FX-adjusted, without the impact of credit sales and write-offs.

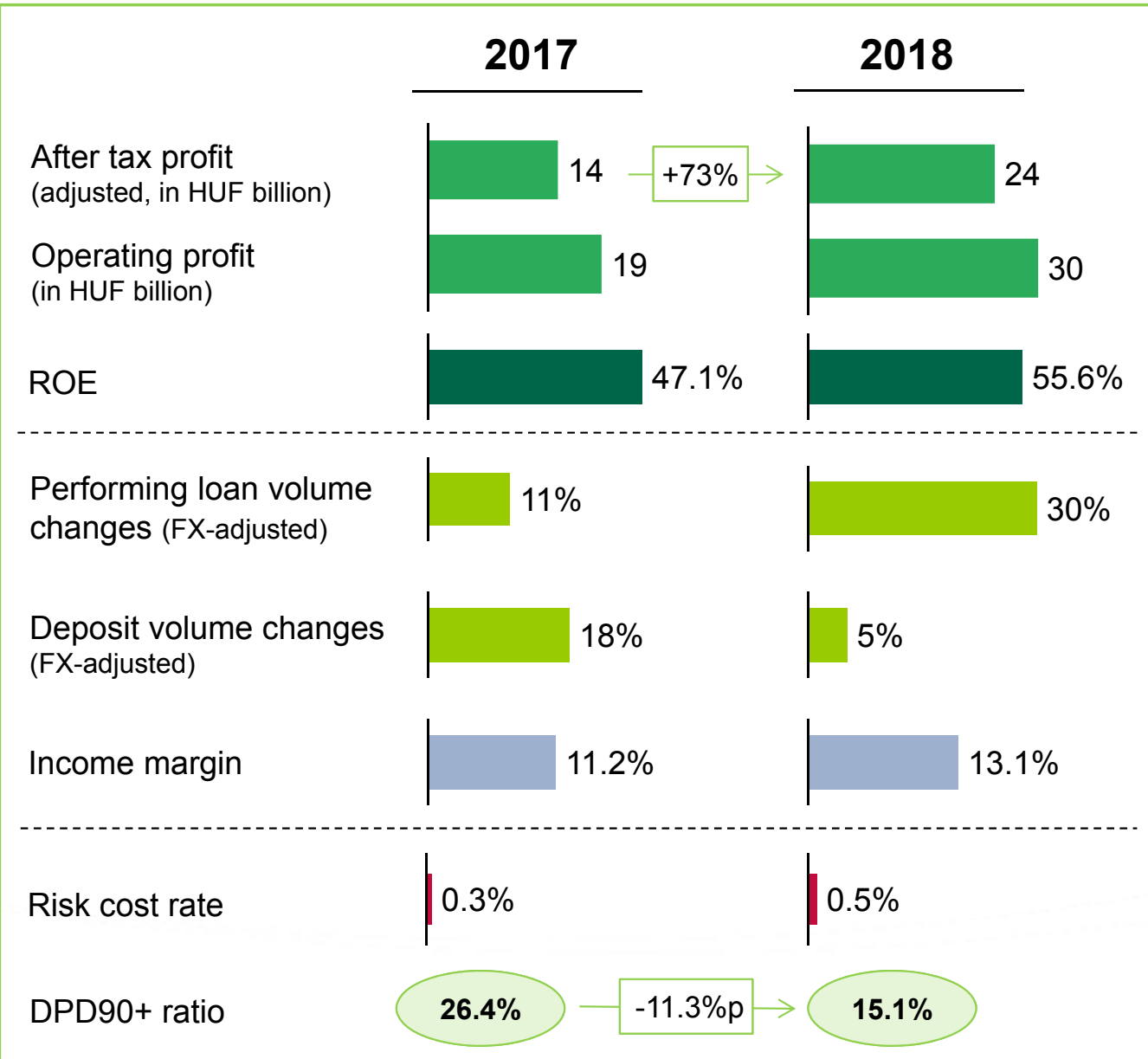
The Russian after tax profit moderated in 2018. Consumer credit expansion was over 30%, but margins narrowed. The underlying credit quality processes developed favourably

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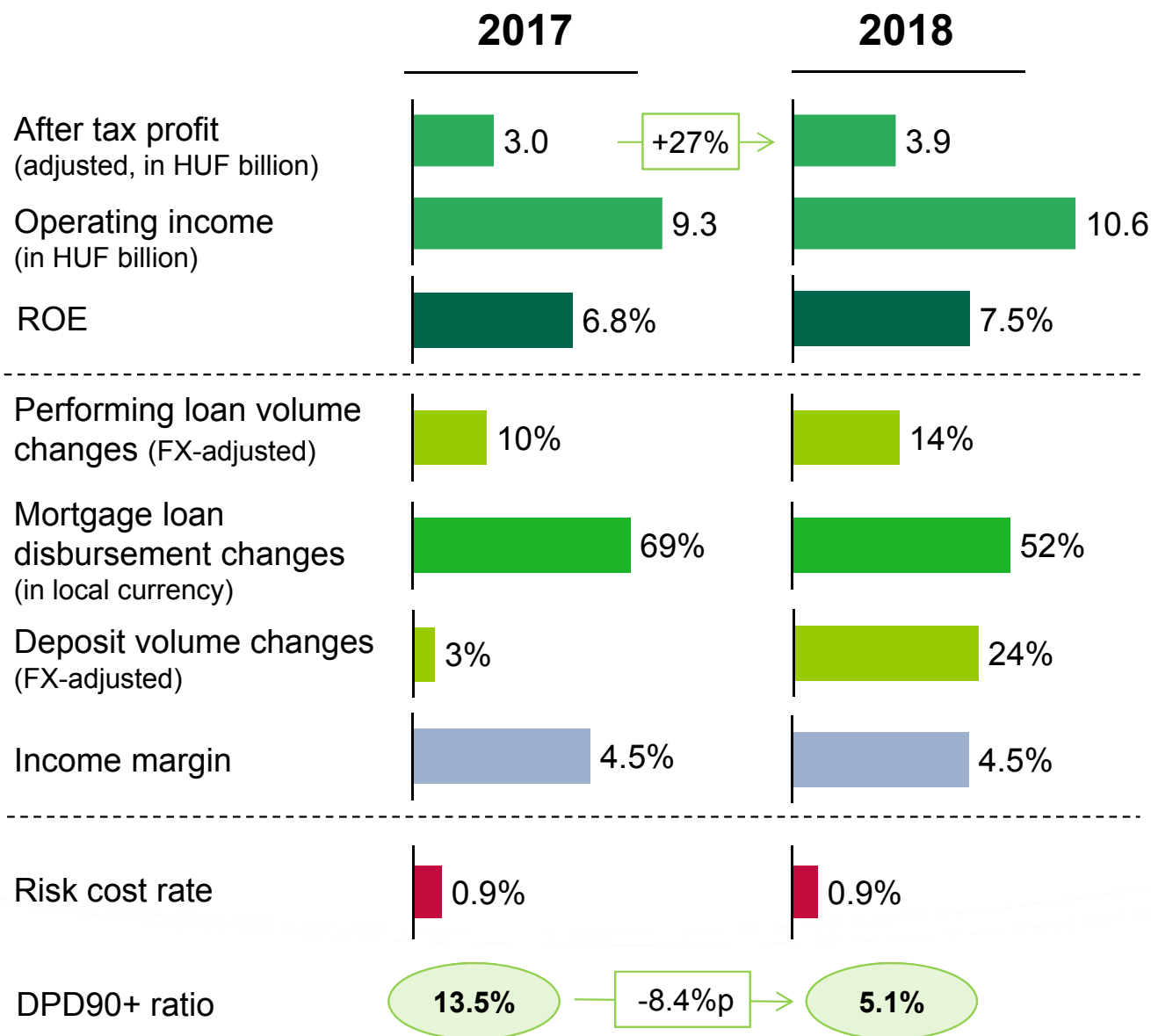


- The annual profit after tax amounted to HUF 16.4 billion. The profit decline in HUF terms was partly due to the weakening Russian rouble and partly to the inclusion of Touch Bank's performance (loss of HUF 4.5 billion) into OBRu from 2018
- Within the 31% increase in performing consumer loans, the most significant expansion occurred in cash loans and POS loans
- The net loan-to-deposit ratio rose to 127%
- Overall, the credit-related risk cost rate was at last year's level. Beside favourable underlying credit quality trends, this reflects the impact of the provisions created for new disbursements under IFRS 9, and the additional provisions due to the revision of macro parameters in the risk models
- The DPD90+ ratio declined mainly due to non-performing loan sales and write-offs

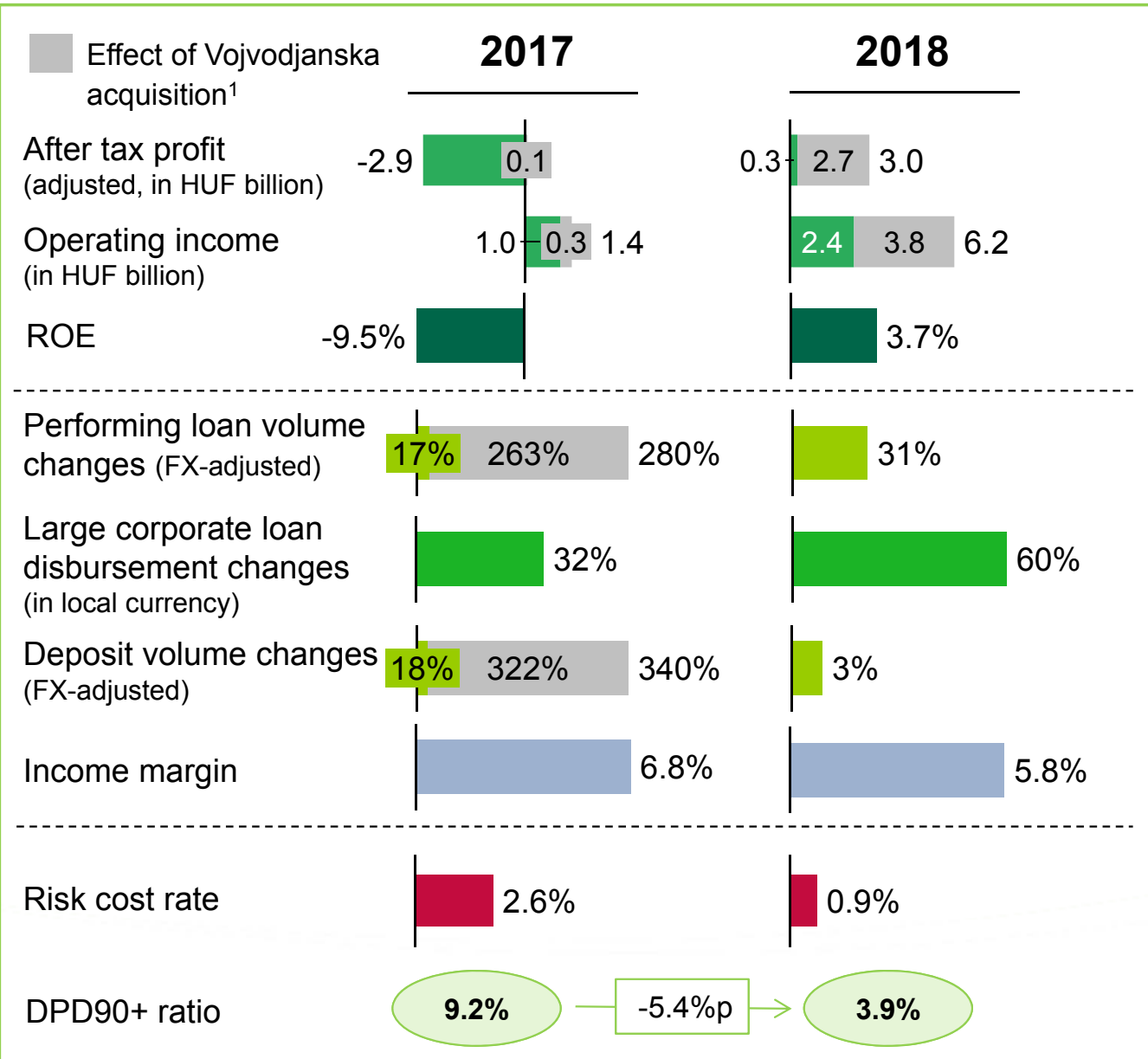
Note: the performance of Touch Bank, previously presented as a separate entity, was presented as part of OTP Bank Russia from 2018.



