

# ANNUAL GENERAL MEETING

Translation of the Hungarian presentation

13 April 2022

## 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 2021, 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 2021;
  - Proposal on the Company's parent company's financial statements in accordance with International Financial Reporting Standards for the year ended 2021 (statement of financial position, statement of profit or loss, statement of comprehensive income, statement of changes in shareholders' 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 2021 (statement of financial position, statement of profit or loss, statement of comprehensive income, statement of changes in shareholders' equity, statement of cash-flows, notes to the financial statements);
  - Report of the Supervisory Board on the annual financial statements for 2021 and its proposal regarding the use of after-tax profit;
  - Report of the Audit Committee on the annual financial statements for 2021 and its proposal regarding the use of after-tax profit;
  - Results of the Independent Auditor's Report for the year ended 2021.
- 2) Approval of the Corporate Governance Report for Y2021
- 3) Evaluation of the activity of the executive officers performed in the past business year; decision on the granting of discharge of liability
- 4) Election of the Company's audit firm, 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 8 Section 18, Article 8 Section 33 Subsection 23 and Article 15 Section 1 of the OTP Bank Plc.'s Articles of Association
- 6) Proposal on the group-level remuneration guidelines of OTP Bank Plc.
- 7) Determination of the remuneration of members of the Board of Directors, the Supervisory Board and the Audit Committee
- 8) 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 2021

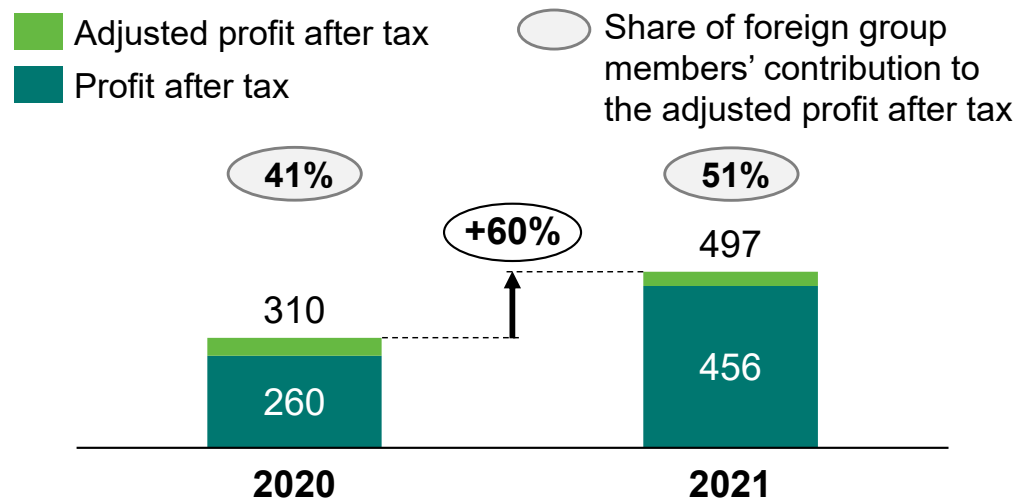
Presented by:

**Dr. Sándor Csányi**

Chairman of the Board of Directors & Chief Executive Officer

In 2021 the Group posted record high results: the profit after tax increased by 76% to HUF 456 billion, whereas the adjusted profit after tax grew by 60% to HUF 497 billion, supported by both improving operating profit and lower risk costs

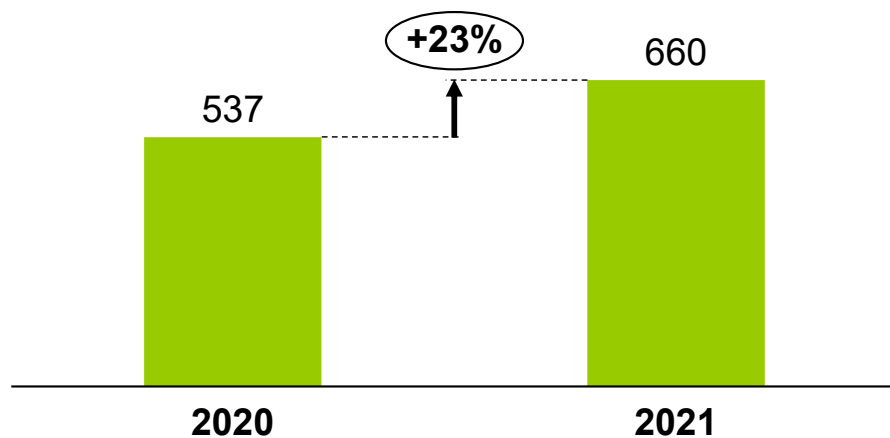
### Profit after tax (in HUF billion)



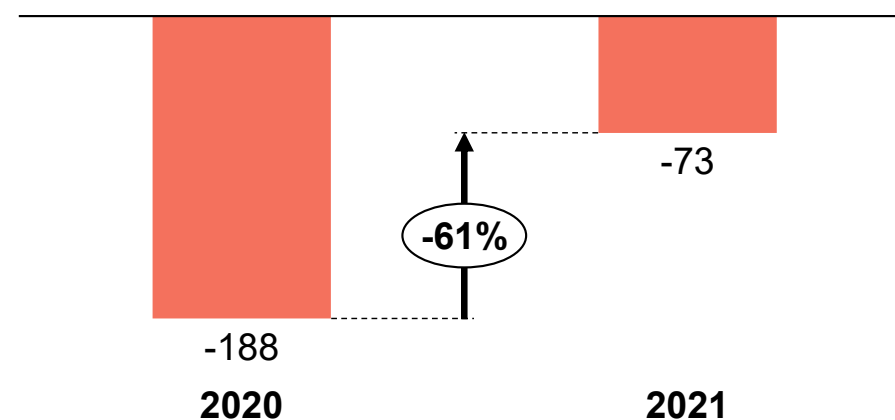
### Adjustment items (after tax, in HUF billion)

	2020	2021
Debt repayment moratorium	-28.3	-15.0
Banking tax	-17.4	-18.9
Effect of acquisitions	-6.9	-15.5
Goodwill/investment impairment charges	0.9	1.9
Effect of treasury share swap	-	6.3
Others	1.1	0.7
<b>Total</b>	<b>-50.6</b>	<b>-40.5</b>

### Operating profit (in HUF billion)

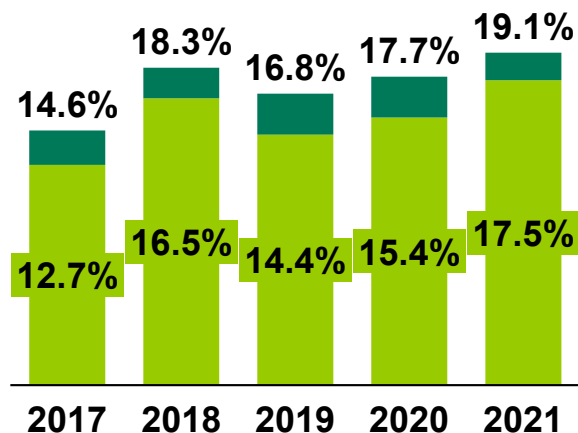


### Total risk costs (in HUF billion)



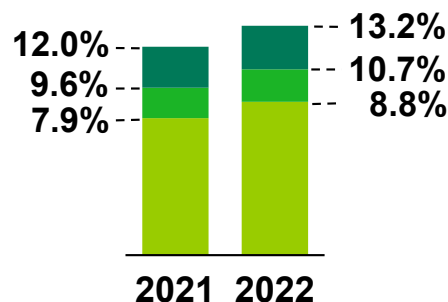
The Group's capital and liquidity position is exceptionally strong: both capital adequacy ratios and liquidity reserves reached record high levels at the end of last year, thus substantially exceeding regulatory minimum requirements

### Actual CAR and CET1 ratios<sup>1</sup>

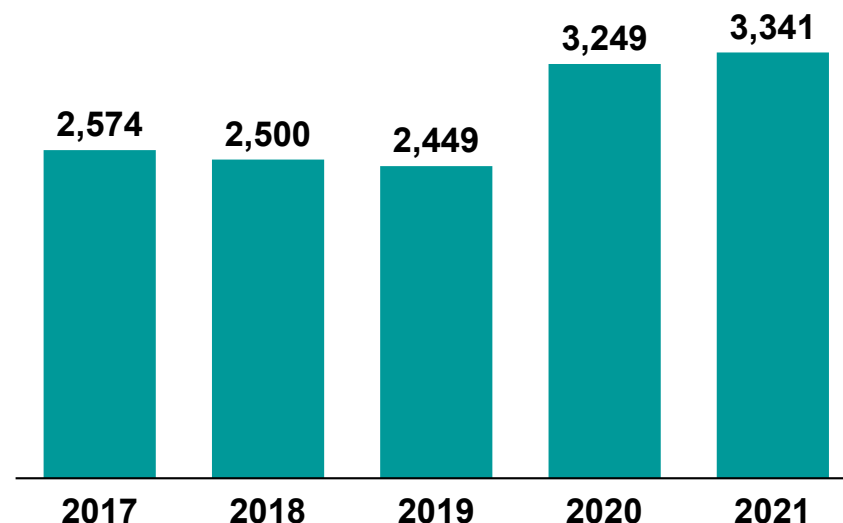


■ CAR ■ Tier1 ratio ■ CET1 ratio

### Regulatory minimum requirements<sup>2</sup>



### Operative liquidity reserves in Hungary (in HUF billion)



### Reasons for the 1.2 percentage points increase in CAR minimum requirement compared to end-2021:

- The SREP ratio for OTP Group increased from 117.25% to 125% starting from 1 March 2022.
- From 2022 the buffer requirement for other systemically important institutions (O-SII) went up from 0% to 0.5%.
- In 4Q 2022 the counter-cyclical buffer level will increase to 1% in Bulgaria and 0.5% in Romania.

### Key liquidity ratios

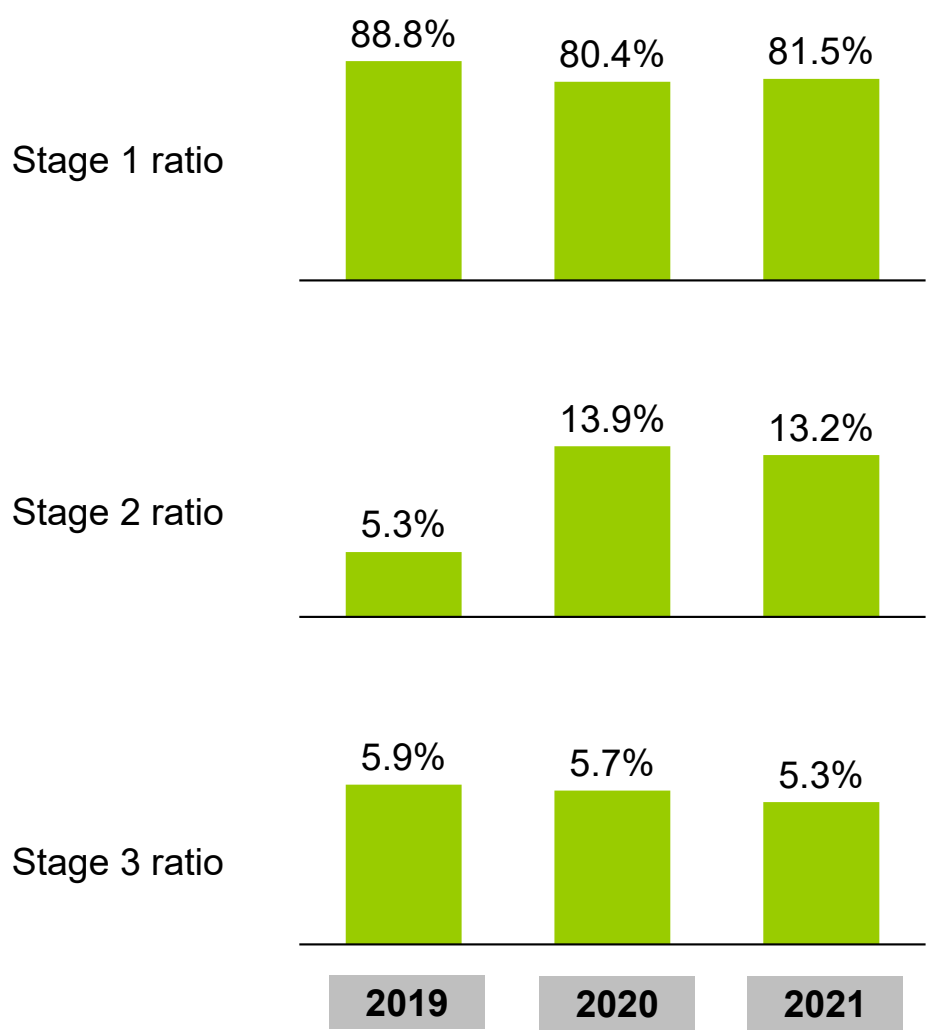
	2021 Threshold	
<b>Net loan/deposit ratio</b>	75%	-
<b>Liquidity coverage ratio (LCR)</b>	180%	≥ 100%
<b>Net stable funding ratio (NSFR)</b>	135%	≥ 100%

<sup>1</sup> Indicators calculated for the scope of accounting (IFRS) consolidation. In the absence of additional core capital (AT1) the Tier1 rate equals to the CET1 rate.

