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File number: 35429-22/2026

Contact:
Subject: Application of a supervisory measure and imposition of fine against OTP Bank Plc.

Resolution number: H-JÉ-I-B-67/2026.

Conducted at OTP Bank Nyrt. (registered office: 1051 Budapest, Nádor utca 16; company registration number: 01-10-041585; hereinafter: the **Bank**) with respect to the Bank and certain of its subsidiaries subject to consolidated supervision, Merkantil Váltó és Vagyonbefektető Bank Zártkörűen Működő Részvénytársaság (registered office: 1138 Budapest, Fővény utca 4-6., company registration number: 01-10-041465; hereinafter: **Merkantil Bank**), OTP Lakástakarékpénztár Zártkörűen Működő Részvénytársaság (registered office: 1138 Budapest, Váci út 135-139., Building D, company registration number: 01-10-043407; hereinafter: **OTP Lakástakarékpénztár**), OTP Ingatlanlízing Zártkörűen Működő Részvénytársaság (registered office: 1138 Budapest, Váci út 135-139., Building A, company registration number: 01-10-045229; hereinafter: **OTP Ingatlanlízing**), OTP Faktoring Követeléskezelő Zártkörűen Működő Részvénytársaság (registered office: 1138 Budapest, Váci út 135-139., company registration number: 01-10-043876; hereinafter: **OTP Faktoring**), OTP Jelzálogbank Zártkörűen Működő Részvénytársaság (registered office: 1138 Budapest, Váci út 135-139., Building D, company registration number: 01-10-044659; hereinafter: **OTP Jelzálogbank**), as well as SimplePay Zártkörűen Működő Public Limited Company (registered office: 1138 Budapest, Váci út 135-139., Building B, 5th floor; company registration number: 01-10-143303; hereinafter: **SimplePay**) (Merkantil Bank, OTP Lakástakarékpénztár, OTP Ingatlanlízing, OTP Faktoring, OTP Jelzálogbank, and SimplePay collectively: Subsidiaries; the Bank and the Subsidiaries collectively: **Banking Group**) in the course of a supervisory procedure—which, in this regard, also encompasses a consolidated-basis supervisory inspection—the Central Bank of Hungary (registered seat: 1054 Budapest, Szabadság tér 8-9.; business premises: 1122 Budapest, Krisztina körút 6.) (**MNB**) passes the following

Resolution

- I. **The MNB obliges the Bank**—in order to ensure full compliance with relevant legal, regulatory, and internal policy requirements in the course of its financial service activities— to implement the following supervisory measures by the deadlines specified for each point, and that it conduct its future operations in accordance with applicable legal requirements.
- 1. Corporate Management**
- 1.1** To ensure the appropriateness of outsourcing, by 31 January 2027, to ensure that, for each outsourced activity, it has an action plan in place to manage exceptional situations arising from the performance of activities in a manner that deviates from the provisions of the relevant outsourcing agreement, in which it establishes—by defining responsibilities and tasks—how it will ensure service continuity in the event of a service outage.
- 1.2** To ensure the adequacy of the Management Information System, by 31 January 2027, establish and regularly monitor data quality indicators and reports—covering the Bank and the entire Banking Group, and encompassing other data quality issues as well as the data quality of regulatory reporting—which shall be reviewed by the Bank's governing body at regular intervals, at least on a quarterly basis.
- 1.3** In the field of Internal Audit
- a) by 31 January 2027, set out in regulations the expectations regarding the operational tasks of Internal Audit,
- b) by 31 January 2027, taking into account the relevant legislation and the related regulatory provisions set out in the reasoning of this decision, define the tasks and scope of authority of the Internal Audit function, ensuring a clear demarcation between the lines of defence; in doing so, reallocate any control activities that do not fall within the third line of defence to the appropriate line of defence,
- c) to ensure ongoing compliance, Internal Audit shall, in the future, always prepare its annual work plan with due regard for legal requirements and supervisory regulatory instruments, and shall place particular emphasis on the comprehensive auditing of risk controls, the compliance assurance function, and the assumption of major risks.
- 1.4.** In the area of Compliance, by 28 February 2027, establish embedded controls to ensure full compliance with the conflict-of-interest rules indicated in the reasoning of this decision.
- 1.5** In the area of Fraud Management, and for the purpose of screening for internal fraud risks, establish a unified monitoring system by January 31, 2027, that enables the identification of risk-posing events, taking into account the Bank's headcount and the complex scope of its activities.
- 1.6** In the course of performing remuneration-related tasks, and in order to ensure ongoing compliance, it shall henceforth always carry out its decision-making practices regarding performance evaluations at the decision-making levels specified in the legislation and regulatory documents referred to in the relevant section of the reasoning of this decision and refrain from sole decision-making with regard to identified employees who have a significant impact on the Bank's risk profile.
- 1.7** To ensure the appropriateness of the Risk Strategy, by 30 April 2027
- a) ensure that any mid-year amendments to the limits set out in the RAS and the Lending Policy are approved at the Board level, and ensure that the Board is fully informed of the results of the monitoring of these limits,