- The annual profit increased by 73% to HUF 24 billion
- The improving performance was mainly due to stronger operating profit supported by widening net interest margin and expanding volumes amid strengthening business activity
- Performing loans advanced by 30%, mainly driven by consumer loans (+87% y-o-y, FX-adjusted), but corporate loans (constituting the largest part of the portfolio) also increased by 26%
- Deposits grew by 5%; the around 100% net loan-to-deposit ratio reflects a balanced balance sheet structure
- The DPD90+ ratio decreased to 15% mainly due to favourable credit quality trends and the effect of sales / write-offs
- At the end of 2018 the intragroup funding exposure to the Ukrainian group members stood at USD 116 million equivalent



- After tax profit improved by 27% to nearly HUF 4 billion, elevating the ROE indicator to 7.5%
- The operating profit increased by 13%, supported by a 18% improvement in net interest income
- The performing loan volumes increased by 14% organically (FX-adjusted), driven by the strong mortgage and corporate loan dynamics
- The total income margin remained stable, within that the net interest margin improved by 12 bps amid increasing interest rate environment
- The DPD90+ ratio declined by 8.4%-points to 5.1%



- The Serbian operation reached HUF 3 billion after tax profit in 2018
- In spite of the ongoing integration process the Serbian performing loan volumes grew at accelerated pace, in 2018 they increased by 31%, which was the fastest among Group members
- All main loan segments demonstrated an outstanding growth, especially corporate loans with 42% growth rate (FX-adjusted)
- Income margin declined mainly due to the dilution effect triggered by the acquisition
- The DPD90+ ratio decreased by 5.4%-points to 3.9%
- The Societe Generale banka Srbija transaction announced on 20 December 2018 has not yet been completed, as a result the 2018 financial statements incorporated neither the P&L nor the balance sheet of the target company

¹ Vojvodjanska banka was consolidated from December 2017.

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The Montenegrin subsidiary posted positive net results again, after two loss-making years.
The Slovakian subsidiary's after tax result was close to zero

CKB (Montenegro)

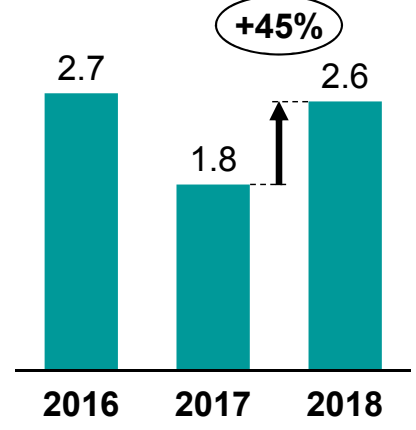


After tax profit (adjusted, in HUF billion)

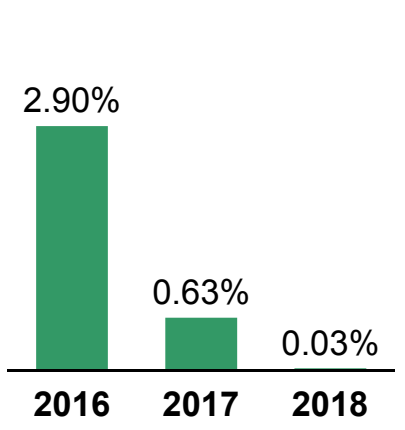
2016	2017	2018
-1.8	-0.2	2.2

- HUF 2.2 billion profit, improving operating profit and decreasing risk costs
- Performing loans increased by 31%, mainly due to the 63% increase in corporate loans (FX-adjusted)
- The effect of the new acquisition was not included in the 2018 figures

Operating income (in HUF billion)



Development of risk cost rate



OTP Banka Slovensko

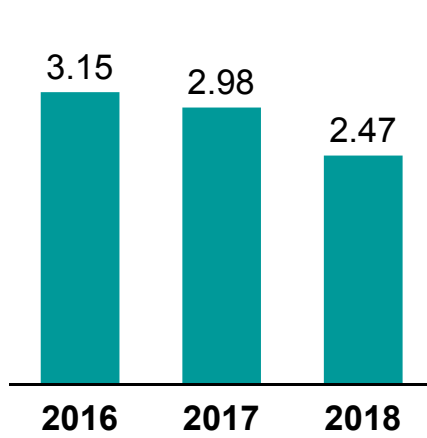


After tax profit (adjusted, in HUF billion)

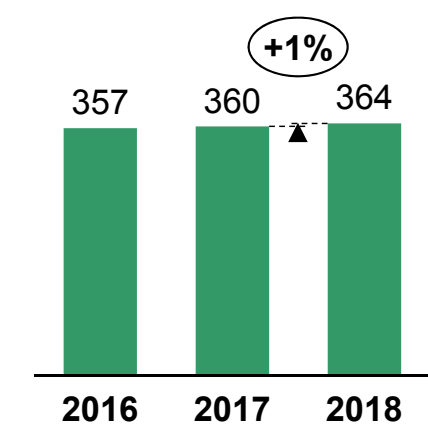
2016	2017	2018
-2.2	-2.1	0.0

- 2018 net profit was close to zero, following losses suffered in the previous years
- Both performing loans and deposits grew by 1%
- The decline in net interest margin was offset by a moderating risk costs

Net interest margin (%)



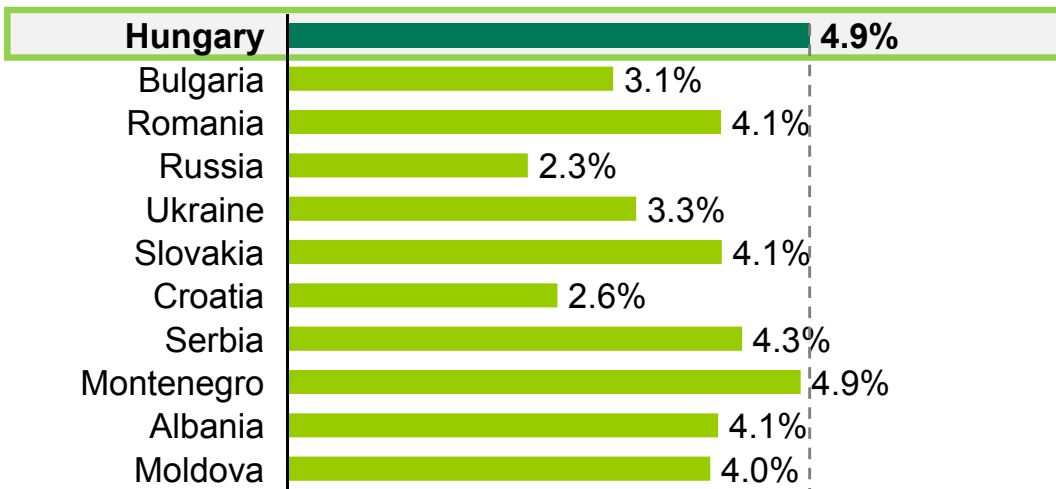
Performing loan volumes (in HUF billion)



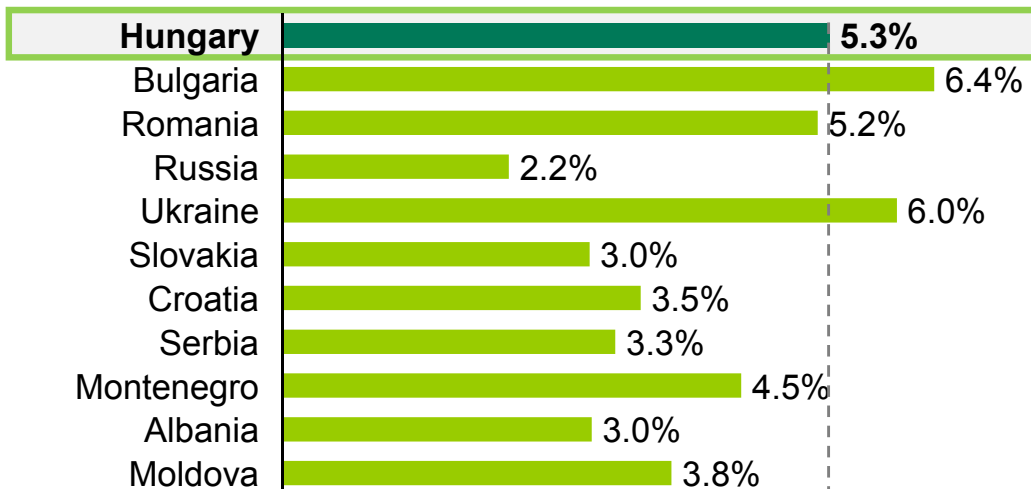
In 2018 the Hungarian economic growth was the fastest within the Group supported by strong household consumption and outstanding gross fixed capital formation

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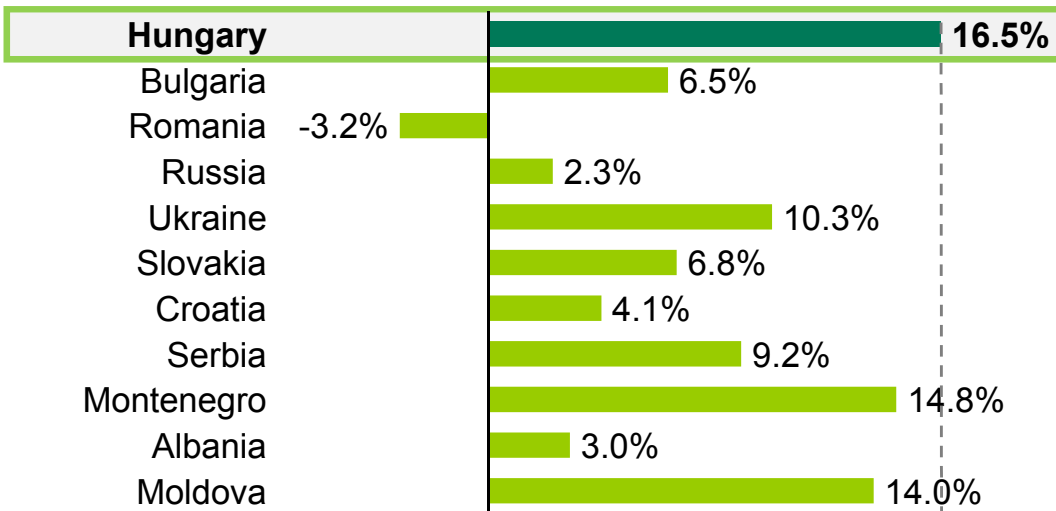
Real GDP growth, 2018¹ (y-o-y)



