

ANNUAL GENERAL MEETING

Translation of the Hungarian presentation

13 April 2018

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 2017, as well as the proposal for the use of after-tax profit of the parent company:
 - The report of the Board of Directors on the Company's business operation in 2017;
 - Proposal on the Company's parent company's financial statements in accordance with International Financial Reporting Standards for the year ended 2017 (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 2017 (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 2017 and its proposal regarding the use of after-tax profit;
 - Audit Committee's report on the annual financial statement for 2017 and proposal for the use of the after-tax profit;
 - Results of the Independent Auditor's Report for the year ended 2017.
2. Approval of the Corporate Governance Report for Y2017
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 5 Section 7, Article 6 Section 4, Article 8 Section 4, Article 13 Section 3, Article 13 Section 4, Article 15 Section 2 of the OTP Bank Plc.'s Articles of Association
6. Election of the member of the Supervisory Board
7. Election of the member of the Audit Committee
8. Proposal on the remuneration principles of OTP Bank Plc.
9. Determination of the remuneration of members of the Board of Directors, the Supervisory Board and the Audit Committee
10. 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 2017

Presented by:

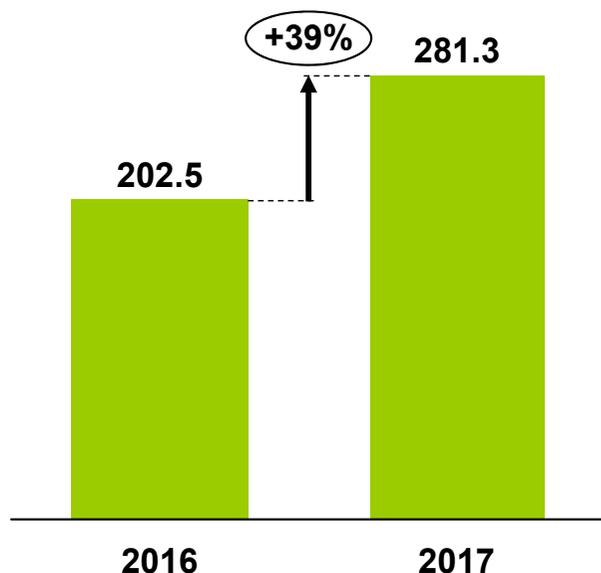
Dr. Sándor Csányi

Chairman of the Board of Directors & Chief Executive Officer

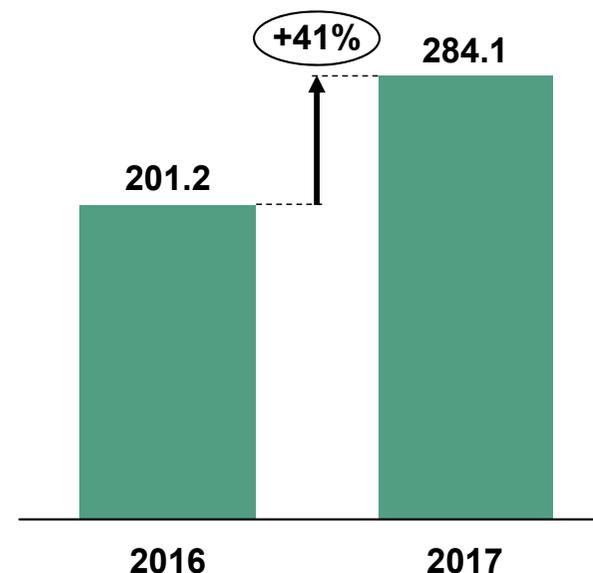
The accounting result grew by 39% in 2017, while the adjusted profit increased by 41%. The adjustment items were not significant in 2017

After tax profit development (in HUF billion)

Accounting profit after tax



Adjusted profit after tax



Adjustments (after tax)	2016	2017
Special tax on financial institutions (Hungary, Slovakia)	-13.9	-15.2
Gain on the sale of Visa Europe shares	13.2	0
Effect of acquisitions (badwill, expected integration expenses, loan FVA)	0	17.7
Other (goodwill/investment impairment charges, dividends and net cash transfers)	2.1	-5.2
Total adjustments (after tax)	1.3	-2.7

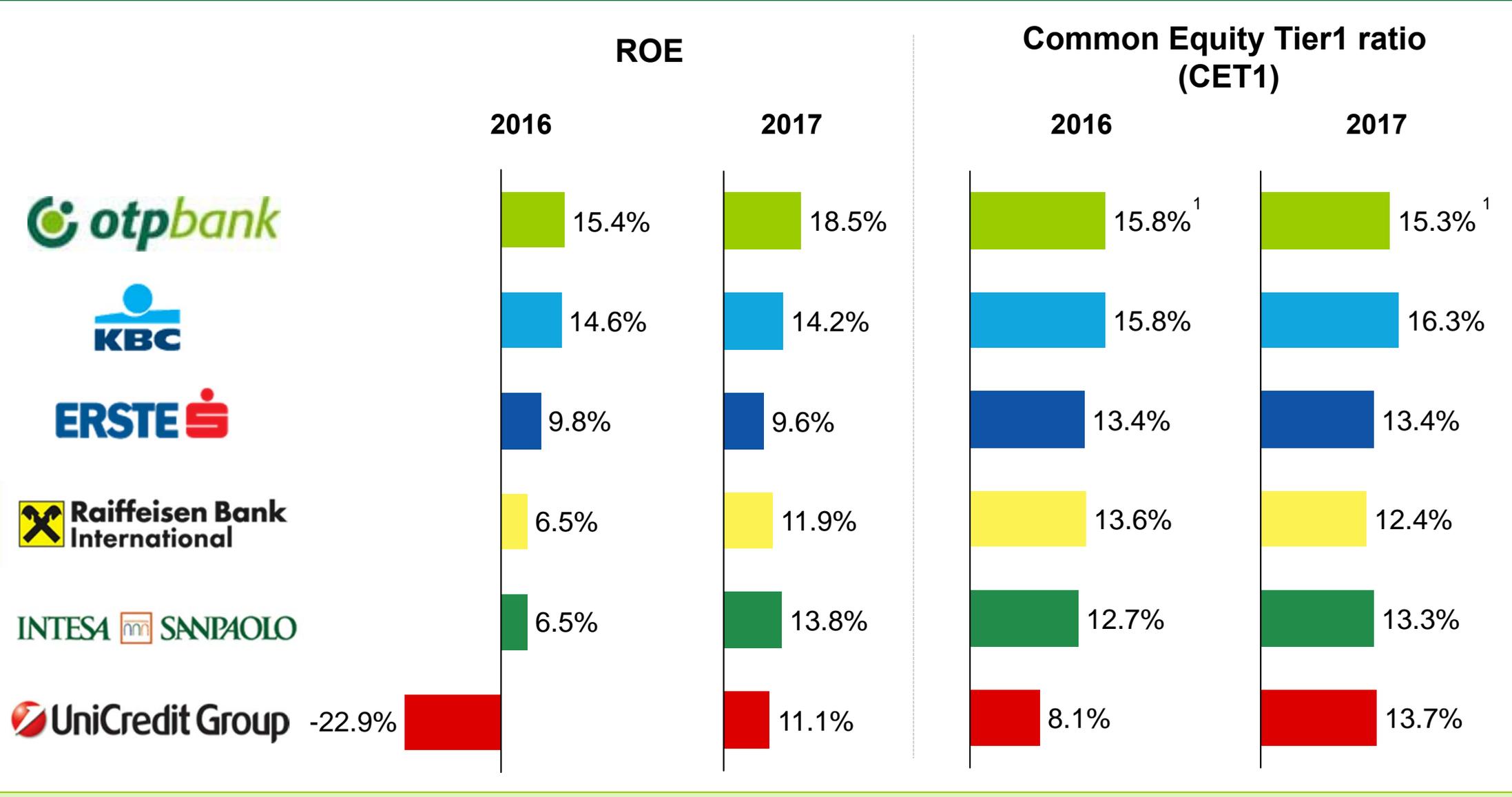
Elements of the management guidance for 2017 were typically met, in some cases with significant overperformance

Management guidance for 2017		2017 Fact	
1. ROE based on 12.5% CET1 ratio	>15%	22.4%	✓
2. Performing loan growth (without acquisition effect)	3% < 2017E < 10%	+10%	✓
3. NIM erosion (without acquisition effect)	-15-20 bps	-16 bps	✓
4. Total risk costs (y-o-y change)	decline	-51%	✓
5. Operating expense growth (FX-adjusted, without acquisitions)	+3-4%	+4.6%	
6. Acquisitions	Further acquisitions in the pipeline	Splitska banka, Vojvodjanska banka	✓
7. Nominal increase of dividend	+15%	+15% ¹	✓

¹ Proposed dividend increase. Final decision will be made by AGM.

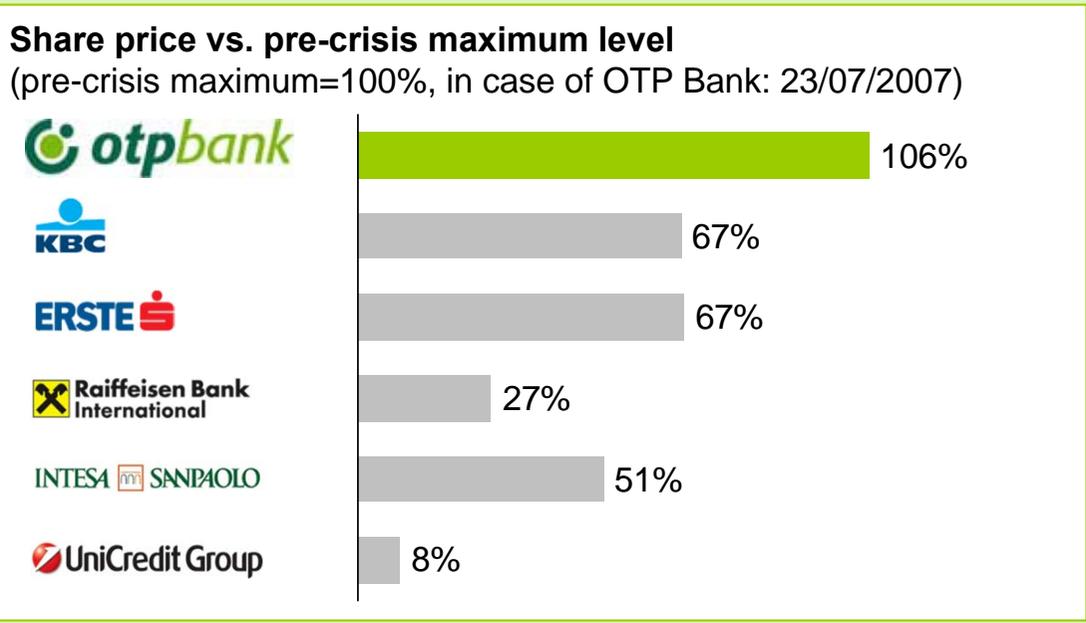
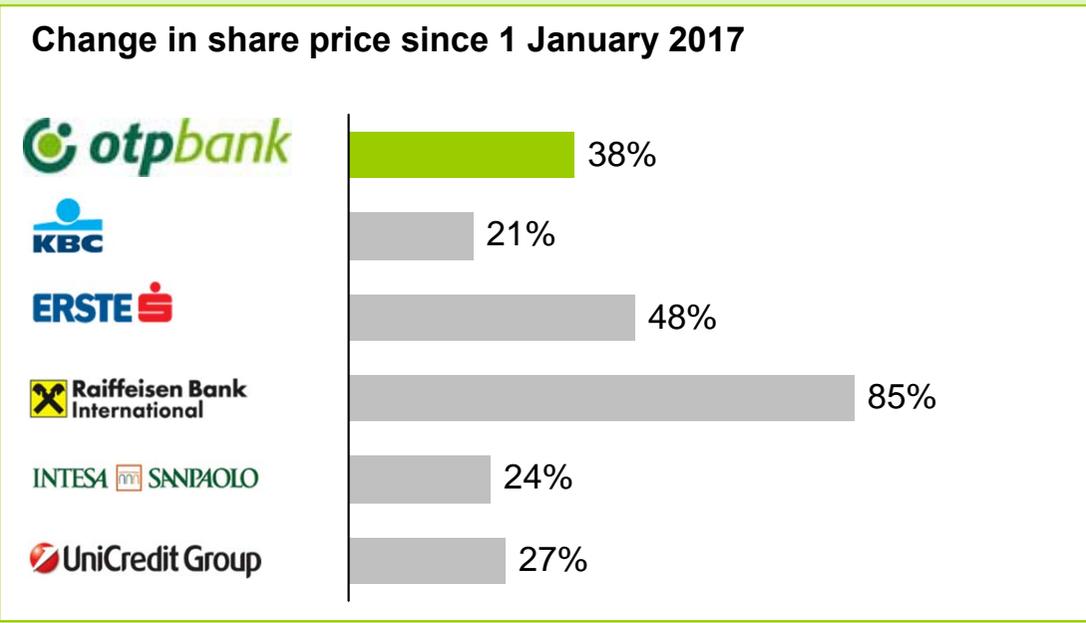
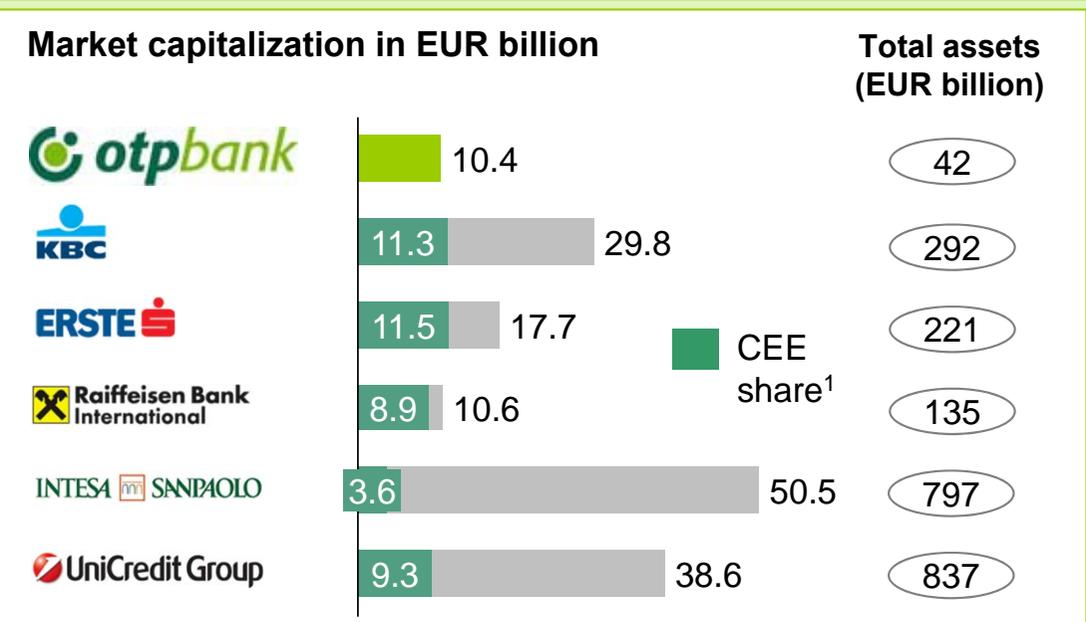
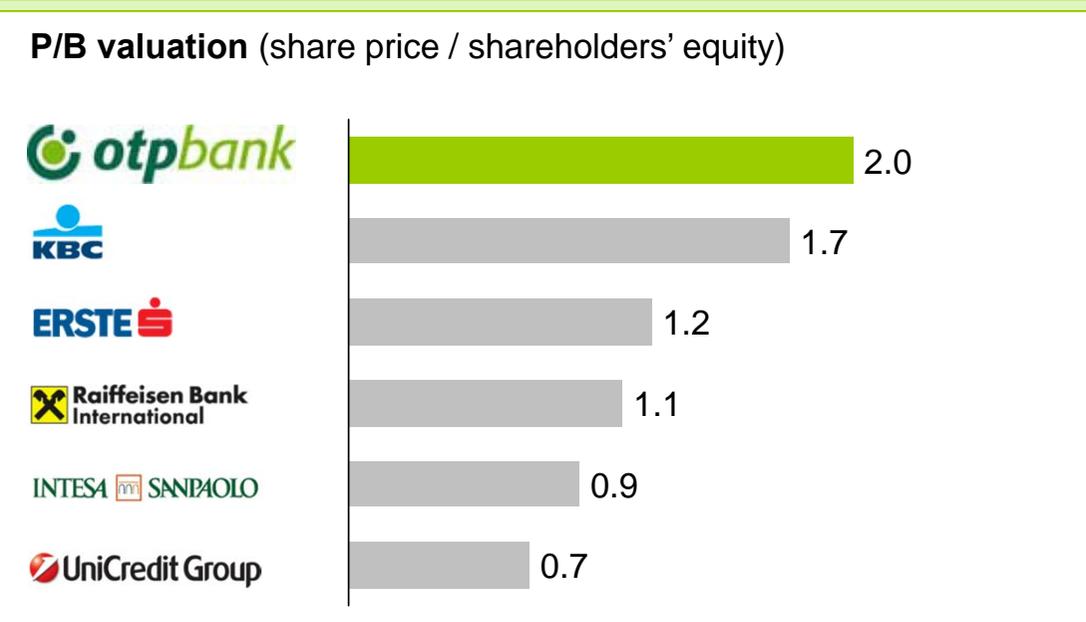
OTP Bank's profitability – beside strong capitalization – exceeded other banks active in the CEE region