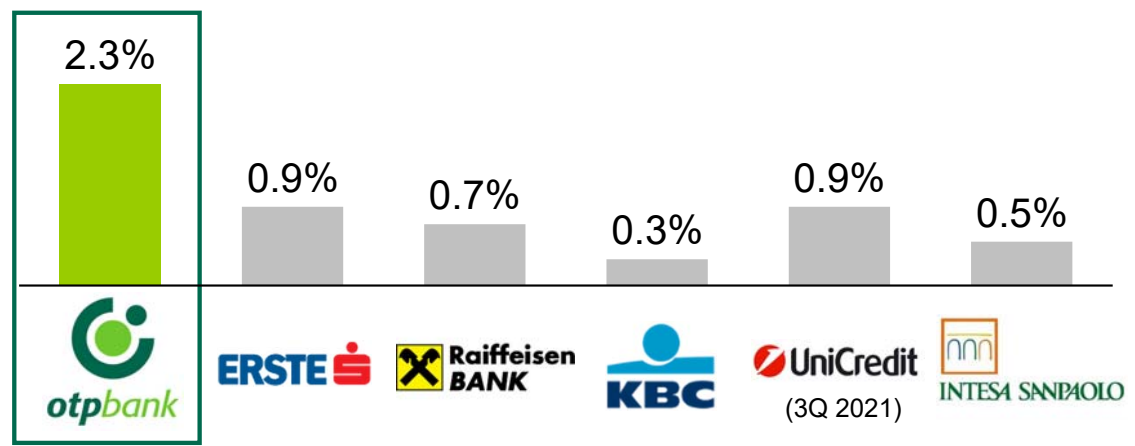
<sup>2</sup> In the absence of additional core capital (AT1) the Tier1 regulatory minimum rate is effective for the CET1 rate, as well.

Credit quality improved in 2021 with the Stage 3 ratio further declining. The management's provisioning policy remained conservative compared to other banking groups active in the region, especially in terms of performing loans' coverage

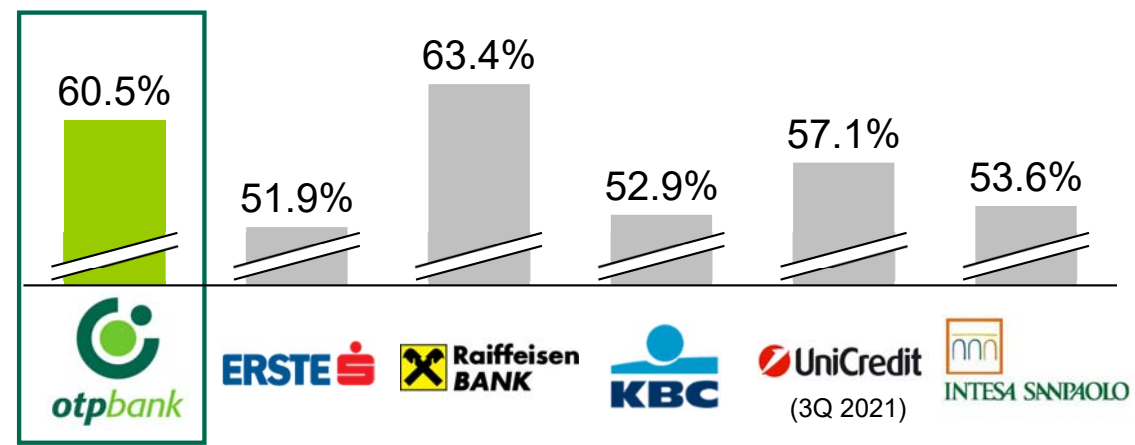
**Development of the Group's main credit quality indicators**



**Own provision coverage of Stage 1 + 2 loans compared to regional competitors at the end of 2021**



**Own provision coverage of Stage 3 loans compared to regional competitors at the end of 2021**



Source: Company reports.



Our improving performance has been recognized with a rain of awards by professional organizations: OTP was named the best bank both in the region and in Hungary by Euromoney, The Banker and the Global Finance magazine

In 2021 OTP Bank was named the best bank in both the CEE region and in Hungary by *Euromoney*.



In addition, OTP's subsidiaries in **Bulgaria, Montenegro and Albania** were chosen as the „Best Bank“ in their respective countries.

In the annual ranking of *The Banker* magazine, member of Financial Times Group, OTP Bank was named the best bank in CEE for 2021.



In addition to this, **OTP Bank Hungary**, the Montenegrin **CKB Bank**, the Croatian **OTP Banka** and the Slovenian **SKB banka** were named as the Bank of the Year.



In the Mastercard - Bank of the Year competition, **OTP Bank** won the bank of the year award in six consecutive years.



Based on the evaluation of Global Finance, OTP was named „**The Safest Bank in Hungary for 2021**“ in the World's Safest Banks ranking.



As the winner of **CEE regional award**, Global Finance honoured excellent private banking services of OTP. Among the members of OTP Group, **CKB Bank** also won this award in Montenegro.



As part of the SME Bank Awards, Global Finance honoured financial institutions that provide the most value for their micro-, small- and medium-sized business clients. OTP Bank was recognized as the **Best SME Bank in CEE region**.



In 2021 OTP LAB has earned the **Best Financial Innovation Labs** award again from the Global Finance Magazine.



**OTP Bank** has been named the **best bank in CEE and in Hungary** for 2022 by Global Finance. OTP subsidiaries in Montenegro (**CKB Bank**) and Slovenia (**SKB banka**) were chosen as „Best Bank“ in their respective countries.



**OTP Bank** won the „Global Finance Best Foreign Exchange Providers“ award in Hungary. OTP's subsidiaries in **Bulgaria and Slovenia** also got this title in their respective countries.

# Sustainability has been promoted into OTP Bank's most important strategic priorities. OTP Bank's Green Lending Framework was the first one in Hungary to receive NBH's approval

## ORGANIZATION

The **whole organization of the Bank and its Subsidiaries are involved in the ESG transformation**, that is steered by the ESG Committee, managed by the Green Program Director as Leader of ESG business transformation.

### Board of Directors

**ESG Committee Standing Executive Committee**  
*Task: Decision making body of OTP in ESG strategy related issues*  
*Chair: Delegate of Board of Directors*

**ESG Subcommittee Operating Committee of ESG Committee**  
*Task: operating body supporting the work of ESG Committee*  
*Chair: Green Program Director responsible for ESG business transformation of the OTP Group*

- ESG risk management
- ESG business transformation
- ESG control function

## STRATEGY

OTP Bank has successfully started implementing its ESG strategy, the main results are as follows:



**Green mortgage bond issuance:**  
 In August 2021 OTP Mortgage Bank was the first to issue a green mortgage bond on the domestic market.  
 Current volume of issued green mortgage bonds: **HUF 95 billion**



**Green Home Programme:**  
 In October 2021 OTP Bank was amongst the first banks joining the programme.  
 Contracted amount of Green Housing loans: **HUF 21 billion**  
 Validated<sup>1</sup> Green Housing loans: **HUF 4 billion**



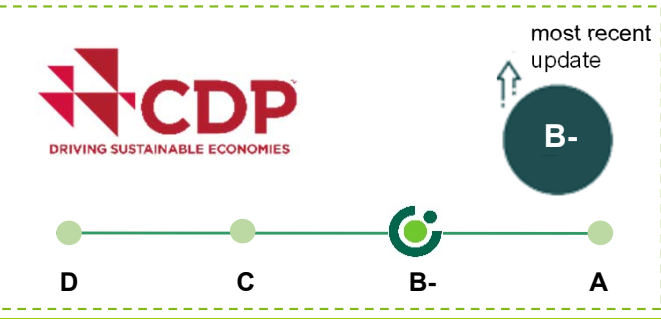
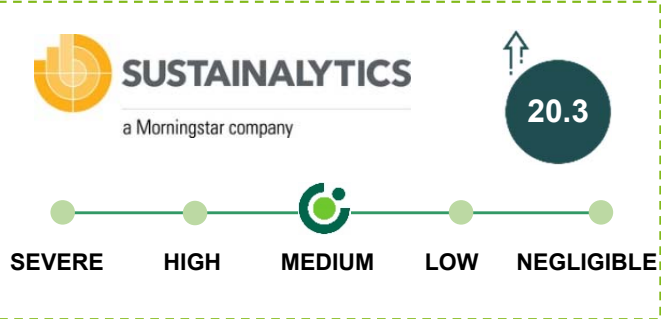
**Green corporate lending:**  
 OTP's Green Lending Framework was the first among domestic banks approved by the National Bank of Hungary. The approval will allow OTP to begin financing green projects of corporate customers.  
 Validated<sup>1</sup> corporate green loans and green bonds: **HUF 67.5 billion**



OTP Bank, as the first bank in Hungary, has become an official **Signatory of the UN Principles for Responsible Banking.**

## RATINGS
















OTP Bank's improving sustainability performance has been recognized with upgraded ratings by the major ESG rating agencies:



<sup>1</sup> Accounted for in the Green Capital Relief Program of the National Bank of Hungary.



Foreign subsidiaries typically achieved double-digit growth in their annual adjusted profit after tax. The Serbian, Romanian and Albanian subsidiaries reached the most dynamic profit growth rate within the Group

		Adjusted consolidated profit after tax (in HUF billion)		Y-o-Y
		2020	2021	
	<b>OTP Group</b>	310	497	60%
	<b>OTP Core (Hungary)</b>	159	213	34%
	<b>DSK Group (Bulgaria)</b>	41	77	87%
	<b>OBH (Croatia)</b>	15	33	126%
	<b>OBSrb (Serbia)</b>	7	32	340%
	<b>SKB (Slovenia)</b>	10	17	74%
	<b>OBR (Romania)</b>	2	4	173%
	<b>OBU (Ukraine)</b>	26	39	49%
	<b>OBRu (Russia)</b>	16	38	131%
	<b>CKB Group (Montenegro)</b>	4	4	-4%
	<b>OBA (Albania)</b>	2	6	182%
	<b>Mobiasbanca (Moldova)</b>	4	6	47%
	<b>OBS (Slovakia)</b>	-1	-	
	<b>Merkantil Group (Hungary)</b>	8	8	4%
	<b>OTP Fund Mgmt. (Hungary)</b>	10	6	-37%
	<b>Other Group members</b>	8	14	78%
	Other Hungarian subs.	8	10	24%
	Corporate Centre	-1	3	
	Other foreign subs and eliminations	0	1	

In 2021 the consolidated loan volume growth exceeded expectations, thus returning to pre-pandemic levels. In Hungary the outstanding growth rate of 19% was mainly supported by the lending schemes subsidized by the State

**Y-o-Y performing (Stage 1+2) loan volume changes adjusted for FX-effect – 2021**

	Cons.	Core <sup>2</sup> (Hungary)	DSK (Bulgaria)	OBH (Croatia)	OBSrb (Serbia)	SKB (Slovenia)	OBR (Romania)	OBU (Ukraine)	OBRu (Russia)	CKB (Monten.)	OBA (Albania)	OBM (Moldova)
Y-o-Y change (HUF billion)	2,020	845	276	147	151	66	170	181	103	1	33	29
<b>Total</b>	15%	19%	11%	10%	10%	7%	21%	41%	18%	0%	18%	22%
<b>Consumer</b>	14%	25%	11%	3%	5%	-2%	19%	30%	12%	-6%	13%	22%
<b>Mortgage</b>	15%	12%	18%	25%	19%	8%	15%			4%	19%	39%
	<b>Housing loan</b>	<b>Home equity</b>										
	15%	-3%										
<b>Corporate<sup>1</sup></b>	16%	21%	6%	6%	11%	13%	27%	49%	59%	2%	19%	14%
<b>Leasing</b>	11%	10%	15%	6%	-3%	0%	23%	35%			7%	6%

<sup>1</sup> Loans to MSE and corporate clients.

<sup>2</sup> The Leasing line shows the change in the leasing portfolio of Merkantil Group.

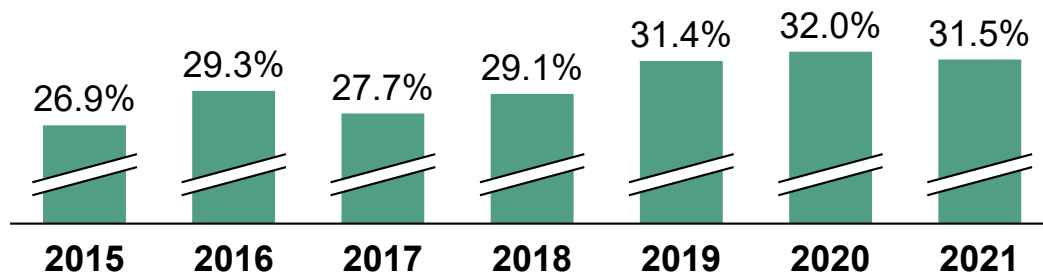


In 2021 the retail business delivered excellent results, the Bank's market share in new mortgage and cash loan placements remained stable or improved. The demand for mortgages was supported by the newly launched home renovation loans and green mortgage loans, too

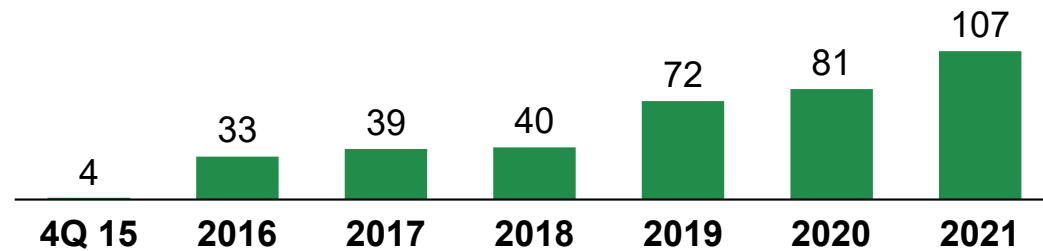
### Y-o-Y change of mortgage loan applications in 2021