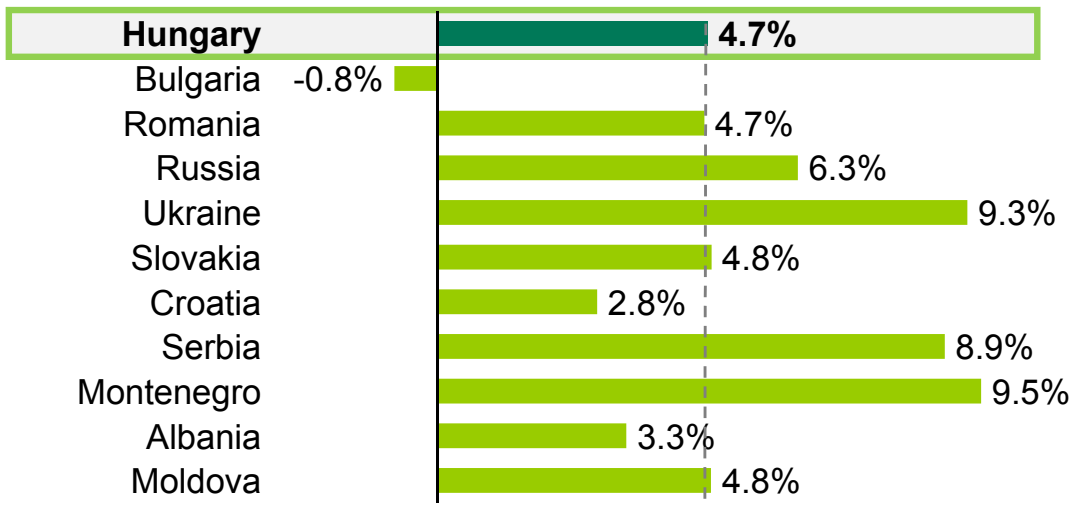
Household consumption growth¹ (y-o-y)



Gross fixed capital formation¹ (y-o-y)



Export growth¹ (y-o-y)

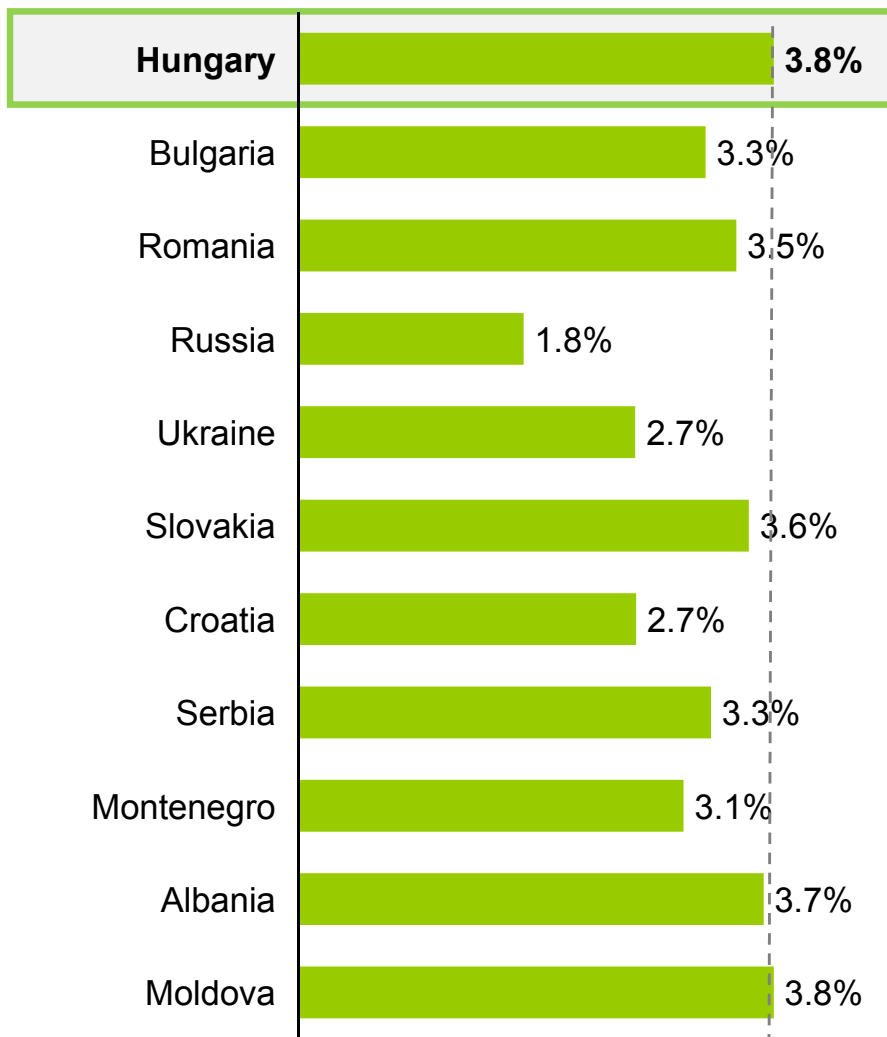


¹ In case of Albania the average of 1Q-4Q 2018 was displayed.

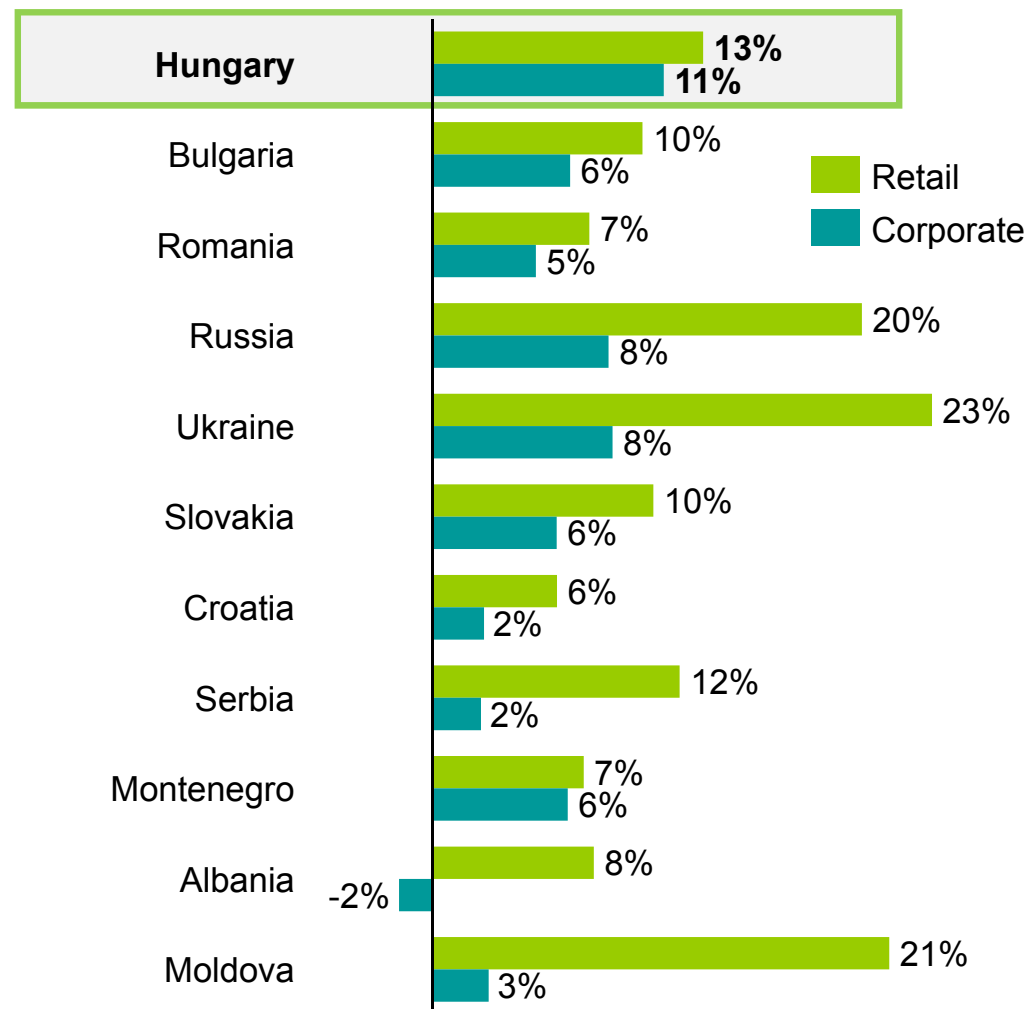
In 2019 the GDP is expected to continue to grow dynamically in Hungary and in other Group members' countries, inducing a continued healthy growth in loan volumes

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2019F GDP growth (y-o-y)



2019F sector-level loan growth¹



¹ 2019 net loan flow / end of previous year volume.

OTP Group: management expectations for 2019

The ROE target of above 15% (assuming 12.5% Common Equity Tier 1 ratio) announced at the 2015 Annual General Meeting remains in place.

Apart from the negative impact of the Hungarian and Slovakian banking tax (HUF 16 billion after tax) *the introduction of the Romanian banking tax from 2019 with around HUF 2 billion (after tax) expected earnings effect under a static scenario* and further acquisitions may result in material adjustment items.

The FX-adjusted growth of performing loans (Stage 1 plus Stage 2 under IFRS 9) – without the effect of further acquisitions – may be around 10% in 2019.

The net interest margin started to flatten out in 2018, and it may not fall below the 2Q 2018 level (4.25%) in 2019. The forecast does not incorporate the effect of the already completed Bulgarian and Albanian acquisitions, and the ongoing Serbian, Moldovan and Montenegrin ones, or any further potential acquisitions.

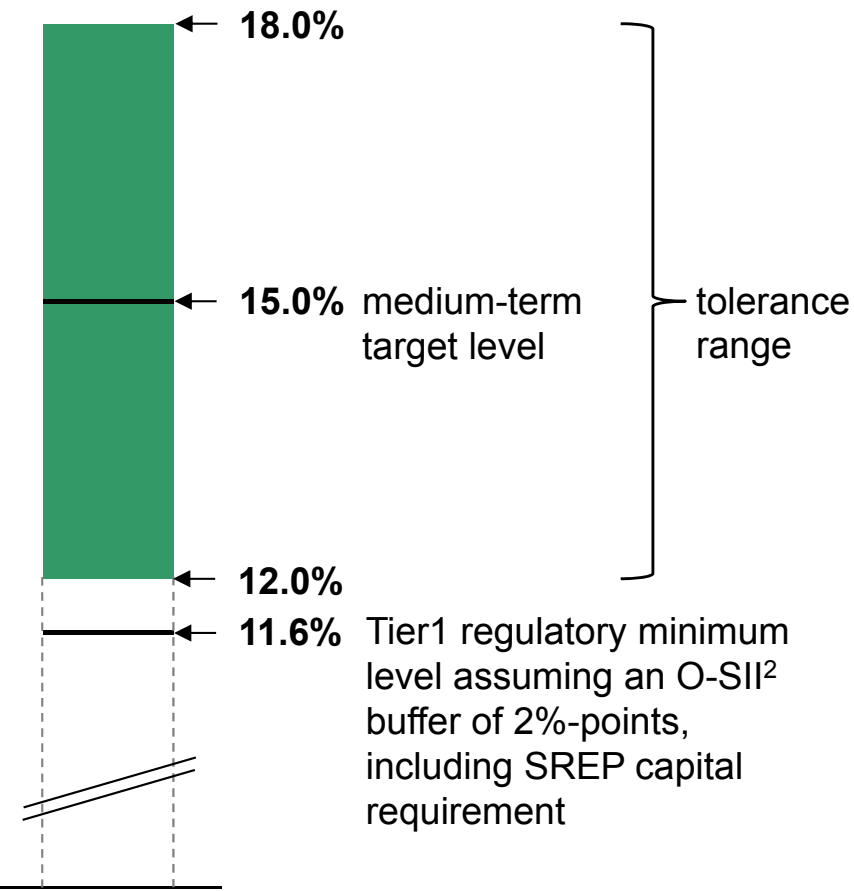
Assuming no material change in the external environment, favourable credit quality trends – similar to 2018 – are expected to remain in 2019. The Stage 3 and DP90+ ratios may decline further and the risk cost rate (provision for impairment on loan and placement losses to average gross loans ratio) may be around the 2018 level.