Key financial indicators of OTP Group and other banks active in the CEE region (2017)



¹ In case of OTP Group the Common Equity Tier1 ratio including profit less indicated dividend was displayed.

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



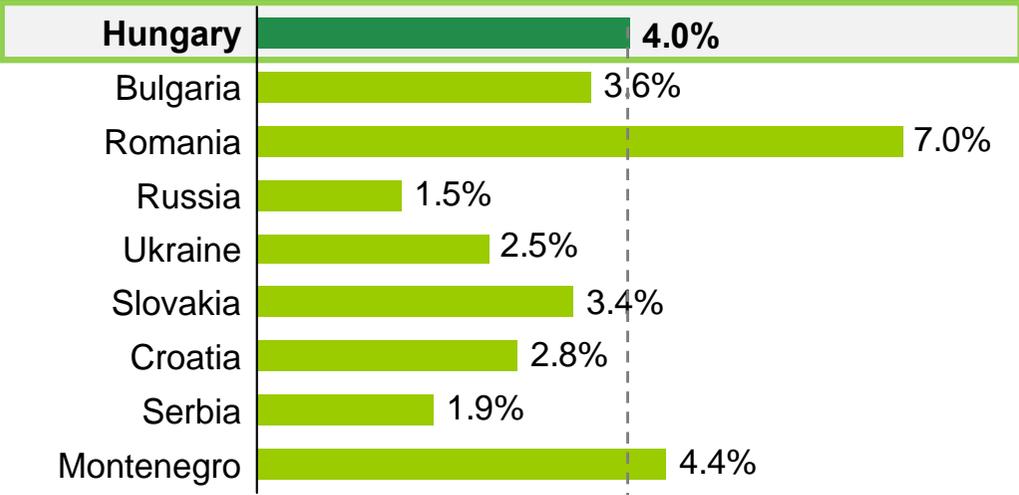
Based on 05/04/2018 data. Source: Bloomberg

¹ Estimated share of the CEE operation in market capitalization on the basis of the CEE contribution to Group profit reached in 2017. CEE countries: Central and Eastern European and CIS countries, but not including Turkey and Greece.

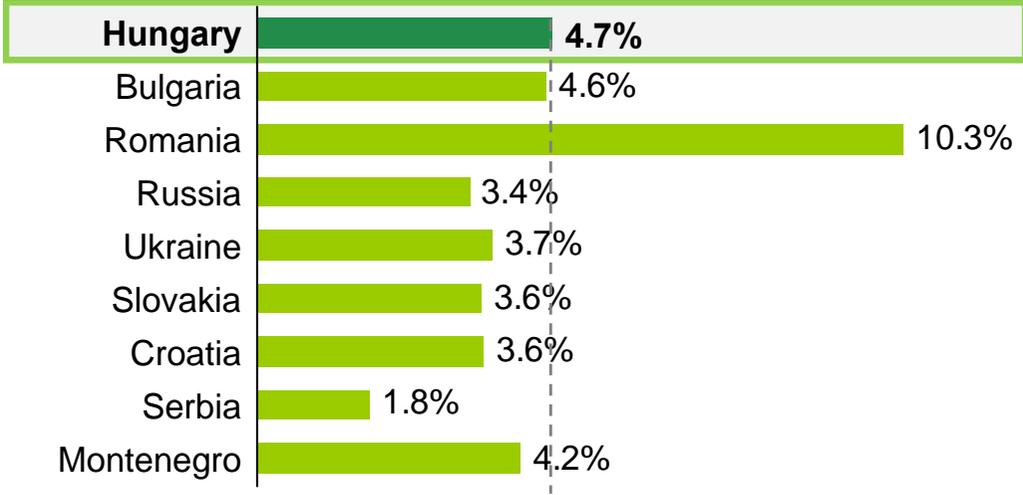


Within OTP universe the Hungarian economic growth was one of the fastest supported by strong household consumption, as well as by dynamic investment growth and export performance

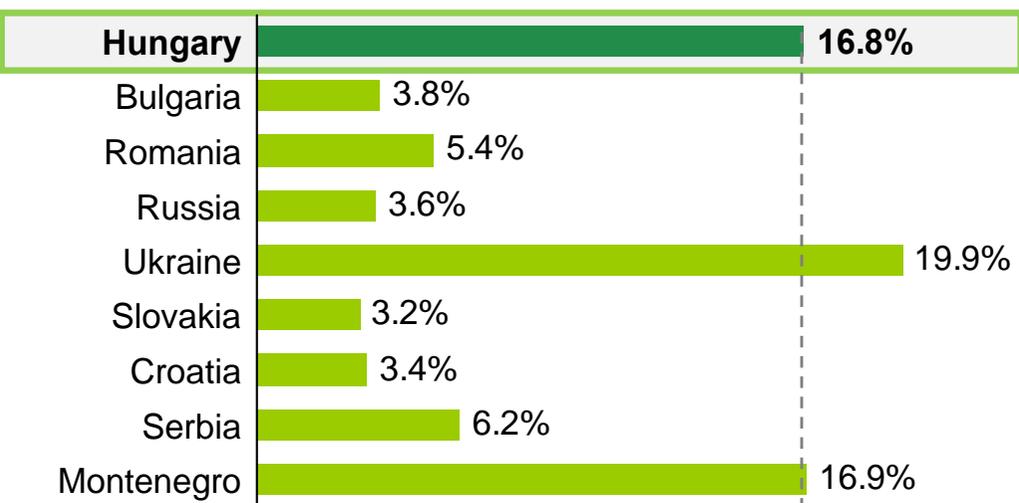
Real GDP growth, 2017 (y-o-y)



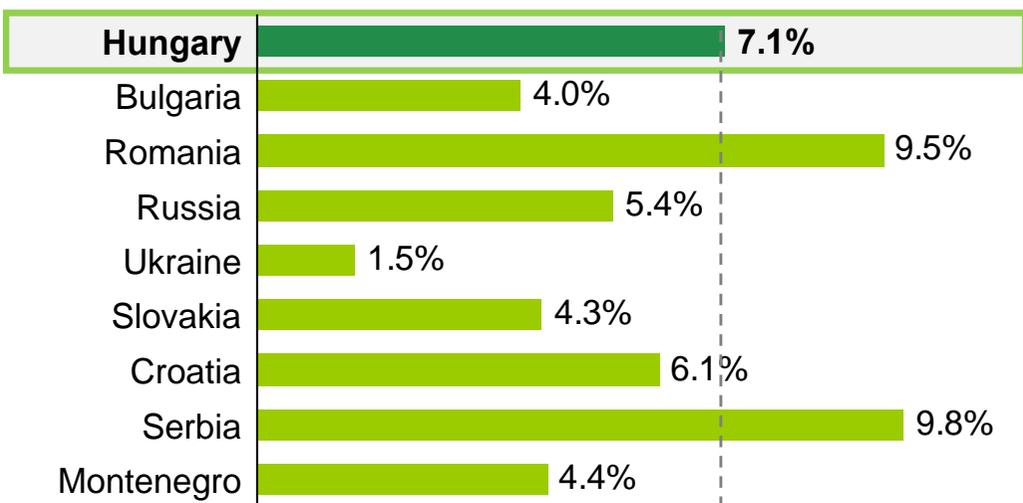
Household consumption growth, 2017 (y-o-y)



Gross fixed capital formation, 2017 (y-o-y)



Export growth, 2017 (y-o-y)

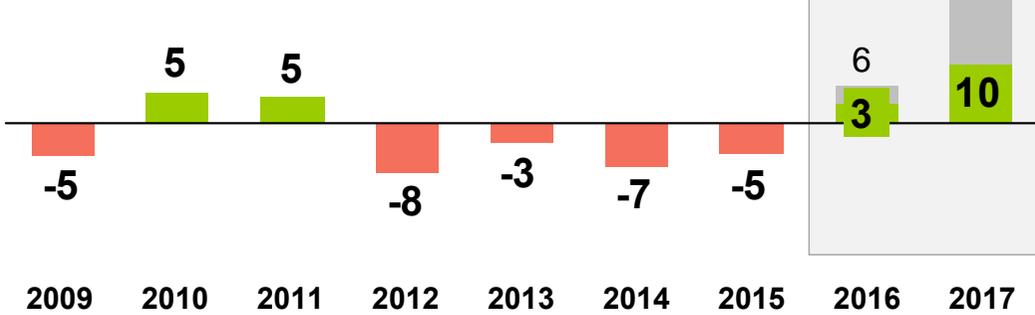


Following the contraction in the previous years, the last two years brought a definite and spectacular turnaround in loan volumes, while deposits have been growing steadily reflecting our clients' trust in the Bank

Y-o-Y performing (DPD0-90) loan volume changes ¹ (adjusted for FX-effect, %)

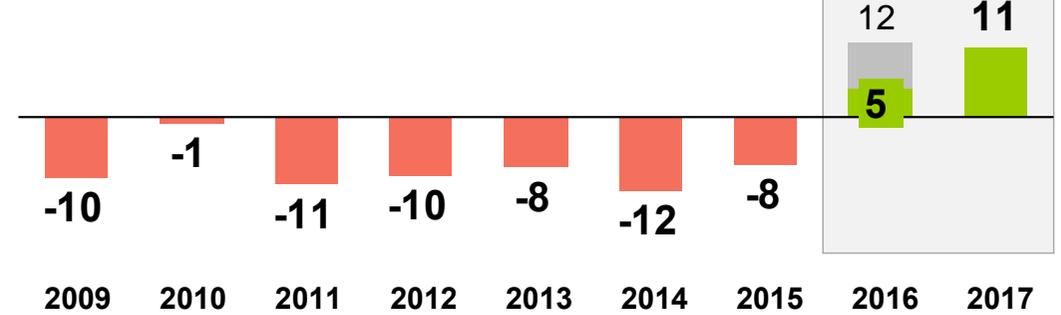
Consolidated

Effect of acquisitions



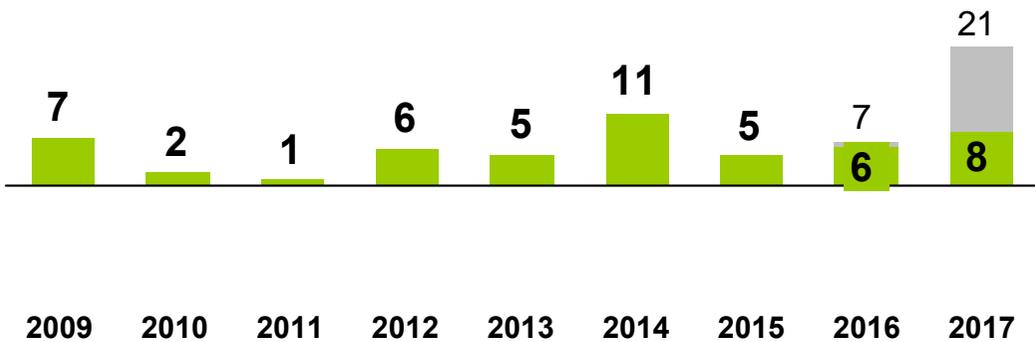
OTP Core

AXA-effect

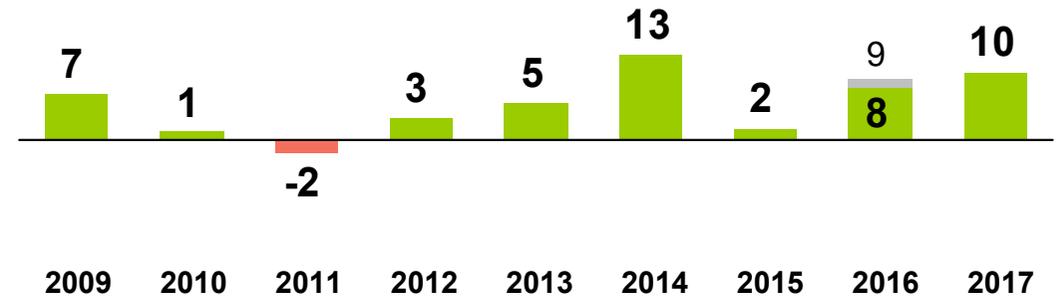


Y-o-Y deposit volume changes (adjusted for FX-effect, %)

Consolidated



OTP Core



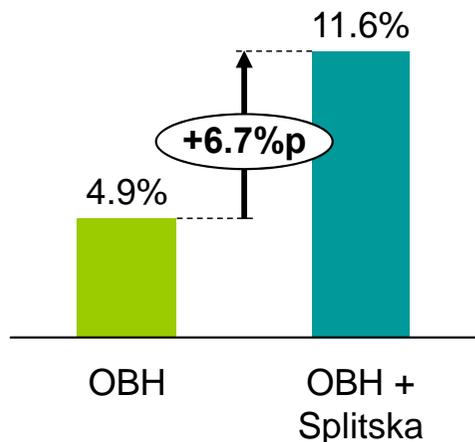
¹ Consolidated: net loan volume between 2009-2013; OTP Core: estimation for 2009.

