



corporate social
responsibility
report

2013

csr

corporate social
responsibility
report

2013

CSR



Corporate Social Responsibility (CSR) is based upon a dependable and predictable core activity – which in our case happens to be the offering of banking services. OTP Group has a responsibility towards millions: for decades it has been a stable and sound participant of the economy and society in the eyes of its clients, colleagues and shareholders alike. Playing a significant role in the markets of several countries, the Group is one of Hungary's few multinational corporations and therefore has a major function in the country's national economy as well, which is manifested in further responsibilities both in an economic and CSR sense.

DEAR VISITOR,

2013 has been a busy year for OTP Bank and for the Hungarian banking system as a whole. Besides Hungary, other countries in the region have also begun to experience an economic recovery, meanwhile, from the end of the year onwards, events in Ukraine have increased uncertainty in the domestic and Russian markets alike. Our company continues to enjoy stability and a solid capital and liquidity position, and we are ready and prepared to face even the most extreme of scenarios.

We look forward to a prolonged period of economic growth in the Central and Eastern European region, and hope that the conflicts in Ukraine will abate. We will continue to keep a constant eye on market developments so that we can adapt and respond in a timely manner. With a view towards increasing client satisfaction and shareholder value, OTP Group places premium importance on innovation at the strategic level, as well as on organic growth and expansion through acquisition. We are, therefore, tirelessly searching for acquisition opportunities – particularly in those where our current market share is relatively low.

One of our priority objectives for 2014 is to provide our clients with better and more competitive services through a rationalisation of tasks and with improved efficiency, which calls for a structural transformation that will mostly affect OTP Bank's central organisation. As part of these efforts, we are taking steps to leverage hitherto unmapped resources available at the group management level.

Similarly to previous years, improving financial literacy is high on our CSR agenda: the Budapest-based O.K. Centre – the National Financial and Economic Learning Centre for Secondary School Students – is a cornerstone of our effort in this area. The Centre is a success story we have every right to be proud of as it provides tuition-free courses to tens of thousands of students using our own innovative and advanced educational techniques and methodologies. Based on the extremely positive feedback from students and instructors alike, additional regional centres are in the pipeline for both Hungary and the neighbouring countries.

Our endeavours in improved accessibility clearly illustrate our approach to CSR: developments are always preceded by widespread research and an enquiry into stakeholder expectations, so that we can pay special attention when serving our clients with special needs. In addition to wheelchair access, providing relevant training for our staff is equally important.

OTP Group takes great pride in the fact that its unflagging market significance and a continuous development of its services are being enabled by true teamwork. I am confident that, despite the woes of the current environment, this prepared and committed team can further strengthen the trust of our clients, partners and investors as regards the responsible operations and future success of OTP Bank.

Faithfully yours,

Dr. Sándor Csányi
Chairman and Chief Executive Officer

Services

58% OF BRANCHES
ARE WHEELCHAIR-ACCESSIBLE

OTP Group



2,800
SUBSIDISED HOME LOANS

OTP Bank



ENERGY RENOVATION OF 26,400 FLATS
WITH INTEREST-SUBSIDY LOANS

OTP Bank



HUF 91 billion
IN LOANS DISBURSED DURING
PHASE 1 OF THE FUNDING
FOR GROWTH SCHEME

OTP Bank



Corporate Social Responsibility



HUF 1.4 billion
IN DONATIONS

OTP Group

1,500
VOLUNTEERS

OTP Bank



Employees

TOTAL WORKFORCE OF
43,000

OTP Group



HUF 760 million
IN SUPPORT FOR EMPLOYEE TRAINING

OTP Group

972

INTERNS

OTP Group



Financial Education



FINANCIAL
EDUCATION

23,000

STUDENTS AT THE O.K.

OTP Bank



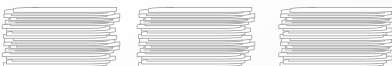
Environment



ANNUAL CARBON FOOTPRINT OF
690 PEOPLE
SAVED THROUGH TRAVEL CUTS

OTP Group

318 tonnes
OF RECYCLED PAPER USED



5,400
GROWN TREES SAVED

OTP Group











| | | | | | |
|--|----|---|---|---|---|
| THE CHAIRMAN'S WELCOME | 5 | | | | |
| TABLE OF CONTENTS | 7 | | | | |
| 1. OTP GROUP | 8 | | | | |
| 2. ENHANCING FINANCIAL LITERACY | 14 | ■ | ■ | ■ | ■ |
| 3. A RESPONSIBLE SERVICE PROVIDER | 18 | | | | |
| 3.1 Responsible product offering – our products with a social or environmental benefit | 22 | ■ | ■ | ■ | ■ |
| 3.2 Risk Management | 28 | ■ | ■ | ■ | ■ |
| 3.3 Measures Aimed at Bolstering Ethical Service Provision | 29 | ■ | ■ | ■ | ■ |
| 3.4 Improving Service Quality | 33 | ■ | ■ | ■ | ■ |
| 4. RESPONSIBLE EMPLOYER | 38 | | | | |
| 4.1 Employment | 40 | ■ | ■ | ■ | ■ |
| 4.2 Education and Training | 41 | ■ | ■ | ■ | ■ |
| 4.3 Employee Recognition, Career Opportunities | 41 | ■ | ■ | ■ | ■ |
| 4.4 Employee Involvement, Internal Communication | 42 | ■ | ■ | ■ | ■ |
| 4.5 Equal Opportunity, Work Environment | 43 | ■ | ■ | ■ | ■ |
| 5. CORPORATE SOCIAL RESPONSIBILITY | 44 | ■ | ■ | ■ | ■ |
| 6. ECO FRIENDLY OPERATIONS | 52 | ■ | ■ | ■ | ■ |
| 7. ABOUT THE REPORT | 58 | ■ | ■ | ■ | ■ |
| 8. DATA | 60 | ■ | ■ | ■ | ■ |
| 8.1 OTP Group in figures | 61 | | | | |
| 8.2 Data on responsible service provision | 64 | | | | |
| 8.3 Employee data | 67 | | | | |
| 8.4 Data concerning corporate social responsibility | 75 | | | | |
| 8.5 Data on environmentally friendly operation | 76 | | | | |
| 9. GRI INDEX | 80 | | | | |

DESIGNATIONS

Topics certain stakeholder groups might find more relevant/interesting:

clients:  employees:  general population:  investors: 

Programs intended to enhance the population's financial literacy: 

Tables and charts in Chapter 'Data': 

1 otp group



In addition to our services, we work harder each year to reduce the harmful effects of our operations and continuously seek environment-friendly solutions.



Stability



Profitability



Growth

One of the region's leading financial service providers, OTP Group served more than 13 million clients in 9 countries during 2013. We retained our position as the market leader credit institution in the retail segment in Hungary, Montenegro and Bulgaria.

As a listed company whose shares generate the largest chunk of the Budapest Stock Exchange's turnover, we believe transparency is extremely important for our operations at large.

Our Activities

OTP Group engages in the provision of universal financial services. As its flagship unit, OTP Bank Hungary offers – in addition to traditional banking services such as bank accounts, deposits and loans – solutions to a wide range of financial needs including auto financing, investment funds, home and other specific savings through the network of local group affiliates. The Bank Group is engaged in foreign markets through its affiliates. Besides its retail business line, the Bank Group puts an equally strong emphasis on serving its corporate and municipal¹ clients at high standards of quality.

We consider dependability, modernity and a high level of professional excellence as our most distinctive assets.

Challenges

■ 2013 saw economic growth decline in **Russia** and in **Ukraine** as well. In the Russian market, this was in part a result of structural issues and also due to tighter regulation by the central bank. In Ukraine, however, the escalation of the political situation began in late November 2013. The future remains uncertain for both countries. Nevertheless, OTP Group will continue to enjoy a solid position even in the most pessimistic scenario: should we lose all our capital invested in the Russian and Ukrainian affiliates, together with our subordinated loan capital⁴ and the parent bank's loans held in Ukraine, the applicable capital adequacy regulations would still be met.

■ Besides some positive developments, **Hungary** has for years been struggling with a low investment activity and subdued household consumption, and it is generally considered a less attractive location for FDI. The regulatory environment is prone to frequent and unpredictable changes and the bank sector's overall financial burden is extremely high even in international comparison.

1.1%

1.1 PERCENT GDP POSTED BY HUNGARY, WITH A NUMBER OF COUNTRIES IN THE REGION PRESENTING UPWARD GROWTH TRENDS

89%

CONSOLIDATED NET LOAN-TO-DEPOSIT RATIO² DOWN TO 89 PERCENT → SUFFICIENT LIQUIDITY RESERVES

16%

CONSOLIDATED CORE TIER 1 CAPITAL ADEQUACY RATIO³ AT 16.0 PERCENT ADJUSTED FOR EXCHANGE RATE EFFECTS

84.4%

THE PORTFOLIO OF DELINQUENT LOANS 90 DAYS PAST DUE HAS SHRUNK, WITH THEIR PROVISION COVERAGE IMPROVING FROM 80.0 PERCENT TO 84.4 PERCENT

¹ In countries where permitted under effective legislation.

² The indicator Core Tier 1 capital elements (directly issued, paid and posted in the balance sheet), the most important forms of which are subscribed capital, stock proceeds and retained earnings.

³ Tier 3 capital: ancillary own funding with 5+ years of maturity, which, subject to the lender's contractual consent, may be called in to settle a bank's debt (customer deposits).



Today OTP Bank is present in 9 countries of the region

The OTP Group is Hungary's largest financial service provider group and, due to the international expansion that began in the early 2000's, it is currently a key player in the Central and Eastern European market.

