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Resolution number: H-KPL-I-B-6/2019

Based on the conclusion of the control procedure under case number 136041/2019. against OTP Bank Plc. (registered office: 1051 Budapest, Nádor utca 16.; hereinafter: Credit Institution) on the subject of postcontrol test of implementation of resolution H-KPL-I-2/2019 of MNB ("Resolution"), the National Bank of Hungary (registered office: 1054 Budapest, Szabadság tér 8-9.; hereinafter: MNB) passes the following

r e s o l u t i o n

- I. The MNB obliges the Credit Institution repeatedly to perform from 1 January 2020 and thereafter to provide it on a continuous basis in its entire branch network
 1. In accordance with subsection (8) of section 23 of Act CXXXIX of 2013 on the National Bank of Hungary (hereinafter: MNB Act) that the defective damaged forint banknotes with a surface not exceeding 50% shall be taken over free of charge from the customer and forwarded to the MNB for inclusion and for destruction
 2. In accordance with subsection (5) of section 21 of Decree of the National Bank of Hungary 19/2019. (V.13.) on the technical tasks related to the processing, marketing and protection against counterfeiting of banknotes (hereinafter: MNB Decree), that if a part greater than the 50% of an incomplete forint banknote is submitted, it will be taken over for exchange and conversion of the denomination. In case of submission of incomplete forint banknotes – might be glued together - could be exchanged in the framework of exchange and conversion of the denomination if the individual parts are identical to the same forint banknote as may be determined by the cashier and each component together exposes more than 50% of the forint banknote;
- II. The MNB requires the Credit Institution to report on the measures taken by 31 January 2020 in a documented manner in order to verify the full compliance with the obligations contained in point I of the resolution within the framework of exceptional data transmission.

The Credit institution has the obligation to provide extraordinary reporting to the MNB Cash Logistics Directorate, with which the Credit Institution have to comply by sending a form with the name of "Report on the fulfilment of obligations required by the MNB" which is available on the MNB E-Administration - Cash Service / Cash Flow Checks section of the MNB Electronic System for Accepting Data (hereinafter: ERA System).

The compressed size of files attached to a form should not exceed 12 MB, but the form can be submitted in unlimited numbers.

If the Credit Institution wishes to send large [12 MB, up to five Gigabytes, compressed (.zip, extension)] files, it shall be done through the Large File Management (NAK) service available in ERA, to which the related client application need to be installed. In order to use the application supporting uploading and submitting data files in compressed form, the help system and the process description for the registered and ERA logged in users can be found

in the ERA system at the following address:

<https://era.mnb.hu/ERA.WEB/Services/Current?code=NAK>

The MNB draws the attention of the Credit Institution to the fact that uploading and submitting the file via the NAK service is a two-step process: the pdf extension file generated as a result of the NAK upload is the first step of uploading, which shall be submitted in the above-mentioned form of "Calculation of fulfillment of the obligations imposed by the MNB" without a change in name in order to meet the reporting obligation towards MNB.

The availability of the ERA system is provided via a link on the MNB's Internet portal:

<https://era.mnb.hu/>. The ERA system user guides can be found under the ERA Help:

<https://era.mnb.hu/ERA.WEB/contents/sugo>.

In accordance with section 75 of MNB Act and section 183-198 of Act CCXXXVII of 2013 on Credit Institutions and Financial Enterprises the MNB may apply additional measures, exceptional measures and may impose fines repeatedly, in case the Credit Institution fails to comply with the obligations set out in point I and II by the due date, or in the event of a repeated breach of law falls within the MNB'S controlling competence and repeated breach of the MNB's resolutions. In accordance with point (1) and (2) of section 76 of MNB Act that the amount of the fine may range from one hundred thousand forints to two billion forints, or the annual supervisory fee set for the Credit Institution (the sum of the basic fee and the variable fee) up to two hundred percent if the latter amount exceeds two billion forints.

- III. The MNB obliges the Credit Institution to pay fine in the amount of three million forints (3 000 000 Ft).

The imposed fine shall be paid to the account number 19017004-01678000- 30900002 of the MNB within 30 days after this resolution enters into force by indicating „fine” as a comment and the number of the resolution.

In the event the deadline for the payment of the 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. After the late payment of default interest, no further default payment can be charged. 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”.

No procedural costs were incurred during the procedure.

No appeal can be made against this resolution. The Credit Institution may initiate administrative proceeding against the resolution within 30 days of its publication by referring to violation of law. Legal representation is mandatory. The application shall be submit 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>.)

The submission of the application has no suspensory effect on the entry into force of the decision, but the plaintiff can request immediate legal protection. The court will, in principle, decide the trial out of court. The hearing will be taken, if the plaintiff requests in the application. There is no place for excuse, if the request is not be taken.