Due to the acquisitions completed in 2017 in Croatia and Serbia, OTP's market shares increased substantially

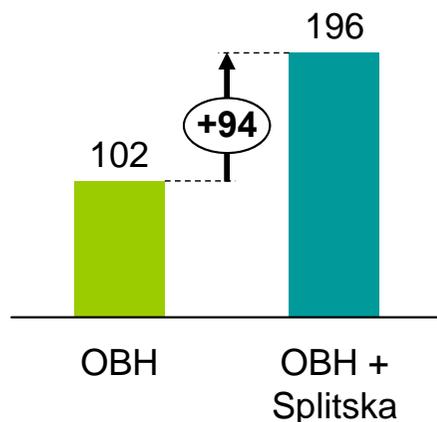


Croatia - Splitska banka

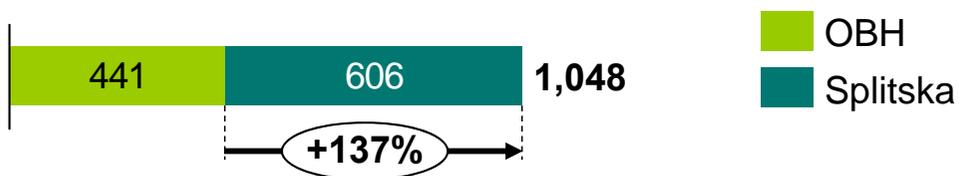
Market share



Number of branches



Performing loans (in HUF billion)

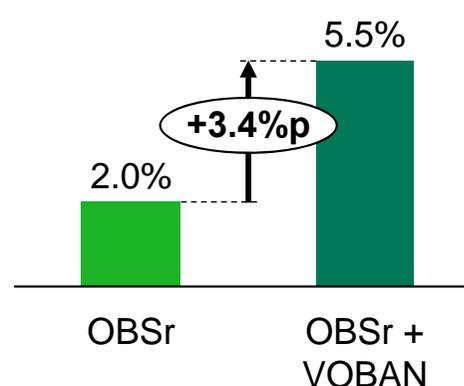


Deposits (in HUF billion)

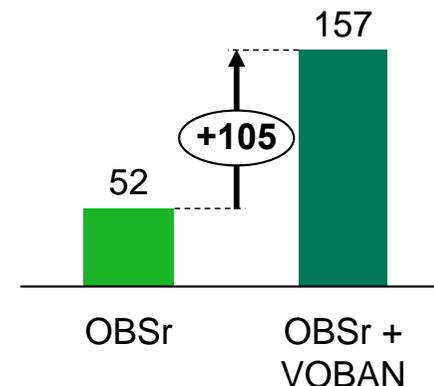


Serbia - Vojvodjanska banka

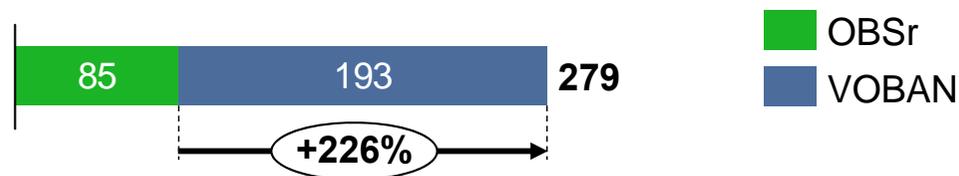
Market share



Number of branches



Performing loans (in HUF billion)

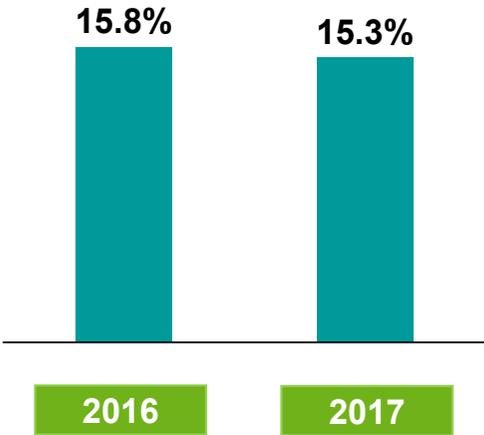


Deposits (in HUF billion)



Strong capital and liquidity position of OTP Group coupled with robust internal capital generation

Development of the CET1 ratio¹ of OTP Group (including unaudited interim profit less indicated dividend)



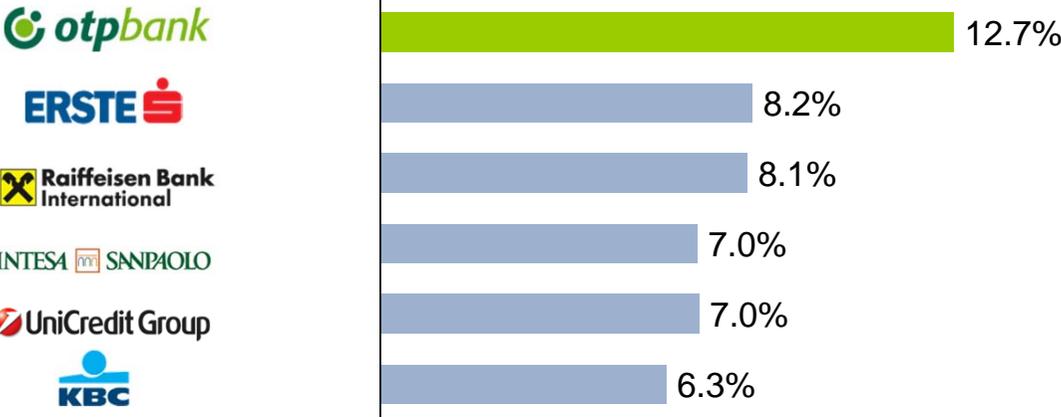
Annualized organic CET1 capital generation based on 2017 figures¹:

3.0%p

including proposed dividend growth of

+15%

Leverage ratio (average equity / average assets)



Net liquidity reserves (in EUR billion equivalent)



External debt² (in EUR billion equivalent)



Net liquidity buffer / total assets



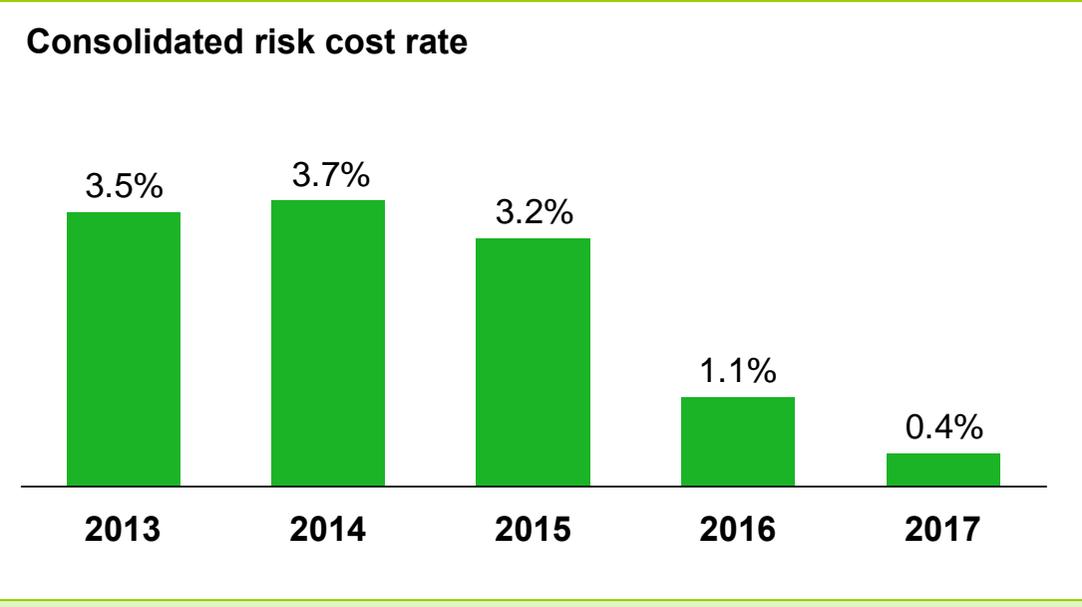
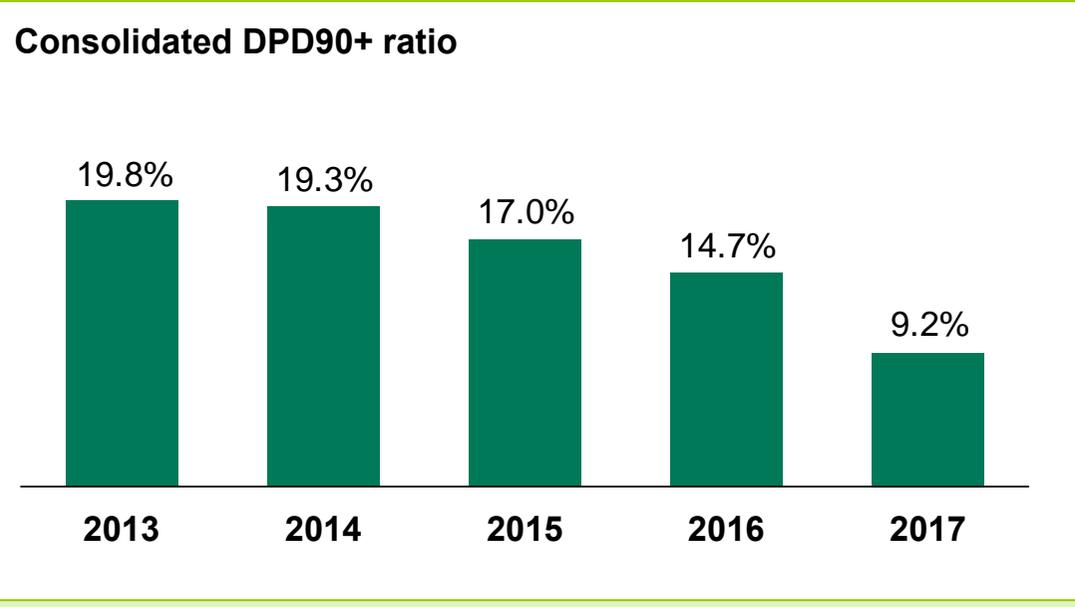
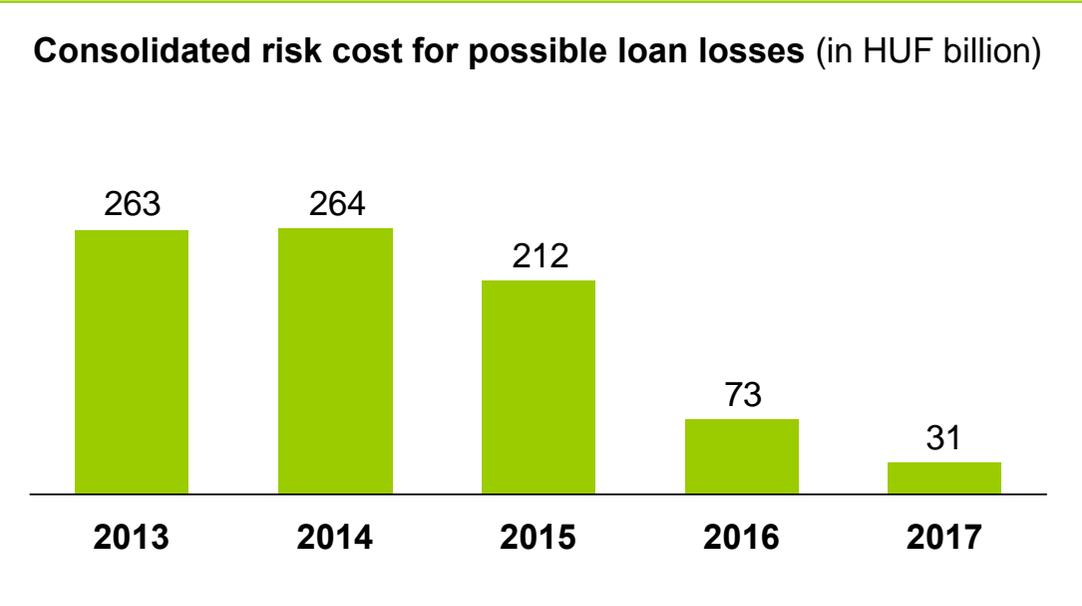
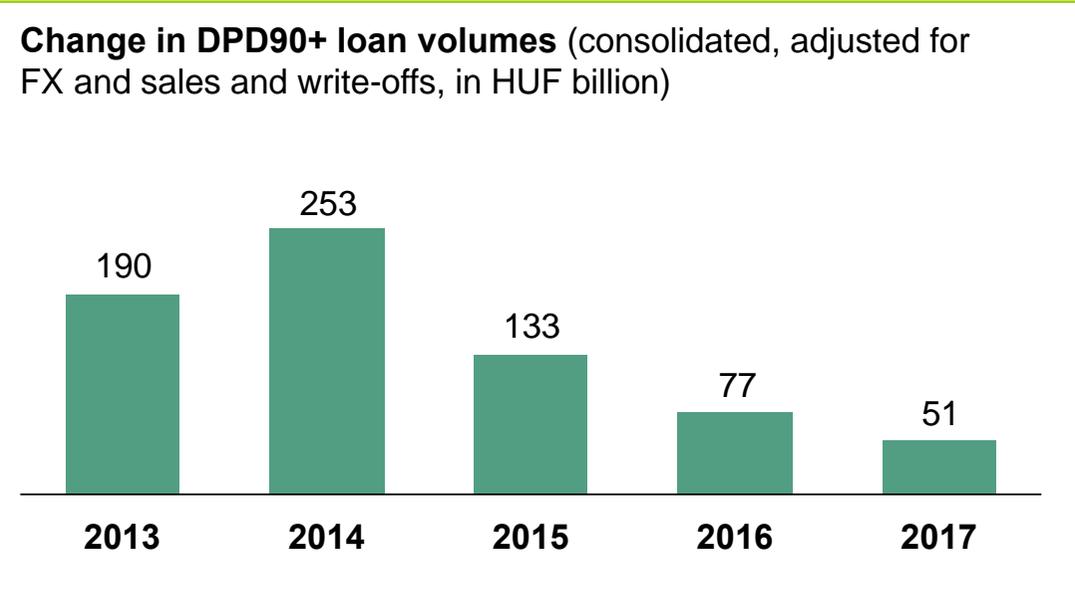
Consolidated net loan to deposit ratio