OTP Banka Slovensko, 2002

| | |
|---------------------------|------------------------|
| Number of branches | 68 |
| Number of employees | 691 |
| Balance sheet total | HUF 425 billion |
| Number of clients | 252,000 |
| Market share ⁴ | 3.1% |

OTP Core² Hungary

| | |
|---------------------------|--------------------------|
| Number of branches | 382 |
| Number of employees | 8,685 |
| Balance sheet total | HUF 6,445 billion |
| Market share ³ | 25.6% |

OTP banka Srbija, 2007

| | |
|---------------------|-----------------------|
| Number of branches | 51 |
| Number of employees | 691 |
| Balance sheet total | HUF 86 billion |
| Number of clients | 369,000 |
| Market share | 1.5% |

OTP banka Hrvatska, 2005

| | |
|---------------------|------------------------|
| Number of branches | 102 |
| Number of employees | 1,015 |
| Balance sheet total | HUF 538 billion |
| Number of clients | 382,000 |
| Market share | 4.7% |

CKB Montenegro, 2006

| | |
|---------------------|------------------------|
| Number of branches | 29 |
| Number of employees | 461 |
| Balance sheet total | HUF 196 billion |
| Number of clients | 320,000 |
| Market share | 19.9% |

OTP Bank Ukraine, 2006

| | |
|---------------------|------------------------|
| Number of branches | 140 |
| Number of employees | 6,628 |
| Balance sheet total | HUF 618 billion |
| Number of clients | 397,000 |
| Market share | 6.7% |

OTP Bank Romania, 2004

| | |
|---------------------|------------------------|
| Number of branches | 84 |
| Number of employees | 994 |
| Balance sheet total | HUF 450 billion |
| Number of clients | 311,000 |
| Market share | 3.9% |

DSK Bulgaria, 2003

| | |
|---------------------|--------------------------|
| Number of branches | 378 |
| Number of employees | 3,528 |
| Balance sheet total | HUF 1 344 billion |
| Number of clients | 2,965,000 |
| Market share | 28% |

OTP Bank Russia, 2006



| | |
|----------------------------------|------------------------|
| Number of branches | 200 |
| Number of employees | 19,852 |
| Balance sheet total ⁵ | HUF 940 billion |
| Number of clients | 3,839,000 |
| Market share | 1.2% |

OTP Group

| | |
|--|---------------------------|
| Number of branches | 1,434 |
| Number of employees ¹ | 43,389 |
| Balance sheet total | HUF 10,381 billion |
| Taxes paid | HUF 144.2 billion |
| Employee training costs | HUF 760 million |
| Donations | HUF 1 401 billion |
| Percentage of wheelchair accessible branches | 58% |
| Energy consumption per head | 19.5 GJ |
| CO ₂ emissions per head | 0.89 t |
| Total paper use | 4,087 t |



9 COUNTRY

100+ SUBSIDIARIES

1 400 BRANCH



4 000 ATM



13 million CUSTOMER



Data (audited, IFRS) as of 31.12.2013 or applicable to 2013. The map features the acquisition date next to the Bank's name.

¹ with full-time and part-time staff combined in each case

² OTP Core is the business entity comprising the core activities of OTP Group in Hungary such as OTP Bank, OTP Mortgage Bank, OTP Building Society and OTP Faktoring. No other Hungarian affiliate is included.

³ household loans: based on aggregate data by OTP Bank, Merkantil Bank, OTP Building Society and OTP Mortgage Bank

⁴ market share always refers to household loans

⁵ including agents employed by the bank, together with part-time agents with less than 60 hours of work per month (5,238 people in total)



In 2013, OTP Group received the following awards and recognitions⁴

BANK OF THE YEAR 2013 AWARD BY MASTERCARD

For its support to the National Financial and Economic Learning Centre for Secondary School Students, OTP Bank has been selected as the 'Most Active Bank Contributing to Developing Financial Literacy in 2013'. Furthermore, it has been named 'Most Innovative Bank of the Year' while also winning the 'Retail Savings Product of the Year' and 'Retail Smartphone App of the Year' awards.

BEST PRIVATE BANKING SERVICE PROVIDER

For the third time, OTP Private Banking has been named 'Best Private Bank in Central and Eastern Europe' and for the first time won the 'Best Private Bank in Hungary' award as well.

THE GREENEST FINANCIAL INSTITUTION

At the Greenest Companies in Bulgaria, a contest organised by B2B Media, DSK Bank was acknowledged as the 'Greenest Financial Institution' for its leading position in terms of environmental management and efforts to incorporate energy efficiency concepts in its day-to-day operations.

NATIONAL ENVIRONMENTAL AND CORPORATE SUSTAINABILITY CHAMPION

The European Business Awards scrutinises 17,000 companies throughout Europe and DSK Bank has been selected as National Champion in Bulgaria. The award is based on parameters such as company profile, financial indicators, CSR practices and strategy.

BEST BANK IN BULGARIA

DSK Bank has been named Best Bank in Bulgaria in 2013 – not only by local business weekly Kapital but also by the Banks Investment Money Foundation and The Banker magazine.

STARA PLANINA ORDER

DSK Bank's Chairwoman and CEO Violina Marinova received the highest national award in Bulgaria, in recognition of her visionary leadership in the local banking system and her exceptional contributions to building the reputation of national credit institutions, markets and services. This was yet another acclaim for Violina Marinova, who has already been pronounced 'Manager of the Year 2013' and 'Mrs. Economy' by local magazine Economy.



DECLARATION OF COMMITMENT TOWARDS CORPORATE SOCIAL RESPONSIBILITY AND TRANSPARENT REPORTING

OTP Bank Romania was the recipient of this prestigious award at the People for People Awards Gala held by the Romanian Association for Community Relations and AmCham Romania.

LENDING PRODUCT OF THE YEAR

Organised by business magazine Piata Financiara, OTP Bank Romania was awarded for its AgriBusiness Package (loan facility for agricultural land purchases and pre-financing).

CPRA GRAND PRIX 2013

Presented by the Croatian Public Relations Association, OTP banka Hrvatska was selected for the award in the category of Internal Communications. The project thus recognised focused on transforming and re-positioning the bank's corporate values, vision and mission statement. (Refer to Chapter 4.4 for more details.)

EBRD TRADE FACILITATION PROGRAMME AWARD 2012

The EBRD recognised JSC OTP Bank as Ukraine's most active bank participating in the programme.

BEST PRIVATE BANKING

BEST EMPLOYER BANK

BEST INVESTMENT BANK

In all three categories, JSC OTP Bank was selected third by Ukrainian business magazine Banker.

FINANCIAL EXPERTISE AND OPENNESS

For the second time, OTP Bank Russia has been selected for the 'Consumer Rights and Service Quality Award' by the Russian Chamber of Commerce and Industry.

CCEGA AWARD

OTP Banka Slovensko has been selected for the award for its compliance with the principles of responsible corporate governance and its transparent publication of news.

⁴ We highlighted recognitions given to the Bank as a whole, linked to innovation or CSR, but we are no less proud of the awards won by our financial products. Detailed descriptions and links for all of our awards can be found at <https://www.otpbank.hu/portal/hu/Rolunk/Dijak>.

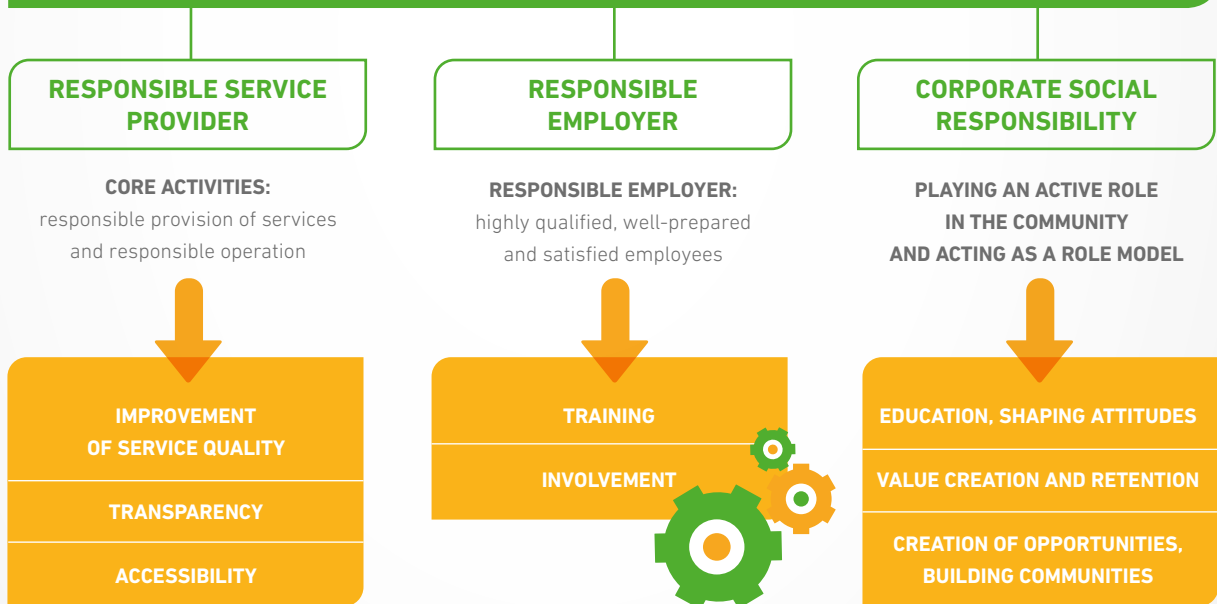
Our Impact on Sustainability

Our Bank Group is a key participant in several markets within the CEE region and through its services plays an important role in stabilising the economy and the financial system, as well as in retaining and improving the standards of living. Using the available deposits, our lending can drive purchases, consumption and investments. We, therefore, have an impact not only on our clients but, indirectly, also on economic growth, the population's living standards and the utilisation of environmental resources.

OTP Group is a major taxpayer. Given our size, we exert an impact on employment through our own staff and our supply chain, as well as through the utilisation of indirect resources in our operations.



OUR CSR STRATEGY SETS OUT THE THREE KEY PRIORITIES OF CORPORATE SOCIAL RESPONSIBILITY.



For more information, visit <https://www.otpbank.hu/csr/en/sustainability>

2 enhancing financial literacy



Our goal is to create a new financial culture. We develop financial literacy among young and adult people alike through our own foundation.



The OTP Self-provision Index



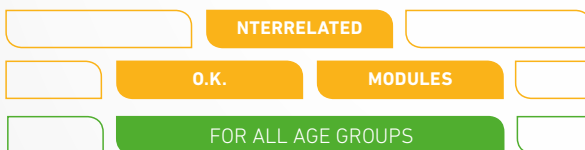
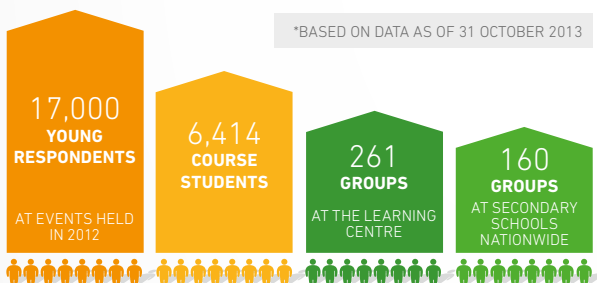
O.K. Centre



Sulibank

In CEE countries, the general population is characterised by low levels of financial literacy and awareness, which — while individual countries may vary to a significant extent — for the most part falls way below levels observed in advanced Western European countries. **Our goal is to create a new financial culture. We are making efforts to contribute to enhancing the knowledge of young people, students as well as the adult population through our own foundation and programmes, as well as in cooperation with other organisations.** Emphasis is laid on improving financial literacy primarily in the countries in which OTP subsidiaries have a dominant presence.

