



corporate *governance*

Senior management of OTP Bank and executive members of the Board of Directors



Dr. Sándor Csányi

Chairman & CEO

Dr. Sándor Csányi (58) graduated from the College of Finance and Accountancy in 1974 with a bachelor's degree in business administration and in 1980 from the Budapest University of Economic Sciences with a degree in economics. He is an economist with a specialisation in finance, and is also a qualified pricing specialist and certified auditor. After graduation he worked at the Revenue Directorate and then at the Secretariat of the Ministry of Finance, after which, between 1983 and 1986, he was a departmental head at the Ministry of Agriculture and Food Industry. From 1986 to 1989 he worked as a head of department at Magyar Hitel Bank. He was deputy CEO of K&H Bank from 1989 to 1992. Since 1992 he has been Chairman & CEO of OTP Bank Plc, where he is responsible for the Bank's strategy and overall operation. He is a member of the European Board of Directors for MasterCard, one of the world's leading payment card companies, and is Vice Chairman of the Board of Directors of MOL Plc, Co-Chairman of the National Association of Entrepreneurs and Employers (VOSZ), and he was a member of the Board of Directors of the Hungarian Banking Association until April 2011.

As of 31 December 2010 he held 200,000 ordinary OTP shares (while the total number of OTP shares held by him directly and indirectly was 2,700,000).

Dr. Antal Pongrácz

*Deputy Chairman,
Deputy CEO
Staff Division*

Dr. Antal Pongrácz (65) graduated from the Budapest University of Economic Sciences and earned a PhD in 1971. From 1969 he worked as an analyst at the Petrochemical Investment Company, then as a group manager at the Revenue Directorate until 1975. From 1976 he held various executive positions at the Ministry of Finance. After that, he was the first Deputy Chairman of the State Office for Youth and Sports (86–87). Between 1988 and 1990 he was the first Deputy CEO of OTP Bank. Between 1991 and 1994 he was CEO, and then Chairman & CEO, of the European Commercial Bank Rt. Between 1994 and 1998 he was Chairman & CEO of Szerencsejáték Rt, then in 1998-99 he served as CEO of Hungarian flagship carrier, Malév. Since 2001 he has been executive director of OTP Bank's Staff Division and more recently, Deputy CEO. He has been a member of OTP Bank's Board of Directors since 2002 and Deputy Chairman since 9 June 2009.

As of 31 December 2010 he held 200,000 ordinary OTP shares.

László Bencsik

*CFO, Deputy CEO
Strategy and Finance Division*

Mr. László Bencsik (41) has been deputy CEO of OTP Bank Plc, and head of the Strategy and Finance Division, since August 2009. He joined OTP Bank in September 2003, when he became executive director of the Bank Operations Management Directorate, and the manager with overall responsibility for controlling and planning. From 2000, until he joined OTP Bank, he was a project manager at consulting firm McKinsey & Company. Between 1996 and 2000 he worked as a consultant at Andersen Consulting (now Accenture). In 1996 he graduated from the Faculty of Business Administration at the Budapest University of Economic Sciences, and in 1999 he obtained a Masters in Business Administration (MBA) from INSEAD Business School in France.

As of 31 December 2010 he held no ordinary OTP shares.



Dr. István Gresa

*Deputy CEO
Credit Approval and Risk
Management Division*

Dr. István Gresa (58) graduated from the College of Finance and Accountancy in 1974 and received a degree in economics from the Budapest University of Economic Sciences in 1980. He earned a PhD from the same establishment in 1983. He has worked in the banking sector since 1989. Between 1989 and 1993 he was branch manager of Budapest Bank's Zalaegerszeg branch. From 1993 he was director of OTP Bank's Zala County Directorate, and from 1998 he served as the executive director of the bank's West Transdanubian Region. Since 1 March 2006 he has been Deputy CEO of OTP Bank and the head of the Credit Approval and Risk Management Division and chairman of the Board of Directors at OTP Factoring Ltd. Since 22 May 2007 he has been chairman of the Board of Directors at the OTP National Health Fund. As of 31 December 2010 he held 63,758 ordinary OTP shares.