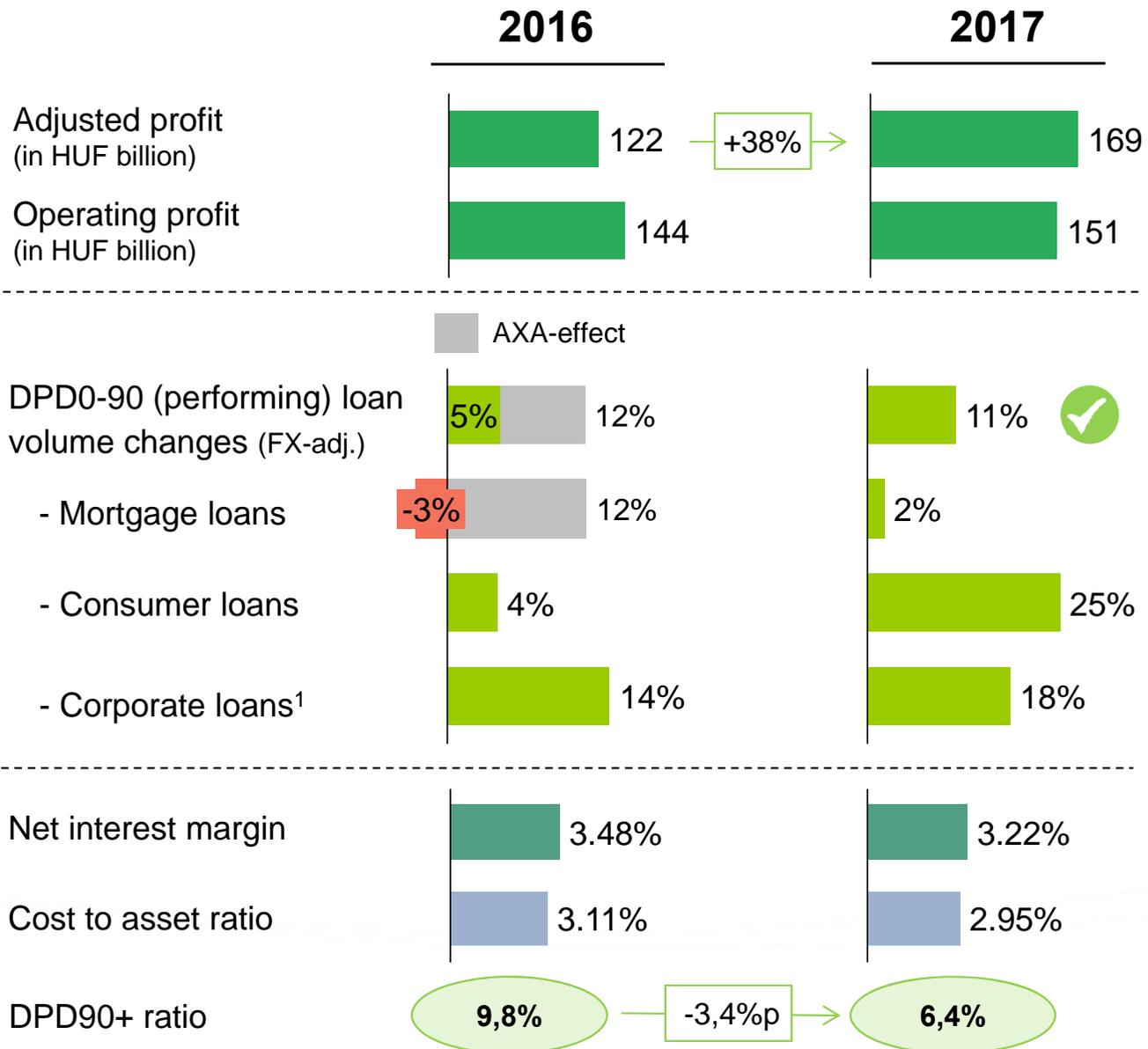


¹ (2017 profit less proposed dividend) / (average 2017 RWA)

² Senior bonds, mortgage bonds, bilateral loans

The credit quality indicators kept further improving. The ratio of consolidated DPD90+ loans dropped below 10%





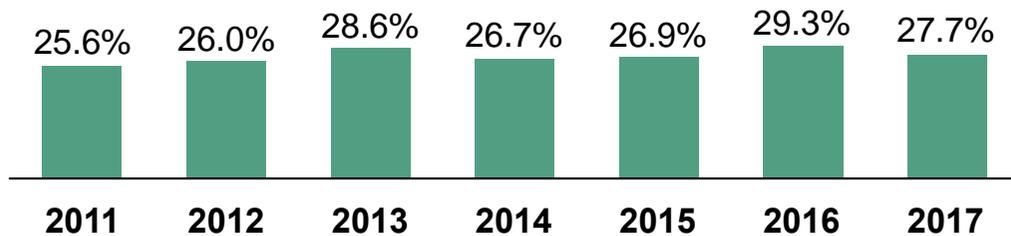
- 38% higher after tax profit mainly on the back of provision releases and the reduced corporate income tax rate
- Operating profit increasing by 5%, driven by the 9% growth in net fees and commissions
- Accelerating organic performing loan growth, outstanding consumer and corporate loan increase
- Mortgage loans turned into growth mode, too
- 27 bps net interest margin erosion
- Improving cost efficiency; operating expenses grew by a moderate 2%
- The DPD90+ ratio sank by 3.4 pps to 6.4%

¹ Including performing SME, medium and large corporate and local government exposures

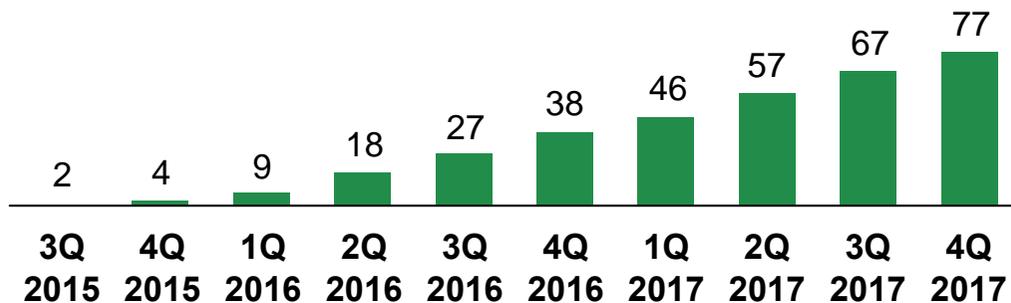
Change of mortgage loan applications and disbursements of OTP Bank (2017, y-o-y changes)



OTP's market share in mortgage loan contractual amounts



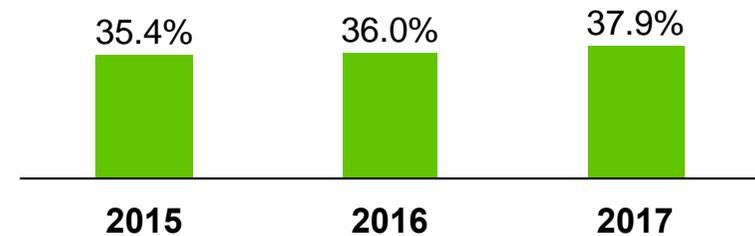
The cumulative amount of non-refundable CSOK subsidies contracted at OTP Bank since the launch of the programme (HUF billion)



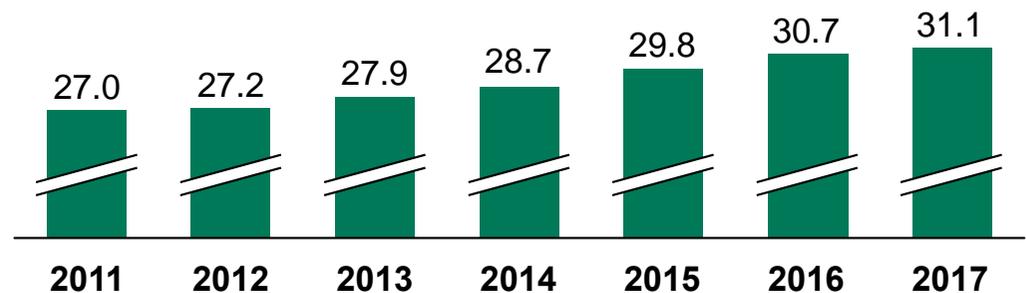
Performing cash loan volume growth in 2017 (FX-adjusted)



Market share in newly disbursed cash loans



OTP Bank's market share in household savings (%)



Development of Retail services

Digitally available products



Cash loan:
HUF 21 billion disbursements initiated online (18.2% of total sales), o/w HUF 5.2 billion fully online (E2E)

Building Society: >11,000 contracts

Overdrafts: >1,700 pcs

Mobilebank renewal



In 2017 simplification of login and frequently used transaction types

Number of transfers grew 3.5-fold, while the amount of transfers increased 4.5-fold

> 350,000 mobilebank registration

Paperless administration – digital signpad



Launched in 2017, now available in all branches

> 850,000 registered clients

Website renewal



Unique functions, transparent product pages

Significant part has been already renewed; until the end of 2018 the complete website (content and design) will be renewed

Cash-in ATMs



Available already in 200 locations

> 100,000 transactions monthly

In 2018 further 50 ATMs will be installed

Mobil Payment Applications



Simple Wallet NFC (Near Field Communication) mobile payment since 2017, turnover HUF ~5 bn

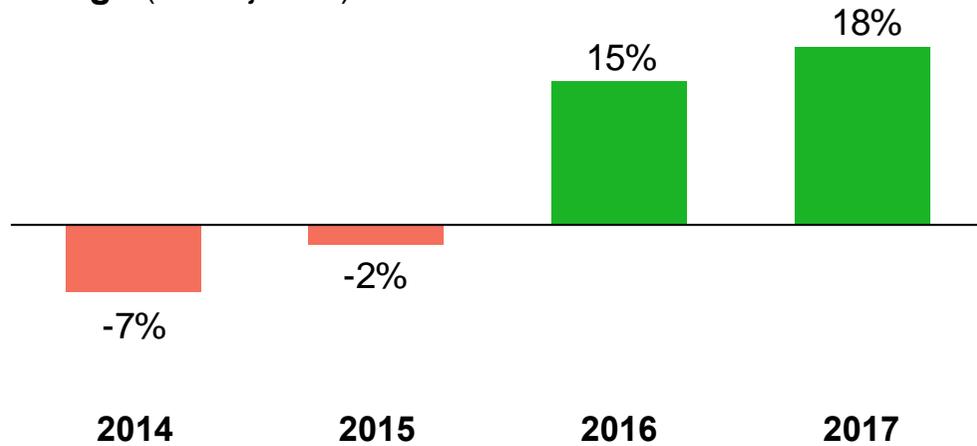
First bank-independent payment solution

> 45,000 card digitization

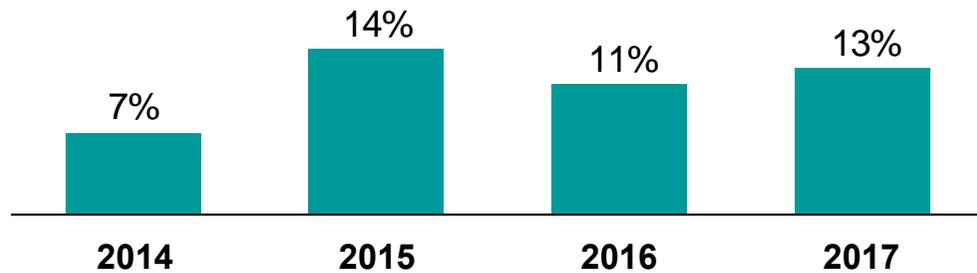


Corporate business had another successful year in Hungary: both large and SME exposures posted double-digit expansion and our market share stabilized at high level

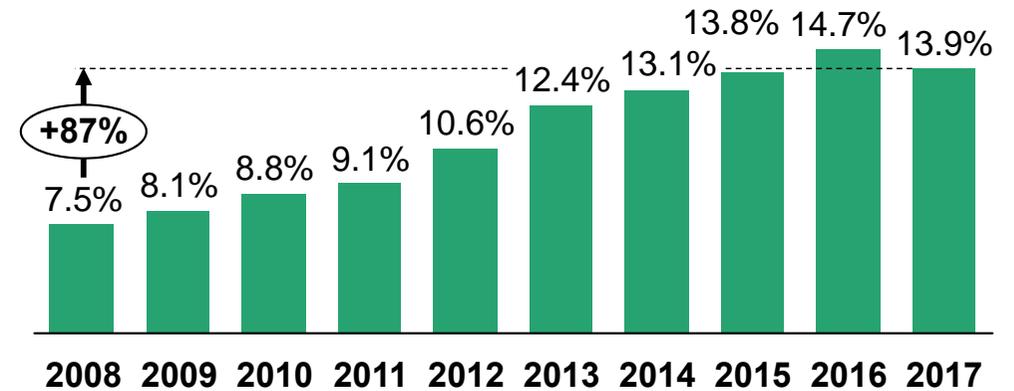
Performing medium and large corporate loan volume change (FX-adjusted)



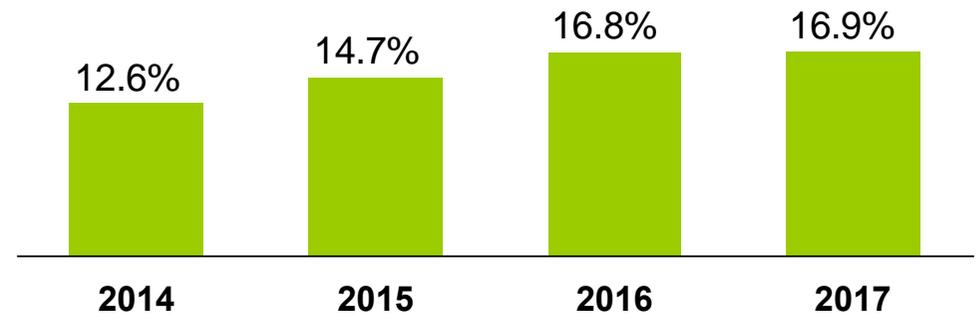
Performing loan volume change at micro and small companies (FX-adjusted)



OTP Group's market share in loans to Hungarian companies¹



OTP's market share in agricultural loans²



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 Enterprises conducting agricultural activities. Market share: OTP Bank's estimation.