### OTP's market share in mortgage loan contractual amounts



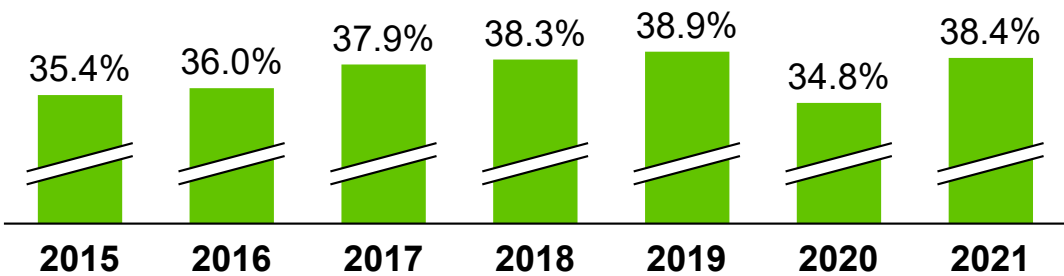
### The amount of non-refundable CSOK subsidies contracted at OTP Bank (HUF billion)



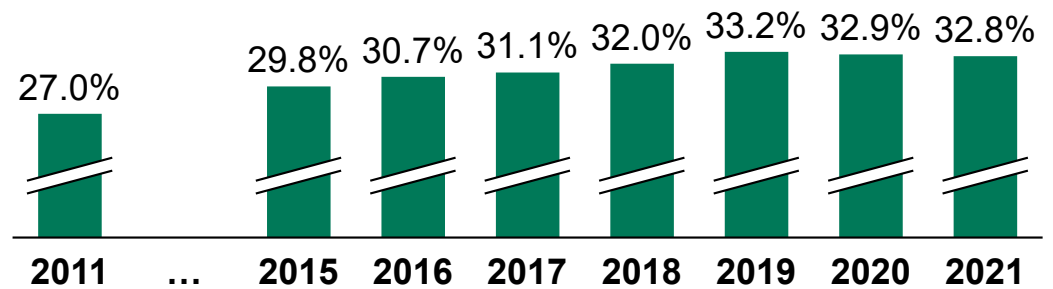
### Performing (Stage 1+2) cash loan volume growth (FX-adjusted)



### Market share in newly disbursed cash loans



### OTP Bank's market share in household savings



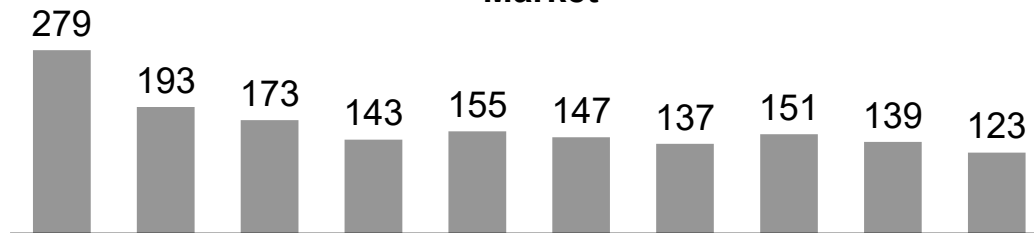


**OTP Bank maintained its above 40% market share in baby loan contractual amounts. The Bank has also been actively participating in the distribution of newly launched subsidized loan products**

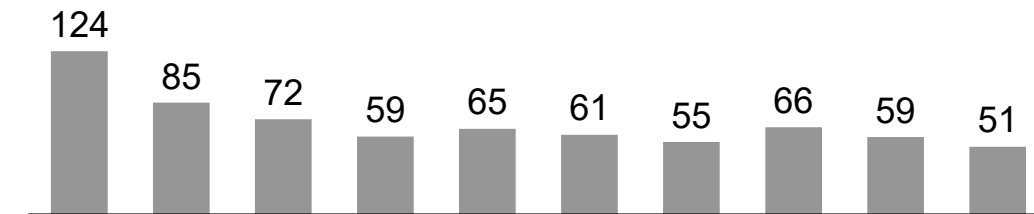
### Baby loans

**Contractual amount (HUF billion)**

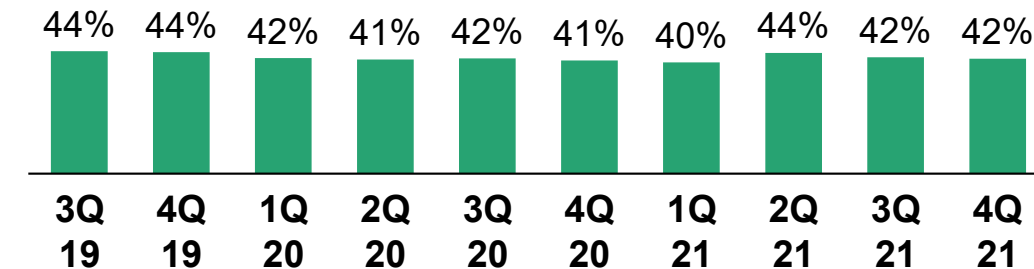
#### Market<sup>1</sup>



#### OTP Bank



**OTP's market share calculated from the contractual amount**



### Home Renovation loan and Home Renovation cash loan<sup>2</sup>

Amount submitted: HUF 52.9 bn Applications submitted: 11,638 pcs  
Avg. loan amount: HUF 4.5 mn Average maturity: 9.3 years

Parents raising at least one child can apply for a Home Renovation loan at a fixed annual interest rate of 3 percent, for up to 10 years. The loan can be applied for from 19 April 2021 with a grace period of up to 1 year, during which only interest is payable.

The Home Renovation personal loan helps to pre-finance the non-refundable home renovation subsidy provided by the State. The loan amount can be between HUF 1 and 10 million, and the term can range from 24 to 120 months, with a fixed interest rate over the entire term.

### Green Home Programme<sup>3</sup>

Amount submitted: HUF 43.3 bn Applications submitted: 2,184 pcs  
Avg. loan amount: HUF 19.8 mn Average maturity: 22.5 years

The Green Home loan can be taken out for the purchase and construction of highly energy-efficient new homes at a fixed annual interest rate of 2.5% until the end of the term. The loan amount can be between HUF 500,000 and HUF 70,000,000, and the term can range from 6 to 25 years.



<sup>1</sup> Based on NBH statistics.

<sup>2</sup> The data are presented for the period January-December 2021.

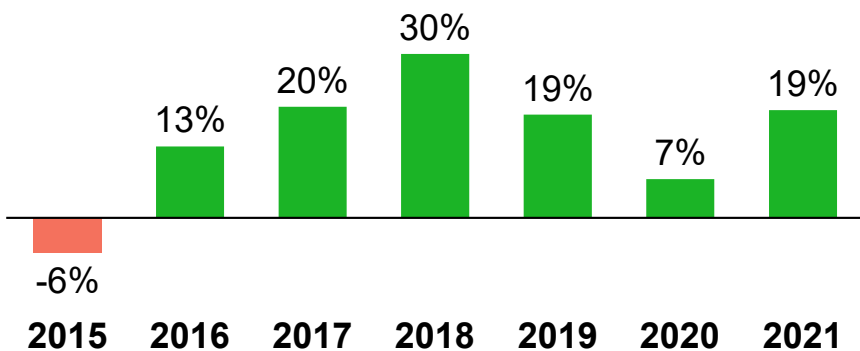
<sup>3</sup> The programme is available since October 2021.



The corporate business also achieved outstanding results: the corporate loan market share hit nearly 19%. MSE lending was helped by the already phased out *FGS Go* and the *Széchenyi Card* program launched in July

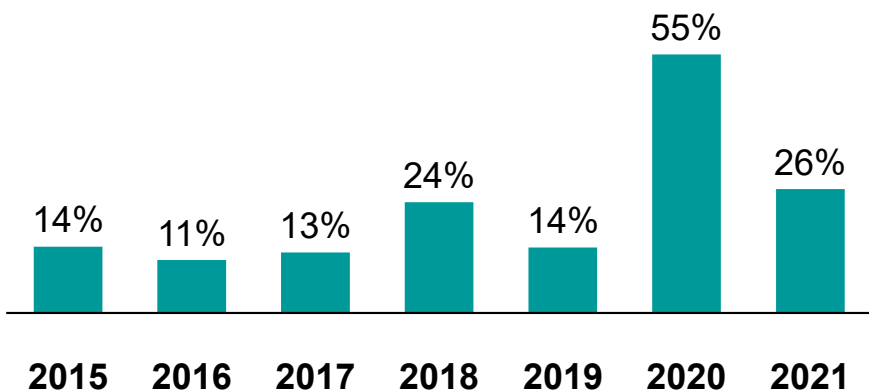
### Performing corporate loan volume changes

(DPD0-90 loan changes until 2018, Stage 1+2 from 2019, FX-adjusted)

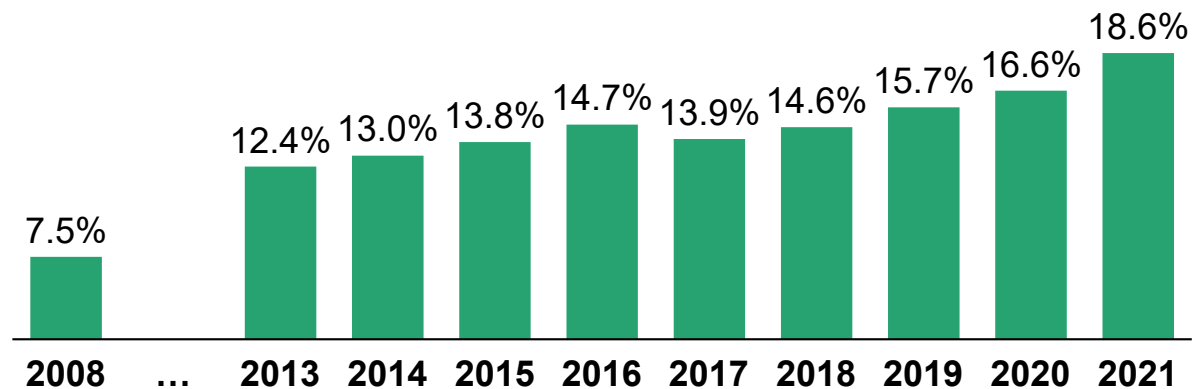


### Performing loan volume changes in the micro and small companies segment

(DPD0-90 loan changes until 2018, Stage 1+2 from 2019, FX-adjusted)

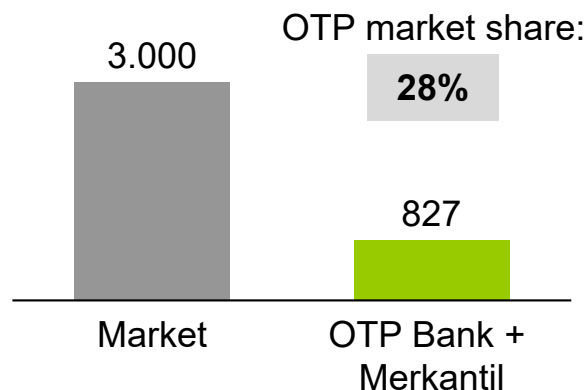


### OTP Group's market share in loans to companies<sup>1</sup>



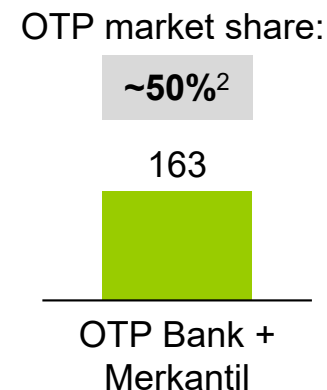
### Contracted amount and market share under the phased-out *Funding for Growth Go!* scheme

(from the start till the end of the scheme, HUF bn)



### Contracted amount and market share under the *Széchenyi Card Go!* scheme

(from the start till the end of 2021, HUF bn)



<sup>1</sup> 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 (based on loans to non-financial companies and other financial institutions).

<sup>2</sup> Market share of OTP Bank. Source: KAVOSZ, OTP.



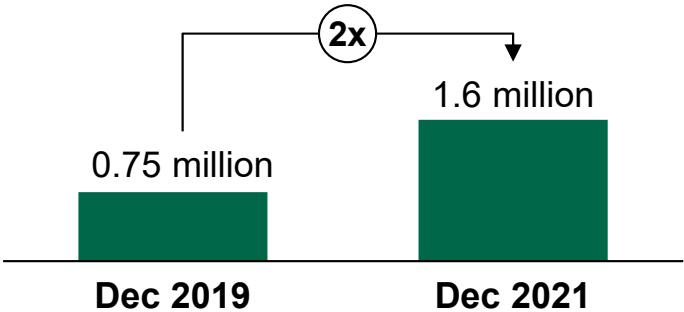
Digital channels kept on gaining ground in Hungary: the share of digitally active, especially mobile banking customers increased, similar to the number of digital transactions. Our market share in the card business remained stably high

**DIGITAL ACTIVITY**

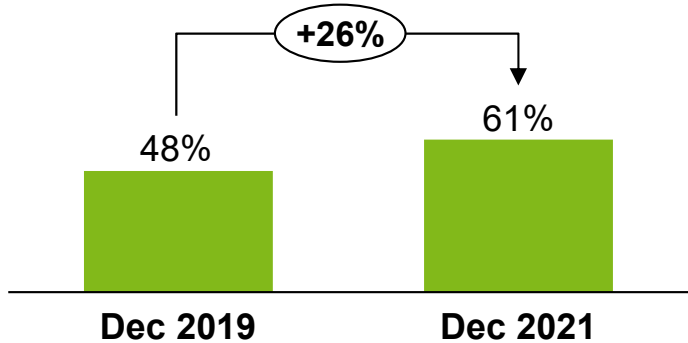
The digital activity of OTP clients has increased significantly which was supported by online campaigns, customer education in branches and continuous development of our digital services



The number of OTP mobile banking app users doubled in the last 2 years, exceeding 1.6 million users

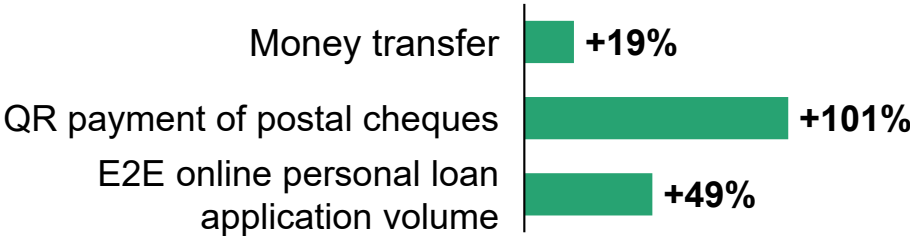


The share of digitally active<sup>1</sup> retail OTP clients increased by a quarter in the last 2 years

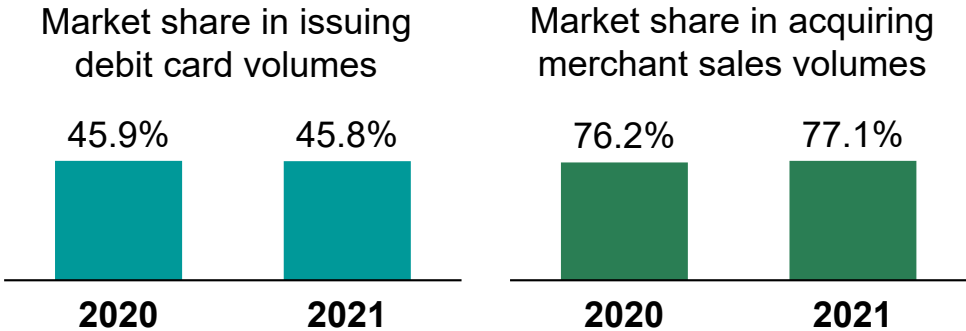


The number of transactions via OTP's digital channels increased significantly

(increase in the number of transactions between 2020 and 2021)



OTP has a dominant market position both as a card issuer and card acquirer



<sup>1</sup> Customers who have logged in to the internet- and/or mobile banking application at least once in 3 months.



