



corporate *governance*

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



Dr. Sándor Csányi *Chairman & CEO*

Dr. Sándor Csányi (59) 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 Hítel 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 until April 2011 was a member of the Board of Directors of the Hungarian Banking Association. He has been Chairman of the Hungarian Football Association (MLSZ) since July 2010. As of 31 December 2011 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 of the Board of Directors, Deputy CEO for Administrative Affairs Staff Division*

Dr. Antal Pongrácz (66) 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 (1986–1987). 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 2011 he held 200,000 ordinary OTP shares.

László Bencsik *CFO, Deputy CEO Strategy and Finance Division*

Mr. László Bencsik (42) 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 2011 he held no ordinary OTP shares.

Dr. István Gresa *Deputy CEO Credit Approval and Risk Management Division*

Dr. István Gresa (59) 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 2011 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 (53) 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 2011 he did not hold any ordinary OTP shares.

Antal Kovács

*Member of Supervisory Board
Deputy CEO, Retail Division*

Mr. Antal Kovács (59) 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 2011 he held 23,000 ordinary OTP shares.

Ákos Takáts

*Deputy CEO
IT and Bank Operations Division*

Ákos Takáts (52) 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 managing 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 Logistics Division. As of 31 December 2011 he held 153,347 ordinary OTP shares.

László Wolf

*Deputy CEO
Commercial Banking Division*

László Wolf (52) 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 2011 he held 644,640 ordinary OTP shares.

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



Mihály Baumstark

Agricultural engineer, economist

Mr. Mihály Baumstark (63) 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 to 2012 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 2011 he did not hold any ordinary OTP shares.

Dr. Tibor Bíró

*Head of Department
Budapest Business School*

Dr. Tibor Bíró (60) graduated from the Budapest University of Economic Sciences with a degree in business administration. He is a certified auditor and chartered accountant. 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 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 2011 he held 30,681 ordinary OTP shares.

Péter Braun

*Electrical Engineer
Former Deputy CEO, OTP Bank Plc.*

Péter Braun (76) 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 2011 he held 527,905 ordinary OTP shares.

Zsolt Hernádi

*Chairman & CEO
MOL Plc.*

Zsolt Hernádi (52) graduated in 1986 from the department of industrial design at the Karl Marx University of Economic Science. Between 1989 and 1994 he held a number of positions at Kereskedelmi és Hitelbank Rt., where from 1992 to 1994 he was deputy CEO of the financial institution. Between 1994 and 2001 he was CEO and a member of the Board of Directors at Magyar Takarékszövetkezeti Bank Rt. He has been a member of MOL's Board of Directors since 1994, and its Chairman since 2000, while since 11 June 2001 he has been the company's Chairman and CEO. He is also a member of the Corporate Governance and Remuneration Committee of MOL's Board of Directors. He has been a member of OTP Bank's Board of Directors since 29 April 2011. As of 31 December 2011 he held no ordinary OTP shares.



Dr. István Kocsis

*Managing Director
Merkantil Bank Zrt.*

Dr. István Kocsis (60) obtained his degree in mechanical engineering from the Mechanical Engineering Faculty of the Technical University of Budapest in 1976, and earned his PhD in 1985. Career highlights: 2002–2005 Paks Nuclear Power Plant, CEO; 2005–2008 Hungarian Power Companies Ltd. (MVM Zrt.), CEO; 2008–2011, CEO of Budapest Transport Corporation (BKV Zrt.); since 2011 Managing Director of Merkantil Bank Zrt. Offices held: Chairman of the Ányos Jedlik Society; chairman of the Scientific Society For Measurement, Automation and Informatics; member of the Social Senate of the University of Pécs; member of the national Presidium of the Hungarian Chamber of Commerce and Industry; chairman of the endowment advisory board of the Duna-Mecsek Regional Development Foundation. Non-executive member of OTP Bank's Board of Directors since 1997. As of 31 December 2011 he held 81,600 ordinary OTP shares.

Dr. László Utassy

*Chairman & CEO
Merkantil Bank Ltd.*

Dr. László Utassy (60) 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 went on to work at ÁB-Aegon Rt. He was Chairman & CEO of 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 2011 he held 260,000 ordinary OTP shares.

Dr. József Vörös

*Professor, Head of Institute
University of Pécs*

Dr. József Vörös (61) 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 Pannonius 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, between 2007 and 2011 he was chairman of the Board of Trustees, and in 2009 he took up the post of Head of Institute. He has been a non-executive member of OTP Bank's Board of Directors since 1992. As of 31 December 2011 he held 117,200 ordinary OTP shares.