Development of Business Banking services



DIGITAL ONBOARDING

Growing popularity of online account opening representing over 10% of all SME bank accounts in 1Q 2018



PHP SCHEME¹ AND FACTORING

OTP exceeded the original loan growth targets undertaken in the programme

Commercial factoring: OTP is market leader in Hungary, roll out to foreign subsidiaries is in progress



B2B FinTech StartUp – OTP eBIZ Ltd.

Unique digital solution in Hungary enabling SME clients to manage finance and administration with the same application



MFB's POINT OF SALES

Intermediation of subsidies, grants and lending products to SMEs through 163 Hungarian Development Bank (MFB) Points operated by OTP



REMODELING BUSINESS BANKING WEBSITE

It has included the revision of the content and the structure of OTP Business Banking webpages



RISK UNDERWRITING AND WORKFLOW DEVELOPMENT

Streamlined underwriting process takes <5 days for a number of loan products. New project has been launched to simplify corporate risk underwriting



BUSINESS CASH MANAGEMENT

The aim is to simplify and streamline the execution of financial transactions, with the potential to roll out business solutions to the whole Group at a later stage



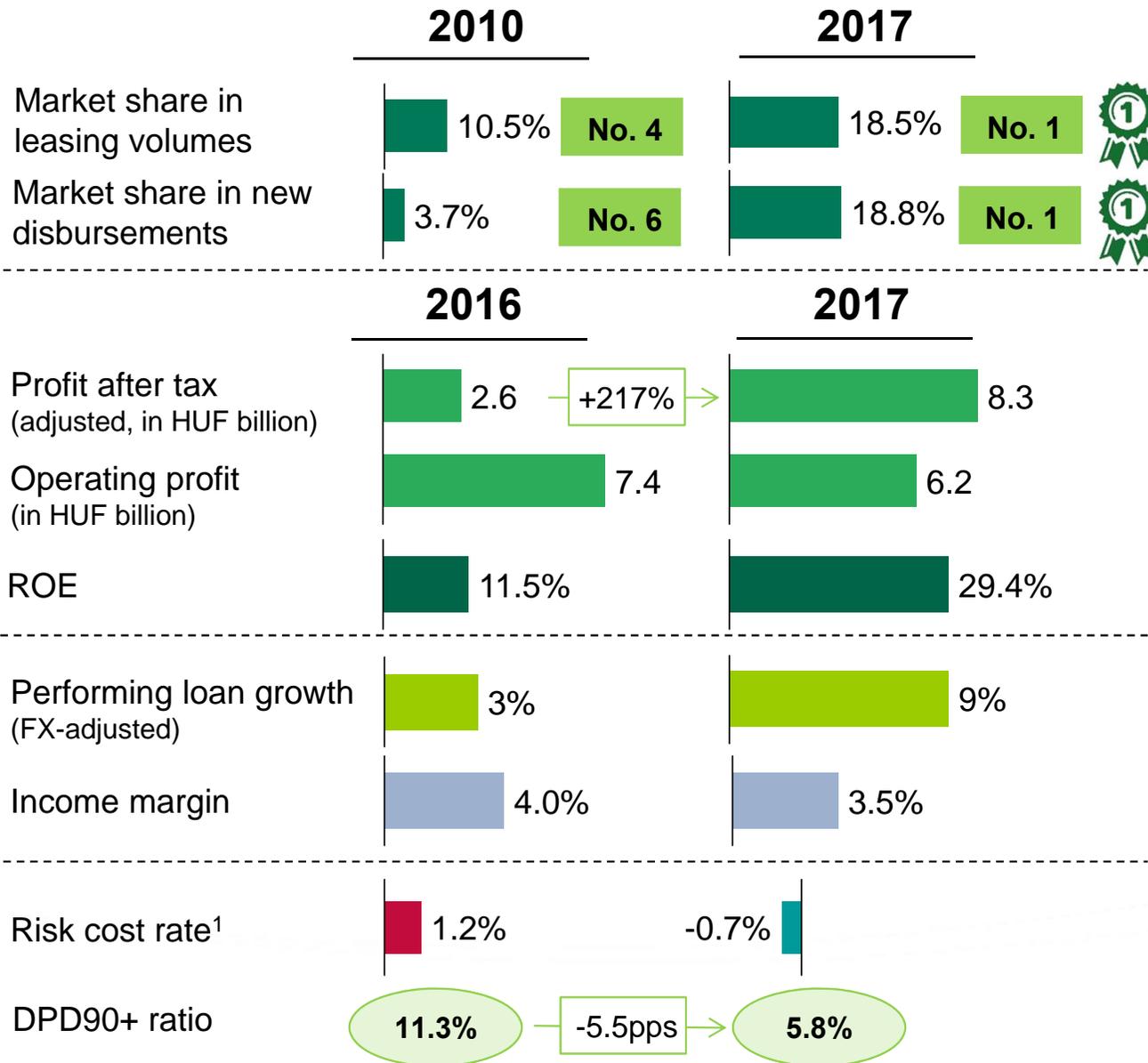
CONDOMINIUM TENDER FOR 2018

Competition for tender to develop condominium and residential community – with increased and substantial prize



Merkantil

Merkantil retained its market leading position and posted an all-time high after tax profit in 2017



- Merkantil retained its market leading position both in terms of new disbursements and outstanding leasing volumes
- The market share in new loan disbursement has been steadily improving since 2010
- Profit after tax of Merkantil Bank and Car rose more than threefold, mainly due to favourable risk cost developments
- ROE of Merkantil was almost 30%
- Stronger lending activity, the growth rate of performing loans accelerated
- The income margin slightly eroded
- The DPD90+ ratio decreased mainly due to the effect of sales and write-offs

¹ Negative ratio indicates risk cost release.

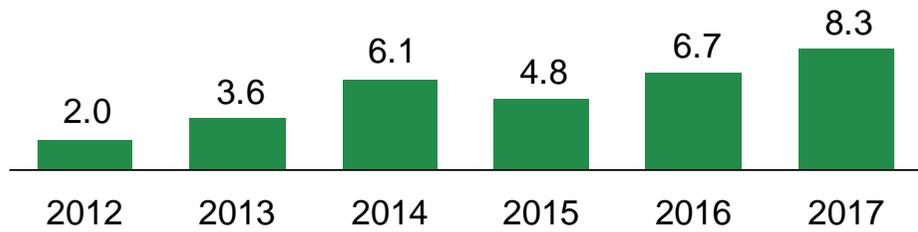


OTP Fund Management realized its highest ever result, the profit surged by 24% due to higher success fees. OTP Real Estate Fund Management reached records: managed assets grew by 58% and the profit tripled

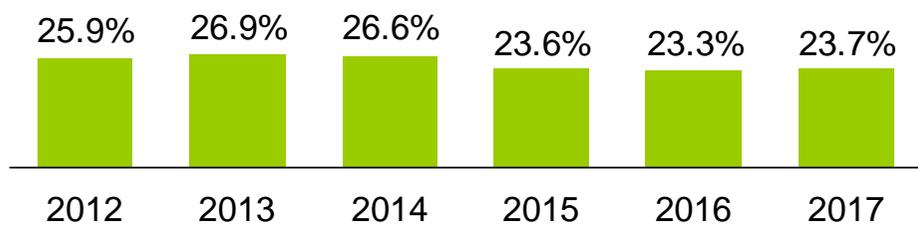
OTP Fund Management

- The net fee and commission income increased by 15% in 2017 mainly due the growth of success fees related to the performance of funds
- The assets managed by OTP Fund Management expanded by 2%. Within that there was a shift toward funds generating higher fee income
- The market share increased by 0.4 pp in 2017. The Company retained its market leading position

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



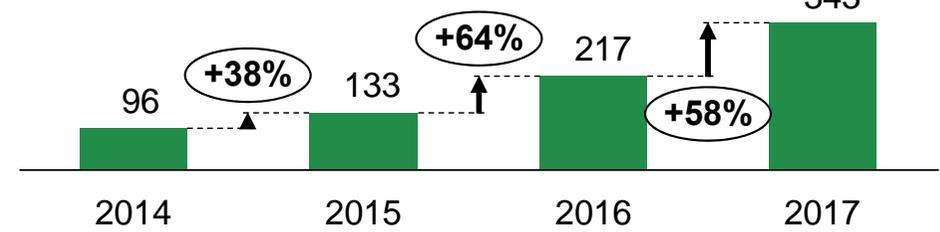
Market share in investment funds
(without real estate funds)



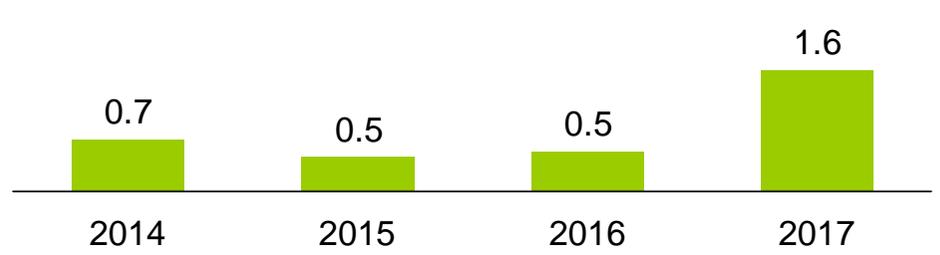
OTP Real Estate Fund Management

- The Real Estate Fund Management's profit more than tripled in 2017
- The assets managed by Real Estate Fund Management increased by 58% to HUF 343 billion (without duplications)
- The market share of Real Estate Fund Management was 22.4% in the real estate fund management market, while in the whole fund management market it increased to 5.9%, thus the Group has 29% market share in the whole fund management market

Managed assets (w/o duplications, in HUF billion)



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



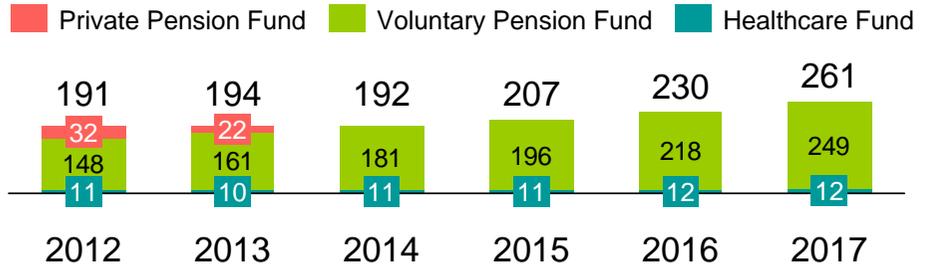


**The Voluntary Pension- and Healthcare Funds kept their market leading position.
The number of flats already sold or being built by OTP Real Estate shows an upward trend**

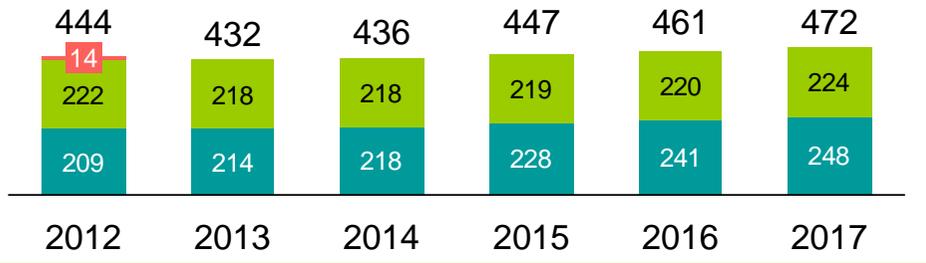
Pension- and Healthcare Funds

- The Voluntary Pension- and Healthcare Funds retained their market leading position
- The volume of assets under management at the Voluntary Pension Fund increased by 14%, with the number of clients growing by 2%
- The volume of assets under management at the Healthcare Fund increased by 1% and the number of clients grew by 3%

Assets under management (HUF billion)



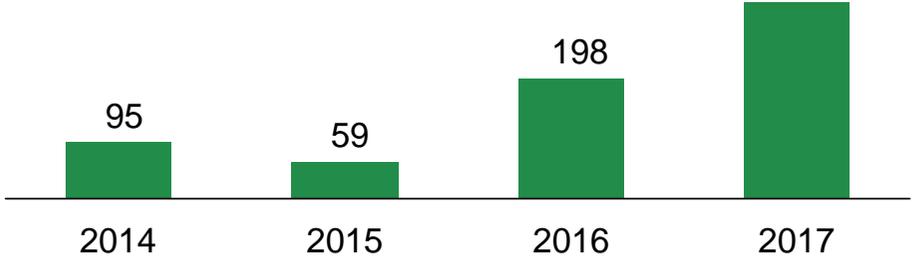
Members (in thousand people)