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- b) design its sectoral concentration limit system in such a way that it takes into account every single client exposure classified within the given sector.
- 1.8 By 30 April 2027, to ensure the adequacy of risk-relevant policies
 - 1) clearly defines, within its regulatory framework, the scope of documents belonging to the various levels of the regulatory hierarchy,
 - 2) within its regulatory framework, it defines the level of corporate body approval (Board of Directors, Supervisory Board) required for policies, in accordance with the expectations set out in legislation and supervisory regulatory instruments,
 - 3) apply names and classifications appropriate to the hierarchy for each internal regulator,
 - 4) ensure that the review of its internal regulatory instruments is carried out by the deadline and in accordance with legal requirements,
 - 5) establish effective control processes to remedy the shortcomings identified in the findings, and ensure alignment between the regulations governing the controls performed and the actual practice, including by supplementing the compliance regulatory control procedures by having the Compliance Directorate—in its capacity as a mandatory reviewer—verify, even in the case of revised internal regulatory documents, whether the classification of the document aligns with the definition set forth in the Regulatory Framework.
- 1.9 To ensure the appropriateness of the regulation and practice of data transfer
 - a) by 30 April 2027, establish the regulatory framework—concerning controls—for the system used for data transfer, defining, among other things, the various areas of responsibility, deadlines, and the methods for documentation and verification in relation to these controls, furthermore, in the practice of data transfer, aim to establish error rules as comprehensively as possible, covering the entirety of the so-called extracts and source systems,
 - b) in order to ensure ongoing compliance, HITREG shall, in the future, submit its data in accordance with the relevant data reporting requirements in force at any given time.
- 2. Credit Risk**
- 2.1** In the area of the retail lending process
 - a) establish, by 31 January 2027, the customer information processes related to data transmission to the KHR (Central Credit Information System) as required by legal regulations, and ensure their full and consistent application at all times,
 - b) review the KHR data transmission process following the conclusion of the contract by 31 January 2027, and, if necessary, implement additional controls to ensure ongoing compliance with applicable legal requirements, furthermore, to ensure the adequacy of the processes, establish mechanisms for verification; in doing so, review the resource requirements of the related processes and allocate resources as necessary,
 - c) in order to ensure continuous compliance, proceed in accordance with the administrative instruction—which is amended at all times to remain consistent with legal requirements and is identified in the reasoning of this decision—regarding the KHR data transfer and monitoring processes associated with the assignment of receivables, as well as allocate additional resources, if necessary, for these modified processes,
 - d) by 31 January 2027, conduct a re-evaluation of process compliance regarding the regional error reports referred to in point A) of the finding, and examine the need for further measures based on the results of this re-evaluation, furthermore, with regard to point B) of the findings, it shall review its KHR data transmission error-correction and internal control processes to ensure that KHR data transmissions are carried out within the statutory deadlines.
- 2.2** In the area of the corporate lending process
 - a) in order to ensure the appropriateness of the decision-making framework, amend its internal regulations by 31 January 2027 and fully rectify the shortcomings detailed in the reasoning,
 - b) for the clients identified in the finding, carry out the necessary group mappings by 31 January 2027, and in the future, pay heightened attention to the proper identification and review of client groups at the banking group level.
- 2.3** Within the scope of HITREG data reporting for the corporate work-out process, ensure continuous compliance with the designation for the WORKOUT_KOD status, in accordance with the data reporting requirements in force at any given time.
- 3. Recognition of impairment**
- 3.1** In order to ensure the compliance of its EVAN data reporting, the institution shall conduct a comprehensive review of its EVAN data reporting by 31 January 2027; establish the data structure to be reported based on the expectations and methodological guidance issued by the MNB; and rectify not only the identified shortcomings but also any other deficiencies that may be discovered during the process, furthermore, implement an effective control mechanism to ensure the accuracy of the data content, and continuously maintain a high level of data integrity for the EVAN Data Service in the future.
- 3.2** In order to address the shortcomings identified in relation to the LGL model applied to the corporate segment, the following requirements shall be met by 31 July 2027:
 - a) correct errors in Excel calculations and ensure they are secure and verifiable, or use closed, verifiable, and approved systems,
 - b) examine whether the method for determining the client-level TTS parameter causes any significant distortion; if so, ensure that this is eliminated,
 - c) examine what other solutions can be applied to the cost parameter "C" in order to eliminate the inconsistency indicated in the statement,