Dániel Gyuris

*Deputy CEO
Real Estate, Small Enterprises
and Agriculture Division
Chairman & CEO
OTP Mortgage Bank Ltd. and
OTP Building Society Ltd.*

Mr. Dániel Gyuris (52) obtained a post-graduate degree in agricultural engineering from Gödöllő University of Agricultural Sciences in 1998. Two years earlier he graduated in economics from the Budapest University of Economic Sciences, where he majored in bank management. In the same year he obtained a post-graduate diploma from the College of Finance and Accountancy. He is a certified accountant and property valuation specialist. He began his career as an agricultural engineer at an industrial cooperative, where as deputy production manager he was responsible for the overall management of the production processes. In 1989 he was appointed a head of department at Agrobank Ltd., and then from 1991 he held a similar position at Inter-Europe Bank Ltd. From 1999 he was CEO of FHB Land Credit and Mortgage Bank Plc., and was the executive director responsible for the operation of the bank group. Since 1 November 2010 he has been deputy CEO of OTP Bank Plc., and is also the head of the Real Estate, Small Enterprises and Agriculture Division, as well as Chairman & CEO of OTP Mortgage Bank Ltd. and OTP Building Society Ltd. As of 31 December 2010 he did not hold any ordinary OTP shares.

Antal Kovács

*Member of the Supervisory Board,
Deputy CEO
Retail Division*

Mr. Antal Kovács (58) graduated from the Budapest University of Economics with a degree in economics in 1985. He began his professional career in 1990 at the Nagyatád branch of K&H Bank, where he worked as a branch manager between 1993 and 1995. He has been working at OTP Bank Plc. since 1995, first as a county director and from 1998 as the executive director of OTP Bank's South Transdanubian Region. Since 1 July 2007 he has served as OTP Bank's Deputy CEO. He has received additional training at the International Training Centre for Bankers and on various courses held by the World Trade Institute. He has been a member of OTP Bank's Supervisory Board since 2004. As of 31 December 2010 he held 23,000 ordinary OTP shares.

Senior management of OTP Bank and executive members of the Board of Directors



Ákos Takáts

*Deputy CEO
IT and Bank Operations Division*

Mr. Ákos Takáts (51) graduated from the University of Horticulture and Food Industry in 1982 and earned a degree in engineering in 1985. He has worked in the banking sector since 1987. From 1993 he served as a deputy head of department at OTP Bank Plc., then, from 1995, he was executive director of the bank's IT Development Directorate. Since 1 October 2006 he has served as OTP Bank's Deputy CEO and the head of the IT and Bank Operations Division. As of 31 December 2010 he held a total of 153,347 ordinary OTP shares.

Dr. László Utassy

Chairman & CEO
Merkantil Bank Ltd.*

Dr. László Utassy (59) graduated from the Faculty of Law of ELTE University in Budapest in 1978. He held various positions at the State Insurance Company between 1978 and 1995 and then at ÁB-Aegon Rt. He was Chairman & CEO at OTP Garancia Insurance from 1996 to 2008. He was managing director of OTP Bank Plc. between 2009 and 2010. Since 1 January 2011 he has been Chairman & CEO of Merkantil Bank Ltd. He has been a member of OTP Bank's Board of Directors since 2001. As of 31 December 2010 he held 260,000 ordinary OTP shares.

László Wolf

*Deputy CEO
Commercial Banking Division*

Mr. László Wolf (51) graduated from the Budapest University of Economic Sciences in 1983. After graduation, he worked at the Bank Relations Department of the National Bank of Hungary for 8 years, and then served as head of Treasury at BNP-KH-Dresdner Bank between 1991 and 1993. From April 1993 he was executive director of OTP Bank's Treasury Directorate, and since 1994 he has been Deputy CEO of the Commercial Banking Division. As of 31 December 2010 he held 654,640 ordinary OTP shares.

* from 1 January 2011

Non-executive members of the Board of Directors of OTP Bank



Mihály Baumstark

*Chairman & CEO
Csányi Winery Ltd.*

Mr. Mihály Baumstark (62) holds degrees in agricultural engineering and agricultural economics. He was employed by the Ministry of Agriculture and Food Industry between 1978 and 1989. When he left the Ministry he was deputy head of the Investment Policy Department. After this he was managing director of Hubertus Rt., and from 1999 he was deputy CEO and then Chairman & CEO of Villányi Winery Ltd. (now Csányi Winery Ltd.). He was a member of OTP Bank's Supervisory Board from 1992 to 1999, and has been a non-executive member of OTP Bank's Board of Directors since 1999.

As of 31 December 2010 he did not hold any ordinary OTP shares.