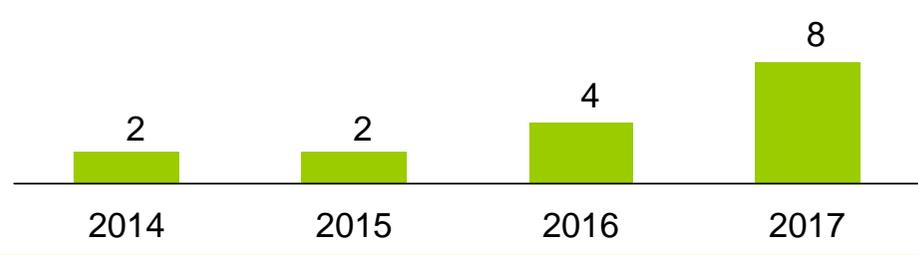
OTP Real Estate

- Currently 1,315 new buildings are in preparatory or construction phase, the Company takes part in nearly 2,000 new real estate constructions between 2016 and 2020
- The sales of new homes by OTP Real Estate were coupled with HUF 3.2 billion mortgage loans and HUF 0.9 billion building society savings, as a result OTP Real Estate has become the third best performing agent of the Bank

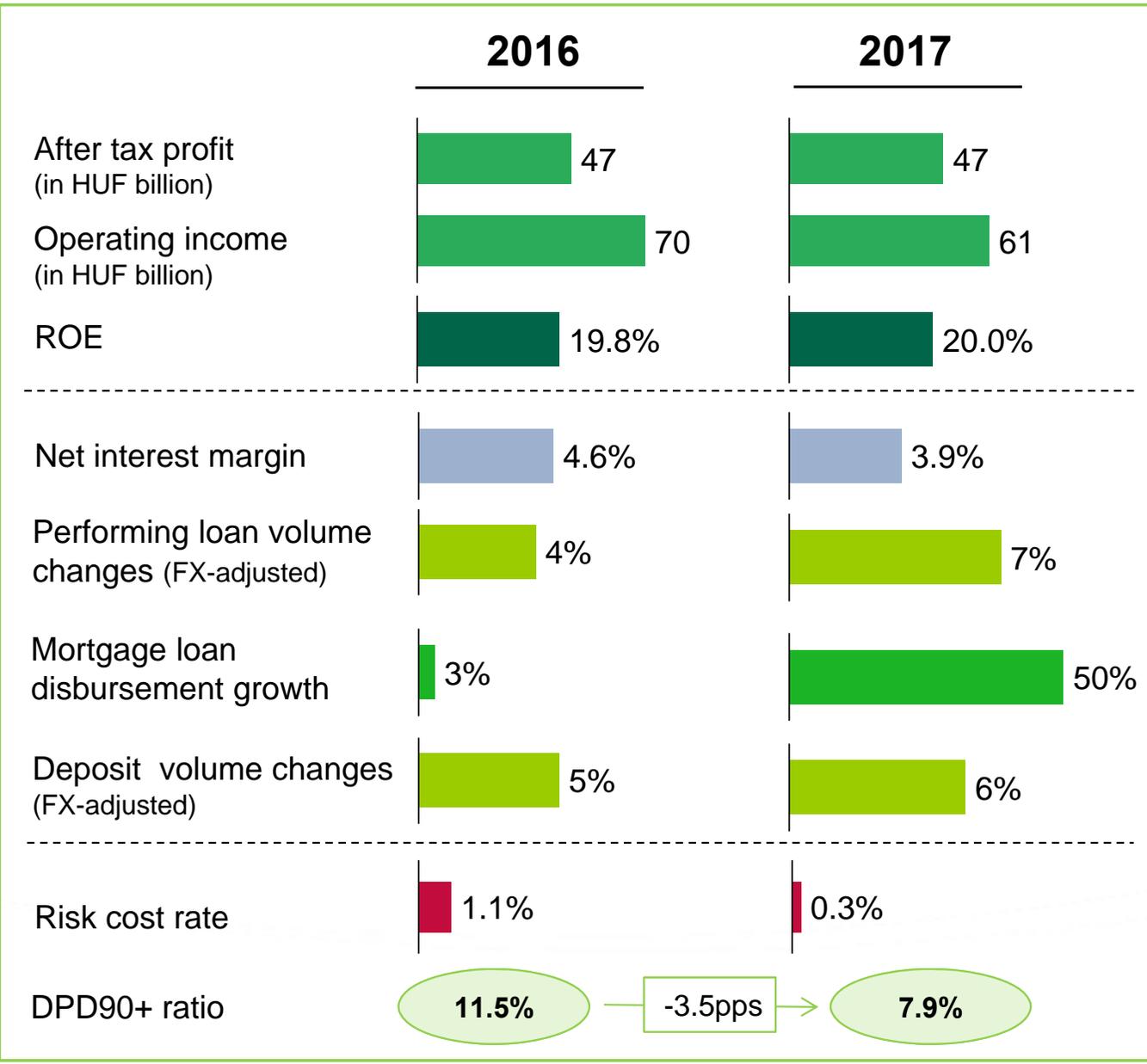
Sold real estates (pieces)



Number of ongoing projects (pieces)

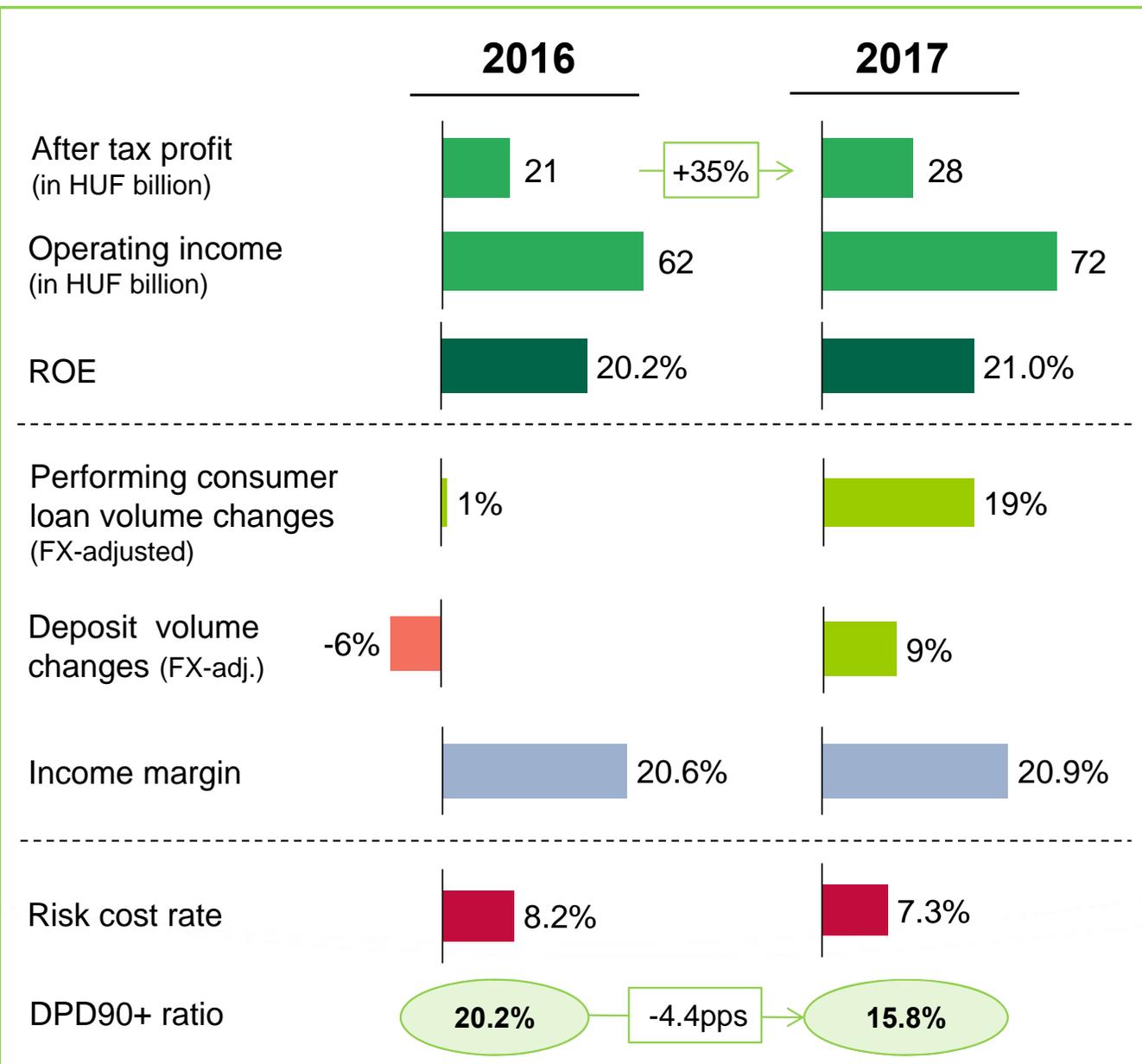


After tax profit of DSK was stable. Lending activity strengthened, net interest margin eroded



- Stable profit after tax
- Operating income declined due to narrowing net interest margin
- Slightly improving return on equity (20.0%)
- Lending activity strengthened, performing loan expansion was already visible in the retail segment, as well
- DSK bank maintained its market leader position in the retail segment
- Risk cost kept on diminishing
- The trend-like decrease of DPD90+ ratio continued

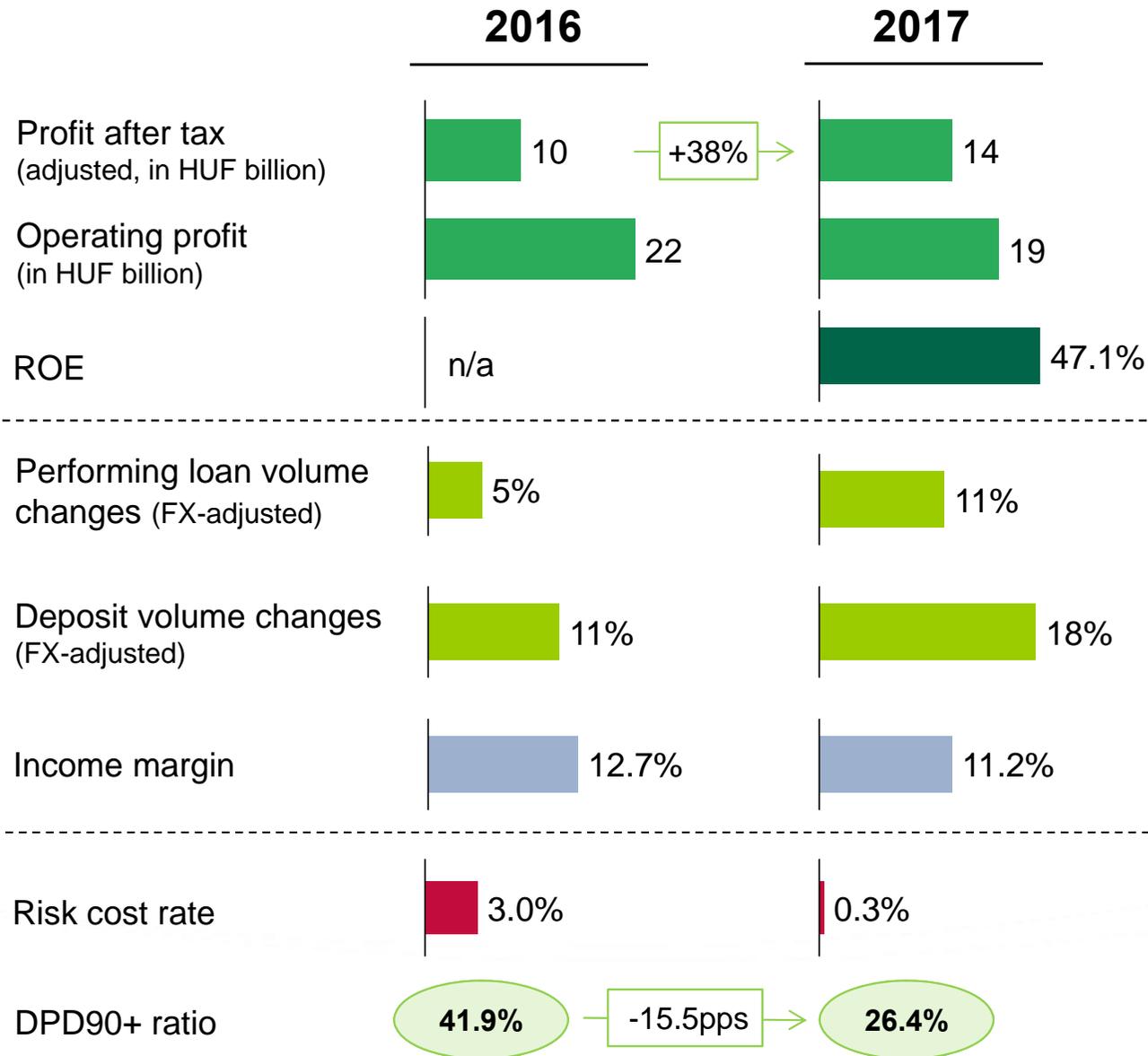
The Russian performance further improved due to the dynamic expansion of the performing loans, while the credit quality remained favourable



- After tax profit of OTP Bank Russia (without Touch Bank) grew by 35%; in Rouble terms the improvement was 22%
- ROE for the whole year slightly improved and reached 21%
- Beside performing consumer loans expanding by 19%, the pace of corporate loan volume increase was remarkable (from a low base)
- The net loan-to-deposit ratio grew
- The slight improvement of total income margin was due to stronger net fee and commission income margin, net interest margin eroded
- Risk cost rate kept on moderating
- DPD90+ ratio decreased mainly due to problem loan sales and write-offs