The FX-adjusted operating expenses without acquisition effect are expected to increase by 4% y-o-y, mainly as a result of wage inflation, ongoing digital and IT transformation and strong organic growth, but these factors will be partially off-set by the cost synergy benefits realized in Croatia.

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The mid-term Common Equity Tier1 (CET1) ratio target is 15%, while the management intend to keep it within the range of 12-18%. The proposed dividend payment after the 2018 financial year is HUF 61.32 billion

Medium-term target level and tolerance range of the consolidated CET1 = Tier1 capital adequacy ratio¹, in light of the regulatory minimum requirement



Beyond the capital required for organic growth the management intends to allocate significant part of the generated excess capital for further value-creating acquisitions:

- The proposed dividend amount to be paid from 2018 earnings will be the same as the dividend amount after the 2017 financial year, i.e. HUF 61.32 billion.
- The dividend proposal after the 2019 financial year will be decided by the management in 1Q 2020 (similar to the practice concerning the 2018 dividend policy), taking into account the actual organic growth and M&A developments.
- As for the indicated / deducted dividend amount presented among the financial data in the quarterly Stock Exchange Reports in 2019, the basis for the calculation will be the dividend proposal after the 2018 financial year (HUF 61.32 billion). However, the final dividend proposal can differ from this amount.

¹ In the case of OTP Group the CET1 and Tier1 ratios are currently the same.

² Other Systemically Important Institutions buffer. In 2019 the effective O-SII buffer is 1.5% for OTP.

Disclaimers

This presentation contains statements that are, or may be deemed to be, “forward-looking statements” which are prospective in nature. These forward-looking statements may be identified by the use of forward-looking terminology, or the negative thereof such as “plans”, “expects” or “does not expect”, “is expected”, “continues”, “assumes”, “is subject to”, “budget”, “scheduled”, “estimates”, “aims”, “forecasts”, “risks”, “intends”, “positioned”, “predicts”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words or comparable terminology and phrases or statements that certain actions, events or results “may”, “could”, “should”, “shall”, “would”, “might” or “will” be taken, occur or be achieved. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. Forward-looking statements are not based on historical facts, but rather on current predictions, expectations, beliefs, opinions, plans, objectives, goals, intentions and projections about future events, results of operations, prospects, financial condition and discussions of strategy.

By their nature, forward-looking statements involve known and unknown risks and uncertainties, many of which are beyond the control of OTP Bank. Forward-looking statements are not guarantees of future performance and may and often do differ materially from actual results. Neither OTP Bank nor any of its subsidiaries or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this presentation will actually occur. You are cautioned not to place undue reliance on these forward-looking statements which only speak as of the date of this presentation. Other than in accordance with its legal or regulatory obligations, OTP Bank is not under any obligation and OTP Bank and its subsidiaries expressly disclaim any intention, obligation or undertaking to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. This presentation shall not, under any circumstances, create any implication that there has been no change in the business or affairs of OTP Bank since the date of this presentation or that the information contained herein is correct as at any time subsequent to its date.

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Proposal for the use of the after tax profit of the parent company and for dividend payment

The Annual General Meeting

determines the statement of financial position for the year ended 2018 with total assets of HUF 8,506,188 million and with net profit for the period of HUF 173,442 million. The net profit for the period is allocated as follows: the general reserve must be increased by HUF 17,344 million, and HUF 61,320 million shall be paid as dividend from the net profit for the period.

The dividend per share is HUF 219, compared to the face value of shares it's 219%. The actual rate of dividend paid to shareholders is calculated and paid based on the Articles of Association, so the Company distributes the dividends for its own shares among the shareholders who are entitled for dividends. The dividends shall be paid from 3 June 2019 in accordance with the policy determined in the Articles of Association.

Items 1.e. and 1.f. on the Agenda

**Report of the Supervisory Board and of the Audit Committee
on the annual financial statements for 2018
and its proposal for the use of the after-tax profit**

Presented by: **Tibor Tolnay**

Chairman of the Supervisory Board

Deputy Chairman of the Audit Committee

Statutory obligations preceding the General Meeting

- ❖ Examination of all material business policy reports
- ❖ Examination of all submissions relating to matters that fall within the exclusive competence of the supreme decision-making body
 - ❑ Corporate Governance Report
 - ❑ Amendments to the Articles of Association
 - ❑ Principles of the Remuneration Policy
- ❖ Familiarisation with the contents of the stand-alone annual financial statements and the consolidated annual financial statements, and hearing the briefings of the auditor together with the Audit Committee
 - ❑ OTP Bank Plc's annual financial statements and consolidated annual financial statements were prepared in accordance the effective provisions of the Act on Accounting, and in compliance with International Financial Reporting Standards as approved by the European Union.
- ❖ Evaluation of the activities of the senior officers in the previous business year, proposal for exempting them from any further liability
- ❖ Proposal, together with the Audit Committee, with regard to the election of the Company's auditor and determining the auditor's fee

The non-consolidated financial statements prepared in accordance with International Financial Reporting Standards

with a balance sheet total of HUF 8,506,188 million

The consolidated financial statements prepared in accordance with International Financial Reporting Standards

with a balance sheet total of HUF 14,590,288 million

The non-consolidated net profit for the year in accordance with International Financial Reporting Standards

in an amount of HUF 173,442 million

Dividend payment

HUF 219 per share

The extent of the dividend is HUF 219 per share; that is, 219% of the nominal value of the shares. The amount of dividend actually payable to the individual shareholders shall be calculated and paid in accordance with the Company's Articles of Association; in other words, the Company shall divide it between those shareholders who are entitled to receive dividends.

Items 1.g. on the Agenda

Results of the Independent Auditor's Report for the year ended 2018

Presented by: **Dr. Attila Hruby**
Auditor

OTP BANK ANNUAL GENERAL MEETING

Translation of the Hungarian presentation

12 April 2019

Resolution proposal No. 1/2019

The Annual General Meeting accepts the Board of Directors' report on the Company's financial activity for the year ended 2018, furthermore with full knowledge of the Independent Auditor's Report, the Audit Committee's Report and the Supervisory Board's report, it accepts the proposal on the Bank's separate financial statements and the consolidated financial statements in accordance with the International Financial Reporting Standards for the year ended 2018, and the proposal for the allocation of the after-tax profit of the parent company.

The Annual General Meeting determines the statement of financial position for the year ended 2018 with total assets of HUF 8,506,188 million and with net profit for the period of HUF 173,442 million. The net profit for the period is allocated as follows: the general reserve must be increased by HUF 17,344 million, and HUF 61,320 million shall be paid as dividend from the net profit for the period.

The dividend per share is HUF 219, compared to the face value of shares it's 219%. The actual rate of dividend paid to shareholders is calculated and paid based on the Articles of Association, so the Company distributes the dividends for its own shares among the shareholders who are entitled for dividends. The dividends shall be paid from 3 June 2019 in accordance with the policy determined in the Articles of Association.

The Annual General Meeting determines the Company's consolidated balance sheet with total assets of HUF 14,590,288 million, and with net profit of HUF 318,322 million. The profit for shareholders is HUF 318,233 million.

Item 2 on the Agenda

Approval of the Corporate Governance Report for Y2018

Presented by: **Dr. Bálint Csere**
Managing Director

Objectives:

- to promote transparent and effective market operation
- to support compliance with the written statutory provisions and unwritten business ethical rules
- to harmonise the interests of stakeholders

Effective responsible corporate government promotes

- growth in the company's value
- successful representation of stakeholders' interests and rights

- **In 2018** the Corporate Governance Committee of the BSE revised and updated the Corporate Governance Recommendations (hereinafter referred to as **new Recommendations**) in order to easier handling, simpler processing and relevant information.
- Several questions of the previous Recommendations **were clarified and supplemented** in the new Recommendations, and issues that contained legislative provisions were removed from the new Recommendations, thus the **duplication has been eliminated**.
- The new Recommendations were approved by the BSE Board of Directors on 23 July 2018 and entered into force on 1 August 2018. **Companies are required to report regarding their business year 2018 in accordance with these new Recommendations.**

Expectation of the financial supervisory authority (MNB):

Compliance with MNB Recommendation No. 27/2018 (XII. 10.) on the establishment and operation of internal lines of defence, and on the governance and control functions of financial organisations

Expectation of the Budapest Stock Exchange (BSE):

Compliance with the Corporate Governance Recommendations

Group governance

Group members*	Number	Number of employees**
OTP Bank Nyrt.	1	8,476
Domestic subsidiaries	27	1,587
Foreign subsidiaries	52	25,293
Total *	80	35,357

* Companies under consolidated supervision according to Hpt.

** 31.12.2018 closing headcount in FTE

Full governance and control in individual operational processes

- Internal audit (196 audits, 1,188 accepted proposals);
- Risk management (473,357 credit decisions);
- Compliance: 4 audits, 2,908 reports due to suspicion of money laundering;
- Bank security: expected damages arising from crimes detected: HUF 995.2 million, prevented damages: HUF 4,479.2 million; reported charges: 2,582; the ratio of bank card abuses to the turnover is 2.8 times better than the European average (OTP Bank 0.0146%, European average 0.0450%);
- The protective systems of the Bank detect and prevent more than 10,000 events considered as offenses coming from the Internet per month. In spite of the huge amount of attempts there has not been any successful offense against the Bank in the past year.