Dr. Tibor Bíró

*Head of Department
Budapest Business School*

Dr. Tibor Bíró (59) graduated from the Budapest University of Economic Sciences with a degree in business administration. He was the Head of the Financial Department of the City Council of Tatabánya from 1978-82. He began teaching at the College of Finance and Accountancy in 1982 and has been head of department since 1992. He is a certified auditor and chartered accountant. He is a member of the Educational Committee of the Chamber of Hungarian Auditors. He has been a non-executive member of OTP Bank's Board of Directors since 1992.

As of 31 December 2010 he held 30,681 ordinary OTP shares.

Péter Braun

*Electrical Engineer
Former Deputy CEO
OTP Bank*

Péter Braun (75) earned a degree in electrical engineering from the Technical University of Budapest. Between 1954 and 1989 he worked for the Research Institute for Electrical Energy, with his last position there being head of department. After that, he was the managing director of K&H Bank Rt., working in its Computer and Information Centre. He is a member of GIRO Rt.'s Board of Directors, and was Deputy CEO of OTP Bank Plc. from 1993 until his retirement in 2001. Since the second half of 2009 he has been the chairman of the Chief Information Officers' Association (VISZ). He has been a member of OTP Bank's Board of Directors since 1997. As of 31 December 2010 he held 527,905 ordinary OTP shares.

Non-executive members of the Board of Directors of OTP Bank



Dr. István Kocsis

CEO
BKV Zrt.
(Budapest Transport Corporation)

Dr. István Kocsis (59) graduated from the Technical University of Budapest as a mechanical engineer in 1976, and earned his PhD in 1985. Before 2001 he held numerous senior management positions in the public administration. From 2002 he worked as the CEO of Paks Nuclear Power Plant and from 2005 he was the CEO of Hungarian Power Companies Ltd. (MVM Zrt.). In 2008 he became the Member of the Board and CEO of Budapest Transport Corporation (BKV Zrt.). From 2004 he is the Member of Presidium of the Hungarian Chamber of Commerce & Industry. Non-executive member of OTP Bank's Board of Directors since 1997. As of 31 December 2010 he held 81,600 ordinary OTP shares. As of 31 December 2010 he held 81,600 ordinary OTP shares.

Dr. György Szapáry*

Professor
Central European University
Department of Economic Science

Dr. György Szapáry (72) graduated with a degree in economics from the Catholic University of Louvain (Belgium) in 1961 and gained a PhD from there, also in economics, in 1966. From 1965 to 1966 he worked at the European Commission in Brussels. From 1966 to 1990 he worked at the IMF in Washington, D.C. as an economist, senior economist and assistant director, and from 1990 to 1993 he was the Resident Representative of the IMF in Hungary. From 1993 to 2007, with a short break when he was advisor to the Governor of the national bank, he served as Deputy Governor of the National Bank of Hungary, while also serving as a member of the Monetary Council. From 2008 to 2010 he was visiting professor at the Central European University in Budapest. In June 2010 he was named Chief Economic Policy Advisor to the Prime Minister. In January 2011 he was appointed Ambassador of Hungary in Washington. He is the author of a book and of numerous articles published in various economic journals. He has been a member of the Board of Directors of OTP Bank since 25 April 2008. As of 31 December 2010 he did not hold any ordinary OTP shares.

Dr. József Vörös

Professor, Institute Director

Dr. József Vörös (60) earned a degree in economics from the Budapest University of Economic Sciences in 1974. In 1984 he earned a PhD in economics from the Hungarian Academy of Sciences, and a Doctor of Science degree in 1993. Between 1990 and 1993 he was the dean of the Faculty of Business and Economics, Janus Pannonus University (JPTE). In 1993 he attended the Advanced Management Program (AMP) at Harvard Business School. Since 1994 he has been a professor at JPTE, and was the senior Vice Rector of the University from 2004-2007, and since 2007 he has been chairman of the Board of Trustees. He has been a non-executive member of OTP Bank's Board of Directors since 1992. As of 31 December 2010 he held 117,200 ordinary OTP shares.

*until 31 January 2011

Members of the Supervisory Board*



Tibor Tolnay

*Chairman
of the Supervisory Board
Chairman & CEO
Magyar Építő Zrt.*

Tibor Tolnay (60) graduated from the Budapest Technical University with a degree in construction engineering, then took a post-graduate degree in economic engineering from the same establishment, and later received a further post-graduate degree, this time in economics, from the Budapest University of Economic Sciences. In 1994 he was appointed Chairman & CEO of Magyar Építő Rt. He has been Chairman of OTP Bank's Supervisory Board since 1999. He has been a member of the Audit Committee since 27 April 2007. As of 31 December 2010 he held no ordinary OTP shares.