A ONE-OF-A-KIND EDUCATION PROJECT IN THE CEE REGION



Business aspects of areas such as:

- sport
- environmental management
- civil society

As one of the most important values of OTP Bank's financial education programme, experiences show that it is programmes like this that can reach out to most young people in Hungary today.

The objective of financial education programmes is to teach future generations the importance of a conscious and prudent financial attitude, so they can evaluate their options and goals with due caution.

Over the past two years, OTP Bank has prepared and launched comprehensive programmes, each aimed at a broad spectrum of students and clearly structured in a logical yet entertaining manner, based on everyday scenarios: launched at the end of 2012, the **O.K. Centre** currently focuses on secondary school studies but will also feature select parts of the **Sulibank** (School Bank) programme that, started as a pilot project in 2013, is targeting elementary schoolchildren.

OTP Bank continues its pursuits aimed at enhancing the financial literacy of students primarily together, or as part of, the **OTP Fáy András Foundation**.



**PERSONAL COUNSELLING AND TRAINING;
AVAILABLE ONLINE;
MOBILE TEACHER NETWORK**



MORE THAN HALF OF THE STUDENTS COME FROM SCHOOLS OUTSIDE BUDAPEST



DEMO COURSES IN TRANSYLVANIA



PLANNED: TRAINING OF 10,000 STUDENTS DURING THE 2013–2014 SCHOOL YEAR, REGIONAL CENTRE IN NYÍREGYHÁZA, IN ROMANIA AND IN OTHER NEIGHBOURING COUNTRIES.



Sulibank

International research confirms that it is best to start teaching children about finance at the earliest age – in their first years of elementary school. That is why OTP Bank has established, in collaboration with the OTP Fáy András Foundation, the Sulibank (School Bank) programme, an interactive and entertaining initiative built upon a systematic approach that:

- helps acquire financial skills through online courses that can be made part of the school curricula;
- provides, separately for each age group, learning packages and extracurricular activities (e.g. competitions, day trips).
- The website sulibank.hu also features content specifically designed for parents and teachers. New content is added around the clock (teaching aids, quizzes, trivia and other educational games, as well as a point collection scheme that can boost activity).

The learning packages have been tested at five schools involving approximately 1,000 pupils, with another 260 having taken part at day trips (to locations such as bank branches, zoos and museums, all the while focusing on the business aspects of the given facility) and a total of 140 submissions received for the competitions so far. Our goal for 2014 is to expand our network of partner schools – we intend to reach out to 35 additional institutions.

Furthermore, OTP Bank has developed its latest product named Sulitakarék (School Savings) in order to help kids put their newly acquired knowledge into practice.

The OTP Self-provision Index

Published regularly since 2011, the OTP Self-provision Index reflects the condition and development of Hungarian society⁵. While significant improvements are only expected for the long term, certain components of the index clearly reflect the current socio-economic situation and its fluctuations, and provide a more nuanced view of intentions and motivations regarding self-provision and conscious money management.

34 points

FOR 2013, THE OTP SELF-PROVISION INDEX REMAINED UNCHANGED AT 34/100. THOSE WITH A HIGHER INDEX HAVE A UNIVERSITY/COLLEGE DEGREE, ARE MIDDLE-AGED AND LIVE IN MORE ECONOMICALLY DEVELOPED



PERCENTAGE OF PEOPLE WITH FINANCIAL SELF-PROVISION PRODUCTS:
52%, DECLINED



KEEP ALL THEIR SAVINGS AT HOME:
38%



SAVINGS FOR RETIREMENT YEARS:
20%, INCREASED



REGULAR SAVINGS:
22%



IMPORTANCE OF PERSONAL INVOLVEMENT:
INCREASED



PERCENTAGE OF PEOPLE WITH SAVINGS:
DECREASED⁷

SAVINGS GOALS:

UNPLANNED EXPENSES

STUDIES

⁵ The survey encompasses areas such as providing for families, opportunities in self-training, health preservation and environmental protection.
⁶ in the population with banking relations and aged between 18 and 70.
⁷ this is mostly due to the current financial situation

Other programs designed to enhancing financial literacy



RUSSIA

- The bank organised special museum trips for groups of schoolchildren. During their visit, students could not only marvel at the works of art on display but, in relation to the exhibits, they could also enhance their financial knowledge.
- In addition, student groups were also welcomed at branches, where they could learn about operations, development and even the bank's charity activities.

SLOVAKIA

- The bank has collaborated in the publication of two textbooks, both intended to enhance the financial skills of ethnic Hungarian students.

HUNGARY

ROMANIA

- Entitled **Pénzidomár** ('Money Tamer'), the Bank's finance and business contest for Transylvanian secondary schoolchildren was announced for the second time in 2013. A total of 67 entries were received from 21 schools. After an evaluation of a test as part of their application, teams advanced to the semi-finals and then to the final, each held at Sapientia University.

CROATIA

BULGARIA

- Work on a new financial dictionary has begun, with the most effective methods of publication and access currently being searched.

- In 2013, a total of 11,000 students took part in the **'Resourceful Quiz'** (Életrevaló Kvíz), either on their own or as part of a secondary school's team. The top 10 schools competed at the O.K. Centre for the main prize: a special school day with a one-million forint budget.

- Support for the **'Everyday Finances'** (Mindennapi pénzügyeink) programme: as part of this initiative, brought to life by the MNB in cooperation with Hungarian banks with a view to improving the general population's financial literacy, 8 members of OTP's senior management have had a total of 85 public appearances.

- 2013 also saw our bank organise, together with portfolio.hu, a two-day **conference** on the occasion of World Savings Day, this time focusing on the topics of health and family self-provision. The event was specifically targeted at the management and employees of our partners, NGOs, service providers and financial organisations.

- Our goal for 2014 is to expand the range of involvement in enhancing financial literacy. As part of this effort, we intend to make financial educational lectures and screenings available also to employers so that they can help their staff grow further. The first such module has been developed for the Mercedes-Benz factory in Kecskemét.

- On World Savings Day – as in previous years – OTP banka Hrvatska organised educational visits to its branches for children across Croatia, with nearly all branch offices receiving such groups.

3 a responsible service provider



The essence and a key element of our responsibility lie in the responsible provision of financial services and responsible operation.



Complex branch accessibility programme



CRM counselling with a focus on savings



Presence in the agricultural sector



State subsidised home loans



Funding For Growth Scheme / vallalkozokhitele.hu



Appointment scheduling



Property renovation for all



WiFi at the branches

The essence and a key element of our responsibility lie in the responsible provision of financial services and responsible operation. Our corporate social responsibility can only be credible to our clients and shareholders if the company can be relied upon as a stable and reliable entity in every case.

As a responsible service provider, we focus on the following areas:

- maintaining financial stability;⁹
- creating a responsible product offering and continuing lending to foster success and development at individual, economic and community level alike;
- adequate risk management and comprehensive security;
- ethical information and prudential operations, and transparent information on our services, operations and their impacts, as well as on our results;
- continuous improvement of service quality;

For more on our values and fundamental principles in these areas, please visit our website.



2012 / OUR UNDERTAKINGS

2013 / OUR RESULTS

ETHICAL SERVICE PROVISION AND TRANSPARENCY

To continue the process of introducing the determination of the group-level operational risk capital requirement¹⁰ based on the advanced methodology and meeting further expectations of the HFSA in this regard

■ Implemented, reports compliant with HFSA/MNB¹¹ regulations are prepared on a continuous basis.

Further development of anti-money laundering screening systems.

■ Developments have started at group level, with completion estimated during 2014.

Establishment of internal regulations, manuals and training programmes to transfer knowledge on various forms of anti-competitive conduct and to allow prevention

■ Implemented. Affected personnel are required to sign a statement of compliance. Training was held as part of an e-learning programme, with all employees participating.

Introduction of mobile signatures as a protective tool against online attacks.

■ Implemented and has proven successful.

Introduction of business intelligence¹² and thereby improving the quality control of phone and email client service, and ensuring faster services.

■ The system has been deployed, with fine tunings and go live expected during 2014.

Modifying the processes for requesting debtor protection measures as per applicable HFSA recommendations

■ Modifications are not warranted for meeting these recommendations.

Updating and improving the transparency of OTP Bank's notices on retail bank accounts and associated services

■ Implemented in relation to the Simple account, based on which all other notices have been updated accordingly

cont. ↓

⁹ For our results in terms of financial stability, refer to the chapter entitled 'OTP Group'.

¹⁰ At group level, operational risk capital requirement covers expected and unexpected losses.

¹¹ As of October 2013, the tasks previously handled by the Hungarian Financial Supervisory Authority (HFSA) are assigned to the Magyar Nemzeti Bank (MNB).

cont.

The transfer of NYESZ and TBSZ¹³ information documents and declarations will be integrated into the process of Retirement Saving Account and Long Term Investment Account payments and also made part of the account closure procedure

■ Implementation in progress.

IMPROVING ACCESSIBILITY AND EQUAL OPPORTUNITY

With a view to ensuring conformity to relevant HFSA recommendations, setting up a working group to further improve the services for people with disabilities

■ Implemented — OTP Bank has executed a complex branch accessibility programme.

Appropriate conversion of a reference branch office dedicated for people with limited mobility

■ Grand opening of the reference branch office (Fény utca branch) delayed for 2014.

Develop special client service to make access to services easier for people with disabilities

■ Implemented.

Presentations and financial consultancy programmes for the deaf, hearing impaired and people confined to wheelchairs in major rural towns

■ Held in Debrecen and in Győr, as part of the open house initiative 'Without Limits' (Korlátok nélkül)

Creating a function for the management of guardians' deposits through the OTPdirekt online banking service

■ Implemented.

ENHANCING SERVICE STANDARDS AND THE CUSTOMER EXPERIENCE

Upgrading the savings website of OTP Bank (including product selection functions)

■ Implemented as part of the comprehensive website overhaul.

Hiring client floor officers at the 30 busiest branch offices

■ Implemented.

Reducing waiting times at OTP Bank branch offices

■ A number of projects have been launched in this regard, resulting in a maximum waiting time of 10 minutes for least 85 percent of incoming clients.

Creating and adopting standardised complaint management guidelines at Group level

■ Guidelines have been formulated.

Offering an appointment scheduler via the OTPdirekt online interface for all Hungarian retail clients

■ Implemented; appointments can now be made also in person, and over the phone as well.