Members of OTP Bank Supervisory Board*



Tibor Tolnay

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

Tibor Tolnay (61) graduated from the Budapest University of Technology with a degree in civil engineering and then in economic engineering, and subsequently received a degree in economics from the Budapest University of Economics. In 1994 he was appointed Chairman & CEO of Magyar Építő Rt. He has been Chairman of OTP Bank's Supervisory Board since 1999. He was a member of the Audit Committee between 27 April 2007 and 29 April 2011. As of 31 December 2011 he held 54 ordinary OTP shares.

Dr. Gábor Horváth

*Deputy Chairman of the
Supervisory Board
Lawyer*

Dr. Gábor Horváth (56) 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 OTP Bank Plc.'s Supervisory Board since 1995, and a member of the Board of Directors of MOL Plc. since 1999. Since 27 April 2007 he has been deputy chairman of OTP Bank's Supervisory Board, and between 27 April 2007 and 29 April 2011 he was chairman of the Audit Committee. As of 31 December 2011 he held 10,000 ordinary OTP shares.

András Michnai

*Executive Director,
Compliance Directorate
OTP Bank Plc*

András Michnai (57), who represents the employees of OTP Bank, graduated from the College of Finance and Accounting with a degree in business economics. He has been an employee of the Bank since 1974, and until 1981 held a variety of posts in the branch network. From 1981 he held a management position in the central network coordination department and then in the network. From 1994, as deputy management director, he participated in the central coordination of the branch network. Since 2005 he has headed the Bank's independent Compliance Department (since 2011 a Directorate) as executive director. He further expanded his professional skills, earning a masters degree at the College of Finance and Accounting, and is a registered tax advisor. He has been a member of OTP Bank's Supervisory Board since 25 April 2008. As of 31 December 2011 he held 15,600 ordinary OTP shares.

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



Pierre Lefèvre

CEO

Groupama International SA

Pierre Lefèvre (55) has a degree in general engineering and industrial management. He began his career in 1980 at the internal audit department of Unilever Benelux.

In 1984 he joined the AXA Group where he held various management positions, first in Belgium (management control, life and asset insurance), and then from 1994 in the United Kingdom – it was here that he first worked in the position of CEO, and later as CEO & Chairman. Following his appointment in 1998 he worked as Chairman of the Board of Directors of AXA Nederland BV, and from 2002 onwards as Chairman & CEO of the UK company Groupama Insurances. On 1 November 2007 Pierre Lefèvre was appointed CEO of the Italian Groupama subsidiaries. Since 1 January 2011 he has been head of Groupama's international division, and since 29 April 2011 a member of OTP's Supervisory Board.

As of 31 December 2011 he held no ordinary OTP shares.

Dr. Márton Gellért Vági

General Secretary

Hungarian Football Association

Dr. Márton Gellért Vági (50) graduated in 1987 from the Karl Marx University of Economic Science with a degree in Foreign Economics, and in 1994 obtained his doctorate from the same institution.

Between 2001 and 2006 he worked at the State Holding and Privatisation Co. (ÁPV Zrt.), as managing director, deputy CEO and then CEO. Between 2006 and 2010 he was Chairman of the National Development Agency. From July 2002 until 1 January 2011 he was a member of the Board of Directors of FHB Nyrt., during which period he also spent four years as Chairman of the Board. Since 2010 he has been general secretary of the Hungarian Football Association. He has authored or co-authored more than 80 research papers, essays and books. He has been a member of OTP's Supervisory Board since 29 April 2011. As of 31 December 2011 he held no ordinary OTP shares.

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.

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

Share capital:

OTP Bank's share capital as at 31 December 2011 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 2011:

Shareholder	Ownership (%)	Voting rights (%)
Treasury shares	1.7%	0.0%
Government held owner ¹	0.4%	0.4%
Foreign institutions ²	61.4%	62.5%
Foreign individuals	1.1%	1.2%
Domestic institutions	17.2%	17.5%
Domestic individuals	12.9%	13.1%
Other ³	5.3%	5.3%
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. The Company is entitled to check the identification of the shareholders and their representatives in accordance with the concerning documents prior to admission to the General Meeting. The authorisations regarding the representation at the General Meeting shall comply with the concerning effective Hungarian laws.

¹ E.g.: State Privatization Holding Co. Ltd., Social Security, Municipality, 100% state-owned companies etc.

² Foreign institutions, and International Development Institutions (E.g.: EBRD, EIB, etc.)

³ Non-identified shareholders

The authorisation must include a clear and explicit statement of authorisation for the proxy, the shareholder as principal and the representative as proxy agent and any possible limitations of the authorisation. 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 shall possess authorizations from every shareholder as principal either in the form of a notarised deed or a private document with full validity as evidence. In case an authorisation would include several representatives it shall be indicated that each representative is entitled to exercise its right for representation independently as a shareholder is entitled to authorize just one representative.