Dr. Gábor Horváth

Lawyer

Dr. Gábor Horváth (55) earned a degree in law from ELTE University in Budapest. From 1983 he worked for the Hungarian State Development Bank. He has been a lawyer since 1986, and since 1990 has run his own law firm, which specialises in corporate finance and corporate governance. He has been a member of the Board of Directors of MOL Plc. since 1999, and a member of OTP Bank Plc.'s Supervisory Board since 1995. Since 27 April 2007 he has been deputy chairman of OTP Bank's Supervisory Board, and chairman of the Audit Committee. As of 31 December 2010 he held 10,000 ordinary OTP shares.

Jean-Francois Lemoux

*Head of International
Groupama SA*

After graduating from the school of 'Hautes Etudes Commerciales' (HEC), Jean François Lemoux (63) began his career in 1971 at the VIA Assurances Group, where he was first Head of Marketing, then Management Controller, and finally Sales and Life Insurance Manager. He joined the Athena Group in 1988, first as Chief Executive of Proxima, a group life insurance specialist, then as Chief Executive of PFA Vie from 1990 to 1998, and member of the Group's governance committee. In 1998, when Groupama acquired GAN, he was appointed to the Management Board of GAN SA, in charge of the life and non-life business conducted through agents and brokers. In September 2000, in accordance with Groupama-Gan's new organisational structure, he was also entrusted with the management of the non-life insurance divisions and the sales networks. Mr. Lemoux has been Groupama's CEO Head of International since he was appointed to the position in July of 2003. He has been a member of OTP Bank's Supervisory Board since 25 April 2008. On 1 January 2011, he was appointed Senior International Advisor to Groupama's CEO. As of 31 December 2010 he held 0 ordinary OTP shares.

András Michnai

*Director, Independent
Compliance Department
OTP Bank Plc.*

András Michnai (56), representative of the employees of OTP Bank, earned his degree at the College of Finance and Accountancy in Budapest. He has been an employee of the Bank since 1974, and until 1981 he worked in various positions. From that year, he performed managerial work in the central network management department and then in the network itself. In 1994 he was promoted to deputy director and cooperated in the central management of the network. Since 2005 he has managed the Bank's Independent Compliance Department. He obtained his second degree from the College of Finance and Accountancy, and is a registered tax consultant. He has been a member of the OTP Supervisory Board since 25 April 2008. As of 31 December 2010 he held 15,600 ordinary OTP shares.

*Mr. Antal Kovács has been a member of OTP Bank's Supervisory Board since 2004.

Information for Shareholders

General company data

Date of foundation:

31 December 1990, registered by the Metropolitan Court of Budapest as Court of Registration on 28 October 1991 under company registration number 01-10-041585. The latest Bylaws may be requested from the company or may be downloaded from the Bank's website.

Legal predecessor:

Országos Takarékpénztár,
founded 1 March 1949

Registered head office of OTP Bank Plc.

H-1051 Budapest, Nádor utca 16.
Telephone: (+36-1) 473-5000
Fax: (+36-1) 473-5955

Share capital:

OTP Bank's share capital as at 31 December 2010 was HUF 28,000,001,000, consisting of 280,000,010 ordinary shares of nominal value HUF 100 each.

Ownership structure as at 31 December 2010:

Shareholder	Ownership (%)	Voting rights (%)
OTP Bank Plc.	1.5	0.0
Government held owner	0.4	0.4
Foreign institution	72.0	73.1
Foreign individual	0.2	0.2
Domestic institution	16.8	17.0
Domestic individual	9.1	9.3
TOTAL	100.0	100.0

Stock exchange listing

The ordinary shares of OTP Bank Plc. are listed on the Budapest Stock Exchange under category "A", and the global depository receipts (GDRs) representing the ordinary shares that are traded abroad are listed on the Luxemburg Stock Exchange. (2 GDR represents 1 ordinary shares.) Regulation S GDRs are traded on the London SEAQ International, and Rule 144A GDRs are traded in the PORTAL system. The custodian bank for OTP GDRs is the Bank of New York, and the safekeeping bank is OTP Bank Plc. (Stock exchange symbol for OTP Bank shares: OTP, Reuters: OTP.BU)

Participation and voting rights at the General Meeting

The General Meeting is going to be performed with the personal participation of the authorised persons. Shareholders may participate in the General Meeting in person or through their authorised representatives. Authorisations must be issued in the form of a notarised deed or a private document with full validity as evidence. A single representative may represent several shareholders, however he/she has the possession with an authorization either in forms of a notarial document or private deed. In case the authorisation was issued outside

Hungary, its formal requirements must satisfy the statutes of law concerning the certification and/or legalisation of documents issued outside Hungary. Information on the subject may be obtained from the foreign representations of the Republic of Hungary.