We plan to extend the programme aimed at introducing quality assurance elements to a number of additional product and service types, such as the express delivery of debit cards.

■ Programme extension with express debit card delivery to be implemented starting early 2014.

Enabling balance inquiries on and transaction data relating to OTP Health Insurance Fund, OTP Voluntary Pension Fund and OTP Building Society accounts via OTPdirekt online

■ Implemented.

cont.

¹²

Methods intended to improve the decision-making process through easier and more purpose-friendly access to data.

| | |
|--|----------------|
| Further developing the functions of the SmartBank service, expanding it to other divisions and implementing it on the Windows Phone platform | ■ Implemented. |
|--|----------------|

| | |
|--|---|
| Reviewing the possibility of extending Simple to other target groups | ■ Implemented: Simple is now available without age limitations. |
|--|---|

CORPORATE CUSTOMERS

| | |
|---|---|
| Developing an energy efficiency programme in cooperation with E.On for the financing of mini power plants, solar collectors and gas turbines. | ■ Negotiations with E.On are in progress. |
|---|---|

| | |
|--|---|
| Reviewing export financing with Eximbank | ■ Implemented, with the list of financed companies successfully extended. |
|--|---|

| | |
|---|---|
| Establishing cooperation with the Budapest Chamber of Commerce and Industry regarding services provided for micro and small enterprises | ■ Implemented. As part of the cooperation, members receive newsletters to learn about our services. |
|---|---|

| | |
|---|---|
| Cooperating with the OTP Hungaro-Project and assuming the consultation fee from our clients | ■ Implemented, with the consultation fee assumed from 13 clients. |
|---|---|

| | |
|--|---|
| Reviewing the Bank's risk management system with a focus on the peculiarities of the agricultural sector | ■ Review of the criteria still in progress. |
|--|---|

| | |
|--|----------------|
| Hiring of one agricultural expert in each region | ■ Implemented. |
|--|----------------|

| | |
|---|---|
| Expanding the range of integrator lending | ■ Implementation currently in progress by product management and according to the partnership agreement entered into with KITE Zrt. |
|---|---|

| | |
|---|--|
| Launching agricultural product development projects in Serbia, Ukraine, Russia and Bulgaria | ■ Implemented as the market situation permitted, and continuing into 2014 in Russia. |
|---|--|

MUNICIPAL AND NON-GOVERNMENTAL CUSTOMERS

| | |
|---|----------------|
| Transforming credit policies in view of the recently changed regulatory environment | ■ Implemented. |
|---|----------------|

| | |
|---|--|
| Participating in the development and financing of LED-based street lighting systems | ■ Negotiations with several municipalities are currently underway. |
|---|--|

| | |
|---|----------------------------------|
| Opening towards churches and their communities with services and loans, concerning the upgrade of the heating and lighting systems in a large number of schools recently taken over by churches | ■ Cooperation under development. |
|---|----------------------------------|

| | |
|---|--|
| The OTP Hungaro-Project helps its corporate clients reach out to NGO representatives and facilitates civil organisations' access to funding by drafting applications. | ■ Implemented, with collaborations further assisted by a standalone website, and several NGOs having already been awarded funding. |
|---|--|

■ Implemented
 ■ Implementation in progress
 ■ Not executed



3.1

Responsible product offering – our products with a social or environmental benefit


Products offered at both affiliate and group levels make our everyday finances easier and help us achieve our goals, be it personal or organisational. When it comes to designing product features, the terms of use and the dissemination of information, a bank has to provide **accountable and fair services**. At the same time, it is also our clients' responsibility to assume obligations within their own means and comply with them accordingly, as well as to carefully study whatever information is available. Given the poor financial literacy of the region, we believe it is important that we contribute to developments in this regard (see Chapter 2).


In this chapter, we present products that yield top social or environmental benefits (e.g. provide discounted access to basic needs such as shelter, or advantageous terms for small and micro enterprises) and were introduced during 2013. We strive to provide the broadest range of these services to all of our clients – retail, corporate and municipal –, and cooperate with numerous state and international organisations.

As a promising sign, 2013 saw a rebound in demand for credit – extremely subdued in recent years because of the prolonged crisis –, partially due to signs of an economic recovery.

Self-provision

We are convinced that self-provision is one of the cornerstones of responsible finances; therefore, for years we have been working to raise awareness in this regard and adjust our product offering accordingly.

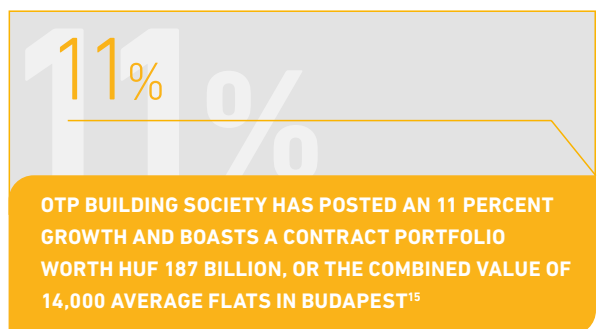
■ OTP Bank's redesigned website helps visitors choose the right savings product that best **suits their goals and life situations**. Several banks of OTP Group feature calculators and product navigators on their websites. 

■ In its savings programmes, our bank has emphasised the importance of self-provision and highlighted its products facilitating regular savings for the medium and long term (e.g. building society savings, savings accounts, investment funds). We have issued an educational brochure entitled **'Save Smart'** (Gazdálkodj okosan!)  and a publication called **'OTP Planning Your Savings'** (OTP Megtakarítás tervezés) containing various tips for saving.

■ A programme has been launched to have product offers devised **based upon a better assessment of client behaviour and client needs**, in the context of which our savings counselling services have been segmented into specialty areas. Backed with IT support, our CRM¹⁴ system provides branch administrators with more personalised quotations in real time – based on available client information and responses –, which they can then relay to our clients. These offers are available to our clients not only at the branches but online as well.

■ DSK Bank has developed a **smartphone application** centred on savings, which makes banking more fun and certainly more rewarding.

■ Through its **OTP Mentor** service, OTP Bank Romania's provides personalised assistance at no cost so that clients can better manage their savings and investments. The service covers the identification of a client's current financial status and savings goals, the setting of a personalised schedule, the presentation of various products and services, and the modification of the plan should the client's goals or opportunities change. In order to be eligible for the service, clients need to register online at www.penzidomar.ro – a website featuring useful information on how to handle everyday finances – or in person at a branch. Throughout 2013, the website has logged approximately 5,500 unique visits. 



¹³ Customer Relationship Management

¹⁴ based on the 2013 average sale price of flats in Budapest (source: OTP Real Estate Value Map)

Simple



As we have slackened the terms of eligibility for Simple – a **customisable service package** –, clients can now apply without age limitations.

Simple supports the enhancement of financial awareness and self-provision: **1**

- With the help of the app called 'I Save' (Megtakarítok!) one can set aside savings broken down to various goals.
- Those using the 'Personal Finances' app, can review their spending.

Home Loans

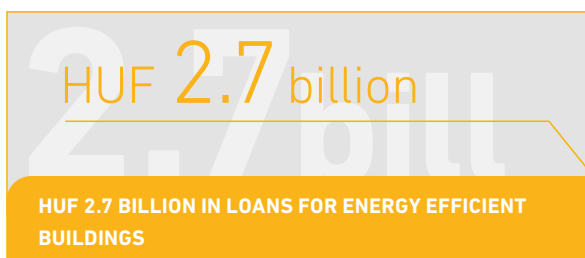
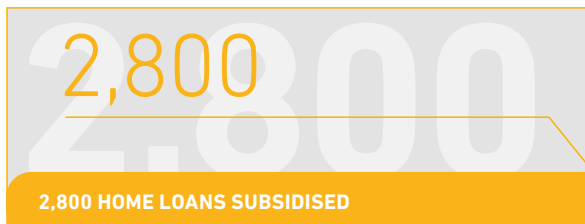
In early 2013, the interest-rate subsidised **Home Making Loan** (Otthonteremtési lakáshitel) facility underwent major changes. Subsidies became available to a broader range of prospective clients, the maximum available loan amount was increased and other purposes (e.g. home extension) were now eligible for financing. Throughout the year, nearly 3,000 disbursements were made totalling HUF 13 billion, approximately 85 percent of which was applied for the purchase of pre-owned flats. Applicants typically aged between 26 and 36 years, and 25 percent of them were based in Budapest.

Those seeking to move but need time to sell their current home will find the **OTP Home Exchange Loan** (Lakáscsere hitel) to be of tremendous assistance. This facility comes with a two-year grace period before the billing cycle starts, during which payments are not required and interest does not accrue.

The so-called **social policy support** – a non-repayable grant intended to stimulate the construction and purchase of energy efficient homes with a proper indoor climate and to encourage families to have children – is also available through OTP Bank. While the technical conditions of application changed during 2013, a significant decline in the number of applications was registered: a total of 233 applications have been received.

Since 2013, Croatia's OTP Banka Hrvatska has offered its product range called 'Sunshine loans' for both retail and corporate clients, created to provide financing for the creation of energy efficient homes or the implementation of other energy efficiency improvement projects such as the installation of natural gas pipes, water filter systems or solar panels, or to cover the costs aimed at saving energy. In 2013, 96 disbursements were made amounting to HUF 2.7 billion.

First launched in 2011, the OTP Real Estate Value Map – available online at https://www.otpbank.hu/OTP_JZB/online/A0600000000.jsp – provides reliable and detailed information on market developments across Hungary. In 2013, it was expanded with analyses concerning the land market.





Condominiums

In the condominium market, OTP Bank has retained its position as market leader, with approximately 660 condominiums and building societies benefiting from our loans with state interest subsidy during 2013.

Throughout the year, we have held or participated at conferences and road shows in several cities nationwide where, by presenting already implemented energy efficiency projects, we focussed on encouraging residential communities to renovate and modernise their buildings. For 2014, we plan to create a comprehensive publication about our services, loans and savings options available for condominiums. The website hazforum.hu is updated regularly with useful articles about buying and renovating homes alike.

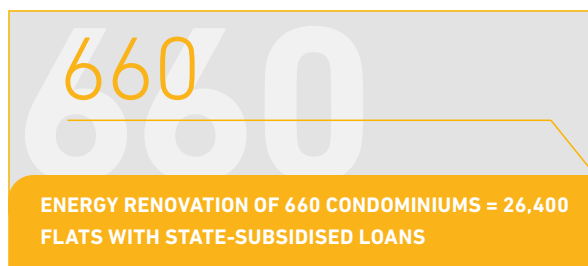
In Romania, we have introduced a separate account type to better serve the needs of condos.