As a ground-breaking development, in 2021 both the Internet- and MobileBank was renewed, resulting in a jump in digital customer service level

## DIGITAL DEVELOPMENTS

There were no obstacles to digital developments thanks to the agile operation, therefore we were able to launch new services and processes



### New Internet- & MobileBank



Mobile banking solution of the year  
Marketing communication campaign of the year



Our new digital channels have relevant functionality in all retail businesses:

- Lending - E2E personal loan request also to non-OTP clients
- Savings – Portfolio view
- Daily Banking – PFM (Personal Finance Manager)

### VideoBank service



Our customers can contract for retail account, POS loan, OTPdirekt via VideoBank using remote customer verification. In addition, from 2021 consulting service is also available via VideoBank.

### Selfie current account opening



UX solution of the year



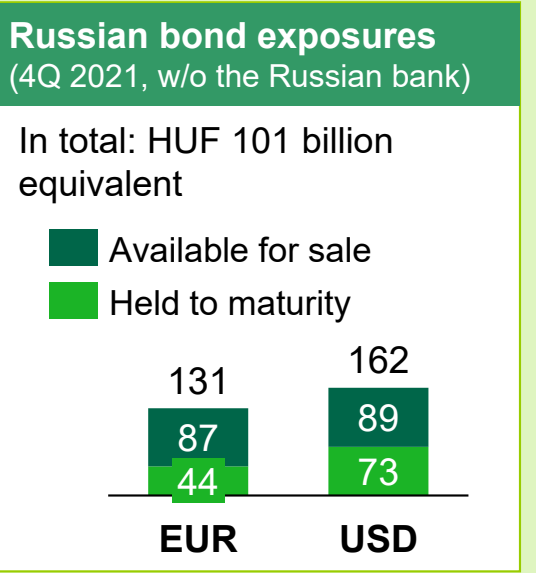
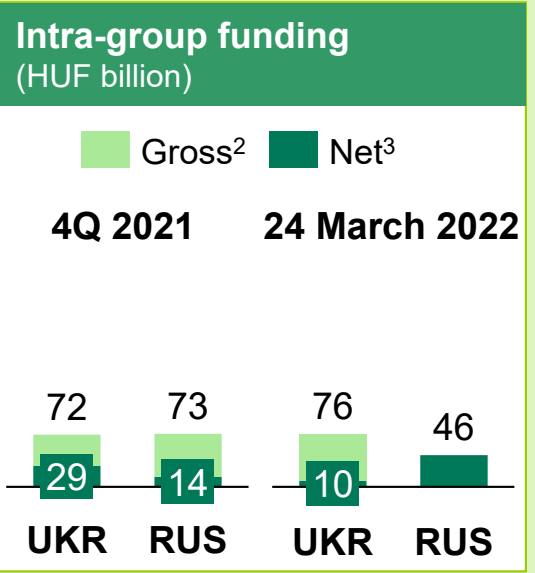
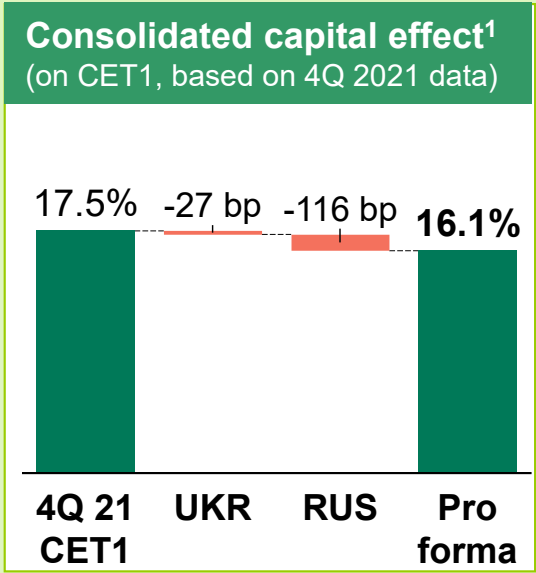
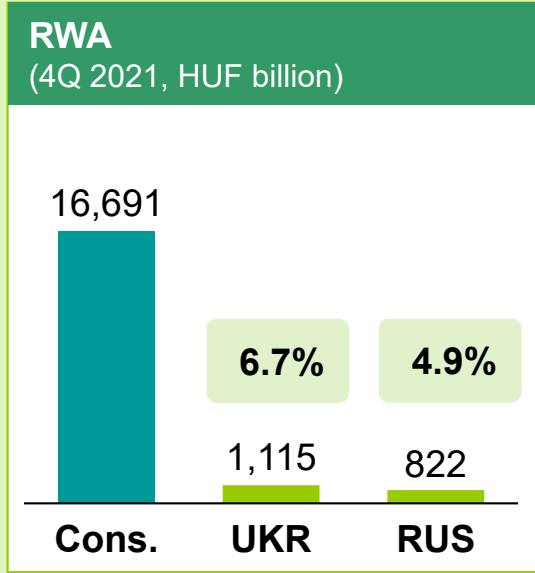
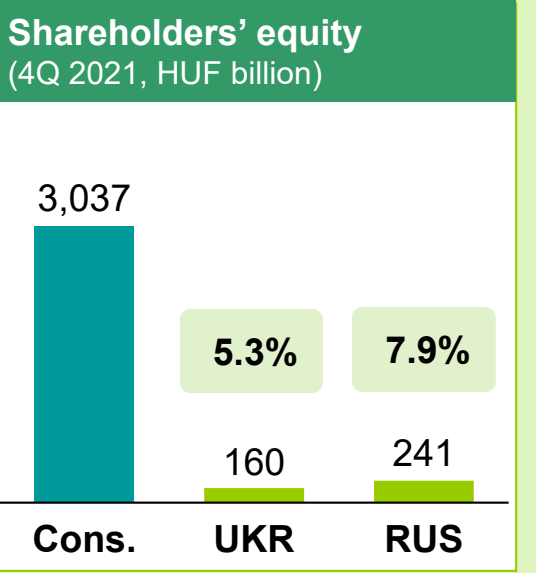
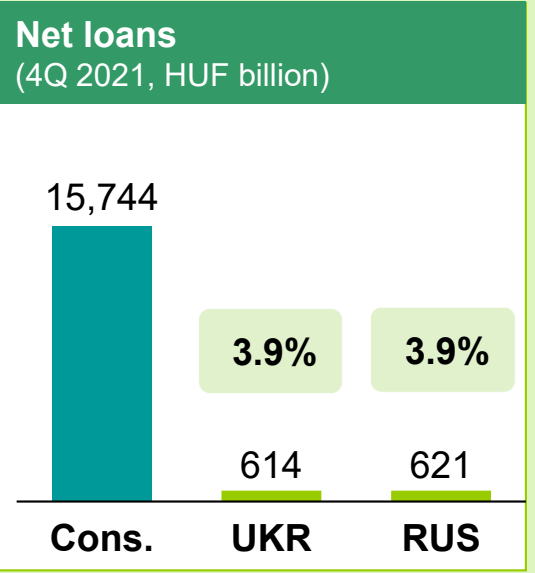
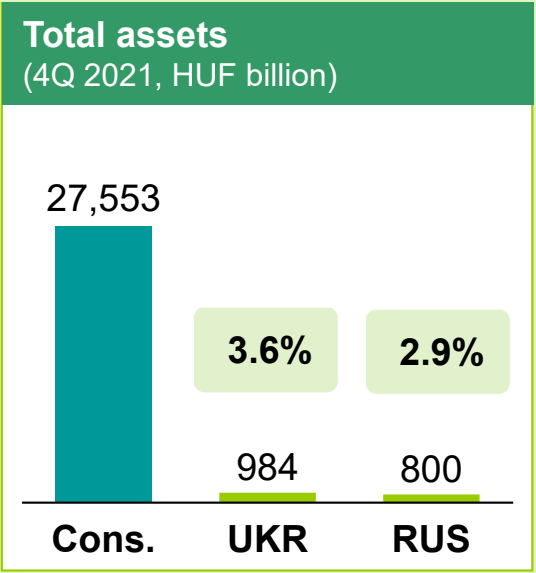
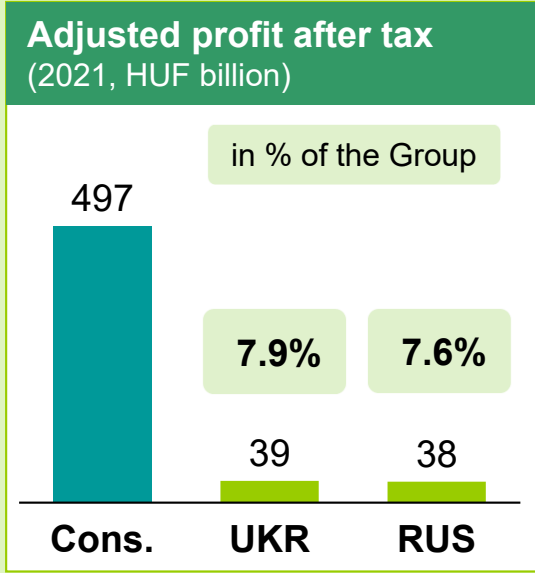
Our future clients can open a new retail account at any time in a few minutes without the help of a branch officer from their home using the SmartBank mobile application.

### Branch & Contact Center front-end system migration



A new, modern, user-friendly front-end system was developed for personal and contact center customer service colleagues enabling them to serve our clients faster and in a more personalized way.

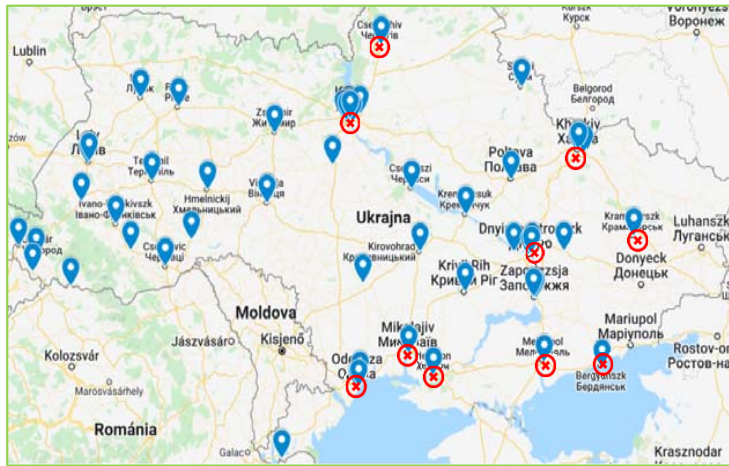
The combined weight of total assets in Ukraine and Russia within the Group is 6.5%



<sup>1</sup> Estimated CET1 impact of Russian and Ukrainian operations based on 4Q 2021 data. The calculation takes into account the shareholders' equity, existing intra-group funding as well as Russian and Ukrainian risk-weighted assets (RWA).  
<sup>2</sup> HUF equivalent of the Group funding provided to the operation of the given country.  
<sup>3</sup> Gross funding less the HUF equivalent of deposits placed by entities of the given country in other members of the group.

Our Ukrainian colleagues have been holding on heroically, as a result, banking services are seamlessly available in most of the country. Deposits have been steadily expanding

### Most of the branches are open



Out of **85 Ukrainian branches**:

- 60 branches are continuously open;
- 14 branches are permanently closed;
- 11 branches work on and off.

⊗ = The branch/certain branches of the town are closed.

### Lending activity and other financial services

Both retail and corporate **lending** has been suspended, but overdraft loans are still available selectively in critical sectors (pharmaceuticals, food, fuel and energy). A decision was made to resume agricultural lending.