In case the shareholder is represented at the General Meeting by its legal representative (e.g. director, managing director, mayor etc.), – the original authorization or the one verified by a public notary can not be older than 30 days – the deed issued by the court or court of registration concerning the representation, or a certificate concerning the election of the mayor must be presented at the venue of the General Meeting.

Participation in the General Meeting and exercising of voting rights is subject to the following preconditions:

- the shareholder verification effectively verifies the possession of shares at the date of the shareholder verification;
- the shareholder should be effectively entered into the Company's Share Register
- the authorized representative should identify the shareholders being represented
- the ownership of the shares or the voting right relating to the ownership of the shares shall not violate the provisions of the By-Laws, which circumstance shall be verified through monitoring by the Company.

Dividend

On 29 April 2011 OTP Bank Plc.'s General Meeting decided to pay dividend after fiscal year 2010.

Dividends will be HUF 72 per share, representing 72% of the face value of each share. The actual amount of dividends to be paid to the individual shareholders will be calculated and disbursed in accordance with the Company's Bylaws, that is, the Company will distribute the dividend calculated in respect of all the shares qualifying as treasury shares among the shareholders entitled to receive dividends. Dividends will be disbursed from 14 June 2011, in accordance with the procedural order set forth in the Bylaws.

Announcements

OTP Bank Plc. fulfils its disclosure obligations related to corporate events and prescribed in Act CXX of 2001 on the website of the OTP Bank Plc. (www.otpbank.hu), on the website of the Budapest Stock Exchange (www.bet.hu), and on the website operated by HFSA (www.kozzetetelek.hu).

Investor relations

Institutional shareholders of OTP Bank Plc. should contact the following address if they require further information:

OTP Bank Plc. Investor Relations & DCM

H-1051 Budapest, Nádor utca 16.

Telephone: (+36-1) 473-5460

Fax: (+36-1) 473-5951

Email: investor.relations@otpbank.hu

Declaration on Corporate Governance Practice

OTP Bank Plc.'s operation is in full compliance with the applicable statutory provisions, supervisory authority requirements and the regulations of the Budapest Stock Exchange (BSE). The Company's structure and the conditions for its operation are set out in the Company's Bylaws, which have been approved by the General Meeting.

Executive bodies

The executive body of the Company is the Board of Directors. The scope of the Board of Directors' authority is determined in the effective laws, the Bank's Bylaws, General Meeting resolutions, and the procedural rules of the Board of Directors. The procedural rules set out the composition of the Board of Directors, the tasks relating to the preparation, implementation and drafting of resolutions at its meetings, as well as all other issues pertaining to the operation of the Board of Directors. The members of the Board of Directors are elected by the General Meeting for a term of five years. All the obligations and prohibitions specified for executive officers under Act CXII of 1996 on Credit Institutions and Financial Enterprises (Credit Institutions Act) apply to the members of the Board of Directors.

The Supervisory Board oversees the management and business operations of the Company. The Supervisory Board establishes its own procedural rules, which are approved by the General Meeting. Supervisory Board members are elected by the General Meeting with a mandate of three years. The proportion of independent Supervisory Board members (3 persons) within the entire Supervisory Board (5 persons) is 60%. In order to avoid any conflicts of interest, the General Meeting may not elect members of the Board of

Directors or their close relatives to the Supervisory Board. The rules applicable to the appointment and recall of the employee member of the Board of Directors are defined by the Works Council operating at the Company, and the Company does not consider such a member to be independent. The Supervisory Board is responsible for managing the internal audit function of the Company within the framework set by the Credit Institutions Act. The Supervisory Board exercises a preliminary right of consent in respect of decisions relating to the establishment and termination of the employment of the managers and employees of the internal audit department, and the determination of their remuneration.

In 2010 seven Board meetings, seven Supervisory Board meetings and four Audit Committee meetings were held.

Meetings of the Board of Directors are convened by the Chairman & CEO with a written invitation in accordance with the prevailing work schedule.