Transparent business operation

- continuous social control (regular and extraordinary reporting obligations as a public issuer of securities)
- active participation in the work of advocacy organisations (e. g. working groups of the Banking Association)
- close cooperation with the supervisory authorities
 - consumer protection
 - 180 Financial Arbitration Board proceedings were launched against members of the OTP Banking Group
 - number of justified complaints: 101,820, approximately 1 justified complaints per 13,500* customer interactions

*Total number of customer interactions : 1,380,720,467

Board and committee meetings:

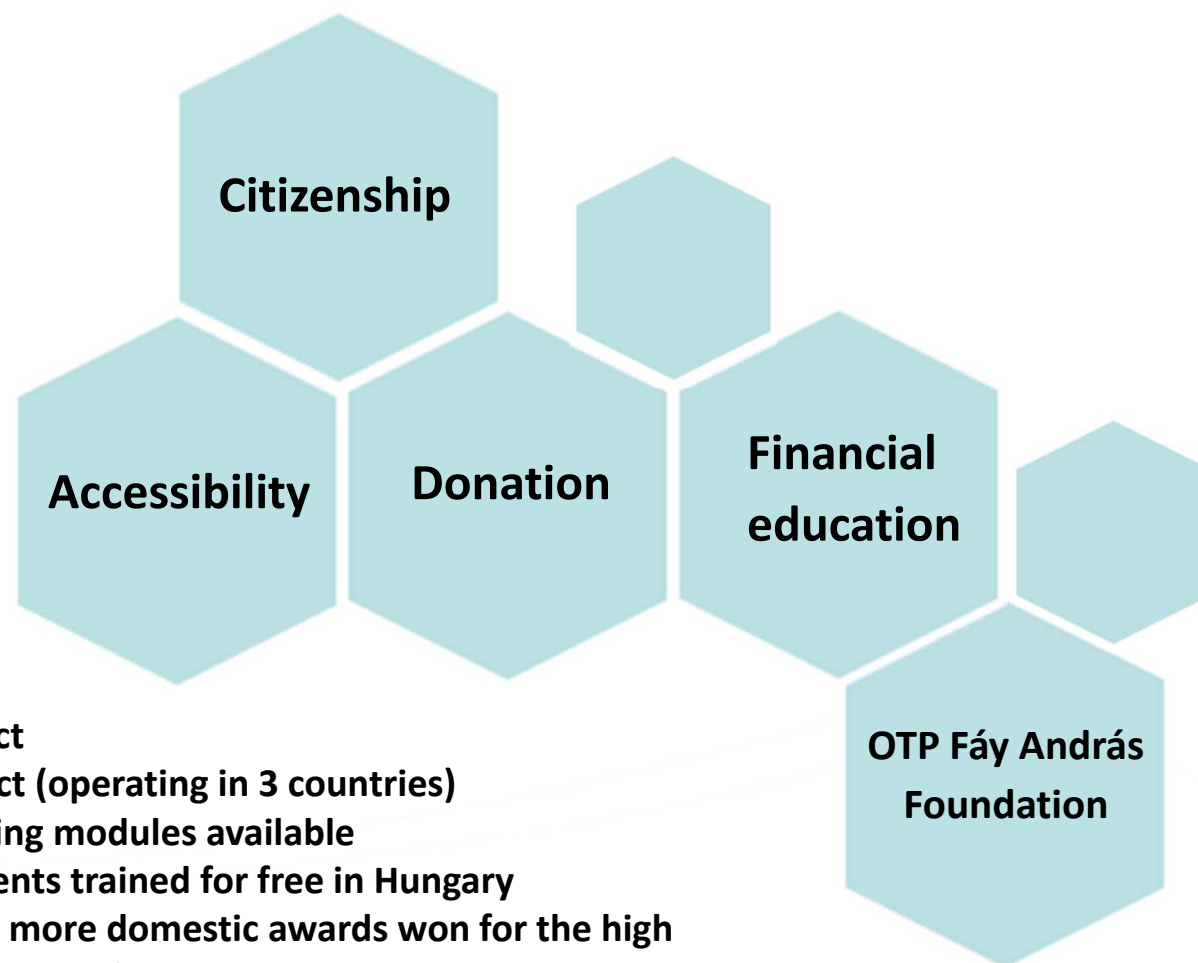
BOARD, COMMITTEE	NUMBER OF MEETINGS	NUMBER OF VOTINGS IN WRITING	NUMBER OF DECISIONS TAKEN
Board of Directors	6	102	249
Supervisory Board	7	48	138
Audit Committee	2	24	32
Management Committee	13	28	308
Other	181	172	2,273
TOTAL	209	374	3,000

Policy of diversity

- The Bank determines the criteria for the selection of senior executives in accordance with EU as well as domestic regulations
- Beside the professional preparation, the high-level human and leadership competence and the widespread business experience the ensurance of diversity is also a top priority
- Accordingly, the Bank's Nomination Committee continuously keeps tracking the European Union and domestic legislation relating to women's quota on its agenda
- Nevertheless, the Bank being a public limited company, the selection of the members of the management bodies falls within the exclusive competence of the General Meeting upon which the Bank has no substantive influence
- Among the management bodies, the Supervisory Board has one female member

Commitment to society

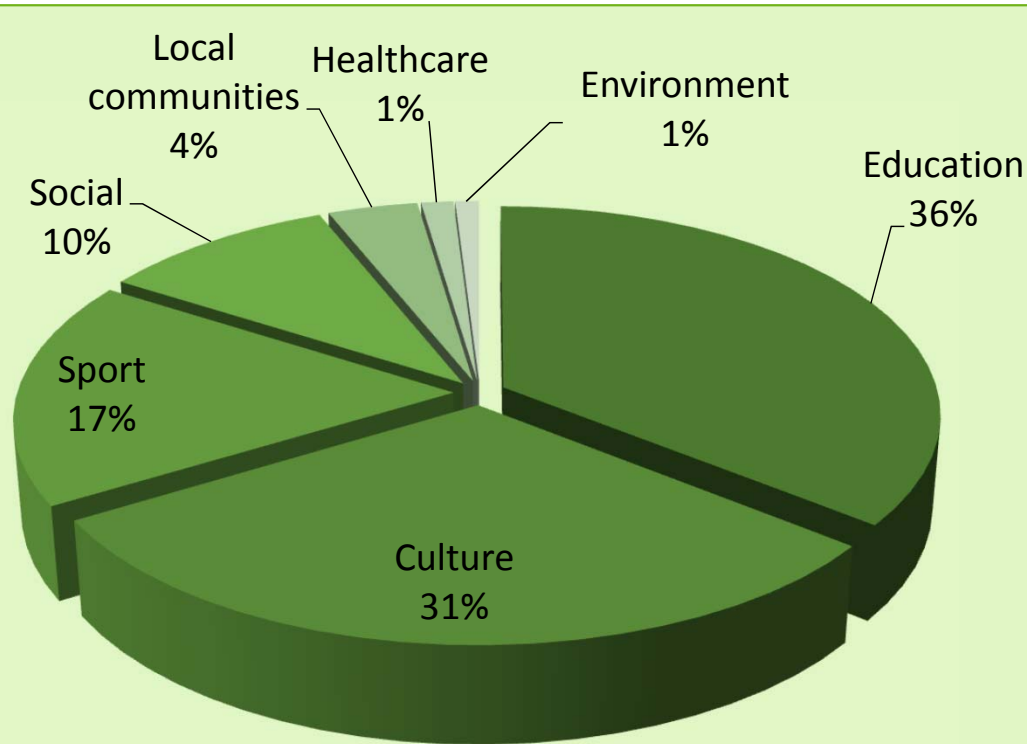
As one of Hungary's largest donors in the magnitude of billions, in addition to financial assistance we are launching an increasing number of projects that are implemented and developed at the Bank's initiative, through the engagement of non-governmental or professional partners.



 **otpFáyAndrás**
Alapítvány

- Flagship - OK Project
- international project (operating in 3 countries)
- more than 30 training modules available
- nearly 20,000 students trained for free in Hungary
- 2 international and more domestic awards won for the high standard of education at the OK Centres

We support programs and initiatives which we are proud of and which can really affect the local communities and – in a wider perspective – the society.



We have focused our efforts on:

- developing financial literacy, attitude-shaping;
- creating equal opportunities: helping the disadvantaged and those in need;
- sponsoring culture and arts: creating and preserving values;
- sports

BSE Recommendations (due diligence):

Year	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Number of recommendations:	140	140	140	151	151	151	151	151	151	85
Number of ,yes':	109	110	108	117	118	127	128	128	130	85

OTP BANK ANNUAL GENERAL MEETING

Translation of the Hungarian presentation

12 April 2019

Resolution proposal No. 2/2019

The Annual General Meeting approves OTP Bank Plc.'s 2018 Report on Corporate Governance.

Item 3 on the Agenda

Evaluation of the activity of the executive officers performed in the past business year; decision on the granting of discharge of liability

Presented by: **Tibor Tolnay**
Chairman of the Supervisory Board

The Supervisory Board of the OTP Bank Plc. considers that the Board of Directors of the Bank fulfilled its duties stipulated in the relevant statutory provisions and the Articles of Association of OTP Bank Plc. during the business year 2018.

Based on the assessment, the Supervisory Board proposes that the Annual General Meeting by granting discharge of liability confirms that executive officers performed their work in accordance with the Company's interests, meeting the shareholders' expectations and preserving shareholder's value during the period assessed.

OTP BANK ANNUAL GENERAL MEETING

Translation of the Hungarian presentation

12 April 2019

Resolution proposal No. 3/2019

The Annual General Meeting, based on the request of the Board of Directors of the Company, has evaluated the activities of the executive officers in the 2018 business year and certifies that the executive officers gave priority to the interests of the Company when performing their activities during the business year, therefore, grants the discharge of liability determining the appropriateness of the management activities of the executive officers in the business year 2018.

Item 4 on the Agenda

Election of the Company's audit firm, the determination of the audit remuneration, and determination of the substantial content of the contract to be concluded with the Auditor

Presented by: **Tibor Tolnay**
Chairman of the Supervisory Board

Auditing Company

Deloitte Auditing and Consulting Ltd. (000083)
H-1068 Budapest, Dózsa Gy. u. 84/c.

Individual auditor:

Dr. Attila Hruby
(007118) chartered auditor

In the event any circumstance should arise which ultimately precludes the activities of as appointed auditor in this capacity:

Tamás Horváth
(003449) chartered auditor

The total fee of auditing

for the audit of the separate and consolidated annual financial statements for the year 2019,
prepared in accordance with International Financial Reporting Standards.



HUF 67,128,000 + VAT

From this:

Audit fee of the separate annual accounts:

HUF 53,353,000 + VAT

Audit fee of the consolidated annual accounts:

HUF 13,775,000 + VAT

OTP BANK ANNUAL GENERAL MEETING

Translation of the Hungarian presentation

12 April 2019

Resolution proposal No. 4/2019

Concerning the audit of OTP Bank Plc.'s separate and consolidated annual financial statements in accordance with International Financial Reporting Standards for the year 2019, the Annual General Meeting is electing Deloitte Auditing and Consulting Ltd. (000083, H-1068 Budapest, Dózsa György út 84/c) as the Bank's auditor from 1 May 2019 until 30 April 2020.

The Annual General Meeting approves the nomination of dr. Attila Hruby (No. 007118 chartered auditor) as the person responsible for auditing. In case any circumstance should arise which ultimately precludes the activities of dr. Attila Hruby as appointed auditor in this capacity, the Annual General Meeting proposes the appointment of Tamás Horváth (No. 003449 chartered auditor) to be the individual in charge of auditing.

The Annual General Meeting establishes the total amount of HUF 67,128,000 + VAT as the Auditor's remuneration for the audit of the separate and consolidated annual financial statements for the year 2019, prepared in accordance with International Financial Reporting Standards. Out of total remuneration, HUF 53,353,000 + VAT shall be paid in consideration of the audit of the separate annual accounts and HUF 13,775,000 + VAT shall be the fee payable for the audit of the consolidated annual accounts.