The authorisation shall be valid only for a General Meeting or for a specified period not exceeding twelve months. The authorisation shall also be valid for the continuation of a suspended General Meeting and for reconvened General Meetings by reason of the quorum.

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 cannot 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. In case of verifying the existence of companies (and other organisations) registered outside Hungary and the representation right of those persons entitled to represent the company, it is essential that the foreign document shall be issued by a certified public record body or these facts shall be witnessed by a notary public.

In case the authorisation or any document submitted to verify the representation right was issued outside Hungary, its formal requirements must satisfy the statutes of law concerning the certification and/or legalisation of documents issued outside Hungary. Accordingly, unless otherwise specified by bilateral international agreements, (i) the certification and/or

legalisation of the document is needed, or (ii) if the given country is a party to the relevant international convention, the document will require an apostille. Information on the subject may be obtained from the foreign representations of Hungary. If the document is written neither in English nor in Hungarian, the presentation of its certified Hungarian translation is also required.

Authorizations shall be handed at any of the OTP branches as specified in Article X or at the Corporate Secretariat of the Company if the authorised representative represents more than one shareholder by virtue of foreign-issued document.

The participation in the General Meeting and exercising the voting right are subject to the following:

- a) the shareholder verification effectively verifies the possession of shares at the date of the shareholder verification;
- b) the shareholder should be effectively entered into the Company's Share Register by the deadline set in point III of the present Announcement;
- c) the authorized representative should identify the shareholders being represented according to point III of the present Announcement;
- d) the ownership of the shares or the voting right relating to the ownership of the shares shall not violate legal provisions or the By-Laws of the Company, which circumstance shall be verified through monitoring by the Company.

Dividend

On 27 April 2012 OTP Bank Plc.'s General Meeting decided to pay dividend after fiscal year 2011.

Dividends will be HUF 100 per share, representing 100% 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 11 June 2012, 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
16 Nádor Street, Budapest, H-1051
Telephone: (+36-1) 473-5460
Fax: (+36-1) 473-5951
e-mail: 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 (4 persons) within the entire Supervisory Board (6 persons) is 67%. 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 2011 eight Board meetings, eight Supervisory Board meetings and one meeting of the Audit Committee, dissolved on 29 April 2011, 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.

Minutes are taken of the meetings of the Board of Directors, the Supervisory Board and its 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 remuneration of the members of the Board of Directors and the Supervisory Board is determined by the General Meeting, the supreme body of the Company. The guidelines and framework of the long-term remuneration and incentives of executives and senior office-holders are also determined by the General Meeting. Accordingly – based on the relevant provisions of the Credit Institutions Act pertaining to a remuneration policy, and in accordance with the relevant EU guidelines – the Bank's 2011 General Meeting, in resolution 9/2011, approved the guidelines and regulations of the remuneration policy of OTP Bank Plc. and the bank group, and the Board of Directors issued the necessary internal rules and procedures in the interest of its implementation. The Board of Directors, at the annual ordinary General Meeting, provides information on the annual and medium-term objectives and their fulfilment, which constitutes the basis of evaluation in relation to performance-based remuneration.

The Company has separate committees for the maintenance of the Board of Directors and the Supervisory Board. These are: Management Committee, Subsidiary Integration and Management Committee, Management Coordination Committee, and Remuneration Committee. In addition, there are other permanent and special committees that perform various specified tasks at the Company: Asset Liability Committee, Credit and Limit Committee, Product Development, Sales and Pricing Committee, Work-Out Committee, Information Management Committee, Investment Committee, Group-Level Risk Management Committee, Ethics Committee and the Communications Advisory 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 system of internal checks and balances comprises a combination of process-integrated, management

and independent internal audit functions. The independent internal audit organisation promotes the use of safe 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 areas that carry a regulatory, business or operational risk, and on other key exposures, it also takes into account the latest changes in the economic situation. The internal audit system includes the owner's audits conducted at the foreign and Hungarian subsidiaries, as well as the own internal audit units of the subsidiaries falling under consolidated supervision as defined in the Credit Institutions Act. 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 by its own, as well as the official audits, and performance of the measures implemented for their elimination. The audit department reports annually on the performance of tasks specified in the annual group-level schedule, the audits performed and its other activities, the operational circumstances, as well as any changes that are made to the internal auditing system. Each year the compliance unit 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, an independent organisational unit (Compliance Directorate) operates at the Company for the purpose of identifying and managing compliance risks. The function possesses the appropriate regulatory documents: a compliance policy, a strategy and a work plan. The purpose of the compliance policy is to determine the framework for compliance activity for the entire OTP Group, and to set forth the definition, objectives, tasks and powers of the function. Another important document of the compliance policy is OTP Bank Group's compliance strategy. The compliance policy is approved by the Board of Directors of OTP Bank Plc. The Compliance Directorate 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 the Capital Market Act, the Credit Institutions Act, the Investment Services Act, the Companies 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 2011, 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.