- d) ensure that the corporate macro methodology for the LGL parameter is consistent with the macro methodology for the PL parameter, conduct a representativeness assessment regarding the applicability of retail parameters, and examine the possibility of incorporating forward-looking information for the LGL parameter,
- e) remedy the documentation deficiencies to ensure that the documents contain all necessary information—or that the missing information can be located via a clear reference to other Bank documents—and, furthermore, clearly distinguish between the terms LGL and LGD within the documents and apply them consistently.

3.3 In order to address the shortcomings identified in the macro-models used, the following requirements shall be met by 31 July 2027:

- a) for the logistic and linearized regression equations, re-estimate the equations using first-order differencing of the variables,
- b) take into account, during the next review, the points set out in the reasoning of this Decision regarding the TTC PD,
- c) aligns the scenarios used for determining credit risk parameters with one another and with the Bank's macroeconomic expectations,
- d) updates its relevant documentation to ensure that it is consistent both internally and with banking practice,
- e) updates and structures its documentation in accordance with the general expectation that, in the case of methodological guidelines, the guideline document itself must specify the documents pertaining to the models governed by that guideline (including name, file path, and date of application), while the model documentation must include the start date of the models' implementation and the end date of their decommissioning,
- f) ensure at all times that risk management areas are adequately staffed, including the unit responsible for developing and operating the macro-model.

4. Guarantee capital

To ensure the appropriateness of the calculation of regulatory capital, when calculating and reporting regulatory capital in the future—with due regard for the provisions of the CRR—Tier 1 capital instruments shall be taken into account only in full compliance with all legal requirements.

5. Large exposure limit

In order to prevent and manage limit breaches, by 31 January 2027, as part of the monitoring of monthly/quarterly large exposures—at least with respect to items involving exposures to the state—internal limits on large risk exposures shall be established; should these limits be reached, closer monitoring or an action plan shall be initiated as an early warning measure, and, to this end, it shall amend its relevant internal regulations.

6. Collateral Management

In order to determine the value of other forms of collateral and to take them into account during the lending process, ensure that, by January 31, 2027, a distinction is made between the two types of pledge over receivables (disclosed and undisclosed) regarding the discount applied when determining the collateral value of such pledges.

7. Informatics

7.1. In order to ensure the adequacy of the records maintained for ICT assets, it shall, by 30 April 2027—and continuously at all times thereafter—ensure that a comprehensive and up-to-date inventory of the assets constituting the IT system is kept.

7.2. By 30 April 2027, to ensure the adequacy of IT perimeter protection

- carry out the implementation of network segmentation by executing a segmentation project,
- conduct a comprehensive review of the rule sets across all firewalls, assessing—in proportion to the associated risks—the appropriateness and business justification of existing firewall rules and connection filters,
- ensure the proper documentation of reviews in order to verify the adequacy of the tasks performed, the scope, the methodology, and the measures taken,
- provide for the protection of network endpoints, in accordance with the reasoning set out in this decision.

7.3 To ensure the adequacy of Vulnerability Management, by 30 April 2027, ensure that

- the up-to-date status of individual systems,
- the regularity of installing security patches,
- the consistent security level of the product versions in use, as well as the replacement of systems that are no longer supported,
- the appropriate classification of software,
- the removal and continuous monitoring of prohibited software.

7.4. To ensure the proper management of access rights, ensure the full-scale implementation of the OIM system by 31 October 2027.

7.5 To ensure the adequacy of the rescue plan, you must—by 30 April 2027 and on an ongoing basis thereafter—ensure the preparation of the MAVR documents (rescue plan) in every instance, and arrange for the registration of the completed rescue plan.