Item 5 on the Agenda

Proposal on the amendment of Article 9 Section 4, Article 9 Section 14, Article 10 Section 1, Article 10 Section 2, Article 10 Section 3, Article 10 Section 4, Article 11 Section 6, Article 12/A. Section 1, Article 12/A Section 2 of the OTP Bank Plc.'s Articles of Association

Presented by: **Dr. Bálint Csere**
Managing Director

Summary of the proposal

The amendments related to the sections of the Articles of Association (hereinafter: AoA) listed below:

Proposal concerning the creation of the possibility for the management functions appearing in the position of Chairman & CEO to be held in separate positions, if necessary (AoA [Article 9 Section 4, Article 9 Section 14, Article 10 Section 1, Article 10 Section 2, Article 10 Section 3, Article 10 Section 4, Article 11 Section 6, Article 12/A. Section 1, Article 12/A Section 2])

[The Board of Directors:]

- 9.4. The Board of Directors elects a Chairman and, may elect one or more Deputy Chairmen, from among its own members, whose period of office shall be equal to the mandate of the Board of Directors. The Chairman of the Board of Directors is also the Chief Executive Officer (Chairman & CEO) of the Company, unless the Board of Directors decides within its competence that the position of Chairman of the Board of Directors and the Chief Executive Officer of the Company are held by separate persons.
- 9.14. The Board of Directors directly exercises employer's rights in respect of the Chairman & CEO. The person affected by a decision may not participate in the decision making. Employer rights in respect of the executive directors of the Company are exercised by the Board of Directors through the Chairman & CEO, with the proviso that the Board of Directors must be notified in advance of the appointment and dismissal of the Deputy CEOs. With regard to issues related to the exercising of employer's rights in respect of employees, the Company is represented by the Chairman & CEO and by the senior company employees defined in the Organisational and Operational Regulations of the Company, in accordance with the delegation of authority approved by the Board of Directors. If the Chairman of the Board of Directors and the CEO are different persons, the employer rights in respect of the other executive directors of the Company (CEO, deputy CEOs) are exercised by the Board of Directors through the Chairman of Board of Directors, with the proviso that the Board of Directors shall be notified in advance of the appointment and dismissal of the CEO and Deputy CEOs. With regard to issues related to the exercising of employer's rights in respect of employees, the Company is represented by the persons defined in the Organisational and Operational Regulations of the Company, in accordance with the delegation of authority approved by the Board of Directors.

PROPOSAL CONCERNING THE CREATION OF THE POSSIBILITY FOR THE MANAGEMENT FUNCTIONS APPEARING IN THE POSITION OF CHAIRMAN & CEO TO BE HELD IN SEPARATE POSITIONS, IF NECESSARY (AOA [ARTICLE 10 SECTION 1, ARTICLE 10 SECTION 2, ARTICLE 10 SECTION 3, ARTICLE 10 SECTION 4])

[Chairman & CEO]

- 10.1. Tasks are shared between the Board of Directors and the Chairman & CEO in such a way that the daily work of the Company is governed and overseen by the Chairman & CEO within the constraints of the law and the Company Articles of Association, and in accordance with the decisions of the General Meeting and Board of Directors. The Chairman & CEO has the authority to decide upon any matters that do not come under the authority of the General Meeting or Board of Directors in accordance with these Articles of Association. This division of tasks does not affect the statutory liability of the Board of Directors, or of the individual members of the Board of Directors. If the Chairman of the Board of Directors and the CEO are different persons, then the aforesaid rule shall apply adequately with the proviso that between the Chairman of the Board of Directors and CEO the division of the governing and overseeing powers relating to the daily work of the Company is defined by the Board of Directors in the Organisational and Operational Regulations of the Company.
- 10.2. If the Chairman & CEO is incapacitated, the nominated Deputy Chairman (or designated member of the Board of Directors) may substitute for the Chairman & CEO in his capacity as Chairman, and the Deputy CEO may substitute for him in his capacity as chief executive officer, although the substitution rights shall not extend to the exercising of employer rights. If the Chairman of the Board of Directors and the CEO are different persons, the Chairman of the Board of Directors may be substituted by the nominated Deputy Chairman (or designated member of the Board of Directors), the CEO may be substituted by the nominated Deputy CEO with the proviso that none of the substitution rights shall be extended to the exercising of employer rights.
- 10.3. The Chairman & CEO exercises employer's rights with respect to the employees of the Company in accordance with point 9.14. If the Chairman of the Board of Directors and the CEO are different persons, then the rules of exercising of employer rights with respect to the employees of the Company are defined – in accordance with point 9.14. – by the Board of Directors in the Organisational and Operational Regulations of the Company.
- 10.4. The Chairman & CEO governs the work of the Board of Directors and chairs its meetings. If the Chairman of the Board of Directors and the CEO are different persons, then the Chairman of the Board of Directors is vested with this competence.

[The Supervisory Board:]

11.6. Meetings of the Supervisory Board are quorate if at least two thirds of its members are present. Decisions of the Supervisory Board are made with a simple majority of votes.

The Chairman & CEO, or a person delegated by him, must be invited to Supervisory Board meetings. If the Chairman of the Board of Directors and the CEO are different persons, then both the Chairman of the Board of Directors and the CEO shall be invited to meetings of the Supervisory Board.

The Supervisory Board is obliged to include matters proposed by the auditor to the agenda.

[Executive officers of the Company]

12/A.1. The executive officers of the Company include: the Chairman & CEO (or, if the Chairman of the Board of Directors and the CEO are different persons, then the Chairman of the Board of Directors and the CEO), members of the Board of Directors, the Chairman of the Supervisory Board, members of the Supervisory Board, and the Deputy Chief Executive Officers (executive employees).

12/A.2. Executive officers must immediately notify the Chairman & CEO (or, if the Chairman of the Board of Directors and the CEO are different persons, then the Chairman of the Board of Directors shall be notified) if:

- a.) they have a qualified holding or a controlling influence in any company as defined in the Credit Institutions Act;
- b.) any of their close relatives has a qualified holding or a controlling influence in any company as defined in the Credit Institutions Act;
- c.) since their appointment, an event has occurred that disqualifies them from serving as executive officers.

Reasoning:

The purpose of the modification of AoA is to enable the Company to create the possibility, well-known in the corporate governance practice, for the management functions appearing in the position of Chairman & CEO to be held in separate positions – in the function of the Chairman of the Board of Directors and the CEO – in order to adapt flexibly to the significant international expansion of the OTP Group and the new market challenges. In line with current regulations and legal provisions, the modification keeps the power of decision making whether or not to take the opportunity arising from this modification in the competence of the Board of Directors. The proposed amendment also regulates the distribution of the current duties and powers of the Chairman of the Board of Directors and the CEO in the event that the Chairman of the Board of Directors and the CEO are different persons.

OTP BANK ANNUAL GENERAL MEETING

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Resolution proposals

Resolution proposal no. 5/1/2019

The Annual General Meeting decides to amend the Articles of Association by way of a single resolution in accordance with the proposal of the Board of Directors.

Resolution proposal no. 5/2/2019

The Annual General Meeting approves the amendment of Article 9 Section 4, Article 9 Section 14, Article 10 Section 1, Article 10 Section 2, Article 10 Section 3, Article 10 Section 4, Article 11 Section 6, Article 12/A. Section 1, Article 12/A Section 2 of the Articles of Association in accordance with the proposal of the Board of Directors, as per the annex to the minutes of the Annual General Meeting.

Item 6 on the Agenda

Election of the member of the Supervisory Board

Presented by: **Dr. Tibor Bíró**
Chairman of the Nomination Committee

Election of the member of the Supervisory Board

Considering that Ágnes Rudas, member of the supervisory board notified OTP Bank Plc. on her intention to resign with an effective date of 12 April 2019, a new supervisory board member shall be appointed.

Since Ágnes Rudas was a delegate of the company's employees, the works council has the right to delegate a new supervisory board member replacing her. The works council proposed Klára Bella, director at the Large Corporate Directorate of OTP Bank Plc. as the new member of the supervisory board.



Klára Bella

Graduated at the University of Economics in Budapest and afterwards at the College of Finance and Accountancy.

Between 1992 and 1994 administrator in the Fertőszentmiklós Branch of OTP Bank.

Between 1994 and 1995 credit advisor at Polgári Bank.

Between 1995 and 1996 risk manager at the Central Branch of OTP Bank.

Between 1996 and 1997 credit underwriter at the Credit Underwriting and Risk Management Division.

Between 1997 and 2010 deputy managing director at the Central Branch.

Between 2010 and 2016 director at the Central Branch.

Since 2017 works as the director of Large Corporate Directorate.

OTP BANK ANNUAL GENERAL MEETING

Translation of the Hungarian presentation

12 April 2019

Resolution proposal No. 6/2019

The Annual General Meeting elects Mrs Klára Bella as member of the Supervisory Board of the Company until the Annual General Meeting of the Company closing the 2019 business year but not later than 30 April 2020.

Item 7 on the Agenda

Proposal on the remuneration guidelines of OTP Bank Plc.

Presented by: **Dr. József Vörös**
Chairman of the Remuneration Committee

Remuneration Committee

- Supporting the work of the Supervisory Board of OTP Bank Plc. in matters regarding remuneration policy.
- Its tasks are to draw up recommendations and suggestions, and to elaborate, operate and control the Bank Group's overall remuneration policy.

Risk Assumption and Risk Management Committee

- Its duties include the examination if the remuneration system takes into consideration the risks, the capital and liquidity situation of the credit institution, as well as the probability and sequence of incomes.
- In the course of remuneration policy operation participates in identification and exemption process.

Supervisory Board

- Issuance of the Bank Group's Remuneration Policy, monitoring its implementation within the group.
- Determination of the personal scope.
- Approval of the guidelines relevant to the remuneration structure.
- Approval of the basic criteria for performance measurement and of the target value for the key performance assessment indicator (RORAC) for the assessed year;
- Determination of the amount available for performance-based remuneration within the Bank Group.
- Determination of a system of conditions for share awards.
- Ex-post risk assessments, determination of eligibility for deferred instalments.



... extends to the compliance of the elements making up the framework system of remuneration, and thus especially to

- the institutional and personal effect of the policy, and to the methodology by which such effect is determined,
- the applied ratios of fixed to variable pay,
- the system of performance measurement/evaluation, and
- the means of providing performance-based remuneration, the extent and cycles of deferral/withholding.



Determining the **personal scope** of the Remuneration Policy in line with the relevant provisions of the Credit Institutions Act – while observing the criteria determined in the statutory provisions and the guidelines – is the **task and responsibility of the credit institution.**

The **institutional scope** of the remuneration policy extends to all members of the Bank Group that are subject to consolidated supervision.

The resolution on the persons to whom the Bank Group's Remuneration Policy applies is made by the Bank's Supervisory Board, based on the qualitative and quantitative criteria defined in the RTS (EU Regulation 604/2014).

- The purpose of this set of criteria is to evaluate the impact on the risk profile of the bank group or the local subsidiary.
- Examination of the impact of the institutions subject to the CRR and the material business units subject to the RTS (subsidiaries to which more than 2% of the group's internal capital has been allocated) on employee risk profile.
- The National Bank of Hungary may authorise the exemption of the identified persons from identification based on quantitative or certain qualitative criteria, subject to appropriate justification.
- The Bank's Supervisory Board is entitled to bring under the personal scope of the remuneration policy additional positions not identified on the basis of quantitative and/or qualitative criteria.