With trust and responsibility for each other

OTP Bank's social participation in 2011

As a decisive and responsible player in the region's money market, achieving stable and sustainable business operation and actively participating in social issues remain the OTP Group's most important objectives, in the interest of ensuring that together with our customers, employees and organisations in need of support, we can perform high quality work and achieve consistent results, day in day out.

the establishment and operation of the **OTP Fáy András Foundation** which, as a part of its Basics Program, provides training in economics to secondary school students and their teachers. Last year the credit institution launched its **'Back to the Alma Mater'** program, in which the Bank's managers give lectures at their former secondary schools. Alongside these programs, we continue to participate in the **'Our everyday finances – Financial Navigator' Program**, which is a nationwide education campaign. We believe that it is easier to make choices in possession of the appropriate knowledge, and so we offer a helping hand to everyone in their efforts to acquire this knowledge.



Financial education

OTP Bank holds that managing our everyday finances requires an understanding of more than just the basic transactions and transfers of funds. OTP Bank's helps to promote financial awareness not only through the comprehensible and thoughtful presentation of its products, but also through

Our role in the community

We aim to forge purposeful, active and long-term partnerships both with the third sector and with local communities. One of our principles when providing support is that where possible we pledge our support for initiatives that serve the fulfilment of objectives related to equal opportunities and community building in the long term. The Bank Group supports several hundred initiatives and organisations every year. We are proud to be the responsible partner of several organisations that have undertaken an important social mission, such as the Nonprofit Information and Training Centre (NIOK) Foundation, the Hand in Hand Foundation, the International Children's Safety Service and the Hungarian Maltese Charity Service.

OTP Bank considers it important to protect our heritage. Preserving Hungarian folk customs, music, dance and handicrafts for future generations is an important task. OTP Bank plays an active part in the organisation of events that help to perpetuate our country's culture and make it accessible to many thousands of people: The National Táncház Festival, VeszprémFest, the Halasi Lace Festival, the Csango Festival, the Jassic World Festival.

Information about our partnerships, which stretch back over many years, is published on our website and in the OTP Group's Corporate Social Responsibility Report. In 2011, as a part of our efforts to participate in the community, special priority was given to the Coefficient and Volunteering Programs.

Coefficient

As a new initiative we launched the **Coefficient (Együttható) Program**, through which we sought out worthy new causes in need of support. The aim of the program was to multiply the impact of the initiative through the involvement of stakeholders. There are three key participants in the program: the civic organisation, which brings the professional expertise; the applicants, who offer a solution to a specific social problem; and the Bank, which has gone further than just handing out impressive-sounding awards in its efforts to recognise these voluntary partnerships that benefit society – its long-term objective is to promote responsibility and assistance as widely as possible. More than 11,000 votes were received in response to the program, and more than 600 civilian volunteers lent their support to the good causes. The total of HUF 7 million in assistance went to three organisations: the Au-Pont Foundation for Children and Youth, the Hungarian Contemporary Architecture Centre Foundation, and the Hungarian Heritage House Association.

OTP Volunteering 50 Program

Participating in the European Year of Volunteering, in 2011 our Bank announced the OTP Volunteering 50 Program, which also provided a framework for the coordination of the voluntary activities supported by OTP Bank. Any employee who felt like doing some community work could join the program, with several opportunities to choose between. The most popular of these, and also the form of volunteering with the most long-standing tradition at the Bank, was the **blood giving drive**, in which 808 employees donated blood on a total of 1421 occasions. Thanks to the voluntary blood donors, our Bank was awarded the title of 'Blood Donor Friendly Workplace' by the Hungarian Red Cross. The program with the second highest participation rate among staff, and also the greatest impact, was the **OTP Volunteering Competition**, which resulted in 38 teams gaining the opportunity to implement their own volunteering initiatives around the country. We provided other opportunities, in the context of the company's team-building programs, for voluntary work at the foundations supported by the Bank.

Taking into account considerations of social and environmental sustainability, and the viewpoints of its stakeholders, OTP Bank continues to advocate a responsible corporate philosophy. This approach is reflected in virtually every area of the Bank's operation: in the optimisation of our environmental impacts on, in the makeup of the services provided to our customers, in our conduct towards our employees, and – with respect to local communities and specific groups within society – in our support for efforts to promote equal opportunities. The Company implements its programs from one year to the next in keeping with a carefully considered strategy, and gives an account of the results in its Corporate Social Responsibility Reports.



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