7.6 In order to ensure the adequacy of selfie-based customer due diligence, by 30 April 2027, a selfie-based (indirect) electronic customer due diligence process shall be established that allows for the comprehensive verification of the legal requirements set out in the reasoning of this decision.

8. Regular data provision to the central bank information system based on a statutory obligation

8.1 In order to ensure comprehensive sector classification, the entity shall, by 31 January 2027, fully classify its clients into sectors in accordance with the sector classification rules set out in Annex 2 to the prevailing MNB Decree on data reporting obligations.

8.2 In order to ensure compliance with the E21 data reporting requirements, the entity shall—by 31 January 2027—correct the identified errors, with retroactive effect to January 2025, in accordance with points A) and B) of the relevant section of the reasoning of this decision; furthermore, it shall ensure that its future data reporting—including the matters set out in point C) of the reasoning—is prepared in compliance with the provisions of the prevailing MNB Decree on data reporting obligations.

- 8.3** In order to ensure the compliance of the P14, K21, and K23 data submissions, the HITREG and BETREG data submissions, as well as the M04 data submission, and to prevent the recurrence of the errors and deficiencies detailed in points (a) through (e) of the relevant section of the reasoning of this decision, the Bank shall, when fulfilling its data submission obligations, fully and strictly adhere to the requirements set forth in the MNB decree on data reporting obligations in force at any given time.
- II. As part of an extraordinary data reporting requirement, the MNB obliges that the Bank submit its internal audit report—discussed by the Board of Directors and approved by the Supervisory Board—regarding the verification of the full implementation of the obligations set forth in Section I of the operative part of this decision, as well as the documents supporting the implementation of said obligations to the MNB:
- by 31 March 2027, in respect of supervisory measures to be implemented by 31 January 2027,
 - by 30 April 2027, in respect of a supervisory measure to be implemented by 28 February 2027,
 - by 30 June 2027, in respect of supervisory measures to be implemented by 30 April 2027,
 - by 30 September 2027, in respect of supervisory measures to be implemented by 31 July 2027,
 - by 31 December 2027, in respect of a supervisory measure to be implemented by 31 October 2027.
- III. The MNB orders the Bank to pay a total fine of 33.000.000,-HUF (i.e., thirty-three million Hungarian forints) due to the violations of law—as established in points 1–8 of the reasoning of this decision—which form the basis for the provisions set out in points 1–8 of Section I of the operative part of this decision.

The MNB draws the Bank's attention to the fact that if it does not comply with the obligations stipulated in the decision, or if it does not comply fully or late, the MNB has the option of applying additional supervisory measures provided for by law or imposing a fine.

No procedural costs were incurred during the MNB's procedure.

The imposed fine has to be paid to the account number 19017004-01678000-30900002 of the MNB within 30 days after the resolution becoming enforceable by indicating "supervisory fine" as a comment and the number of the resolution. In the absence of the voluntary payment of the fine, the rules of administrative enforcement are applied. In the event the deadline for the payment of the supervisory fine is missed, default interest will be charged, the extent of which will be calculated at the rate of 365th of the double of the central bank rate in effect on the date of imposition after every calendar day following the date of imposition. No late payment surcharge may be charged on a late payment surcharge that was paid late. The default interest has to be paid to the cited account of the MNB by indicating the number of the resolution and the comment "default interest". The legally imposed and unpaid fine, as well as default interest charged due to the unpaid or delayed fine, will be collected by the state tax authority in the same way as taxes.

No appeal can be made against the resolution, however the person whose right or legitimate interest is directly affected by the public administration activity, may, within 30 (thirty) days from the notification, file an administrative lawsuit against the decision with a letter of claim against the decision before the Budapest Capital Regional Court.

The application shall be submitted to the MNB addressed to the Budapest-Capital Regional Court. (The assistance service of form's submission: <https://www.mnb.hu/felugyelet/engedelyezes-es-intezmenyfelugyeles/hatarozatok-es-vegzesek-keresese>). Legal representation is mandatory.

The submission of the application has no suspensory effect on the entry into force of the decision, however, the person whose right or legitimate interest is violated by the administrative activity or the maintenance of the situation caused by it, can request immediate legal protection in order to eliminate the directly threatening disadvantage, to temporarily settle the disputed legal relationship, or to maintain the situation that gave rise to the legal dispute unchanged.

The court will, as a general rule, decide the trial out of court. A hearing shall be held, if so requested in the application by the client. Failure to request a hearing cannot be justified.

Dated: Budapest, 2026.

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