APPLICATION SCHEME FOR CONDOMINIUMS

OTP Bank's Application Scheme for Condominiums attracted avid interest in 2013 as well, with over a thousand applications received. As in previous years, the most inspiring proposals were submitted in the categories Environmental Protection, Community Building and Life Quality Improvement.

Due to steadily growing interest, the grant amount was raised by 12 percent to HUF 8.2 million.

In 2013, the first 500 applicants were given subscriptions for the trade periodical 'Condominium Household' (Társasházi háztartás) and could participate free of charge at the conferences of the National Association of Condominiums and Condominium Managers.



Micro and small enterprises

OTP Group considers it essential to fully serve the financial needs of the micro and small enterprise segment. 2013 saw both our clientele and market share grow further.

In 2013 a new sub brand called **OTP Business** was introduced, with the intention to reinforce our image of a service-minded bank that not only focuses on retail clients but also plays an important role in the enterprise and corporate segment. Our goal is to identify homogeneous client groups in the heterogeneous world of micro and small enterprises, and develop products that are tailored to their needs. For years now, we have been offering products for accountants, attorneys and physicians, and the range is being continuously expanded.

Our product development of 2013 was related to the **Funding for Growth Scheme**, which the Magyar Nemzeti Bank launched on 1 July for small and medium-sized enterprises (SMEs) and offered sub-market rates on loans. Through this programme, we were involved in boosting SME lending and lowering the costs of financing on loans taken earlier. The three product varieties available for our clients are as follows:

- OTP 'New Source' (Új forrás) Working Capital Loan (in Phases 1 and 2 of the FGS)
- Corporate Mortgage (refinancing of investment and foreign currency loans under the FGS, also available to prime producers) and
- Refinancing of investment and foreign currency loans under (Phase 2 of the FGS).

Throughout the year, the contracts concluded by Hungarian members of OTP Group during Phase 1 totalled HUF 91 billion, making us the largest lender among banks. (The HUF 91 billion was disbursed to micro enterprises and SMEs.)

With the involvement of different regions, OTP Bank has entered into cooperation agreements with Chambers of Commerce and Industry, in the context of which registered members receive reminders of our promotions and we participate at select events held by the Chambers.

VALLALKOZOKHITELE.HU

As a sponsor we have created the website vallalkozokhitele.hu, which features useful tips similarly to hazforum.hu but aimed at a different audience. In addition, it helps visitors keep track of current events in economics and banking, and provides detailed practical guidelines and calculators. Case studies allow for a direct and credible interpretation of empirical data and results. Newsletters are sent out to registered users each month. In the future, we intend to prepare our newsletters on a bi-weekly basis. The website logs about 10,000 unique visits each month, with the average user staying around for 10 minutes.

OTP Group's foreign affiliates have also been active in enhancing their services:

■ In 2013, OTP Banka Slovensko created a dedicated client area for serving its micro and small enterprise clients. It has also entered an agreement with the European Investment Fund (EIF) about a loan package to the tune of EUR 10 million, intended to help Slovakian micro enterprises and young entrepreneurs – particularly those who otherwise would find it difficult or be considered ineligible to secure a commercial loan. The package is expected to bring relief to approximately 600 small businesses and sole proprietorships. Furthermore, the bank has contracted with the Council of Europe Development Bank (CEB) for the financing of investments undertaken by small and medium-sized enterprises and municipalities in infrastructural and residential building insulation projects.

■ In order to improve the servicing of its micro and small business clientele, DSK Bank launched an all-embracing project that also included the setting up of dedicated Business Centres. It has also joined the JEREMIE initiative, in the context of which micro enterprises and SMEs can acquire financing from EU funds and at low interest rates.

■ In cooperation with the Croatian Development Bank, OTP banka Hrvatska provides support for start-ups and green investments.

■ OTP Bank Romania has introduced the OTP SmartStart account for start-ups and micro enterprises with an annual turnover of up to EUR 100,000, featuring online account opening and a host of low-cost services intended to make things easier for newly established businesses.

HUF 91 billion

LOANS DISBURSED IN THE FGS AMOUNTED TO HUF 91 BILLION, OR THE COMBINED PRICE OF 6,740 AVERAGE BUDAPEST FLATS

Agriculture and agricultural enterprises

The agricultural sector has become a strategic sector for OTP Group over the past years, where we remain committed to provide financing. 2014 has seen the number of our agrarian clients rise further, and our market share in Hungary increased to 14 percent.

Our Bank continues to provide pre-financing for direct agricultural grants, and also plays an active role in the financing of tender-based development projects implemented with European Agricultural Fund for Rural Development grants. OTP Bank acts as mediator for all discounted interest rate refinanced loan facilities offered by MFB (Hungarian Development Bank).

Developments implemented throughout the year:

- Agrarian sales consultants have been hired for each region.
- Rules of procedure concerning grant financing have been simplified and risk-proportionate practices have been introduced with regards to our administrative and collateral processes.
- Membership cards for the Hungarian Chamber of Agriculture have been prepared, providing financial benefits to holders.

Subject to the establishment of a national renewable energy strategy and to the availability of development funds required for its implementation, our plans include priority financing for renewable-focussed investment projects.

In 2013, we implemented service enhancements in a number of countries, with new product launches taking place in Serbia. Our regulations and products were streamlined in Bulgaria, where our affiliate cooperates with the National Agricultural Fund in providing subsidised loan facilities. OTP Bank Romania introduced the AgriBusiness account for its clients receiving agricultural grants. In addition to low fees, account holders are eligible for a 50-percent discount from the administrative charges of loans pre-financing the subsidies granted by the Agency for Payments and Intervention in Agriculture (APIA). Croatia's OTP banka Hrvatska launched a dedicated project for devising a pre-financing facility for direct EU grants in connection with agricultural activities. Implementation will continue into 2014.

6%

OTP BANK'S AGRICULTURAL LOAN PORTFOLIO HAS RISEN BY 6%

Consultancy Services on the Utilisation of EU Funding

Consultations regarding the use of EU funds are provided within the Group by OTP Hungaro-Projekt and its affiliates. Due to a shift in the emphasis of the tender system in Hungary towards corporations, the debt consolidation of municipalities and tender management having been brought under state control, the share of corporations in the clientele of OTP Hungaro-Projekt – a company that is open to innovative start-ups – continued to rise.

In 2013, it helped its clients acquire HUF 4.7 billion in financing support for a total of 83 projects, with a combined investment value estimated at HUF 10.7 billion. Three of these projects were undertaken by municipalities, aimed at developing potable water and sewage utilities and enhancing energy efficiency. As regards the tenders prepared for corporations, these were primarily aimed at enhancing corporate innovation and, to a lesser extent, at developing company headquarters and related technological developments. In the context of project management, 2013 saw us provide assistance in project implementation for 10 municipal and 139 corporate clients.

In addition, OTP Hungaro-Projekt has also provided, for government agencies, consultancy concerning the assessment of environmental projects.

HUF 4.7 billion

HUF 4.7 BILLION IN SUPPORT FOR
OTP HUNGARO-PROJEKT CLIENTS = 350 AVERAGE
BUDAPEST FLATS

HUF 420 billion

HUF 420 MILLION IN GRANTS DISBURSED THROUGH
MEDIATION

CORPORATE CONSULTANCY PROGRAMME

OTP Bank plays a unique role among Hungarian banks in the mediation of support: since 2012 it has been providing mediation services of the 'Corporate Consulting' (Vállalati Tanácsadás) tender programme in the context of a consortium incorporating OTP Hungaro-Projekt Ltd., the Hungarian Foundation for Enterprise Promotion (MVA) and the National Federation of Traders and Caterers (KISOSZ) in three Transdanubian regions and Central Hungary. This form of support represents a total of HUF 2.3 billion to micro enterprises and SMEs. The programme has added five employees to OTP Bank and one to OTP Hungaro-Projekt, the costs of which are borne by the Group.

The program has seen a total of 2,230 applications received – nearly 1,500 during 2013 alone –, and the total demand for support is more than twice the available budget. In 2013, HUF 420 million in grants was disbursed to SMEs. 62 percent of supported companies are considered micro enterprises.

THE MOST POPULAR AREAS OF CONSULTANCY ARE AS FOLLOWS:

25%

COMPANY STRATEGY

24%

MARKETING

17%

ORGANISATIONAL
DEVELOPMENT

15%

ONLINE PRESENCE AND
E-COMMERCE

In the early part of the year, bidding activity in individual regions varied to a great extent, our Bank therefore held a number of events to raise awareness and interest. 31 percent of submissions were received from Central Hungary, 29 percent from Western Transdanubia, 26 percent from Southern Transdanubia and 14 percent from the Central Transdanubian region.

The program seems to have confirmed the objectives that had been set: industry-specific consulting does indeed help develop the entrepreneurial skills of micro enterprises and SMEs, which is essential for successful operations.



Investment and Development Facilities Targeted at Medium and Large Enterprises

In 2013, we remained committed to make preferential loans available to our clients. That is why, in addition to the Funding for Growth Scheme presented in the chapter Micro and Small Enterprises, we provide refinancing lines of credit together with Eximbank in order to help companies in their export ventures. Disbursements totalled HUF 8.8 billion in 2013.

MFB loans for business development and municipal infrastructure development remained available in 2013. In this context, our involvement during 2013 included:

- 5 loans for sewage and water treatment infrastructure development,
- 33 loans for municipal infrastructure development and
- 20 loans for business development.

It was also in 2013 that the Békésszentandrás hydroelectric power station, financed by OTP Bank, was completed, which has since been operating as planned at adequate water yields.

As the official partner of EBRD's Residential Energy Efficiency Credit Line (REECL), DSK Bank has made possible a host of investments, all aimed at improving the energy efficiency of enterprises. In 2013, the bank also provided financing for 9 environmental projects as well.

Ukraine's JSC Bank is also an active EBRD partner, a role for which it has been awarded in 2013.

55

55 DEVELOPMENT PROJECTS FINANCED THROUGH MFB LOANS



3.2

Risk Management

Related to banking products and services are many processes that serve, whether directly or indirectly, the security of our clients. These are nearly imperceptible for an outsider and their importance only becomes apparent when they fail to function properly. OTP Group has always paid particular attention to processes that are crucial and indispensable for the stability of the Group.