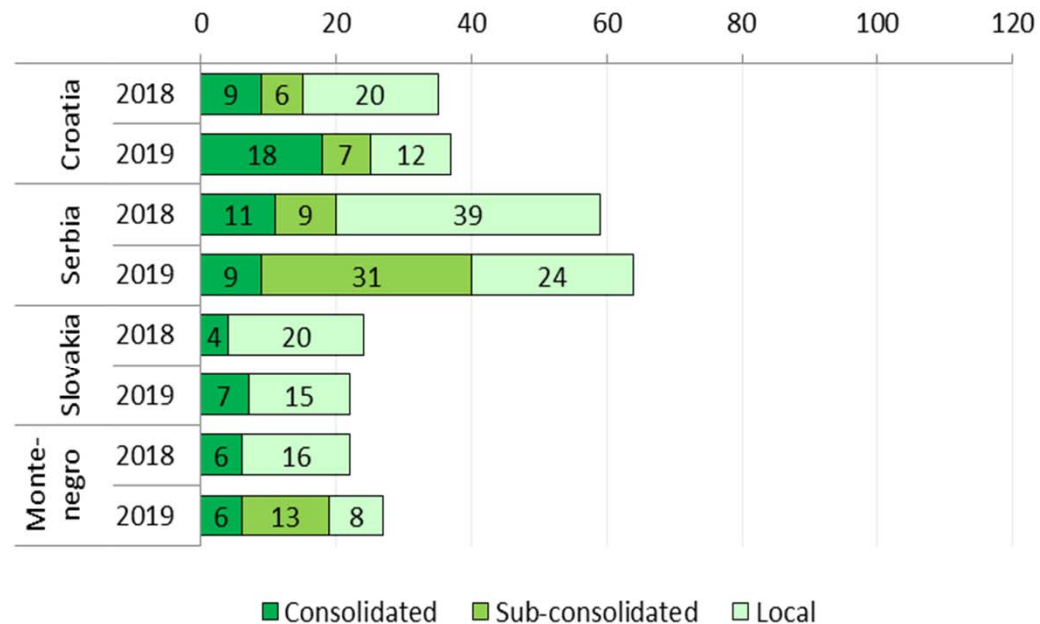
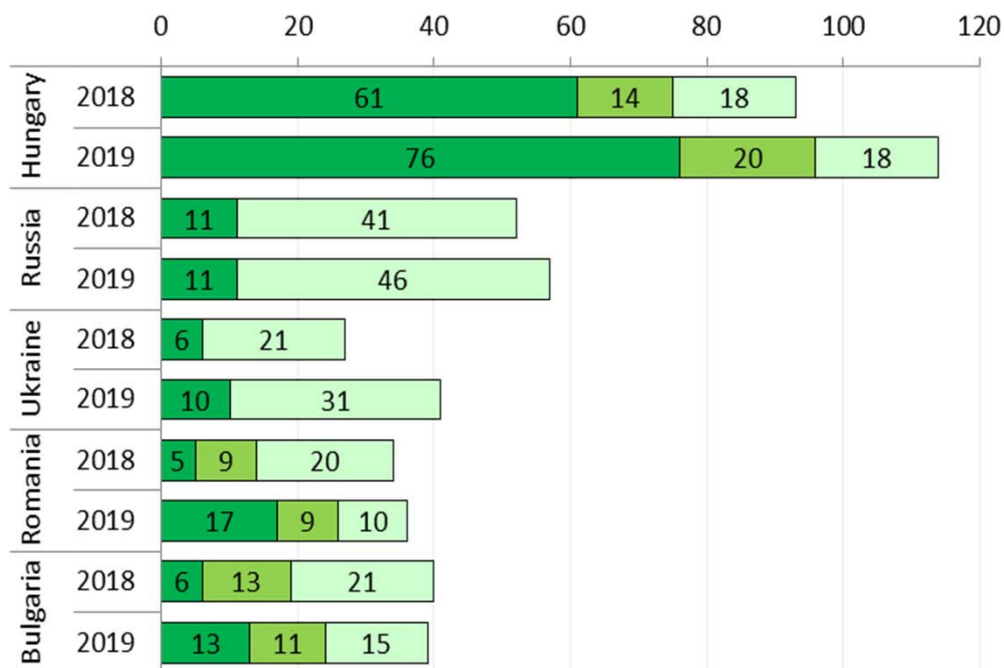
Currently 437 employees fall under the personal scope at the OTP Group



From the identified 437 positions 167 were identified on consolidated, 91 on sub-consolidated, and another 179 on local level.

The personal scope determined in February, which is reviewed by the Bank in June and September with due consideration of organizational changes.

In recent years, the number of identified positions has increased further

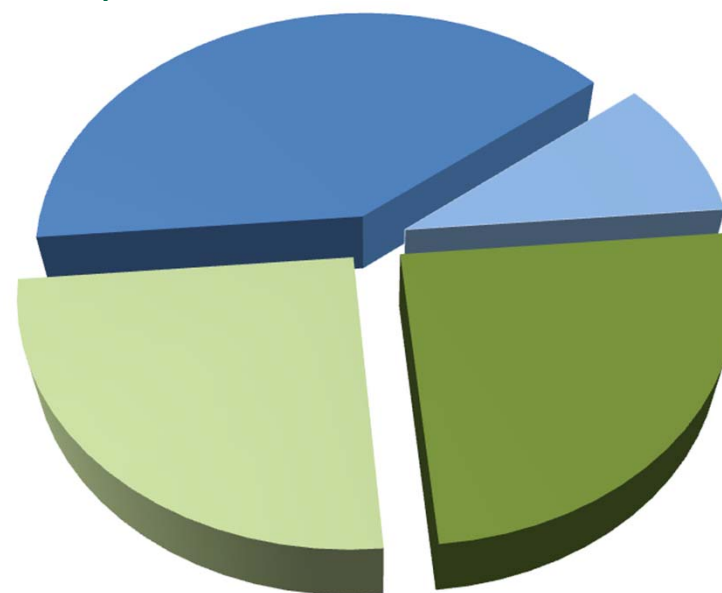


Main impacts:

- organizational changes,
- constant improvement of the identification process' methodology.

Basic principles applicable to the remuneration structure:

- **to assure competitive remuneration;**
- to provide for the recognition of **successful** governance and professional activity;
- to respond effectively to the latest **market trends;**
- **to ensure that the ratio of basic remuneration to performance-based income reflects the position, the duties, and the principles of prudent operation;**
- to ensure compliance with the short and medium-term profit-maximising targets;
- **to provide** the management with a long-term incentive;
- to enable **an alignment of the interests of the management and of the shareholders.**



■ Base salary
■ OTP Plc shares (part of fixed income)
■ Share based performance remuneration
■ Cash based performance remuneration

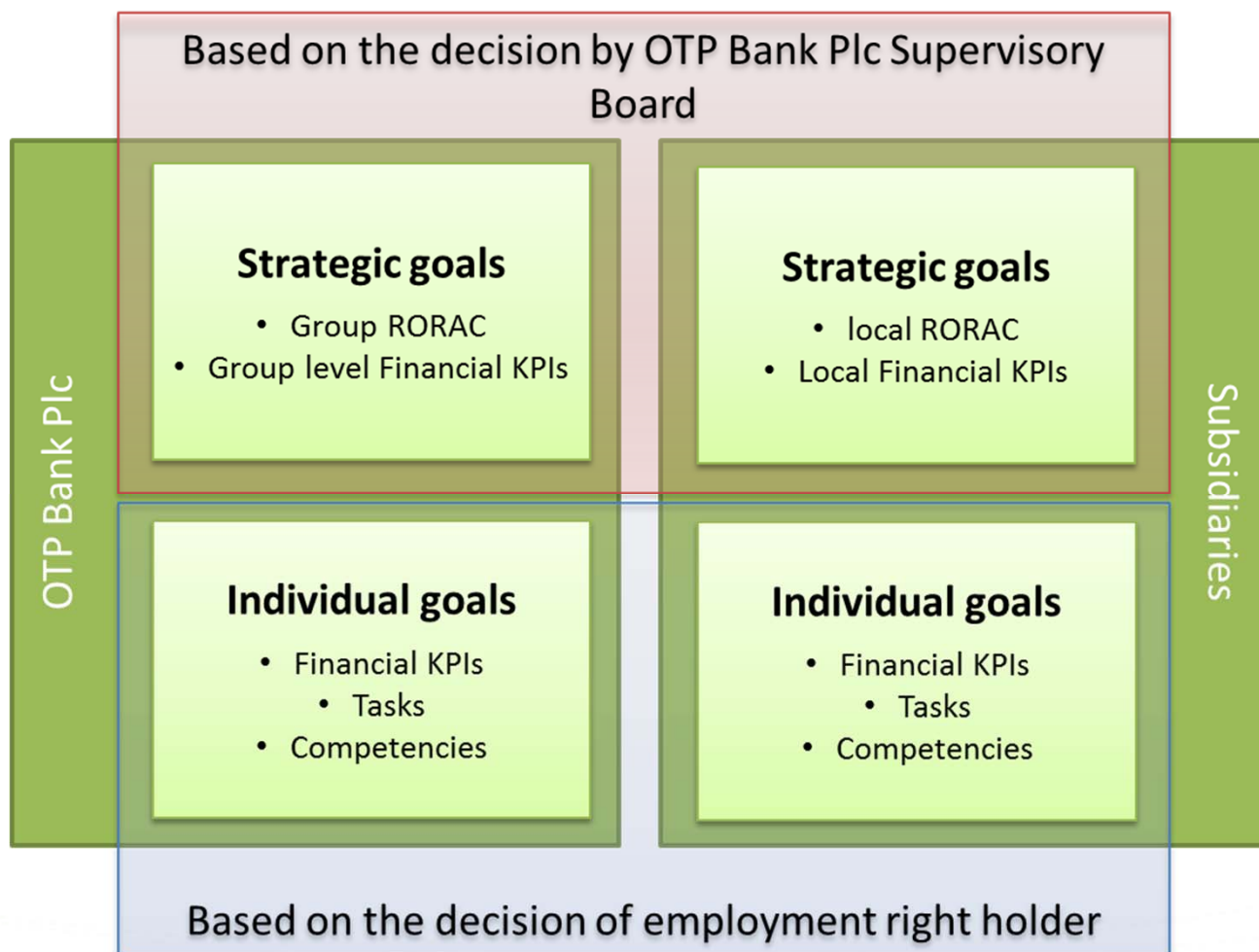


Ratio of performance-based remuneration to full remuneration

		Levels							
		Level 1		Level 2		Level 3		Level 4	
		min.	max.	min.	max.	min.	max.	min.	max.
Institution	Business	35%	50%	25%	50%	14%	40%	0%	25%
	Support	-	-	25%	50%	0%	34%	0%	25%
	Controll	-	-	25%	50%	0%	34%	0%	25%
Non institution		14%	50%	7%	40%	7%	40%	7%	40%

Factors determining the ratio of basic remuneration to performance-based remuneration:

- function, size, complexity and position of the controlled unit within the institution;
- the proportion of the performance-based remuneration may not exceed 100% of the basic remuneration;
- the Bank's Supervisory Board decides on the applicable ratios;
- depending on the specific characteristics of the employment market and in an effort to retain key employees, the ratios may still differ temporarily, in justified cases.



RORAC

- Return on Risk Adjusted Capital
- This measures the return on the risk adjusted capital, and is the ratio of net profit to the regulatory capital required (as per the supervisory requirements).
- The target values are determined by the Bank's Supervisory Board on the basis of the latest annual financial plan.
- It is applied in respect of the entire assessed business year, in the case of domestic and foreign credit institutions belonging to the consolidation circle at consolidated level.

Annual review of the Remuneration Policy – instruments of performance-based remuneration I.

Level	Form of remuneration	Deferral rate	Period of the deferment
Consolidated	Cash (50%) and OTP shares or virtual shares (50%)	60%	min. 3 years (4 years for OTP Bank Plc. Management Board)
Sub-consolidated	Cash (50%) and OTP shares or virtual shares (50%)	40% - 60%	3 years
Local	Cash (50%) and OTP shares or virtual shares (50%)	40% - 60%	3 years

- The conditions applicable to the award are determined by the Supervisory Board of OTP Bank in respect of both the immediate and deferred instalments. The determined conditions always consider the local laws applicable in the country of the subsidiaries.
- OTP Bank Plc.'s Supervisory Board is entitled to carry out limited modifications in order to ease the strict regulations of the remuneration guidelines in respect of the settlement of the performance-based remuneration of staff identified at sub-consolidated and local level, whose annual performance-based remuneration does not exceed EUR 50,000 and whose performance-based remuneration within total remuneration for the year represents a ratio of maximum 25%. These modifications shall not be applied for staff identified on consolidated (group) level.