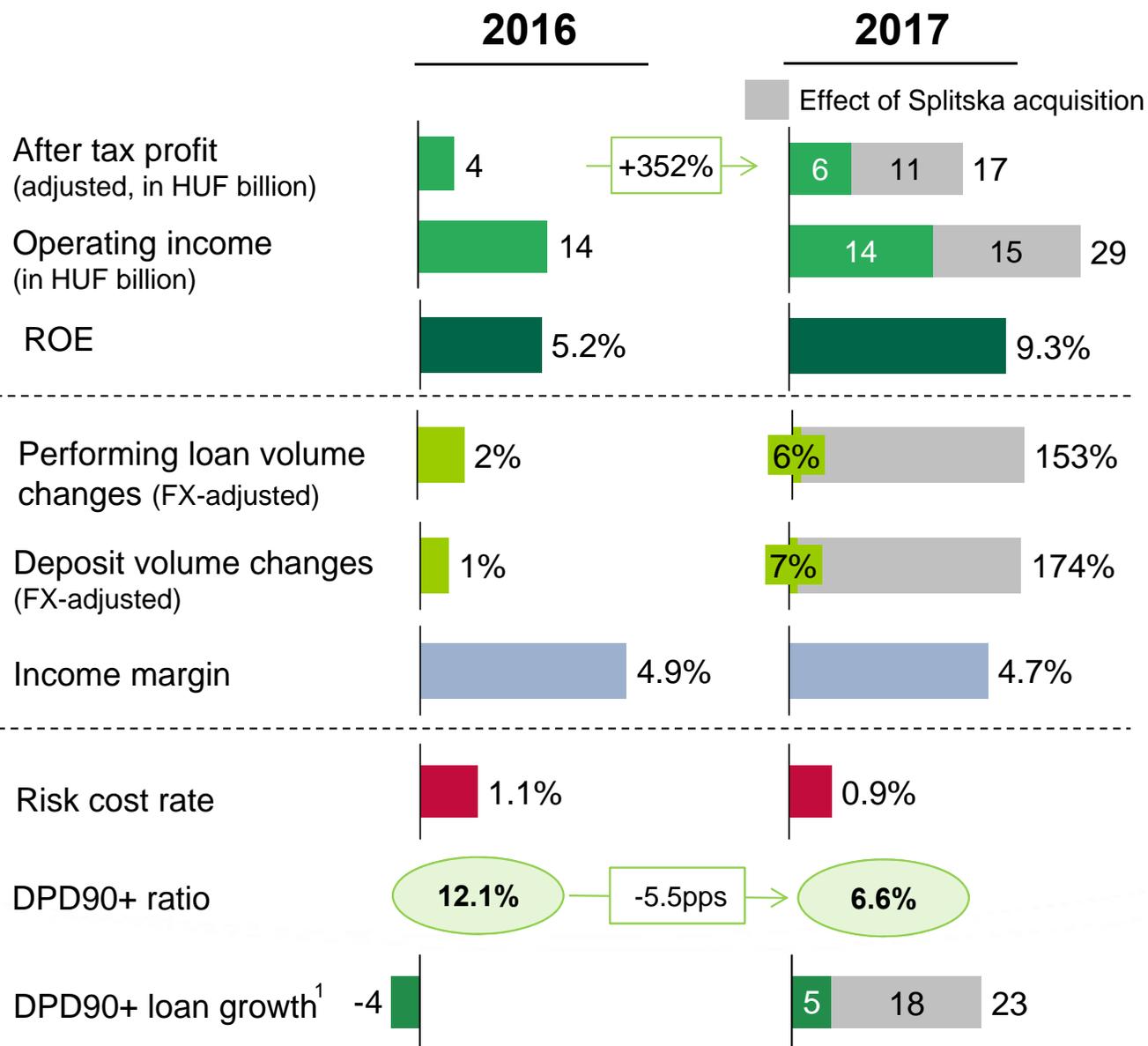
Note: The performance of the Russian bank excludes the performance of Touch Bank, operating as a separate business line within the bank.

The Ukrainian operation's profit improved in 2017 due to lower risk costs. The annual ROE (47.1%) was the highest among subsidiary banks of the Group (47.1%)



- The annual profit increased by 38% to HUF 14 billion
- As a result of favourable credit quality trends, risk costs dropped substantially
- Performing loans advanced by 11%, within that growth was mainly driven by consumer loans
- Dynamic expansion of deposit portfolio, stable net loan to deposits ratio
- The intragroup funding exposure to the Ukrainian group members dropped to HUF 29 billion equivalent (-HUF 17 billion)
- The DPD90+ ratio dropped by 15.5 pps due to problem loan sales and write-offs

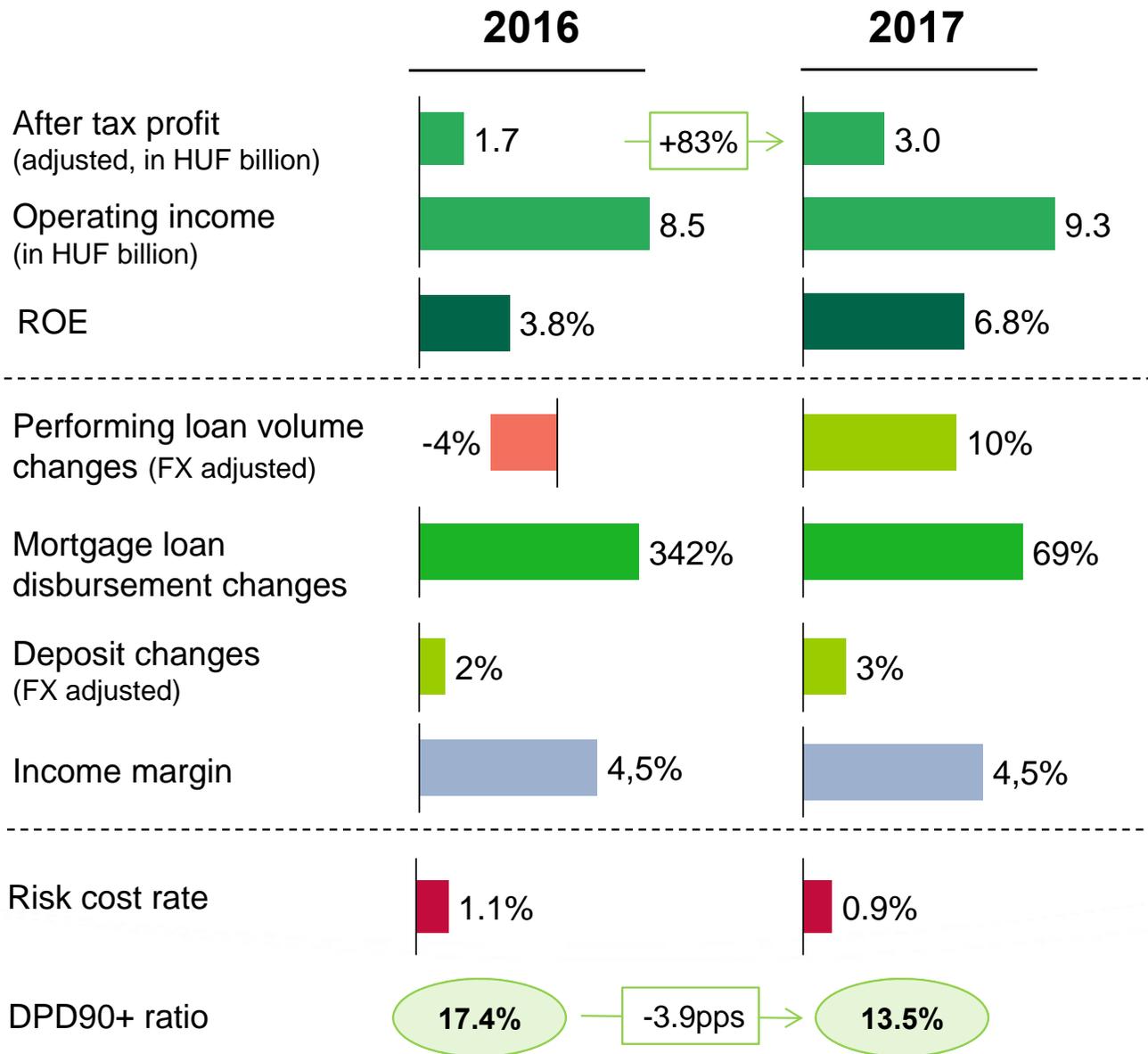
In Croatia the acquisition of Splitska banka was completed. As a result of the acquisition the contribution of the Croatian operation to the Group's profit improved significantly



- On 2 May 2017 the financial closure of Splitska banka acquisition was completed, thus the 8 months performance of Splitska banka has already been included into the financial statements of the Croatian operation. The 8 months profit of Splitska banka reached HUF 10.9 billion.
- The ROE of the Croatian operation improved to 9.3%
- As a result of the transaction the Croatian performing loans increased to 2.5-fold and deposits to 2.7-fold (FX-adjusted)
- Performing loans grew organically at an accelerating pace
- The income margin decreased slightly, predominantly reasoned by the dilution effect of the lower margin at Splitska banka
- The DPD90+ ratio decreased significantly

¹ In HUF billion, FX-adjusted, without the effect of DPD90+ loan sale and write-off. In 2017 the one-off effect of the consolidation represented about HUF 15 billion from the full impact of Splitska acquisition (HUF 18 billion).

The Romanian bank improved its profit by 83% in 2017. Performing loans increased by 10% organically



- ROE grew close to 7%
- After tax profit improved by 83%. The operating profit increased by 9% supported by a 2% decline in operating costs, too
- The performing loan volumes increased by 10% organically (FX-adjusted), due to the strong consumer and corporate loan dynamics
- New cash loan disbursement rose by 47% in 2017
- Income margin remained stable
- Risk costs declined by 16%
- The DPD90+ rate declined by 3.9 pps to 13.5%

The Slovakian subsidiary could not improve its performance. The market share of the Serbian operation increased above 5% as a result of the acquisition. The Montenegrin subsidiary's loss declined due to decreasing risk costs

OTP Banka Slovensko

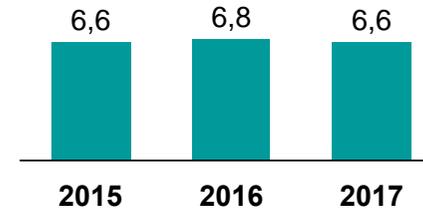


Profit after tax
(adjusted, in HUF billion)

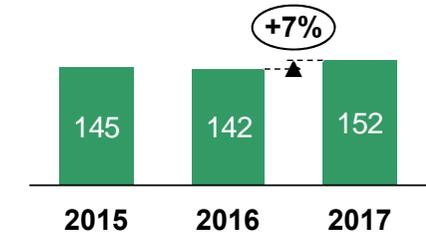


- Loss making operation coupled with slightly deteriorating operating profit
- The performing loans increased by 1%, mainly due to the increasing mortgage loans (+7% y-o-y)

Operating profit
(in HUF billion)



Development of DPD0-90 mortgage loan volumes
(in HUF billion, FX-adjusted)



OTP banka Srbija

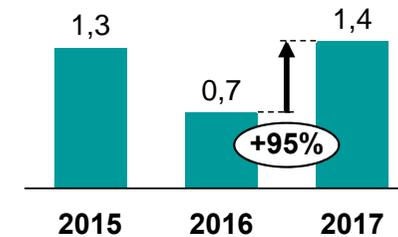


Profit after tax
(adjusted, in HUF billion)

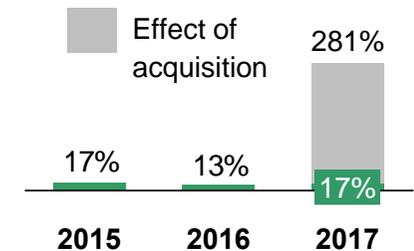


- The financial closure of the acquisition of Vojvodjanska banka was completed on 1 December 2017
- The operating profit almost doubled; half of the increase was related to Vojvodjanska
- Nearly quadrupling performing loans

Operating profit
(in HUF billion)



Y-o-y change of DPD 0-90
(FX-adjusted)



CKB (Montenegro)

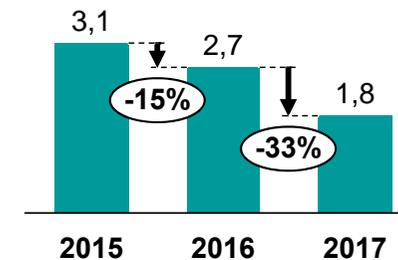


Profit after tax
(adjusted, in HUF billion)

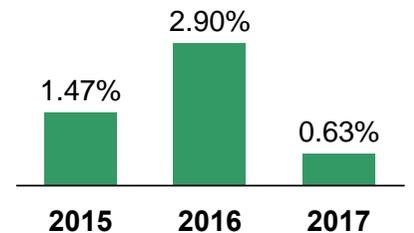


- Around break-even net result with declining risk costs
- Further eroding net interest margin
- The performing loan volumes increased by 16%, mainly thanks to the expansions of corporate loan volumes

Operating profit
(in HUF billion)



Development of risk cost rate



As one of the largest donors in Hungary, OTP Bank is involved in around 300 initiatives every year. In 2017 the Bank spent HUF 1.8 billion on corporate social responsibility purposes

Financial Education

OTP FÁY ANDRÁS FOUNDATION

**OK Project (Hungary,
Romania, Slovakia)**

Priority projects:

- Sulibank Experience Portal, Digital Call for Ideas (Hungary)
- CareerProgramme – “Going beyond borders” Erasmus+ project (Romania)
- “Cross-border financial-economic education” (Slovakia)

International Education
Standard certification
(KOKOA)

Creating Opportunities

HUMANITY SOCIAL FOUNDATION

**Equipment donor
programme**

Partnerships:

- Children — free dental screening (International Children’s Safety Service)
- Families — mobile playgrounds (Hungarian Charity Service of the Order of Malta)
- Persons living with disabilities — attitude-shaping programmes (Hand in Hand Foundation)

Culture

PRIMA PRIMISSIMA FOUNDATION

**OTP Bank has been
managing and funding the
Award since 2013**

**Excellence is recognised
every year**

10 categories, 30 nominees

Partnerships:

- Museum of Fine Arts+
- Traditional Dance Convention and Fair
- “Fölszállott a páva” folk talent show
- Veszprém Street Music Festival

Sports

OTP BANK BOZSIK PROGRAMME

**In the 2016/2017 school year,
more students had the
chance to play football than
ever before:**

102,300 kids

2,950 institutions

Partnerships:

- Hungarian Olympic Committee
- Handball
- Football
- Judo

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

2016



'Bank of the year'
'Socially responsible Bank of the year'
'The most likable Bank of the year'
'Banker of the year'
(MasterCard)



index member of CEERIUS

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



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



'Best Bank in Hungary 2016'

'Best FX providers in Hungary in 2016'
(Global Finance)

'Best Private Bank in Hungary'
(The Banker)



2017



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



index member of CEERIUS

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



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



'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)



'Best Private Bank in Hungary'
(The Banker)



'Best Private Bank in Hungary 2017'
'Best Bank in Hungary 2017'
'Best Bank in Bulgaria 2014 and 2017'
(Euromoney)

2018



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



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



'Best Private Bank in Hungary 2018'
(Euromoney)

Dates are indicating the year of the awards ceremony.