Development of the Risk Management System

Although OTP Group's fundamental principles concerning risk management have remained unchanged, systematic reviews did take place during 2013, based on the findings of which processes and assessment frameworks have been modified. As another important milestone besides the preparation in recent years, early 2013 saw the **advanced¹⁵ methodology** being put into use in our calculations for operational risk capital requirement¹⁶. This resulted in significant reductions in capital requirement, as pertaining calculations are based on actual loss data and therefore provide a more reliable estimation and evaluation of risk. For purposes of compliance with external data requirements, the bank has officially joined the Operational Risk-data eXchange (ORX) data consortium, which translates into considerable qualitative improvements in terms of data and methodology alike. This method will be continuously adopted within OTP Group by 2017. With DSK Bank's admission granted supervisory approval in 2013, for next year we are planning the inclusion of our Romanian affiliate, meanwhile also focusing on improving the model's stability, enhancing the data quality of our internal loss database and further developing the scenario analysis methodology.

As a risk mitigating factor, we have taken asset and liability insurance policies for the Hungarian members of OTP Group, with an annual claim limit of EUR 20 million (HUF 6 billion approx.).

Security Enhancement of Banking Systems

In order to guarantee data management integrity and data security, the Group applies the most advanced solutions in IT technology. **Various forms of white-collar crime**, such as fraud aimed at illegally obtaining and using bank card data or manipulating clients' online banking transactions, represent the biggest challenge. OTP Group is well protected against these types of malicious activity and adequately protects its clients, as confirmed by relevant statistics. For both OTP Bank and the Group at large, the turnover-proportionate incidence rate of fraud involving own-issue bank cards was lower (0.0039% and 0.008%, respectively) than the European average published by MasterCard (0.0547%). With the aim of prevention, great emphasis is placed on providing clients with adequate information and warning them of potential risk factors.

In order to prevent card fraud, the Bank has put 24/7 card monitoring in place and implemented a solution for suspicious transaction filtering, both in Hungary and at its foreign affiliates as well.

On OTP Bank's internet banking interface, transactions require a **Mobile Signature**. To ensure a user-friendly experience, several signature options are available; therefore, certain transactions do not require a separate confirmation code. The Mobile Signature function has also been introduced by our Romanian affiliate, with Croatia having opted for an equally user-friendly token application for smartphones.

Key Risks in 2013

For the Group as a whole, **external fraud** has remained the most important operational risk, but losses due to implementation errors are also important.

The **political situation in Ukraine** was seen as a critical risk factor in 2013, which we are constantly monitoring to allow for immediate action, if and when it becomes necessary. Moreover, our capital requirements calculated for operational risk have been raised.

0.008%

INCIDENCE RATE OF FRAUD INVOLVING OWN-ISSUE BANK CARDS AT ONLY 0.008%, APPROXIMATELY SEVEN TIMES LOWER THAN MASTERCARD'S EUROPEAN AVERAGE (0.0547%).

¹⁵ AMA methodology: Advanced Measurement Approach

¹⁶ At group level, operational risk capital requirement provides coverage for both expected and unexpected losses.

Measures Aimed at Bolstering Ethical Service Provision

We consider it essential to comply with the standards of business ethics set out in our Code of Ethics, going beyond mere compliance with legislative requirements and always taking into consideration client interests.

Compliance¹⁷ – prevention and improving awareness

In light of a continuously changing legislative environment, regulatory expectations and international practices, OTP Group must also put particular emphasis on compliance while working to enhance its processes with the protection of client interests and a fair and transparent operation in mind. Tailored to each position, training on compliance and the Code of Ethics is mandatory for all employees, as it contributes to raising awareness about ethical conduct. Similarly important is the training of new hires, where expectations are presented in a practical approach, highlighting the prevention of money laundering, insider trading and market manipulation as well as the importance of ethical responsibility and consumer protection measures. Core and branch managers receive compliance training on an annual basis with more than 600 participants in 2013.

Key compliance events of 2013:

- Conflict of interest regulations have been reviewed, in order to further reduce the possibility that such situations may arise. The revised regulations will be published in 2014.
- A Group-level updating of our anti-money laundering screening system has been commenced and is set to complete in 2014.
- Group-level rules of procedure concerning compliance management have been prepared for foreign affiliates, based on which they have established their own action plans so as to rectify whatever deficiencies have been unveiled. Implementation has started, with full completion of requirements scheduled to end by late 2014.
- A total of 6 reports were lodged in 2013 concerning the Code of Ethics or ethical conduct; four of which fell within the scope of ethical conduct procedures. In all four cases, a violation of the Code of Ethics was established; therefore, necessary action has been taken. Three of these cases involved clients as well, who have also been informed about the actions taken. Grievances filed by clients typically had to do with inadequate client service, slow administration, questionable tone of voice in communications and ill-mannered conduct. No reports concerning human rights have been received.
- OTP Bank has been fined HUF 3.9 billion by the Hungarian Competition Authority (GVH) after having established that, by imposing restrictions in the provision of refinancing loans between September 2011 and January 2012, the banks under review had breached the law. In order to lower the volume of final repayments at a fixed exchange rate, they coordinated their strategies, as part of which confidential business information was also being exchanged. In the case, the GVH imposed fines on a total of 11 financial institutions in the amount of HUF 9.5 billion. Having paid the damages, OTP Bank turned to the courts for redress.
- Of the hundreds of FX borrower lawsuits launched to establish the nullity of the loan contracts, OTP Bank lost only in two cases but has appealed before the supreme court of Hungary, the Curia.
- At Group level, fines were imposed in 51 cases on grounds of violation of consumer protection rules, amounting to a total of HUF 11.6 million. Throughout 2013, the Supervisory imposed a total of 11 consumer protection fines on OTP Bank, OTP Mortgage Bank and OTP Building Society¹⁸ in the amount of HUF 2.2 million – a decrease from the previous year. (In 2012, there were 20 fines imposed for a total of HUF 3.2 million.) Just as in previous years, the fines imposed by the Supervisory typically resulted from individual administrative errors. Upon the imposition of fines, managers of the affected organisational unit or complaint management staff were reminded of their responsibility to comply with applicable legislation and the Bank's internal rules of procedure.
- For the handling of disputes concerning contracts between consumers and financial service providers, the Financial Arbitration Board operates as an alternative forum for out-of-court dispute settlement. The cooperation between the Board and our Group has remained stable. 2013 saw a total of 239 arbitration procedures, almost half of which were related to home loans and another 20 percent to consumer loans. The Board rejected 54 percent of the submissions received, citing lack of grounds or other reasons, and 43 percent of the cases ended with an agreement. In another 6 cases, a non-binding recommendation was formulated.
- OTP Group's Hungarian members were involved in approximately 24 percent of the cases filed with the HFSA (and the MNB after 1 October 2013) concerning credit institutions (based on quarterly figures regarding the affected members: OTP Bank, OTP Mortgage Bank and the Merkantil Group), which is well below our market share.

¹⁷ Compliance with legislative requirements, international norms and standards of ethical business conduct

¹⁸ Complaint management for these companies is centralised at OTP Bank.

Debtor Protection

In order to protect our clients and sustain stability, our debtor protection programmes remained available during 2013. In addition assistance programmes by the state, we continued to provide the option of programmes developed by the Group for clients experiencing difficulty in making or delinquent on their payments¹⁹. In recent years, significant changes concerning debtor protection measures and their application have taken place neither in Hungary nor in connection with our affiliates. Besides mortgage-backed loans, debtor protection measures were available also for consumer loans.

The number of clients taking part in the debtor protection programme remained high in 2013, both in terms of volume and compared to the overall loan portfolio. At the end of 2013, the share of retail loans that have been restructured and less than 90 days past due stood at 2.0 percent.

We have been placing special emphasis on recommending the **overflow account** – a facility available in Hungary as part of the state’s home protection programme. Introduced in 2012, the exchange rate gap²⁰ is now available to a wider range of clients given the slackened terms. Nevertheless, interest in the new scheme fell short of expectations: by the end of 2013, a total of 36,000 clients, or 30 percent of those eligible, applied for an overflow account. As part of this scheme, clients were relieved of a total of HUF 5.2 billion in loan repayments during 2012–2013, of which OTP’s undertakings amounted to HUF 2.6 billion.

In order to ensure housing for these extremely indebted and vulnerable families, our collaboration with the **National Asset Management Agency** continued into 2013: nearly 5,500 properties were transferred from our portfolio.

Customers whose instalments are likely to rise considerably in the future are treated with priority. We reach out to those involved in a proactive manner, offering actual solutions besides a mere notification.

As a promising sign, the proportion of loans more than 90 days overdue – after it began to decrease during the second half of the year – has only shown a 0.6 percent year-on-year increase for the Group at large. (Investors are regularly informed about delinquent loans in sufficient detail; for more information visit the website https://www.otpbank.hu/portal/hu/IR_Prezentaciok)

Expansion of Accessible Services

Our objective is to provide services for handicapped clients at the same standards of quality, in a manner tailored to their specific needs. In 2013, we set up a Complex Bank Accessibility workgroup – thus fulfilling both social and regulatory²¹ expectations – in order to ensure equal access.



¹⁹ Possible options: term extension, (partial) suspension of repayment or the combination of the two, refinancing loan, credit line reduction contract, instalment plan, amendment of the credit facility.

²⁰ Available for all residential mortgage loans denominated in CHF, JPY or EUR and repaid in HUF. For a maximum period of 60 months, instalments are paid at a fixed interest rate, with the difference between the fixed principal sum of the instalment and the market exchange rate being accumulated on an overflow account that will need to be repaid once said 60-month period has elapsed. The interest payment portion of the instalment exceeding the fixed exchange rate is essentially covered by the financial institution and the central government in an equal 50–50% split, thus relieving the debtor of its repayment (partial claim relief). Above certain exchange rates, the exceeding part in both principal and interest are paid by the central government.

²¹ In late 2012 a recommendation was issued by the HFSA on the treatment of disabled customers. While the recommendation is not mandatory, compliance is indeed monitored by the Supervisory.

SENSIBLE AND MINDFUL ACCESSIBILITY



stakeholder involvement: clients and experts representing their interests. Needs and demands were identified in a survey conducted together with the 'Hand in Hand Foundation' (KézenFogva Alapítvány).

'WITHOUT LIMITS' – BRANCH OPEN HOUSE

in Debrecen and Győr, welcoming people with hearing and physical disabilities, as well as professional organisations to share their experiences concerning the client area and the service

FINDINGS

PRIMARY FORM OF CONTACT:

PERSONAL ADMINISTRATION, POSITIVE EXPERIENCES



PERSONAL PRESENCE GIVES A SENSE OF SECURITY

EXPECTATION:

- greater level of attention by front office (tolerance, patience, but preferential treatment is not a must).
- minimal physical barriers and technical hiccups (accessible queue management system, announcing ticket numbers via PA, use of the nearest teller window)
- Supportive human presence (security guard, sign interpreter)
- **information:**
 - to be verbalised for the blind and visually impaired
 - to be made more visual for the deaf and hard of hearing
 - to be simplified for clients with mental health disability

SECONDARY FORM OF CONTACT:

INTERNET

EXPECTATION:

interactive, personal administration with the use of audio-visual tools (+ simple interfaces, demo versions).