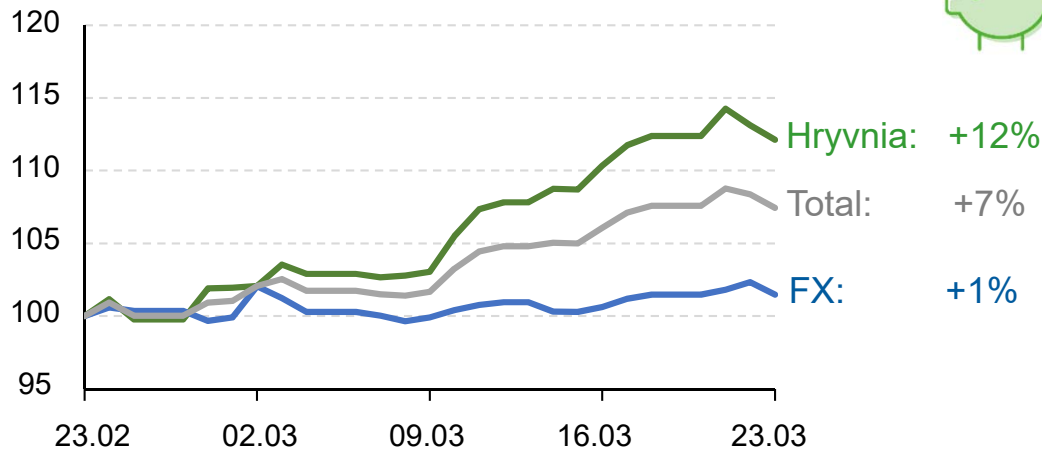


In **retail**, transactions and deposit operations are available to customers (account operations, deposit placements and withdrawals, money transfers).

**Corporate** customers can make transactions and place deposits, whereas active banking operations are limited.

### Strong liquidity position supported by deposit increase

in UAH billion, 23 Feb 2022 = 100



### Regulatory developments


Measures taken by the central bank:

- Fixing USD / UAH exchange rate;
- Prohibition of FX transactions going abroad;
- Restrictions on cash withdrawals in hryvnia and FX (cash withdrawal limit: UAH 100,000 / customer / day);
- NBU will not fine for violating capital adequacy and liquidity ratios and does not restrict activities either;
- Suspension of mandatory reports, postponement of certain enforcement rules.



## Donations by OTP Group and other humanitarian actions help alleviate the damages

### Donations and other support

The Group has so far supported the operation of Ukraine with a donation of HUF 500 million from its own resources. 

OTP Bank donated HUF 100 million to support the cross-border activities of the Hungarian Interchurch Aid.

OTP's Ukrainian customers have so far helped the local defence with a donation of HUF 550 million.

OTP Bank collected HUF 45 million from its customers for the Maltese Charity Service for the care of refugees.

So far, OTP's Hungarian employees have helped their Ukrainian colleagues with a donation of HUF 15 million. In addition, 60 boxes of food, medicine and other daily items were shipped to Ukraine.


Our Bulgarian, Romanian, Moldovan and Montenegrin banks have raised more than EUR 80,000 in donations from clients and colleagues, while our Croatian subsidiary is supporting the studies of Ukrainian refugee students with EUR 10,000.

OTP Leasing Ukraine has handed over 120 cars to the State of Ukraine for use.

The Ukrainian bank paid its annual taxes 2 months earlier.

At its own discretion, the Ukrainian bank granted all its customers a grace period to pay the instalments until the end of April.


### Accommodation to refugees (employees)

The Ukrainian banking group paid a one-time allowance of 10,000 hryvnia to its employees, and provides additional assistance to those in need on an individual basis. 

The Ukrainian bank provides temporary housing for nearly 200 employees and their relatives in Transcarpathia.

In addition, more than 200 refugees stay in the properties of OTP Group in Hungary. The Bank provides a transfer from the border to the accommodation.

### Currency exchange for refugees outside Ukraine

In order to assist refugees, OTP Bank – in cooperation with the Central Bank of Ukraine – exchanges hryvnia banknotes to Hungarian Forint and Moldovan Lei in its designated Hungarian branches from 11 March, and in its Moldovan branches from 9 March. 

The hryvnia banknotes collected are delivered to Ukraine, where they are used by our Ukrainian subsidiary to refill ATMs, mainly in Transcarpathia.

## Management expectations for 2021 were fulfilled. Concerning 2022 outlook, there's a high degree of uncertainty

### Management expectations for 2021 were met

Expectations	2021 Fact	
1. Assuming that positive risk trends continue to prevail, adjusted ROE for 2021 may end up between 18-20%.	18.5%	✓
2. The performing (Stage 1+2) loan volume might expand by around 15% (FX-adjusted).	+15%	✓

### Management guidance for 2022

As for the Russian and Ukrainian operations, potential scenarios vary over a wide spectrum.

Provided that there won't be a meaningful deterioration in the macroeconomic performance for the rest of the Group, i.e. without the Russian and Ukrainian operations, the management guidance for 2022 might develop as follows:

- Performing (Stage 1+2) **organic loan volume growth might be close to 10% y-o-y** (FX-adjusted);
- Following the steady erosion during the last couple of years **the net interest margin may stabilize**;
- The **adjusted profitability indicator may decrease slightly**;
- The **credit risk cost ratio** may double to **around 40 bps**;
- The **operating cost efficiency ratios may be similar to 2021**.



## 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 2021 with total assets of HUF 13,710,471 million and with net profit for the period of HUF 125,339 million. The net profit for the period is allocated as follows: the general reserve must be increased by HUF 12,534 million, HUF 120,248 million shall be paid as dividend from the net profit for the period of which the amount for 2019 and 2020 is HUF 119,248 million and the amount for 2021 is HUF 1,000 million.

The dividend per share is HUF 425.89 for the 2019 and 2020 and HUF 3.57 for 2021, in total HUF 429.46, compared to the face value of shares it's 429.46%. 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 30 May 2022 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 2021  
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

### **Obligations prescribed in the Act on Credit Institutions and Financial Enterprises, as well as in the Act on the Civil Code and in the Committees' own rules of procedure:**

- Examination of material business policy reports,
- Examination of all submissions relating to matters that fall within the exclusive competence of the Company's supreme body, namely the
  - Corporate Governance Report
  - Amendments to the Articles of Association
  - Proposal relating to the Remuneration Guidelines
- Familiarisation with the contents of the stand-alone Annual Financial Statements and the consolidated Annual Financial Statements, and hearing the briefing of the auditor together with the Audit Committee,
- Evaluation of the activities of the senior officers in the previous business year,
- Making a proposal, with the assistance of the Audit Committee, regarding the person and remuneration of the auditor to be selected.

## Findings of the Supervisory Board and the Audit Committee

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

The Bank has compiled its annual financial statements in accordance with the provisions on financial reporting under International Financial Reporting Standards as also adopted by the European Union.

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

The Bank has prepared its consolidated financial statements in line with International Financial Reporting Standards as also adopted by the European Union.

**With the agreement of the Audit Committee, the Supervisory Board of OTP Bank Plc. proposes that, in respect of the 2021 business year,**

- the non-consolidated financial statements prepared in accordance with International Financial Reporting Standards  
**showing a balance sheet total of HUF 13,710,471 million**
- the consolidated annual financial statements prepared in accordance with International Financial Reporting Standards  
**showing a balance sheet total of HUF 27,553,384 million**
- the non-consolidated net profit in accordance with International Financial Reporting Standards  
**in an amount of HUF 125,339 million**

be approved.



**Proposal of the Supervisory Board and the Audit Committee of OTP Bank Plc.  
for the payment of dividends**

The Supervisory Board and the Audit Committee agree with the proposal of the Board of Directors that the **amount of the dividend**

- should be **HUF 425.89** per share for the years **2019 and 2020**,
- and **HUF 3.57** for the year **2021**,

which means a **total dividend of HUF 429.46**

The Supervisory Board and the Audit Committee of OTP Bank Plc. agree that the amount of dividend actually payable to each shareholder should be paid in accordance with the Company's Articles of Association.

Items 1.g. on the Agenda

## Results of the Independent Auditor's Report for the year ended 2021

Presented by: **Zsuzsanna Nagyváradiné Szépfalvi**  
Auditor

# OTP BANK ANNUAL GENERAL MEETING

Translation of the Hungarian presentation

13 April 2022

### Resolution proposal No. 1/2022

*The Annual General Meeting accepts the Board of Directors' report on the Company's financial activity for the year ended 2021, 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 Company's separate financial statements and the consolidated financial statements in accordance with the International Financial Reporting Standards for the year ended 2021, 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 2021 with total assets of HUF 13,710,471 million and with net profit for the period of HUF 125,339 million. The net profit for the period is allocated as follows: the general reserve must be increased by HUF 12,534 million, HUF 120,248 million shall be paid as dividend from the net profit for the period of which the amount for 2019 and 2020 is HUF 119,248 million and the amount for 2021 is HUF 1,000 million.*

*The dividend per share is HUF 425.89 for the 2019 and 2020 and HUF 3.57 for 2021, in total HUF 429.46, compared to the face value of shares it's 429.46%. 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 30 May 2022 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 27,553,384 million, and with net profit continuing operations of HUF 456,312 million. The profit of continuing operations for shareholders is HUF 455,476 million. Net income from discontinued operations is HUF 116 million, and net income from continuing and discontinuing operations is HUF 456,428 million.*

Item 2 on the Agenda

## Approval of the Corporate Governance Report for Y2021

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 2020** the Corporate Governance Committee of the BSE **revised** the Corporate Governance Recommendations (hereinafter referred to as **Recommendations**) and **repealed the recommendations in connection with remuneration** regarding to the provisions of the SRD II Act (Act 67 of 2019 on the incentivisation of long-term shareholder participation and harmonization of particular other acts), which governs remuneration matters as of July 2019.
- However, in the future, **the Committee intends to give interpretations and guidance to complement these legal provisions** as relevant experience is learnt and gathered. New recommendations derived from this experience shall replace the repealed or amended ones.
- The new Recommendations were approved by the BSE Board of Directors on 8 December 2020 and **entered into force on 1 January 2021**.

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

## Board and committee meetings in the Bank:

BOARD, COMMITTEE	NUMBER OF MEETINGS	NUMBER OF VOTINGS IN WRITING	NUMBER OF DECISIONS TAKEN
Board of Directors	9	180	340
Supervisory Board	6	90	193
Audit Committee	2	28	45
Management Committee	15	45	486
Other	214	207	2,576
<b>TOTAL</b>	<b>246</b>	<b>550</b>	<b>3,640</b>

## 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
- The Bank's Nomination Committee in 2021 approved its strategy on creating gender equality, which amongst others contains the criteria that both the Board of Directors, both the Supervisory board should have at least one woman member
- 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, both the Board of Directors and the Supervisory Board has one female member

## Group governance

Group members*	Number	Number of employees**
OTP Bank Plc.	1	9,841.9
Domestic subsidiaries	20	1,200.3
Foreign subsidiaries	38	26,823.5
<b>Total *</b>	<b>59</b>	<b>37,865.7</b>

\* Companies under consolidated supervision according to Hpt.

\*\* 31.12.2021 closing headcount in FTE

## Full governance and control in individual operational processes of the Bank

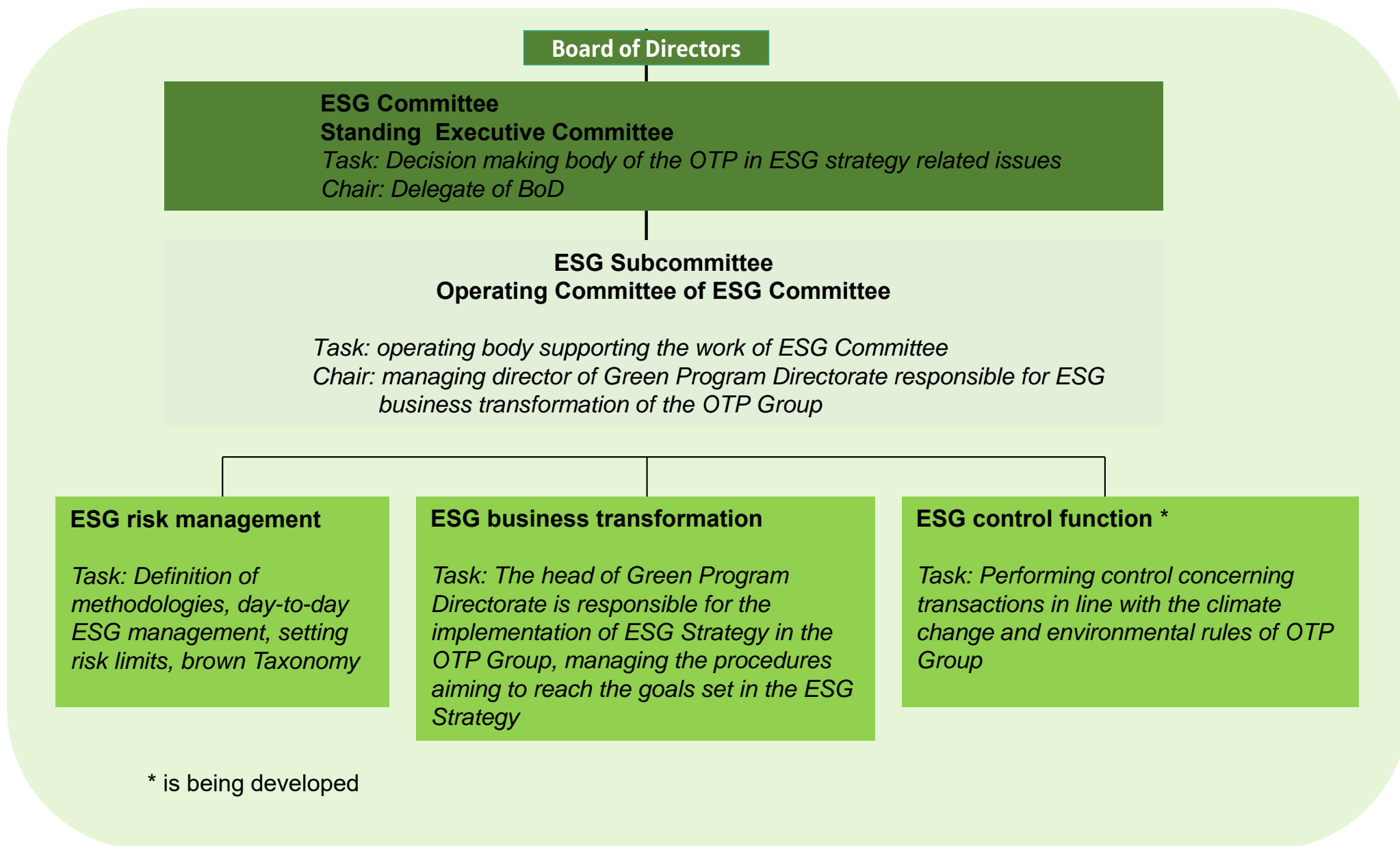
- **Internal audit** (203 audits, 1.478 accepted proposals);
- **Risk management** (463.789 credit decisions);
- **Compliance**: 18 closed consumer protection related investigations;
- **Bank security**: the expected value of damages resulting from detected criminal offenses is HUF 447,124,093, HUF 460,655,117. In 2021, we filed an official complaint in 620 cases on suspicion of money laundering. There is a slight decrease in 2021, when this number changed from 4,438 in the previous year to 4,432, a decrease of 8.4%. In the case of OTP, the ratio of bank card misuse to turnover is still lower than the European average published by MasterCard (last year's figures: OTP Bank 0.0071%, European average 0.0414%);
- 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
  - 198 Financial Arbitration Board proceedings were launched against Hungarian members of the OTP Banking Group
  - number of justified complaints in the Hungarian members of the OTP Banking Group: 155,298, approximately 1 justified complaints per 12,700\* customer interactions