The Chairman & CEO is also obliged to call a meeting of the Board of Directors if

- the Board of Directors has passed a resolution calling for an extraordinary meeting of the Board of Directors;
- at least three Board members request it in writing, indicating the reason for the meeting and its objectives, specifying the items on the agenda, and making available a written proposal regarding the decision to be made;
- it is requested, in writing, by the Supervisory Board or the auditor;
- he is obliged to do so by the Hungarian Financial Supervisory Authority;
- pursuant to the statutory provisions a decision must be made regarding the convening of an Extraordinary General Meeting.

Meetings of the Supervisory Board are called by the chairman. A meeting must also be called if a member of the Supervisory Board or at least two members of the Board of Directors, or the auditor, requests it in writing indicating the objectives and reasons for the meeting.

Meetings of the Audit Committee are called by the chairman of the committee, indicating the objectives and reasons for the meeting; any member of the committee may also request, in writing that the chairman call a meeting.

Minutes are taken at the meetings of the Board of Directors and Supervisory Board, and all resolutions are documented.

The employer's rights towards the executive officers of the Company are exercised by the Board of Directors through the Chairman & CEO, with the proviso that the Board of Directors must be notified in advance for the appointment or dismissal of deputy CEOs.

The Board of Directors has prepared guidelines for evaluation of the management's work, and remuneration of the management. The Bank has launched a share option scheme for the evaluation and encouragement of management performance, based on the fulfilment of annual and medium-term targets. The detailed conditions of the share purchase program and the expectations with regard to performance are approved by the General Meeting of the Company. The Board of Directors provides information on the annual and medium-term targets and their performance, representing the basis for evaluation, at the Annual General Meeting.

The Company has separate committees for the maintenance of the Board of Directors and the Supervisory Board. These are: the Audit Committee, Management Committee, Subsidiary Integration and Management Committee, Management Coordination Committee, and Remuneration Committee. In addition, certain functions and tasks are performed by different permanent committees: the Ethics Committee, Asset Liability Committee, Credit and Limit Committee, Product Development, Sales and Pricing Committee, Work-Out Committee, Information Management Committee, the Investment Committee and the Group-Level Risk Management Committee.

Audit

The most important function of internal audit is to safeguard the assets of the customers and the Company, and to protect the interests of shareholders.

To ensure effective auditing, the Company's internal control system is structured vertically and horizontally. The system is implemented at three interrelated, modular control levels, as well as being subdivided along departmental lines. The internal system of checks and balances is comprised of a combination of process-integrated, management and independent internal audit functions.

The independent internal audit organisation promotes the use of safe, well-considered business procedures, efficient operation and the minimising of risks, and also – together with the Compliance department – monitors compliance with the statutory provisions. Its most important characteristic is that it functions as an independent, professional, impartial organisation, which conducts its audits at all control levels. Professional oversight of the organisation is performed, within the framework defined by the Credit Institutions Act, by the Supervisory Board.

The independent internal audit department works to an annual audit schedule, which is approved by the Supervisory Board. The annual schedule is prepared in accordance with a risk-based methodology, and besides focusing on those areas of operation that carry a regulatory, business, operating and lending risk, also takes into consideration the changes in the economic environment at any given time.

The scope of the internal control system also extends to the owner's audits conducted at foreign and Hungarian subsidiaries, as well as the professional supervision of the subsidiaries' own internal audit organisations. To this end, standardised internal auditing protocols pertaining to the operation and activities of group members' internal audit departments are developed, enhanced and applied on a continuous basis. The internal audit department regularly prepares objective and impartial reports for the executive bodies at quarterly and annual intervals. As a part of its quarterly report, in a group-level summary report, it gives an account of the audits conducted in the given quarter, the risks identified and

performance of the measures implemented for their elimination. The audit department reports annually on the performance of tasks specified in the annual schedule, the audits performed and its other activities, as well as any changes that are made to the internal auditing system. Each year the department prepares an objective and independent report for the Supervisory Board on the operation of risk management, internal control mechanisms and corporate governance functions. In exceptional cases requiring immediate intervention, the audit department has the authority to summarily perform unscheduled audits. The General Meeting has the right to elect the business entity auditing the Company, and to approve the member of the audit company who will be responsible for the audit.

Compliance

In keeping with the regulations of the European Union and the applicable Hungarian laws, the Company has established an independent organisational unit (Compliance Department), with the task of identifying and managing compliance-related risks. The appropriate regulatory documents, such as the compliance policy, strategy and work plan for the unit, have been drawn up. The objectives of the compliance policy are to determine the framework for compliance activities regarding the entire OTP Group, and to define compliance-related objectives and the duties and authority of the compliance function. Another essential document of compliance policy is the compliance strategy of the OTP Group. The compliance policy is approved by the Board of Directors of OTP Bank Plc. The Compliance Department prepares a comprehensive report once a year on the Bank Group's activities and position with regard to compliance, which is approved by the Bank's Board of Directors. The management of the Group is responsible for implementation of the compliance policy.

