

## Dividend payment regulations of OTP Bank Plc.

The general meeting of OTP Bank Plc., held on 15 April 2016, passed a resolution declaring a 165 percent dividend on the face value of the Bank's ordinary shares, based on the company's net earnings for the financial year 2015.

In accordance with the general meeting resolution, the Bank has increased this dividend amount by the amount of the dividend applicable to shares classed as the company's own shares. Accordingly, the amount of dividend applicable to one ordinary share with a face value of HUF 100 is HUF 167.28556766. The amount of gross dividend actually payable will be determined as an amount, rounded to the nearest whole forint in accordance with the rules on rounding that is the result of multiplying the number of shares held by the shareholder by the amount of the specified dividend.

### I. General rules applicable to the paying of dividends

1./ The start date of dividend payment: 6 June 2016 (Monday). In accordance with section 13.10 of the Articles of Association of OTP Bank Plc. ("**AoA**"), the claim to the dividend expires five years after the start date of dividend payment.

2./ A precondition for dividend payment, stipulated in the AoA, is that the shareholder's share ownership must not be in violation of the AoA or the relevant statutory regulations, thus especially the provisions of Act CCXXXVII of 2013 on credit institutions and financial enterprises and of Act CXX of 2001 on the capital market.

3./ The payment of dividend is also conditional upon the shareholder's valid registration in the Share Register of OTP Bank Plc., as well as the disclosure of the information required by OTP Bank Plc. in its capacity as paying agent for the purpose of complying with its tax declaration and reporting obligations stipulated in the effective tax regulations. In order to register the shareholder in the Share Register and pay the dividend, in view of the provisions of the AoA and the relevant statutory regulations, OTP Bank Plc. requires the following data:

- a) the shareholder's (nominee's) name (company name);
- b) the shareholder's (nominee's) precise address (registered seat);
- c) the resident private individual's personal details (name, birth name, mother's maiden name, the individual's place and date of birth), sex, nationality, and tax number;
- d) in the case of shared in joint ownership, the shareholders' and the joint representative's details specified in points a), b), and c);
- e) if a representative is acting on behalf of the shareholder, the category of the shareholder represented by him or her. The category of the shareholders can be the following: resident private individual owner(s); foreign-resident private individual owner(s); resident non-private entities; foreign-resident non-private entities.

## **II. The method of dividend payment**

1./ In accordance with section 13.5 of its AoA and the General Business Regulations of KELER Zrt., OTP Bank Plc. requests KELER Zrt. to conduct a share-ownership verification procedure with regard to the shares, with respect to the start date of dividend payment as a company event. The effective date of the share-ownership verification procedure is 30 May 2016 (Monday), on which day each shareholder will be entitled to claim the dividend, determined for the financial year 2015, based on the number of OTP Bank Plc. registered ordinary shares recorded on the shareholder's securities account. The cum-dividend date (i.e. the last trading day on which the purchase of shares goes with the entitlement to dividend, determined for the financial year 2015) is 26 May 2016. The ex-dividend date is 27 May 2016.

2./ We would like to call our shareholders' attention to the fact that, in accordance with KELER Zrt.'s General Business Regulations, KELER Zrt. performs the share-ownership verification procedure based on the information provided by the investment service provider that manages the shareholder's securities account.

3./ OTP Bank Plc. performs the Share Register registration procedure based on the information specified in section I./3 points a) - e) and sent by KELER Zrt.

4./ After the Share Register registration procedure and the checking of the Share Register, as well as the calculation of the dividends, OTP Bank Plc. transfers the calculated dividend – a net or gross amount, depending on how the tax liability develops – to the securities account manager or, if the shareholder has so instructed by way of the securities account manager, to the shareholder's bank account.

## **III. Tax rules**

1./ If the shareholder is a resident private individual owners, OTP Bank Plc. may only pay him or her dividend if the shareholder's securities account manager has provided the shareholder's details as specified in section I./3. point c) by using KELER Zrt. as an intermediary, or by performing a share-ownership verification procedure directly. If any of the data listed is missing, OTP Bank Plc. cannot pay the dividend until the missing information is provided.

In accordance with Section 8 (1) of Act CXVII of 1995 on personal income tax, as amended, the tax rate applicable to dividends paid from the profit of the year 2015 is 15%. No healthcare contribution is to be paid on dividend payments.