\*Total number of customer interactions : 1.969.625.326





## Commitment to society and environment

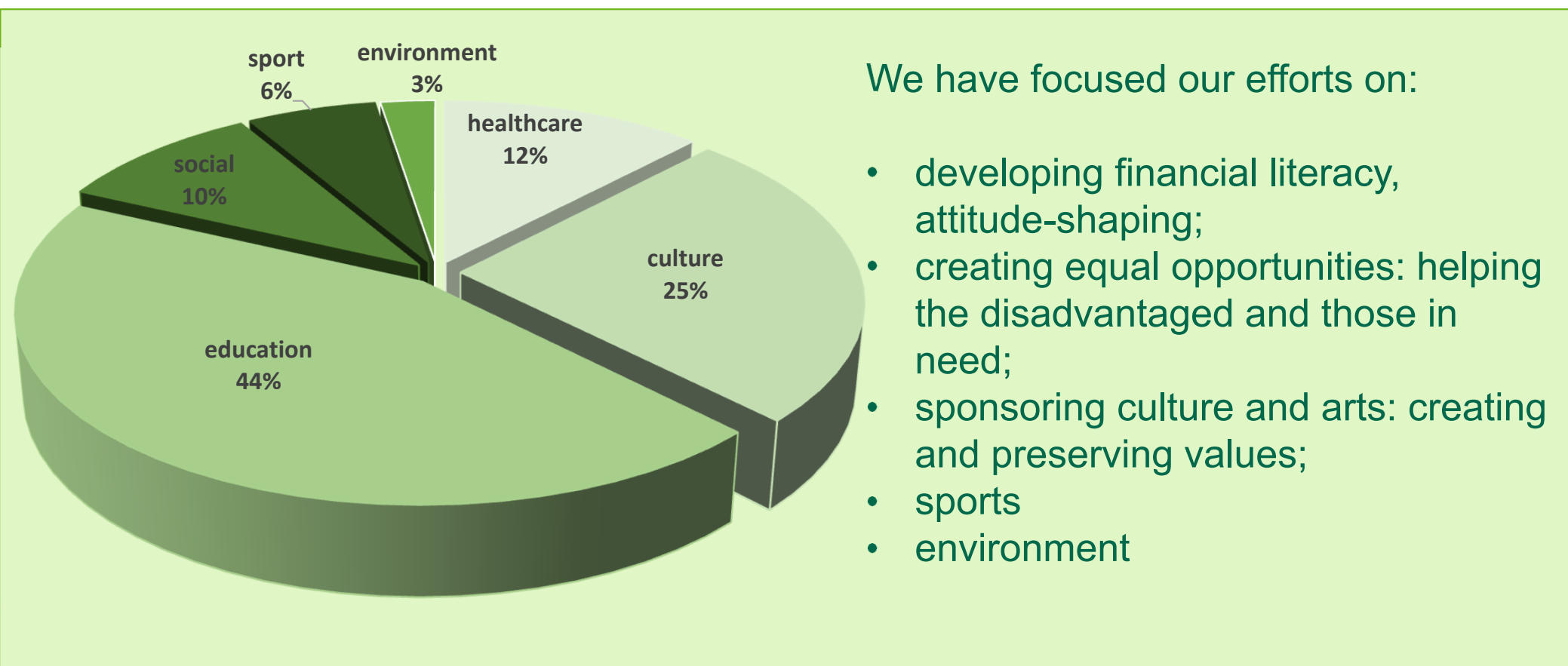
As one of Hungary's largest donors in the magnitude of billions, in addition to financial assistance we are launching an increasing number of projects that are implemented and developed at the Bank's initiative, through the engagement of non-governmental or professional partners.



 **otpFáyAndrás**  
Alapítvány

- **Flagship – OKEducation and Innovation Centre**
- **international project (operating in 2 countries)**
- **more than 30 training modules available**
- **nearly 20,000 students trained for free in Hungary**
- **through Roma Education Fund minority youth also participated**

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



**BSE Recommendations (due diligence):**

Year	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Number of recommendations:	140	140	140	151	151	151	151	151	151	85	85	72	72
Number of 'yes':	109	110	108	117	118	127	128	128	130	85	85	72	72

# OTP BANK ANNUAL GENERAL MEETING

Translation of the Hungarian presentation

13 April 2022

### Resolution proposal No. 2/2022

*The Annual General Meeting approves OTP Bank Plc.'s 2021 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 Board of Directors of OTP Bank Plc.

- Met regularly in accordance with its annual work schedule
- Continuously monitored
  - the development of the Bank's business results, the changes in the quality of the Bank Group's portfolio, its financial position and its business activity on the basis of the reports requested from the management and the interim reports approved by the auditor,
  - compliance with the statutory regulations and recommendations applicable to the Bank's activity,
  - current issues concerning the operation of the Bank.
- Passed resolutions and decisions, and held persons accountable for their implementation
- Prepared for presentation to the General Meeting
  - the Bank's annual financial statements and consolidated annual financial statements,
  - its Corporate Governance Report,
  - its proposal regarding the amendment of the Bank's Articles of Association.
- Complied with
  - its obligation to publish information that is to be disclosed to the public,
  - the provisions of the Budapest Stock Exchange's Corporate Governance Recommendations.
- Assured
  - a high-level corporate governance system that meets domestic and international requirements
  - compliance of the Bank's internal control functions with strict requirements.

The Supervisory Board of OTP Bank Plc. judges that in 2021 the Bank's Board of Directors fulfilled its duties prescribed in the relevant statutory provisions and in the Bylaws of OTP Bank Plc., as per the details presented in the foregoing. In the course of its operation, it conducted its activities with a view to preserving shareholder value and in accordance with the Company's best interests.

The Supervisory Board recommends that, following an assessment of their activity conducted in the past business year, the General Meeting grant the members of the Board of Directors discharge from liability.

# OTP BANK ANNUAL GENERAL MEETING

Translation of the Hungarian presentation

13 April 2022

### Resolution proposal No. 3/2022

*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 2021 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 2021.*

## 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**

**Ernst & Young Ltd.** (001165)  
H-1132 Budapest, Váci út 20.

**Individual auditor**

**Zsuzsanna Nagyváradiné Szépfalvi**  
(005313) chartered auditor

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

**Zsolt Kónya**  
(007383) chartered auditor

The total fee of auditing for the audit of separate and consolidated annual financial statements for the year 2022, prepared in accordance with International Financial Reporting Standards

**HUF 279,990,000 + VAT**

From this:

Audit fee of the separate annual accounts:	HUF 164,700,000 + VAT
Audit fee of the consolidated annual accounts:	HUF 115,290,000 + VAT



# OTP BANK ANNUAL GENERAL MEETING

Translation of the Hungarian presentation

13 April 2022

### Resolution proposal No. 4/2022

*Concerning the audit of OTP Bank Plc.'s separate and consolidated annual financial statements in accordance with International Financial Reporting Standards for the year 2022, the Annual General Meeting is electing Ernst & Young Ltd. (001165, H-1132 Budapest, Váci út 20.) as the Company's auditor from 1 May 2022 until 30 April 2023.*

*The Annual General Meeting approves the nomination of Zsuzsanna Nagyváradiné Szépfalvi (No. 005313 chartered auditor) as the person responsible for auditing. In case any circumstance should arise which ultimately precludes the activities of Zsuzsanna Nagyváradiné Szépfalvi as appointed auditor in this capacity, the Annual General Meeting proposes the appointment of Zsolt Kónya (No. 007383 chartered auditor) to be the individual in charge of auditing.*

*The Annual General Meeting establishes the total amount of HUF 279,990,000 + VAT as the Auditor's remuneration for the audit of the separate and consolidated annual financial statements for the year 2022, prepared in accordance with International Financial Reporting Standards. Out of total remuneration, HUF 164,700,000 + VAT shall be paid in consideration of the audit of the separate annual accounts and HUF 115,290,000 + 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 8 Section 18, Article 8 Section 33 Subsection 23 and Article 15 Section 1 of the OTP Bank Plc.'s Articles of Association**

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

### Summary of the proposal

- **to include in the Articles of Association the possibility provided by the statutory amendment to hold a reconvened General Meeting on the same day as the General Meeting failed to have a quorum. (ARTICLES OF ASSOCIATION Section 8.18.)**
- **In the case of financial assistance falling within the exclusive competence of the General Meeting, the provisions of the Civil Code, determining an exception thereof, be indicated. (ARTICLES OF ASSOCIATION Section 8.33.23.)**
- **Technical amendment, the address of the MNB's website needs to be clarified in the publications section of the Articles of Association. (ARTICLES OF ASSOCIATION Section 15.1.)**

## [The Company's General Meeting]

- „8.18. If a properly convened General Meeting is inquorate, the reconvened General Meeting – convened at the time and place specified in the notice described in section 8.13. – shall be quorate with respect to the items on the original agenda, regardless of the extent of voting rights represented by those in attendance. A reconvened General Meeting may be convened on the same starting date as the inquorate General Meeting. A reconvened General Meeting shall be convened no later than twenty-one days after the date of the inquorate General Meeting. Should the agenda of the General Meeting contain a proposal regarding the termination of trading in the shares in all regulated markets (hereinafter: delisting), the reconvened General Meeting shall have a quorum with regard to this agenda item if the shareholders representing more than half of the votes embodied by the voting shares are in attendance.”

### Reasoning:

**We propose to amend Article 8 Section 18 of the Articles of Association on the date of a reconvened General Meeting due to a failure of having a quorum.**

**The latest amendment to the Civil Code (Ptk.), effective from 1 January 2022, again provides for the possibility of holding a reconvened General Meeting on the same day of the General Meeting failing to have a quorum. However, the company may exercise this legal option only if it is determined in the Articles of Association. (Otherwise, the law requiring the date of the reconvened general meeting to be convened for a minimum of 10 days and a maximum of 21 days after the date of the original General Meeting shall continue to apply.) The proposed text would state that the date of a reconvened General Meeting may be on the same day as the original General Meeting.**

## **[The Company's General Meeting]**

„8.33. The General Meeting has exclusive authority with respect to the following matters:

23. the provision of financial assistance to a third party for the acquisition of shares issued by the company; (qualified majority). The General Meeting does not have exclusive competence over transactions that directly or indirectly facilitate the acquisition of shares by employees of the Company, including employees of companies controlled by the Company, or by organizations set up by their employees for such purpose, or transactions entered into by the Company in the ordinary course of business.”



## PROPOSAL CONCERNING THE AMENDMENT OF THE REGULATION OF THE FINANCIAL ASSISTANCE (AOA [ARTICLES 8 SECTION 33 SUBSECTION 23])

### Reasoning:

In accordance with EU regulations, the regulations of the Civil Code have been modified related to the so-called financial assistance. Financial assistance according to the terminology of the Civil Code shall mean when a company provides any financial assistance (e.g., a loan) to a third party to acquire the shares issued by the Company itself.

The provision of financial assistance of the Civil Code according to its general rule shall have the following conditions: (1) it can be debited only under market conditions, (2) it can be used for the payment of dividends, and (3) a resolution of the General Meeting with a majority of at least three-quarters is required.

According to the latest amendment to the law, the above preconditions do not apply to transactions (i.e. financial assistance may be provided without them) where the public limited company is willing to give financial assistance to its own employees or to employees of a majority-owned domestic subsidiaries, or to an organization set up for such purpose by their employees and also if the company is a bank for such transactions which are in line with its ordinary course of business.

In order to ensure consistency with the amendment of the Civil Code to the Articles of Association, we propose to amend the relevant section of the Articles of Association by including the above-mentioned exceptions created by the Civil Code related to financial assistance within the exclusive competence of the General Meeting. Moreover, no financial assistance may be granted if the company's own funds do not reach, or would not reach, the company's share capital as a result of the financial assistance.