BANKING HABITS:

(PRODUCTS AND SERVICES USED, METHOD OF ADMINISTRATION, DIFFERENCES IN HANDLING EVERYDAY FINANCES AND MATTERS REQUIRING MORE IMPORTANT DECISIONS):



NO SIGNIFICANT DIFFERENCE FROM THE WAY THE MAJORITY OF CLIENTS DO THEIR BANKING.

After comprehensive preparations, the following developments have been implemented:

- For all disabilities:
 - rules of procedure on the in-branch servicing of clients with special needs;
 - staff training materials and guidelines; with minimum training mandatory for all bank employees, those handling accounts and working in advisory positions also set to receive detailed instructions;
 - option to notify branch about special needs when making appointments;
 - clients with special needs having scheduled an appointment serviced at dedicated accessible teller desks;
 - intensive communication of accessibility towards employees and clients alike;
- For wheelchair-bound clients:
 - 98 percent of OTP Bank's branches are accessible (58 percent at Group level), representing a year-on-year improvement of 4 percentage points (12 percentage points at Group level).
 - queue management system now features an extra menu item to request dedicated assistance;
 - accessible ATM search option in the online ATM locator;
- For the deaf and hard of hearing:
 - queue management system now features an extra menu item to request dedicated assistance;
 - inductive loop amplifiers installed at approx. 100 premium and priority branches;
 - special 'laminated' communication aids to help communicating with deaf clients;
 - sign language training for two employees at each flagship branch in Budapest and county seats (a total of 35 branches)
- For the blind and visually impaired:
 - call sign to allow guard dogs into the branch;
 - in-branch pilot of tactile ground surface indicators;
 - ATMs and POS terminals featuring Braille keypads or marked number 5 buttons;
 - accessible electronic banking interfaces — our renewed website as well as each page of our branch Browser are 'blind friendly'. In addition to the OTP Bank website, OTP banka Hrvatska has also launched its accessible site.



ADVENTURES AT THE MUSEUM OF FINE ARTS

As a token of our appreciation, colleagues having completed the sign language course were treated for an exciting visit to Budapest's Museum of Fine Arts, in cooperation with the Hand in Hand Foundation.

Here is how a colleague of the Foundation summarised the felicitous event: "By the end of the day, we were convinced that the disability cause for OTP Bank is not a mere PR stunt. Not only is their commitment true and sincere, but we're talking about an organisation that puts in a lot of effort for the cause, and we are honoured to be a partner in that."

Our plans:

- having the Fény utca branch converted into a complex, accessible reference branch;
- treating complex accessibility as a priority in all future branch projects;
- sensibility trainings, further courses, active participation at events intended to assist people living with disabilities – all with the intention to help our colleagues acquire a deeper understanding of the disabled;
- with the involvement of volunteers, continue the 'Without Limits' series across the regions and reinforce our collaboration with various interest groups.


98%

98% OF OTP BANK'S BRANCHES AND 58% OF THE BANK GROUP'S BRANCH OFFICE NETWORK IS ACCESSIBLE.



Improving the Objectivity of Information

Providing comprehensive information to our clients in an objective, transparent and engaging manner is treated as a priority. Accordingly, we are constantly working on our written and spoken communications, going beyond mere compliance with legislative requirements. In 2013, we created a range of publications intended to help clients with useful tips on using our banking services.

- We continued **revising our Notices** with improvements in transparency and rationality in mind, meanwhile a reduced page count also resulted in less paper being used for their publication. Throughout the year, the Notices for our Simple account and home loans were renewed, with the experiences gained in the process set to serve as the basis for the redrafting of our Notices for all other accounts during 2014.
- CKB Bank updated its internal product information materials, rationalising and improving the efficiency of administrators and client information as well.
- In connection with the important changes introduced in Hungary throughout the year – **transaction tax and two free ATM withdrawals per month** – our clients were permanently informed via our website, where we also created a page for frequently asked questions.
- OTP banka Srbija launched a '**financial assistant**' smartphone app that is available in Serbian, Hungarian and English as well. The app features various calculators for loans, savings, revenues and income tax. These are generic calculators and not tailored to the bank's products (which will be the next phase of development). 
- OTP Building Society issued a publication entitled '**Building Renovation for All!**', showcasing the results of 25 energy renovation projects. The brochure features actual homes and provides a detailed overview of each project including content, price and improvements in energy rating, which can be of great help for those thinking about a restoration.
- One of the key considerations for our **revamped corporate identity** that has been put to work in all our advertisements was to better convey what is important for our clients. The new identity is currently being introduced at all foreign affiliates.

3.4 Improving Service Quality

Customer retention is of strategic importance for our Group; therefore, we are tirelessly working to improve both client satisfaction and the client experience. Our goal is to let our clients get in touch with the values that we represent and which determine how we operate as a company at large. This requires us to stay alert around the clock, never ceasing to review, study and question the seemingly obvious, and to be willing and able to renew all aspects of our services.

Focusing on the driving forces of client satisfaction, OTP Bank has in the previous years carried out multiple research studies, based on which the following eight development areas have been identified:



PRODUCT AND VALUE OFFER



APPRECIATION



INFORMATION



CALL CENTER



IN-BRANCH SERVICES



WAITING TIME



MEASURING CLIENT AND ADMINISTRATOR SATISFACTION



COMMUNICATION

This chapter features an overview of changes that also bear significance for Corporate Social Responsibility.²²



Electronic Advancements of 2013

■ At Group level, our **website** has been revamped both in terms of imagery and content. Making navigation easier, all important information are now displayed on or directly accessible from the home page. The graphical layout and the website structure are identical for all Group members; however, additional content as well as navigational and comparative tools may vary.

- New comparative tables, redesigned calculators and product selectors, as well as a more advanced search engine have been put to work to help visitors get around on the site.

- Another significant change is the more concise information structure and a simplified, more transparent tone of voice, as well as the highlighting used for our contact details.

- In the last two to three years, videos have been created on an increasing number of banking products, all available both on our site and on YouTube. Our plan for 2014 is to help prospective clients with infomercials on various topics such as card use and savings – even before they make a selection. 📺

- Advance **appointment scheduling** is now available across the entire OTP branch network.

²²

Developments concerning product and value offers and information are described in previous chapters.



INNOVATION PRIZE

In-branch appointments may now be made online, over the phone and in person. As part of the service, clients can receive a confirmation text message, which can also be re-sent as the appointment date approaches. If necessary, we also call our clients to let them know what documents they need to bring along for the given case. Notifications can also be received via email. Customers with special service needs can let us know about their requirements at the time they make their appointments, so that we can provide them with flawless services.

Getting our colleagues versed in the system is essential for success; their training is therefore given high priority.

Based on experiences so far, the service quickly became popular among our clients: a total of 221,000 appointments were booked during 2013, even though the online appointment scheduler was only launched at the end of the year. As a positive feedback, more clients are now opting to schedule appointments on their own instead of accepting the dates suggested by our colleagues.

This system also makes client service more adaptable for our administrators; they can prepare better for meeting with clients who in turn leave the branch more satisfied.

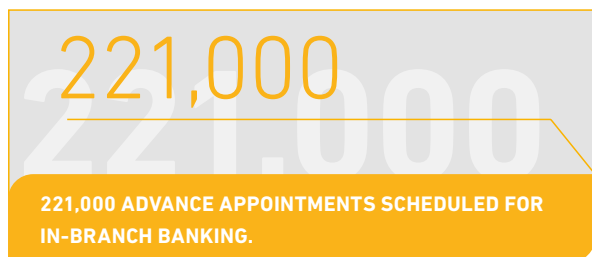
For 2014, we plan to implement the appointment scheduler on smartphone apps, together with advance information and arrangement, so that administrators can welcome clients well-prepared, with all necessary information and documents ready at hand.

■ In Hungary, the OTPdirekt SmartBank app has been introduced for the Windows Phone platform as well. The SmartBroker app is now available, offering a host of securities transactions. The SmartBank app is continuously being rolled out at foreign affiliates and has already been introduced by several units during 2013.

■ Just as we have planned, the OTPdirekt interface now features account queries, besides OTP Bank, for health funds, voluntary pension funds and building societies as well. Our health and voluntary pension fund clients can also be serviced via the OTP Bank Call Centre, and we have also set up a dedicated SZÉP Card call centre.

■ In cooperation with Hungary's three mobile carriers, we have launched the Mobile Wallet project that allows for contactless payment. Testing of the implemented solution began in 2013. Another smartphone app nicknamed OTPay, which will feature a new type of secure payment method, is slated for a 2014 debut. Users of the app will be able to make purchases without ever giving out their card details as those are already stored by the app. When making a payment, simply selecting a registered card will suffice.

■ Besides its colourful, playful and educational activities, OTP Bank also engages in social media with its client centre. In 2013 we had more than 110,000 fans on Facebook, which significantly exceeds those of our competitors.



Enhancing In-branch Services

As regards in-branch services, our goals include improved branch conditions and a better meeting of client needs. Cutting back waiting times and mitigating the overall waiting experience is an integral part of this effort. As a result of our developments, 85 percent of our incoming clients are called within 10 minutes.

Waiting time:

■ At the largest branches of OTP Bank, a **fast track** has been introduced for account transactions with a maximum turnaround time of 5 minutes.

■ **Waiting time requirements** applicable to all branches have been revised. We also plan to have estimated waiting times featured on tickets dispensed by the queue management terminal.

■ Appointment scheduling and debit card identification via the terminal both contribute to shorter waiting times.

■ We strive to speed up our service: OTP Bank has begun introducing framework agreements that are expected to simplify the contracting process; DSK Bank has reduced lead times; by transforming its entire lending system OTP Banka Slovensko has managed to significantly reduce loan administration times.

■ **WiFi access**, available at approximately 30 percent of OTP Bank's branches at the end of 2013, greatly contributes to reducing the perceived waiting time. This service is planned for another



164 branches across Hungary during 2014, and we also intend to introduce it abroad.

- Kids' corners have been set up at additional branches: Slovakia now has 26 (42%) and Croatia 6 branches featuring toys, and, as a pilot project, another three have been equipped in Ukraine and another two in Montenegro.