Disclosure

The Company discloses its information in strict compliance with the provisions of Act CXX of 2001 on the Capital Market (Capital Market Act) and the

applicable regulations of the Budapest Stock Exchange. The Company also has an effective internal disclosure policy for ensuring fulfilment of its public disclosure obligations.

The regulations referred to above assure full, accurate and timely disclosure of all important information that may affect the Company or the price of the Company's shares and other securities. The Board of Directors discloses the Company's business and strategic targets for the current year, and its medium-term strategic plan, at each Annual General Meeting. The company discloses the proposals prepared for the General Meeting in compliance with the rules applicable to disclosure as posted on the Budapest Stock Exchange website, and with the provisions of the relevant regulations of the BSE.

The Company discloses information about the professional careers of the members of the Board of Directors, the Supervisory Board and the management on its website and in its annual report, in compliance with the effective legislation. The proposal for the remuneration of the chairman and members of the Board of Directors and chairman and members of the Supervisory Board is also a part of the proposals prepared for the General Meeting.

The Company has detailed risk management regulations applicable to all types of risks (liquidity, market and credit risks), which are in compliance with the legal regulations on prudential banking operations. The annual report contains information on the risk management practices of the Company, the applied limits and compliance with them. The Company has a detailed internal policy pertaining to persons that qualify as insiders and potential insiders, which is in full compliance with the limits and prohibitions regulated in detail under the effective provisions of the Capital Market Act. The Company discloses the transactions of the members of the Board of Directors, Supervisory Board and management involving the Company's shares, in compliance with the disclosure regulations, and indicates the holding of these individuals in the Company (number of shares) in its annual report.

The Board of Directors has assessed the effectiveness of the disclosure procedures for 2010, and found them to be satisfactory.

Anti-money laundering measures

Money laundering is where criminals or their accomplices attempt to conceal the origins of money acquired from criminal acts by, for example, using the services of financial institutions.

In order to prevent the use of our bank for money-laundering purposes, we will do our best to ascertain the true identities of those who use our services, and OTP Bank will refuse to execute orders made by clients who fail to give evidence of their true identities in accordance with the relevant legal stipulations.

In keeping with the provisions of Act CXXXVI of 2007 on the prevention and impeding of money laundering and the financing of terrorism (hereinafter: Act on Money Laundering), OTP Bank has introduced, and applies, the following measures and rules:

- It operates an internal control and information system designed to prevent banking or financial operations that might enable, or in themselves constitute, money laundering.

- It has internal regulations, in accordance with Ministry of Finance Decree 35/2007. (XII. 29.) and the recommendations of the Hungarian Financial Supervisory Authority, that all employees of the bank must observe.

- The employees of the bank must fulfill their customer due diligence and reporting obligations.

- Compliance with the reporting obligations are not construed as a breach of bank, securities, insurance or trade secrets.

- Failure to fulfill the reporting obligation may result in prosecution under criminal law.

- OTP Bank cooperates with the criminal investigation authorities in the investigation of all circumstances suggestive of money laundering.

OTP Bank discloses the customer identification procedure applied by the bank in an Announcement posted in all rooms open for serving customers.

Corporate Social Responsibility

With trust and responsibility for each other

In terms of OTP Bank's corporate social responsibility, 2010 was an exceptional year, which was sadly marred by several unforeseen events and environmental disasters. While providing immediate and comprehensive assistance to thousands of families who had been plunged into crisis, we also made efforts to maintain, and indeed develop, existing long-term partnerships.