2./ In the case of foreign-resident private individual owners, when paying dividends, OTP Bank Plc. may only make use of the preferential tax deduction opportunity stipulated in a double taxation convention (DTC) concluded with the government concerned if the shareholder or his duly authorized securities account manager sends to the Treasury and Securities Back Office Department of OTP Bank Plc. (Budapest 1131, Babér u. 9.) either the English language version or the professional Hungarian translation or the duplicate copy of one of these documents, issued by the foreign tax authority in the given year, certifying the shareholder's foreign-resident status, as well as the Hungarian translation of the beneficial owner's declaration made by the shareholder or his securities account manager with regard to the shareholder, if such declaration affects the tax liability.

In the absence of the above documents, tax must be deducted at the generally applicable rate from the dividend paid to shareholders who are foreign-resident private individuals. No healthcare contribution is to be paid on dividend payments.

If the shareholder is a foreign-resident private individual, OTP Bank Plc. may only pay him or her dividend if the shareholder's securities account manager has provided the shareholder's identification data (the foreign-resident private individual's name, address in the country of residence, place and date of birth, tax number) by using KELER Zrt. as an intermediary, or by performing a share-ownership verification procedure directly. If any of the data listed is missing (with the exception of the tax number), OTP Bank Plc. cannot pay the dividend until the missing information is provided.

If the tax rate deducted from the dividend paid to a foreign-resident private individual is higher than the tax rate to be applied based on the relevant international convention, the foreign-resident shareholder

may submit to Large Taxpayers' Tax and Customs Directorate of the National Tax and Customs Administration an application for the refund of the difference between the amount of tax deducted and the amount of tax stipulated in the convention, by presenting the certificate of payment and the certificate of residence.

3./ The payment of dividends on shares held on a long-term investment account is not subject to the deduction of tax, whether in the case of domestically resident or foreign-resident private individuals. In order to ensure that the dividend payment is exempt from tax, simultaneously with submitting a claim for the dividend, the securities account manager must disclose to OTP Bank Plc. the list of shareholders that hold their shares on long-term investment accounts. If OTP Bank Plc. is unaware that the share is held on a long-term investment account, tax will be deducted at the generally applicable rate from the dividend, while also taking into account any other conditions that may have a bearing on the tax liability.

4./ OTP Bank Plc. does not have to deduct tax from dividends paid to shareholders that are domestically resident or foreign-resident non-private entities; dividends paid to non-private entities are not subject to dividend tax.

5./ If the dividend is paid to a foreign-resident private individual through the shareholder's representative, in order for OTP Bank Plc. to issue the paying agent's declaration the shareholder's representative must declare the foreign-resident private individual's details (the foreign-resident private individual's name, address, place and date of birth, residence, and the forint amount of the dividend paid/to be paid to him or her). The shareholder's representative must make this declaration in the form of a document prepared in Hungarian, or in Hungarian and English, and bearing the necessary authorized signatures, and he or she must attach to it a certificate of residence and a beneficial owner's declaration.

If based on the declaration the Bank is unable to provide the tax authority with information on a foreign-resident private individual who receives dividend income, it must comply with its reporting obligation by disclosing the name (company name) and registered seat of the shareholder's representative, and also – in the case of a domestic resident – the representative's tax number and the amount of dividend paid to the representative.

If prior to the dividend payment the shareholder's representative declares that the income beneficiary or some of the beneficiaries are not private persons, when paying dividends OTP Bank Plc. will not deduct tax from the part of the dividend that is due to the non-private entities.

In the course of the share-ownership verification procedure conducted by KELER Zrt., OTP Bank Plc. will accept the classification of the shareholder(s) represented by the shareholder's representative into any of the shareholder categories as being equivalent in value to the declaration referred to above.

6./ OTP Bank Plc. will only accept a foreign-resident private individual's certificate of residence and beneficial owner's declaration, as well as the declarations on the shareholder category of the shareholder represented by the shareholder's representative, if these documents (mentioned in the present chapter III.) are available to the Treasury and Securities Back Office Department of OTP Bank Plc. prior to the calculation of dividend but certainly no later than by 2 p.m. (Budapest time) on 2 June 2016 (Thursday).

Budapest, 20 May 2016

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