In the case of share-based remuneration:

- The persons identified on consolidated level may choose between the preferentially priced share award and the remuneration converted into shares option. The persons identified on sub-consolidated or local level are awarded remuneration converted into shares.
- Starting with 2019 the employees of Hungarian subsidiaries identified on sub-consolidated or local level receive OTP shares (instead of virtual shares).
- As a main rule all identified employees in countries besides the European Union and persons identified on sub-consolidated or local level in foreign subsidiaries receive virtual shares.
- When applying the virtual shares, the persons concerned receive, in cash, the equivalent (market) value of the shares that they would have received, subject to the rules on deferral. The Bank's calculation method is confirmed by an independent expert company.

Annual review of the Remuneration Policy – conditions of the share-based award

Maximum number of shares that may be acquired by an employee (m) in relation to the given remuneration year

Maximum amount of the share-based performance remuneration of an employee (m) in the case of the given remuneration instalment (i)

$$N_m = \sum_i \frac{J_{m,i}}{S_i}$$

Value of the share award in relation to the given remuneration instalment (i):

- to be established by the Supervisory Board within 10 days prior to the settlement of the performance-based remuneration;
- The prices of the instalments related to a given remuneration year (short-term, deferred) are determined simultaneously;
- to be determined based on the average of the daily average-price of the ordinary shares issued by OTP Bank, as recorded by the Budapest Stock Exchange, on the three trading days preceding the date of the decision-making;
- in the case of the preferentially priced share award the maximum purchase price discount was HUF 2,000, and the profit content achievable per share was a maximum of HUF 4,000 at the time of vesting the share award.

Employee Share Ownership Plan (ESOP) Organisation

Purpose: to support the Bank Group's Remuneration Policy and encouraging employees

Established: in November 2016, by the Board of Directors of OTP Bank Plc.

Participating subsidiaries: OTP Bank Plc. (founder), OTP Jelzálogbank Zrt., OTP Lakástakarék Zrt., Merkantil Bank Zrt., Merkantil Bérlet Szolgáltató Kft., OTP Pénzügyi Pont Zrt., OTP Ingatlan Zrt., OTP Faktoring Zrt., OTP Ingatlan Befektetési Alapkezelő Zrt., OTP Alapkezelő Zrt. (affiliated subsidiaries).

Number of members: ~620 persons, ~70 identified under the Group Remuneration Policy



The OTP Bank Employee Share Ownership Plan Organisation:

- In case of employees identified under the group remuneration policy it operates in full compliance with the Bank Group's remuneration policy, in accordance with the terms and conditions set out therein.
- The ESOP remuneration policy that determines the operation is adopted by the Supervisory Board (identified positions) and by the Management Committee (non-identified employees) of OTP Bank Plc.
- It creates member's holdings for the members from the assets provided by the founder and the affiliates.
- It provides for settlement of the performance-based remuneration to its members provided that the conditions prescribed in the remuneration policy (result of the performance assessment, retrospective assessment of risks) are fulfilled.
- Starting from 2018 a further group of employees – beyond the persons identified under the Bank Group's remuneration policy – participate in the ESOP Organization.

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Resolution proposal No. 7/2019

The Annual General Meeting in line with the annex of the minutes of the meeting approves the remuneration principles of OTP Bank Plc. and simultaneously empowers the Supervisory Board of the Company to define the rules of the bank group's remuneration policy in detail in line with the remuneration principles.

Item 8 on the Agenda

Determination of the remuneration of the members of the Board of Directors, the Supervisory Board and the Audit Committee

Presented by: **Dr. József Vörös**
Chairman of the Remuneration Committee

The determination of the remuneration of the members of OTP Bank's Board of Directors, the Supervisory Board and the Audit Committee is authority of the Annual General Meeting.



The honorarium of the **members of the Board of Directors** consists of a fixed remuneration settled monthly in Hungarian forint, and ordinary shares of OTP Bank Plc., which determined by General Meeting. The share allowance is settled once a year within 30 days after the date of the General Meeting of OTP Bank Plc., and 50% of the shares are subject to an extended holding obligation (prohibition on sales) up to the end of the end of the beneficiaries' mandates.

The monthly **honorarium of the members of the Supervisory Board** consists of a fixed-amount remuneration settled in Hungarian forint.

The **members of the Audit Committee** do not receive any remuneration.

Fundamental component within the remuneration of the members of the **Board of Directors** is the share-based compensation, which ensures that the members have a long-term interest in implementing OTP Bank's strategic interest, increasing the share price and harmonising the interests of the governing body and the shareholders.

Considering the increase in the value of honorarium provided in the form of ordinary shares, and in addition to the honorarium of member of the Supervisory Board was raised in 2017, **it is advised to keep the amount of the monthly honorarium of members of Board of Directors and the Supervisory Board** as set forth in resolutions No 9/2016 and No 10/2017 of the General Meeting.

In the case of the **Audit Committee** – given the fact that its members are also members of the Supervisory Board – no remuneration is proposed.

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Resolution proposal No. 8/2019

The Annual General Meeting does not modify the honorarium of the members of the Board of Directors and the members of the Supervisory Board as determined in resolutions No. 9/2016 and No. 10/2017 of the Annual General Meeting. The members of the Audit Committee are not to receive any remuneration.

Item 9 on the Agenda

Authorisation of the Board of Directors to acquire the Company's own shares

Presented by: **Dr. Bálint Csere**
Managing Director

Main aims of treasury share purchase

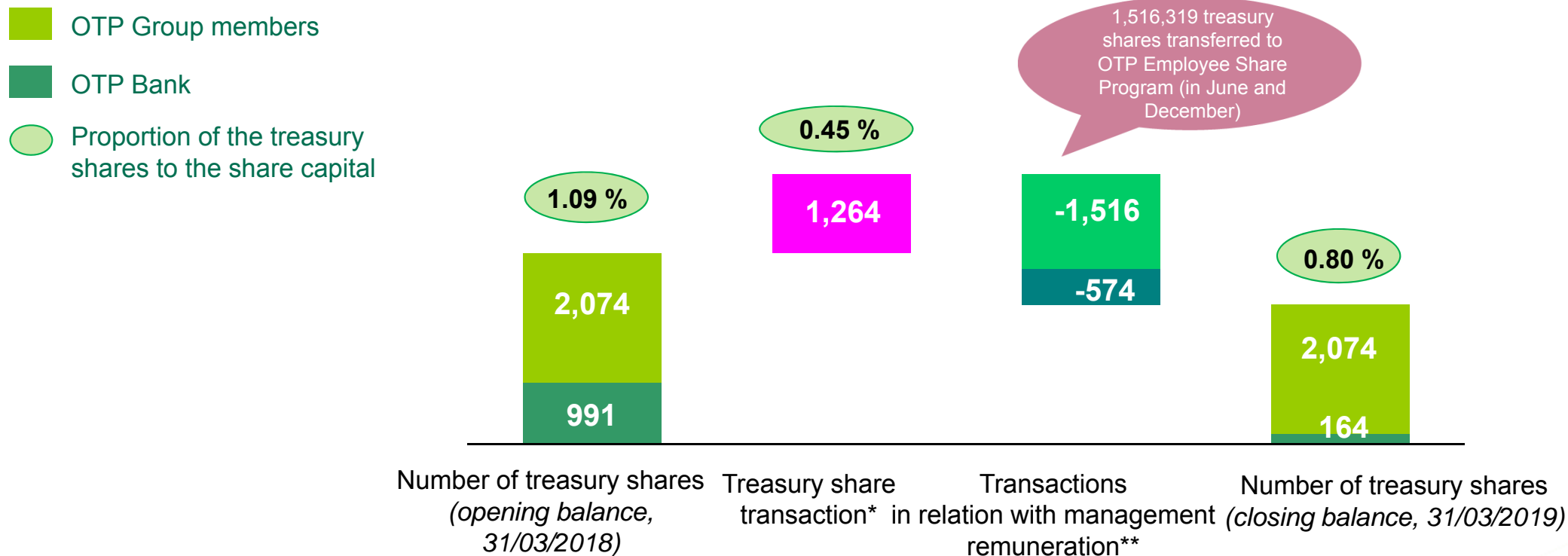
The OTP Bank Plc. is necessary to purchase treasury shares especially for these four reasons:

Remuneration aim	Developing and maintaining the Company's services provided to its customers	Price maintenance	Optimization of the shareholders' equity
Supplying the shares necessary for the management incentives system	Price marking on the regulated market	Creating an opportunity for rapid intervention in the event of share price fluctuation	Implementing transactions related to the optimization of the Company's capital

According to the related EU and Hungarian law every treasury-share purchase transaction of OTP Bank needs to be authorized by the National Bank of Hungary (MNB).

Treasury share volumes of OTP Group decreased - primarily due to transactions to the OTP Employee Share Program Organisation – the current treasury share holding represents 0.80 % of the total share count

Number of treasury shares at OTP Bank and Group members (thousand)



* Shares acquired via treasury share transactions between 01.04.2018 and 31.03.2019, a total of 1,264,004 shares, with a total nominal value: HUF 126,400,400; proportion to the share capital: 0.45%, in the following division:

- Treasury share transactions due to the feasibility of the option calls occurring within the framework of the remuneration policy. Number of acquired shares: 1,250,000, amount of consideration: HUF 13,546,551,010 (average purchase price: HUF 10,837), proportion to the share capital: 0.45%
- Treasury share transaction carried out within the framework of mandatory quotation hedging transaction, and BUX futures trading and investment services activity. Number of shares acquired as part of these transactions: 948,786 amount of consideration: HUF 10,361,438,980 (average purchase price: HUF 10,921), proportion to the share capital: 0.34%; number of shares sold: 934,782 received consideration: HUF 10,173,905,380 (average purchase price: HUF 10,884), proportion to the share capital: 0.33%

** Treasury share transactions related to share-based payments for employees under the remuneration policy between 01.04.2018 and 31.03.2019

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Resolution proposal

Our authorization received in 2018 will expire on 11 October 2019, therefore we ask for the usual authorization from the Annual General Meeting.

Resolution proposal no. 9/2019

The Annual General Meeting, based on the Subsection 1 of Section 3:223 of Act V of 2013 on the Civil Code, hereby authorizes the Board of Directors of OTP Bank Plc. (hereinafter referred to as “Bank”) to acquire own shares of the Bank especially for the purpose of supplying the shares necessary for the management incentives system that is in operation at the Bank, creating the opportunity for rapid intervention in the event of share price fluctuations, developing and maintaining the services provided to customers, and executing transactions related to optimization of the Company’s capital.

The Board of Directors is authorized to acquire a maximum of as many ordinary shares issued by the Bank with a nominal value of HUF 100 that is one hundred forints, as ensures that the portfolio of own shares, in respect of the measure stipulated in the frame-permissions of the Magyar Nemzeti Bank, does not exceed 70,000,000 shares at any moment in time.

Should the acquisition of own shares take place in a reciprocal transaction, then the consideration applied in such transaction may be a minimum of the share’s nominal value, and a maximum of 150% of the highest price recorded on the Budapest Stock Exchange on the day preceding conclusion of the transaction, or, in the case of a stock-exchange transaction, 120% of the closing price recorded on the Budapest Stock Exchange on the day preceding conclusion of the transaction. The Board of Directors may exercise its rights set forth in this mandate until 12 October 2020. The mandate set forth in Annual General Meeting resolution no. 10/2018 shall lose its effect upon the passing of this resolution.

*Under Section 3:222.§ (1) of the Civil Code limited companies shall be entitled to acquire their own shares up to twenty-five per cent of the share capital.

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