In spring 2010 OTP Bank transferred its largest donation of the past 20 years, emergency assistance of half a billion forints, to the Hungarian Red Cross, to enable them to provide effective assistance for the victims of May's freak weather conditions, and also

that is paid into the Damage Restoration Fund, thus assisting those who had suffered damage with a total of HUF 100 million. The April floods and the red sludge catastrophe that occurred at the end of the year presented a complex set of challenges for the bank in terms of choosing the most responsible course of action to take. The bank's commitment to social responsibility is shown by the fact that beyond simply donating money it took the opportunity – resulting from the nature of its operations – to provide other forms of assistance to its customers affected by the catastrophe. Accordingly, shortly after the news of the sludge spillage the bank announced that it would not terminate a single loan contract in cases where the property serving as collateral had been damaged or destroyed. Besides this, under its borrower protection program the bank made an effort to find individual solutions using the means at its disposal (such as forgiving the loan debt, assuming the repayment instalments, extending the term of the loan, etc.) for each of its customers who found themselves in financial difficulties. OTP Bank's revised borrower protection program is significantly more effective than the government-prescribed measures, and offers solutions appropriate to every life situation. It has been a major challenge and a formidable task to coordinate the deployment of all the expertise accumulated by the credit institution over its many decades as a financial service provider and a socially responsible corporation. With respect to the company's core activity, we see it as a principal mission of ours to deepen the financial literacy and sophistication of the general public. This was why we set up the OTP Fáy András Foundation, which runs life-management, basic economics-skills, and

agreed to disburse the emergency loan requested by charitable organisations for the prefinancing of donations received via the 1752 Donation Hotline. In response to the tragedy in Devecser at the end of the year, the bank transferred HUF 50 million, and also pledged to double the next HUF 50 million



carrier-counselling programs for young people. In addition to its traditional, long-term programs, the Foundation has also launched the mileszel.hu online portal, aimed at assisting young people in their career selection and career orientation.

The other activities of the bank associated with its CSR commitments extend well beyond the world of finance. One of the main driving forces behind our sponsorship and donation strategy is community building, since together with its customers our bank is also part of a diverse, 4.5 million-strong community. In the area of culture, therefore, we work together with the Museum of Fine Arts and sponsor the Budapest Spring Festival, the Veszprém Summer Festival, and other initiatives such as Art Moments, which offers young fine artists an opportunity to display their works.

In 2010 Hungary played host to the Triathlon World Championships. OTP Bank was happy to support the event as its main sponsor, since Triathlon unites the three most popular branches of mass sport. The Budapest Triathlon World Championship was not only open to professionals, but amateurs also had the opportunity to compete under the age-group system, giving everybody a shot at becoming the world champion for their gender and age group. As a part of the event, OTP Bank pledged HUF 500,000 in special support which, jointly with the Hungarian Triathlon Association, it presented to the Hungarian Special Olympics Association.

Creating opportunities is a cornerstone of OTP Bank's donation policy. This year, as always, the bank donated large sums to causes such as the International Children Safety Service, to support its health programs, organised a large-scale children's event in Városliget (City Park), and operated a dental screening bus. Thanks to our support, the adhat.hu portal is up and running with the purpose of bringing donors and beneficiaries together, and is the most complex service of its kind in Hungary.

Another important element of the bank's strategy is preserving traditions: this is what led to equestrian sports being included among the recipients of sponsorship. The OTP Bank

Budapest Horse Show has been put on for the fourth time now, to the delight of visitors attending the event and of those who followed it on television. In 2010 we continued to regard it as important, at this high-profile event, to emphasise not only the traditional and popular equestrian sports themselves, but also the therapeutic properties of the animals. Equestrian therapy can achieve excellent results with children living with mental and physical disabilities, as well as socialisation problems. We held an open competition to design the official T-shirt for the 2010 Budapest Horse Show, with the aim of drawing attention to the importance of therapeutic horse-riding. OTP Bank had 1,000 T-shirts manufactured with the winning design, and donated the proceeds from their sale to the Hungarian Equestrian Therapy Association. A part of the event was National Children's Horse-Riding Day, which we also made it possible for disadvantaged children to attend. It is important to OTP Bank to also ensure access to the event for children, and organisations that work with children, who would not otherwise have an opportunity to attend. Through the www.adhat.hu website, we invited applications from public-benefit or key public-benefit non-governmental organisations that work with children from socially disadvantaged backgrounds, children from broken homes, and orphans. From the applicants, with the help of the Non-profit Information and Training Centre (NIOK) Foundation, we selected five rural institutions and supported their transportation to the show. A further 100 of the patients of Children's Clinic No. 2 at Semmelweis Medical University, and their parents, also took part in the free children's day event, with special entry tickets that made it easier for them to gain admittance to the site and take their seats.

The objective of our donation and sponsorship activities is to find as many points of contact as possible, and to strengthen our relationships with partners by supporting deserving causes, programs and events that service the interests, endeavours and needs of society as a whole. More details of OTP Bank's corporate social responsibility programs are contained in its Corporate Social Responsibility Report, which can be found on the website.