### [Notices]

„15.1. The Company publishes its notices specified in the statutory regulations and in these Articles of Association and announcements on its own website ([www.otpbank.hu](http://www.otpbank.hu)), on the website of the Budapest Stock Exchange (BSE) ([www.bet.hu](http://www.bet.hu)), and on the website operated by the Supervisory Authority (<https://www.kozzetetelek.mnb.hu>).”

**Reasoning:**

**The address of the website of the MNB's publications has changed, therefore it is necessary to specify Article 15 Section 1 of the Articles of Association at <https://kozdetelek.mnb.hu>.**

# OTP BANK ANNUAL GENERAL MEETING

Translation of the Hungarian presentation

13 April 2022

## Resolution proposals

### Resolution proposal no. 5/1/2022

*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. 5/2/2022

*The Annual General Meeting approves the amendment of Article 8 Sections 18, Article 8 Section 33 Subsection 23 and Article 15 Section 1 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

## Proposal on the group-level remuneration guidelines of OTP Bank Plc.

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

## Application of the Remuneration Guidelines at the Bank Group

- The Remuneration Policy is an essential element of the corporate governance system;
- The Remuneration Guidelines defining the operation of the Remuneration Policy are approved by the General Meeting of OTP Bank Plc;
- OTP Bank Plc., as the controlling credit institution, provides for the operation of the Remuneration Policy at group level;
- Legislative background:
  - CRD V/CRR (Capital Requirements Directive and Capital Requirements Regulation)
  - Credit Institutions Act (Act CCXXXVII of 2013)
  - Regulatory Technical Standards (EU Regulation 2021/923)
  - EBA/GL/2021/04 Guidelines on sound remuneration policies
  - MNB Recommendation 8/2021 (VI.23.) on remuneration policy



### 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 Banking 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 Banking 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 Banking 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**.

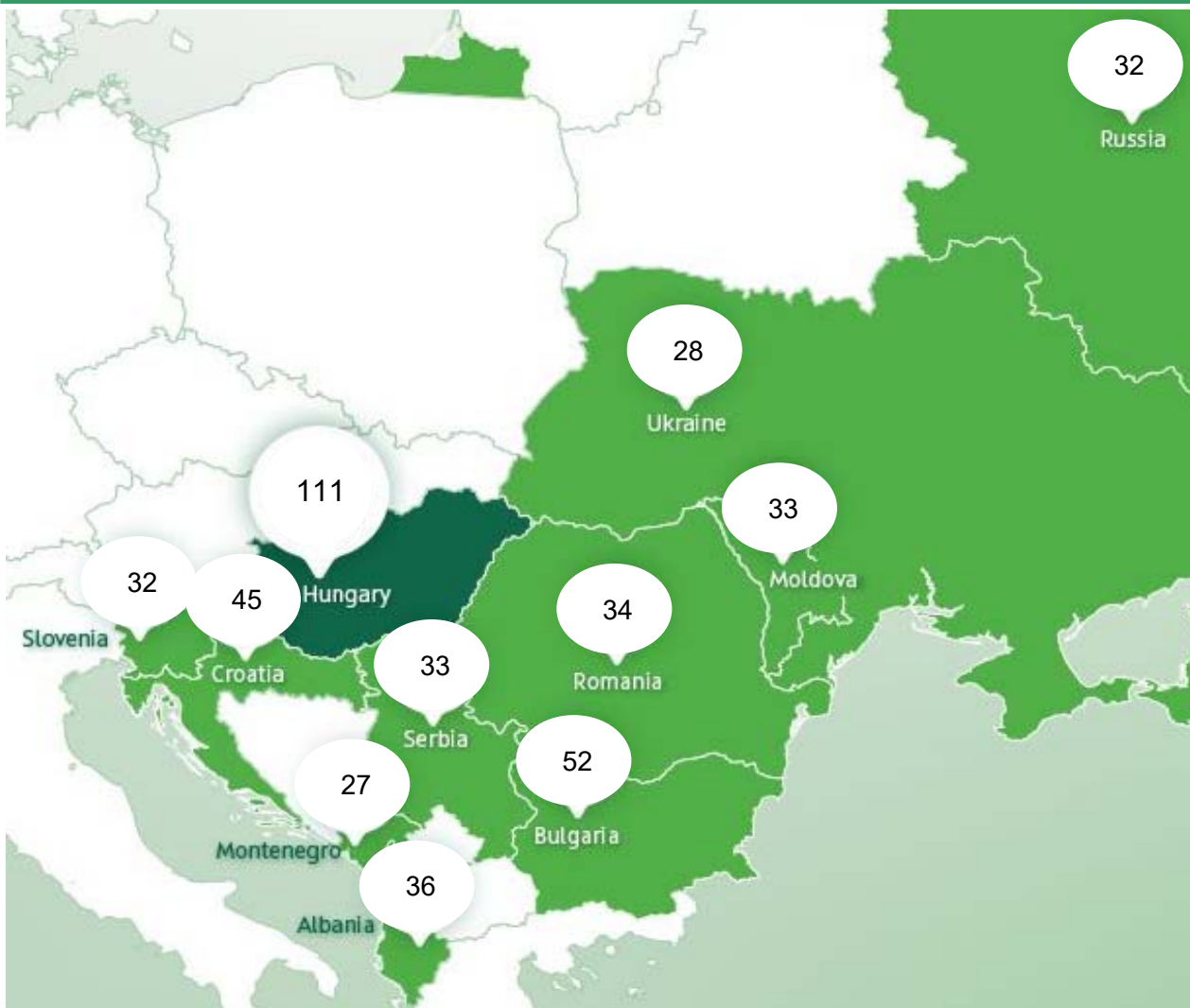
The **institutional scope** of the remuneration policy extends to all members of the Bank Group that are subject to consolidated supervision.

**The resolution on the persons to whom the Banking 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 2021/923).

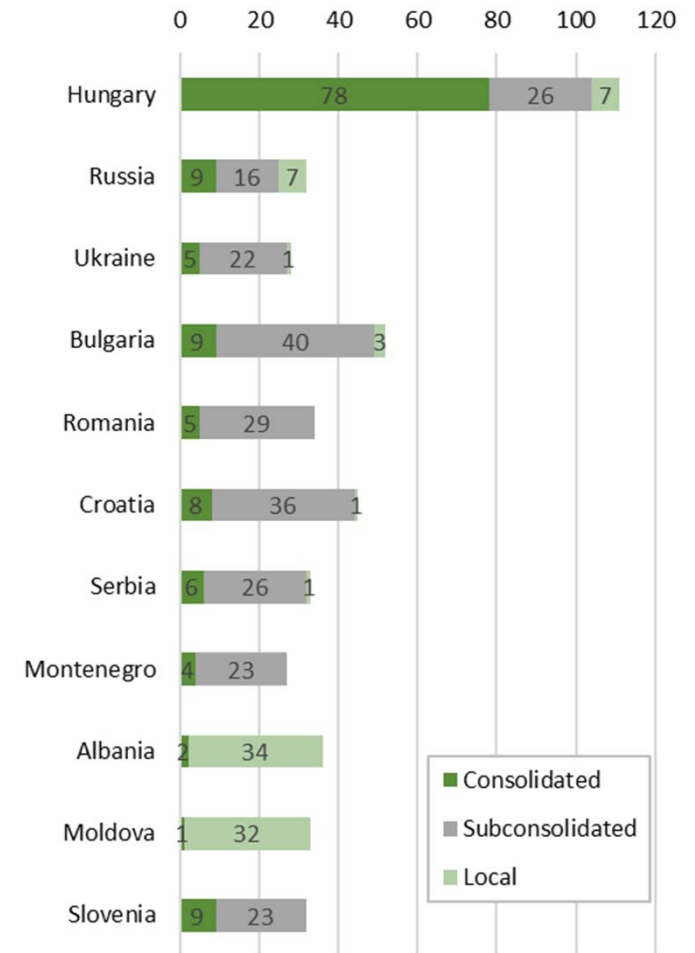
- The purpose of this set of criteria is to evaluate the impact on the risk profile of the banking group, subconsolidated group or the local subsidiary.
- Examination of the impact of the institutions subject to the CRR and the material business units subject to the RTS (mainly those subsidiaries to 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 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 463 employees fall under the personal scope at the OTP Group



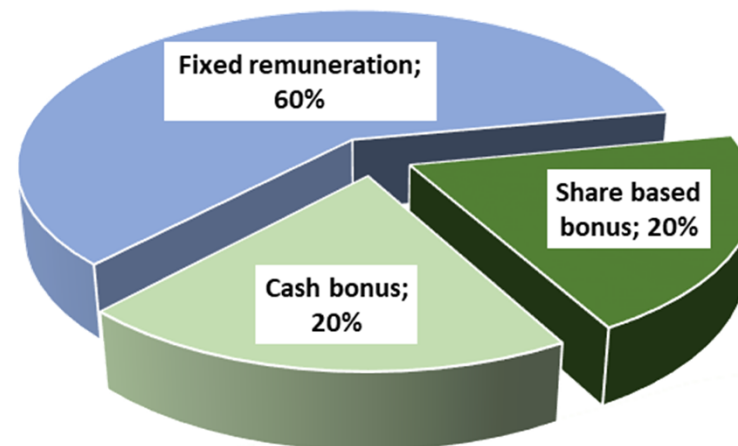
From the identified 463 positions in the group for 2022, 136 were identified on consolidated, 241 on sub-consolidated, and another 86 on local level.



The personal scope determined in February, subject to organizational changes, is reviewed by the Bank several times a year.

### 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.



Maximum rate and distribution of performance-based remuneration applying the general bonus pool

### Bonus pools available to pay performance-based remuneration

- The **general bonus pool** for the evaluated year is the maximum amount that can be spent on performance remuneration, taking into account the performance of the Banking Group.
- From 2020, in addition to the **general bonus pool**, the Supervisory Board may decide to open an additional bonus pool (the “**extraordinary bonus pool**”).
- The **extraordinary bonus pool** can only be opened in case of exceptional business performance for both OTP Bank and its subsidiaries, taking into account the profitability of the previous business year.
- The maximum amount of bonus available under the **Extraordinary Bonus Pool shall not exceed 50% of the bonus available under the General Bonus Pool**, and the **ratio of the performance-based remuneration may not exceed 100 percent of the basic remuneration** even if the General Bonus Pool and the Extraordinary Bonus Pool are both established.
- This means that **in the case of 12-month basic salary**, a performance bonus equal to a **maximum of 8 months' basic salary can be granted in the general bonus pool** and up to **an additional 4 months' basic salary in the extraordinary bonus pool**.
- In the case of exceptional individual performance, some executives may receive an additional payment not only when the extraordinary bonus pool is opened, but also through performance bonuses transferred between employees within the general bonus pool, but in no case may the annual performance bonus exceed 100% of the annual basic remuneration (therefore, in addition to the 12-month basic salary, no performance remuneration in excess of the 12-month basic salary may be granted for any reason).

## Annual review of the Remuneration Policy – ratio of performance-based remuneration

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

- function, size, complexity and position of the controlled unit within the institution;
- the Bank's Supervisory Board decides on the applicable ratios;
- the Supervisory Board determines the maximum performance bonus for each identified position in case of opening both the general bonus pool and the extraordinary bonus pool;
- even if the extraordinary bonus pool is established, the proportion of the performance-based remuneration may not exceed 100% of the basic remuneration.



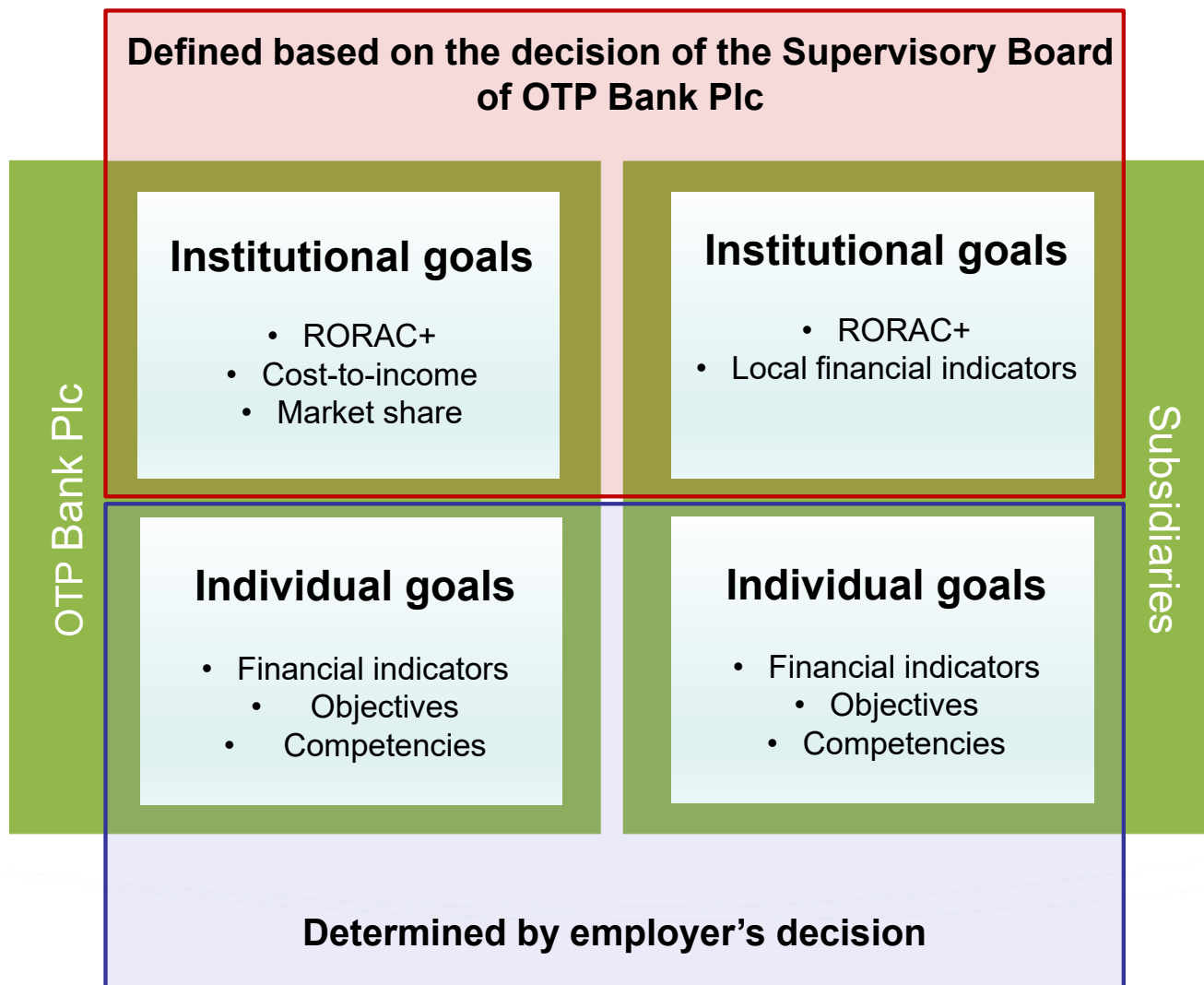
### Ratio of performance-based remuneration to total remuneration in the general bonus pool

		Levels							
		1st level		2nd level		3rd level		4th level	
		min.	max.	min.	max.	min.	max.	min.	max.
Institution	Business	30%	40%	20%	40%	11%	40%	0%	25%
	Support	-	-	20%	40%	0%	34%	0%	25%
	Control	-	-	20%	40%	0%	34%	0%	25%
Non-institution		14%	40%	7%	40%	0%	30%	-	-

Due to the characteristics of the labor market and to retain key employees, the Supervisory Board may, if justified, temporarily deviate from these bands.