Goals of business policy

Stability



Stable business model through economic cycles

Maintaining high level of profitability

Keeping a level of capital that is commensurate with present and future regulatory requirements

Putting aside liquidity reserves sufficient to offset unexpected external shocks

Profitability



Value-creating innovations

Exploiting opportunities inherent in digitalization

Improving service quality of value propositions

Further improvement in efficiency

Continuous process developments (digitalization)

Cost-efficient operational size in all countries

Growth



Organic growth

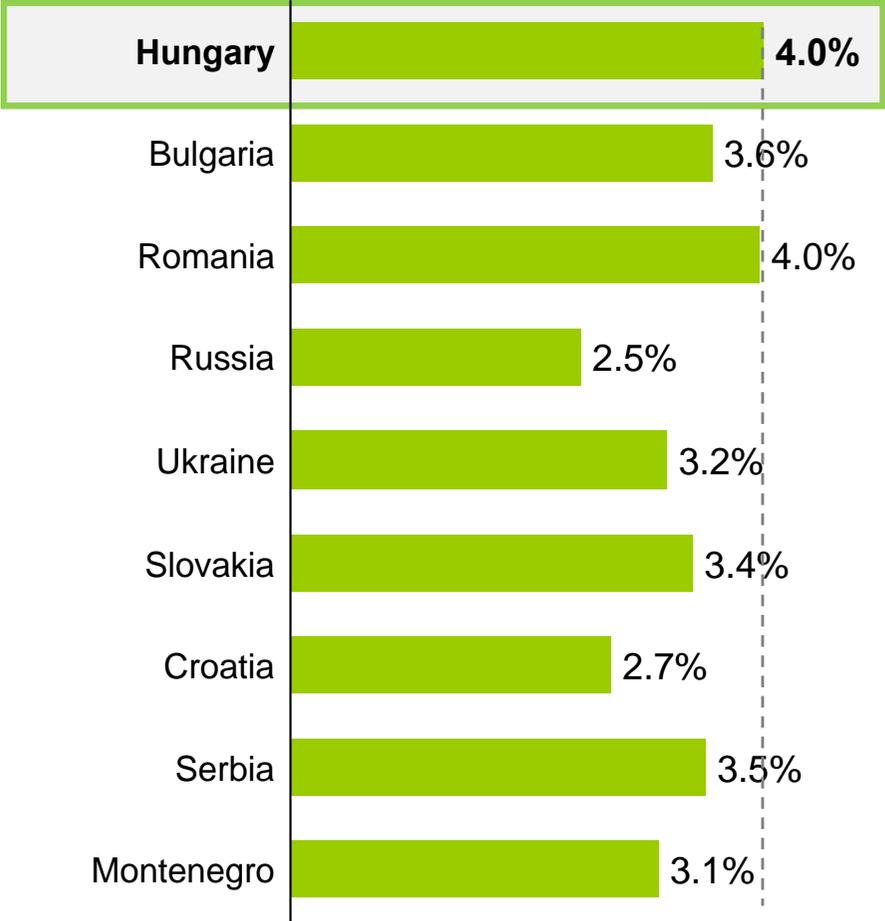
Sustainable expansion focusing on markets and products with high profitability

Acquisitions

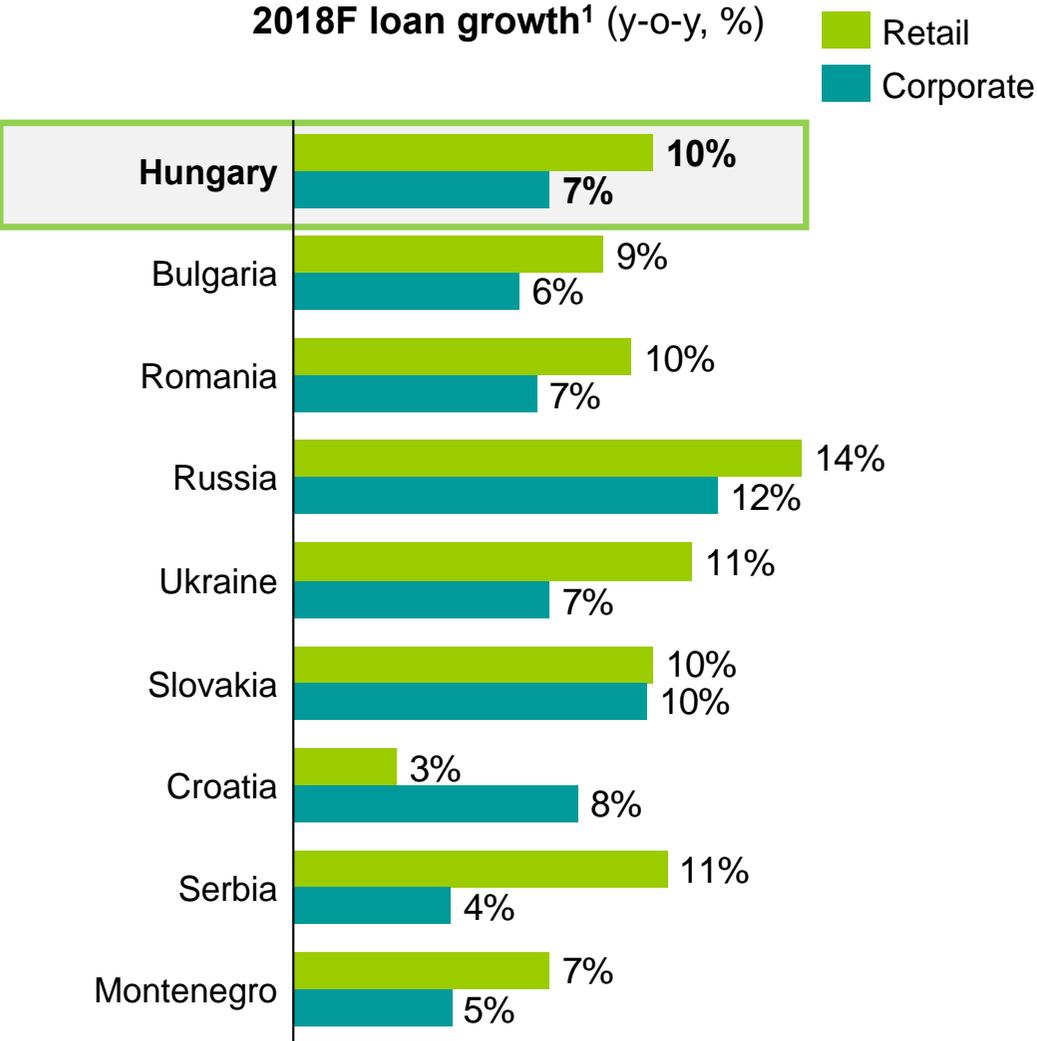
Seeking value-creating acquisition opportunities primarily in the countries of the Group

In 2018 the GDP is expected to continue to grow dynamically in Hungary and in other Group members' countries which may induce healthy growth in loan volumes

2018F GDP growth (y-o-y, %)



2018F loan growth¹ (y-o-y, %)



¹ 2018 net loan flow / end of previous year volume



Management expectations for 2018 – 1.

The ROE target of above 15% (assuming 12.5% Common Equity Tier1 ratio) announced at the 2015 Annual General Meeting remains in place.

Apart from the negative impact of the Hungarian and Slovakian banking tax (HUF 15 billion after tax) further acquisitions may result in material adjustment items.

The FX-adjusted growth of performing loans – without the potential effect of further acquisitions – may be close to the 2017 organic growth (+10%). Within that, the increase of household exposures may intensify, whereas the pace of corporate book expansion – following an outstandingly strong performance in 2016 and 2017 – may somewhat decelerate.

The net interest margin erosion may continue, compared to the 4Q 2017 level (4.38%) the annual NIM may contract by around another 10-15 bps. The forecast does incorporate the effect of acquisitions completed in 2017, however doesn't include the impact of further potential acquisitions.

Positive credit quality trends may continue with the DPD90+ ratio further declining, however total risk costs may increase as a result of higher loan volumes, the introduction of IFRS 9 and the presumably lower provision releases compared to 2017.

The increase of FX-adjusted operating expenses without acquisition effect may exceed the 2017 dynamics and be around 6% y-o-y as a result of wage inflation and on-going digital transformation.



Management expectations for 2018 – 2.

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 dividend amount to be paid from 2018 earnings depends primarily on the impact of completed future acquisitions. Subject to these deals, the final dividend proposal will be decided at the beginning of 2019.**
- **As for the indicated / deducted dividend amount presented among the financial data in the quarterly Stock Exchange Reports in 2018, the basis for the calculation will be the dividend proposal after the 2017 financial year (HUF 61.32 billion). However, the final dividend proposal can differ from this amount.**

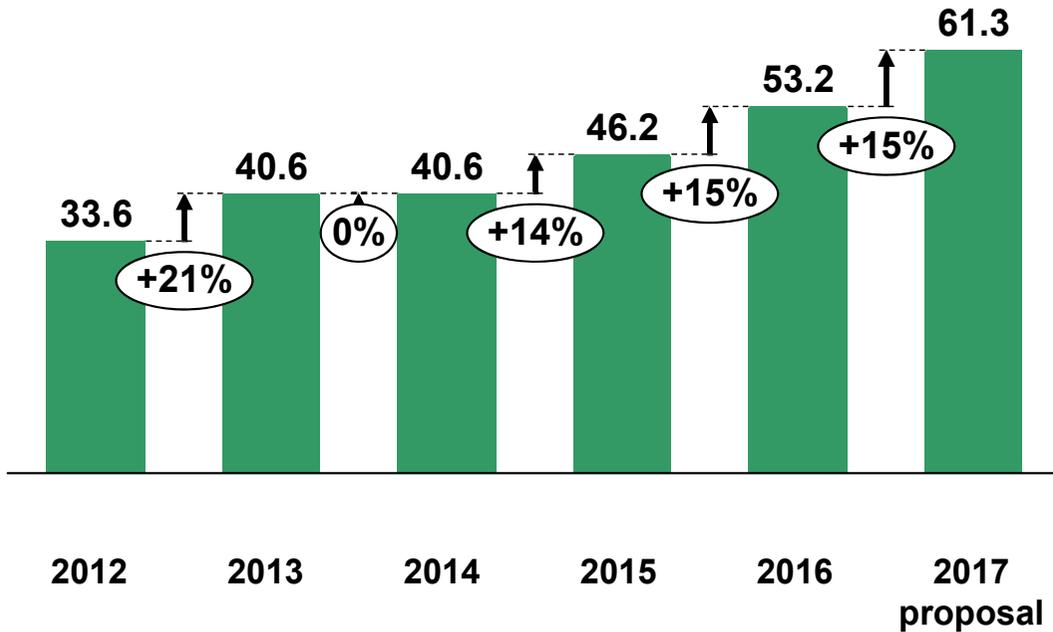
This presentation contains certain forward-looking statements with respect to the financial condition, results of operations, and businesses of OTP Bank. These statements and forecasts involve risk and uncertainty because they relate to events and depend upon circumstances that will occur in the future. There is a number of factors which could cause actual results or developments to differ materially from those expressed or implied by these forward looking statements and forecasts. The statements have been made with reference to forecast price changes, economic conditions and the current regulatory environment. Nothing in this announcement should be taken as an investment proposal.

Item 1.c. on the Agenda

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

The management's dividend proposal after the 2017 financial year is HUF 61.3 billion. The average dividend yield of OTP shares was 2 percentage points higher than the average 1 year government bond benchmark yield

Dividend amount (in HUF billion)



Dividend per share in the Proposal on dividend payment for the Annual General Meeting (in HUF)

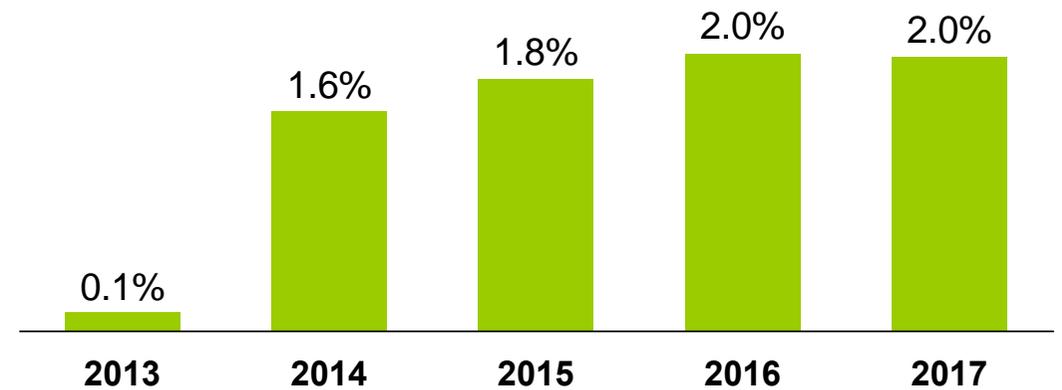
120	145	145	165	190	219
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Dividend per share expected to be paid out based on the AGM's Resolution on dividend¹ (in HUF)

122	147	147	167	192	221
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¹ On shares eligible for dividend. In 2017 the calculation is based on the share count of 277,060,174 (the total number of common shares less the number of treasury shares on 5 April 2018).

Real dividend yield of OTP shares²



Nominal dividend yield of OTP shares³

3.4%	3.3%	2.7%	2.4%	2.0%
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Benchmark yield of 1 year government securities⁴

3.2%	1.6%	0.9%	0.4%	0.0%
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Source: Bloomberg

² Difference between average 1Y govt bond benchmark yield and average OTP dividend yield.

³ Dividend per share expected to be paid out for the given financial year on shares eligible for dividend divided by the average closing share prices between 30 June of the given financial year and 30 June in the year of dividend pay-out (in case of 2017 average the closing share price on 5 April 2018 has been extrapolated until 30 June 2018).

⁴ Average of benchmark yields between 30 June in the given year and 30 June of the following year (in case of 2016 average the yield on 5 April 2018 has been extrapolated until 30 June 2018).

The Annual General Meeting

determines the statement of financial position for the year ended 2017 with total assets of HUF 7,771,882 million and with net profit for the period of HUF 251,550 million. The net profit for the period is allocated as follows: the general reserve must be increased by HUF 25,155 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 4 June 2018 in accordance with the policy determined in the Articles of Association.