The ratios vary for employees in the business, support and control functions, taking into account the level of impact on the business and the related supervisory expectations.





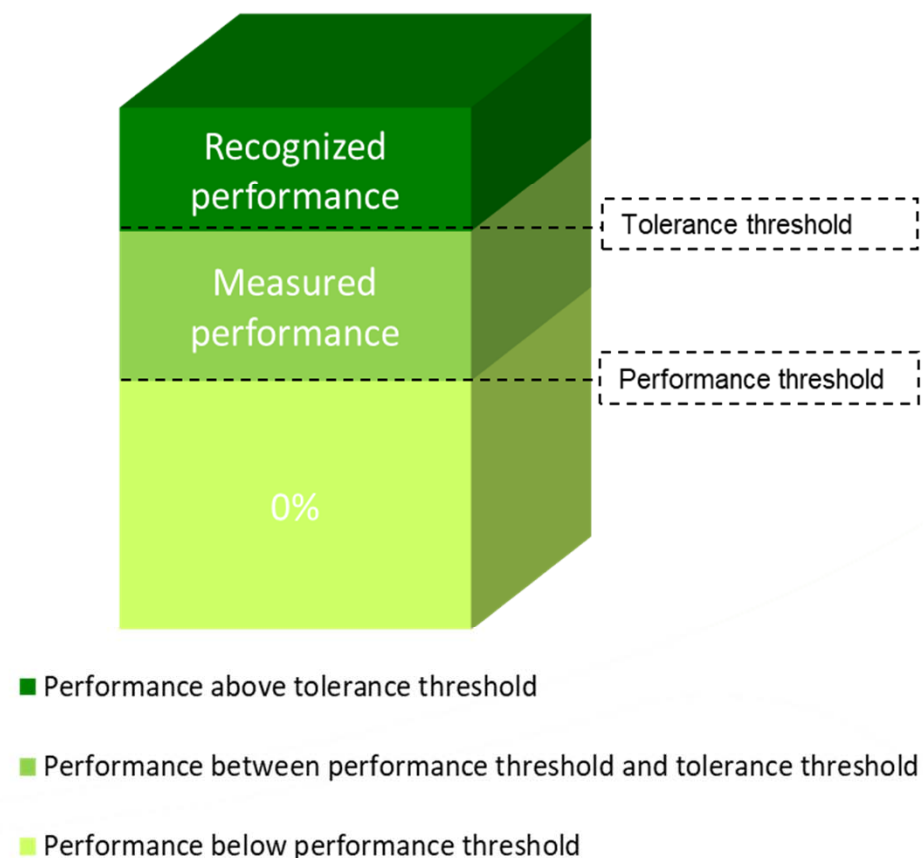
## RORAC+

- The ratio of return on equity (ROE) to expected return (ER)
- It measures the return on the capital requirement for the risk of the activity as the quotient of the profit generated and the required solvency capital (according to 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 – the performance threshold and the tolerance threshold

- **Financial indicators are assessed according to two thresholds** (performance threshold, tolerance threshold).
- Fulfillment of a given goal **below the performance threshold** means **0%** fulfillment, in which case the employee is not entitled to performance-based remuneration.
- Performance **between the performance threshold and the tolerance threshold** means the actual evaluation of the indicator, in which case the employee is entitled to performance-based remuneration based on the **measured performance**.
- In the case of **performance above the tolerance threshold**, in addition to the measured performance, **subjective considerations** may be taken into account in determining the value of the indicator between the tolerance threshold and 100%, acknowledging the actual effort of the employee to achieve the particular numerical goal.

### Evaluation of financial performance indicators





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

Level	Form of remuneration	Deferral rate	Period of the deferral
Consolidated	Cash (50%) and OTP shares or virtual shares (50%)	60%	min. 4 years (5 years for OTP Bank Plc. Management Board)
Sub-consolidated	Cash (50%) and OTP shares or virtual shares (50%)	40% - 60%	4 years
Local	Cash (50%) and OTP shares or virtual shares (50%)	40% - 60%	4 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 make decisions on the proportionate application of the rules set out in the remuneration guidelines in respect of the settlement of the performance-based remuneration of identified staff – with certain exceptions – whose annual performance-based remuneration does not exceed HUF 17.5 million and whose performance-based remuneration within total remuneration for the year represents a ratio of maximum 33.33%, and for identified employees of institutions that are not significant institutions. In the case of proportional application, deferral and share-based payment rules may be waived.



### 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.
- In Hungary, all employees receive OTP ordinary shares as a share award.
- From 2021, virtual shares will be used in all foreign subsidiaries, but employees of subsidiaries within the European Union identified at the consolidated level will still receive deferred installments from previous years in the form of OTP ordinary 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.

## 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

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

Maximum amount of the share-based performance remuneration of an employee (m) in the case of the given remuneration instalment (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 6,000, and the profit content achievable per share was a maximum of HUF 12,000 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:** ~800 persons, ~100 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 Banking 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 Banking Group's remuneration policy – participate in the ESOP Organization.

# OTP BANK ANNUAL GENERAL MEETING

Translation of the Hungarian presentation

13 April 2022

### Resolution proposal No. 6/2022

*The Annual General Meeting in line with the annex of the resolution, on a consultative basis, approves the group-level remuneration guidelines of OTP Bank Plc. and requests the Supervisory Board of the Company to define the rules of the Banking Group's remuneration policy in detail, in line with the group-level remuneration guidelines.*

## Item 7 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 current remuneration of members of these governing bodies was determined by resolution No. 9/2016 of the General Meeting and the by resolution No 97/2021. of the BoD acting in the capacity of the General Meeting. The remuneration of the members of the Board of Directors consists of a fixed amount monthly honorarium and a monthly fixed number of ordinary shares, while in the case of the Supervisory Board it consists of a fixed-amount honorarium. The members of Audit Committee do not receive any remuneration.

The purpose of the share-based part of the BoD's remuneration is to have a remuneration which appropriately reflects the performance of the Bank all the time. Accordingly, **it is not advised to change the honorarium of the members of the Board of Directors** set by resolution No. 9/2016 of the General Meeting.

In the case of the members of the Supervisory Board, although the honorarium does not include a share-based component, its amount was reviewed last year, therefore **the review of the Supervisory Board's honorarium currently is also not advised.**

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



# OTP BANK ANNUAL GENERAL MEETING

Translation of the Hungarian presentation

13 April 2022

### Resolution proposal No. 7/2022

*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 resolution No. 9/2016 of the Annual General Meeting and resolution No. 97/2021 of the Board of Directors acting on behalf of the General Meeting. The members of the Audit Committee are not to receive any remuneration.*

Item 8 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

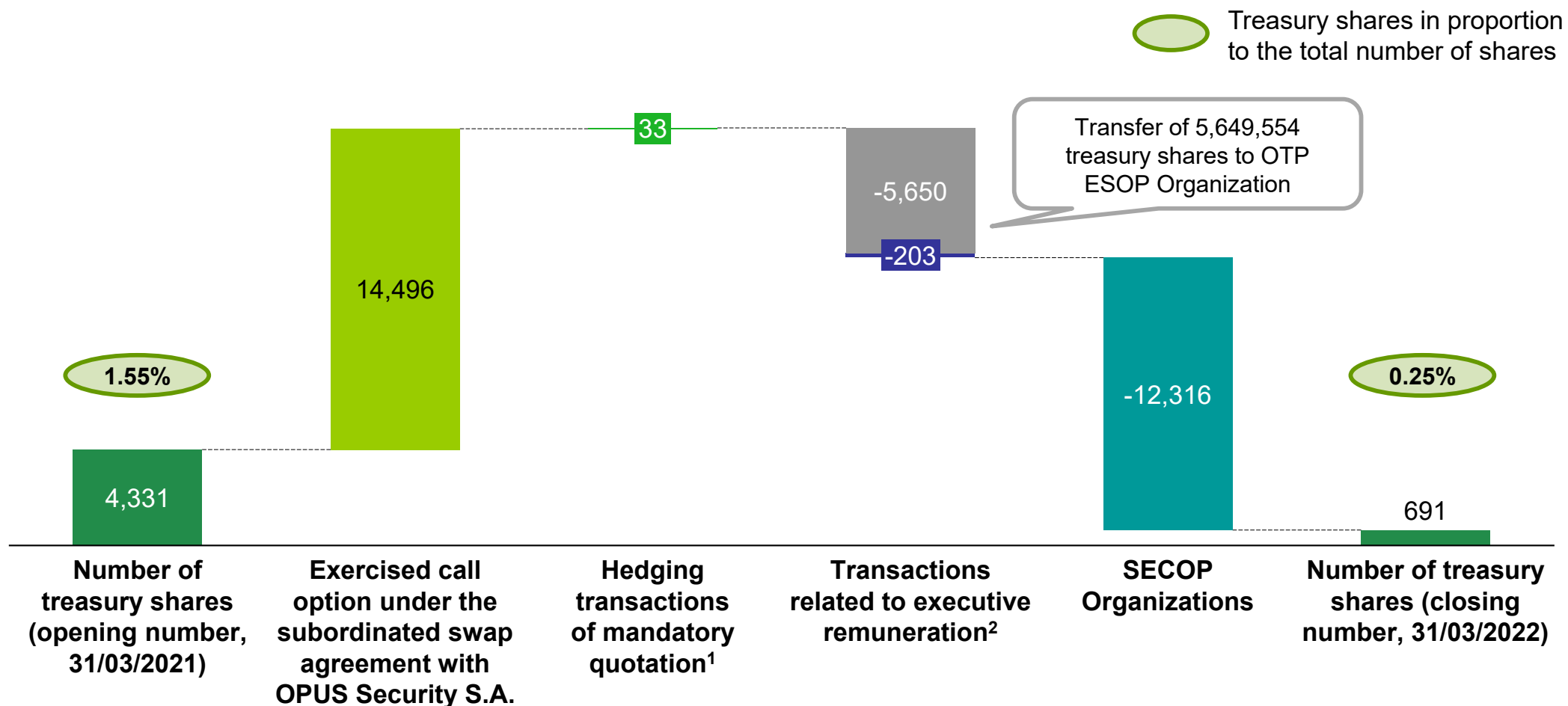
The OTP Bank Plc. is necessary to purchase treasury shares especially for these three reasons:

<b>Remuneration aim</b>	<b>Developing and maintaining the Company's services provided to its customers</b>	<b>Optimization of the shareholders' equity</b>
Supplying the shares necessary for the management incentives system	Price marking on the regulated market	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 priorly authorized by the National Bank of Hungary (MNB).

Between the 31 March 2021 and 31 March 2022, the number of treasury shares owned by the OTP Group decreased, mainly due to the transfer of shares to the OTP ESOP and SECOP Organizations; currently the proportion of own shares is 0.25%

Development of OTP Group's treasury shares between the 31 March 2021 and 31 March 2022 (in thousands)



<sup>1</sup> Treasury share transactions in order to facilitate transactions within the framework of the remuneration policy: between 31 March 2021 and 31 March 2022 no OTP share purchase transaction was executed on the Stock Exchange. Due to the hedging related to the market making activity, the inventory increased by 32,730 pieces.

<sup>2</sup> Transactions related to share benefits provided to the personnel defined by the remuneration policy between 31 March 2021 and 31 March 2022.

# OTP BANK ANNUAL GENERAL MEETING

Translation of the Hungarian presentation

13 April 2022

## Resolution proposal

Our authorization received in 2021 will expire on 16 October 2022, therefore we ask for the usual authorization from the Annual General Meeting.

### Resolution proposal no. 8/2022

*The Annual General Meeting, based on 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 “Company”) to acquire own shares of the Company especially for the purpose of supplying the shares necessary for the management incentives system that is in operation at the Company, 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 Company 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 relevant 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 13 October 2023. The mandate set forth in the decision of the Board of Directors acting in the competency of the Annual General Meeting resolution no. 94/2021 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.

# OTP BANK ANNUAL GENERAL MEETING

Translation of the Hungarian presentation

13 April 2022