Client Information:

- In 2013, clients visiting OTP Bank's 30 busiest branches were assisted by **client area personnel**, who provide information directly upon entrance and whenever questions may arise while waiting.

- Our publication entitled **'Always handy!'** provides an overview of OTP Bank's advanced features and developments. Such content include amenities (WiFi, OTP Browser) that can make waiting at a branch more comfortable, tips on using our countless payment methods, as well as priority developments also in terms of corporate social responsibility.

- By the end of 2013, the **OTP Browser** had been installed at 270 branches nationwide. A terminal equipped with a touchscreen interface, it offers exciting and colourful content for the time spent in the line. In addition, it gives visitors a little taste of OTP Bank's sponsorship and CSR endeavours.

- As a huge step in our CSR communications, customers waiting at our branches are also informed via wall-mounted LED display panels.

- In Hungary, our **Key Account Infoline** has been successfully rolled out nationwide, with all branches involved. For each call, the Hotline establishes a three-way conversation between the client, the branch administrators and a dedicated expert of the given field, the latter working out of the core office.


A Pledge for Quality:

- As a guarantee of service quality, we make pledges regarding the method and speed of performance of some of our services. We first introduced this feature for our Personal loan applications in 2012. According to our pledge, loans are to be disbursed within one hour of signing the contract, otherwise clients receive a HUF 10,000 TESCO voucher.

Starting in early 2014, the pledge programme will be expanded to the express delivery of debit cards.



THE CLIENT FOCUS AWARD

Each year we announce a contest for best branch performance. In 2013, the Client Focus Award was given to our Szentgotthárd branch office, whose colleagues serve their clients at the highest standards. Having devised a special customer service model, they are engaged in a permanent cooperation with the local automobile factory that plays a key role in the region. Moreover, they are actively involved in the town's civil life, pay attention to future clients and strive to enhance young people's financial literacy.  The various client-focussed solutions are rewarded by customer trust, satisfaction and loyalty.

10 minutes

AT LEAST 85 PERCENT OF OUR CLIENTS ARE CALLED WITHIN 10 MINUTES AT BRANCHES ACROSS HUNGARY


270 branches

OTP BROWSER AT 270 BRANCHES

10 times

OUT OF 100,000 PERSONAL LOAN APPLICATIONS, ONLY 10 TOOK MORE THAN THE ONE HOUR PLEDGE.

Measuring Customer Satisfaction

Introduced in 2011 for measuring the satisfaction of OTP Bank's **retail clients**, the TRI*M methodology (for more details, see: <https://www.otpbank.hu/csr/en/responsible-service-provider>)  has indeed been proven suitable, with the results thus yielded having made possible a number of new developments.

With a TRI*M score of 62 points, OTP Bank's client retention capacity has remained virtually unchanged during 2013. This is more or less the same as the average score of financial service providers in the CEE region, which stands at 70 points. In the second half of the year, the region's largest banks were unable to improve their client retention capacity, some banks even saw their score decline. The ATM network remains a cornerstone of customer satisfaction. Our clients are content with the existing e-banking interfaces and appreciate their transparency, clarity and services; however, this is an area where our competitors also tend to score high. In-person assistance at branches was considered a stronger feature of our competitors; meanwhile helpfulness was something that customers were content with across the board, with OTP Bank included. As a favourable result compared to last year, we have posted improvements in how we are perceived with regards to keeping our promises. People expect market players to possess more up-to-date knowledge and deliver services that are accurate and error free – an area where OTP Bank scores lower among its own clientele than its competitors do in the eyes of their respective clients. Our Bank's general performance is also deemed inferior, even though the difference in this aspect is diminishing.

We continued with our Service Quality Managements (SQM) which, targeted at in-branch customer service, yielded a permanently high indicator throughout 2013, meaning that satisfaction with transactions was considered adequate.



2014

OUR GOALS

PRIORITY FINANCING FOR RENEWABLE-FOCUSSED INVESTMENT PROJECTS IN AGRICULTURE

EXPANSION OF INTEGRATOR LENDING

CREATION OF PRE-FINANCING FACILITIES FOR DIRECT EU GRANTS AT OTP BANKA HRVATSKA

CONTINUING WITH THE AGRICULTURAL PROJECT IN RUSSIA.

HAVING OTP BANK ROMANIA SWITCH TO THE CALCULATION OF CAPITAL REQUIREMENT BASED ON THE ADVANCED METHOD OF ASSESSMENT (AMA)

DEVELOPING A CREDIT FRAUD PREVENTION SYSTEM

IMPLEMENTATION OF GRIEVANCE ACTION PLANS AT ALL AFFILIATES ACROSS THE GROUP

MODIFYING THE PROCESS FOR REQUESTING DEBTOR PROTECTION MEASURES

DELIVERING A FULLY ACCESSIBLE (BARRIER-FREE) REFERENCE BRANCH

CONTINUING WITH THE 'WITHOUT LIMITS' SERIES OF REGIONAL OPEN HOUSES, STRENGTHENING OUR COOPERATION WITH INTEREST GROUPS OF THE DISABLED

MAKING INFOMERCIALS AVAILABLE TO HELP IN THE SELECTION BETWEEN PRODUCTS

ENHANCING THE APPOINTMENT SCHEDULING SYSTEM

DEVELOPING SMARTBANK APPLICATIONS AND INTERNET BANKING INTERFACES FOR MULTIPLE AFFILIATES

LAUNCHING THE MOBILE WALLET AND OTPAY APPLICATIONS TO EXPAND THE RANGE OF PAYMENT OPTIONS

ESTABLISH A SYSTEM OF INCENTIVES TO BOOST DEBIT CARD USE INSTEAD OF CASH

HAVING ESTIMATED WAITING TIMES FEATURED ON TICKETS DISPENSED BY THE QUEUE MANAGEMENT TERMINAL

RATIONALISING THE PROCESSES OF ACCOUNT OPENING AND CONTRACT MODIFICATION

ENSURING ELECTRONIC ACCESS TO NOTICES AT OUR BRANCHES

LAUNCHING A PILOT PROJECT FOR ATMS WITH DEPOSIT FUNCTIONALITY

4 responsible employer



OTP Group is a major employer in a number of countries within the region. Our employees play a decisive role and, consequently, our primary objective is to hire and retain expert and loyal individuals.



Medium-term HR strategy



Managerial competence training



Application of EU guidelines in our remuneration policy



Customer communication training

As one of the region's significant employers, we are responsible for our colleagues. They play a key role in the performance of OTP Group as a whole, our primary goal is therefore to form and retain a talented and committed employee network. Our responsibility for our employees is the second pillar of our corporate social responsibility strategy.

To promote the skills and boost the satisfaction of our employees we focus on the following areas:

- training – development of technical/professional skills and human competencies;
- employee involvement – an employee-friendly workplace culture fostering cooperation and innovation;
- performance-based, equitable remuneration and career opportunities;
- equal opportunity and a healthy work environment.

For our basic principles and comprehensive objectives relating to employees see our website <https://www.otpbank.hu/csr/en/responsible-employer>.



2012 / OUR UNDERTAKINGS

Further expanding the range of manager development programmes in the branch office network and at the core office.

Operating a 360-degree performance assessment system in the branch office network

Introducing atypical work arrangements

Introducing a succession system for managers in the branch office network

Individual competence development for branch office managers

Revamping the OTP Bank intranet

Standardising labour and fire protection regulations across the Hungarian members of OTP Group

Creating a framework programme 'ÉRTED' (can read both 'for you' and 'you understand' in Hungarian) in keep employees better informed of the developments in the bank's processes.

2013 / OUR RESULTS

■ Implemented for the branch network and sales managers.
 ■ For core management, the programme has been postponed in view of the planned organisational restructuring.

■ Implemented for all network managers and sales support personnel.

■ Pilot programme implemented, based on which we intend to maintain part-timer and working time-based work arrangements.

■ Development programmes based on performance assessment have been launched, establishment of a uniform succession system on the agenda for the years ahead.

■ Implemented, participation recommended at two competence trainings per year

■ Overhaul in progress, completion expected in 2014.

■ Implementation in progress, completion delayed for 2014.

■ Implemented. Employees receive various background information that make it easier to understand the rationale behind projects and changes.

■ Implemented ■ Implementation in progress ■ Not executed

4.1 Employment

In 2013, similarly to the previous year, employee headcount of full-timers as well as part-timers working more than 60 hours per month at OTP Group stood at approximately 38,000²³. Together with part-timers working less than 60 hours a month, this figure comes to 43,000. The number of agents in Russia who had previously been working less than 60 hours per month has drastically changed. As of 2013, they are employed on a contractual basis.



NUMBER OF EMPLOYEES PER COUNTRY

STATISTICAL HEADCOUNT AS OF 31 DECEMBER 2013



AT GROUP LEVEL, THE MAJORITY OF EMPLOYEES (78 PERCENT) ARE WOMEN.

Less than 50 percent of OTP Group's employees are bound by a collective agreement. Of the foreign affiliates, no collective agreement is currently in force at OTP banka Hrvatska and OTP Bank Russia. Nevertheless, at OTP banka Hrvatska employees' interests are represented by an organisation similar to a trade union. Of the Hungarian subsidiaries, OTP Bank, OTP Building Society and OTP Mortgage Bank have adopted collective agreements.



²³ Some of our employees — nearly 11 thousand people — work as contracted agents in Ukraine and Russia.

4.2

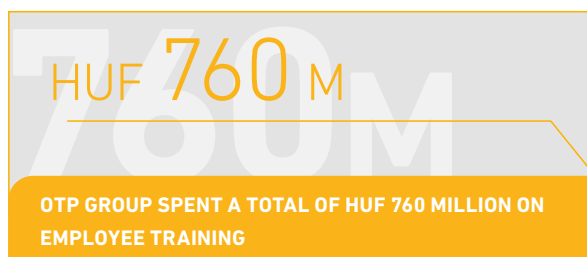
Education and Training

In order to ensure the discerning standards of our customer-oriented services and the efficient operation of the organisation, we attach particular importance to the training delivered to our colleagues. **In addition to professional expertise, we also aim at comprehensive skills development**, thereby empowering our employees to perform well in all possible work scenarios.

Sales trainings help our colleagues become more customer oriented, whereas managerial and support programmes facilitate the development and strengthening of an employee-focused management culture.

Our most important training and development programmes during 2013 included the following:

- Based on the priorities of individual performance appraisals, OTP Bank's **branch managers** are entitled to attend the Management Academy's seminars twice each year. In addition, a total of 43 newly appointed branch managers received comprehensive training. Due to a comprehensive organisational restructuring scheduled for 2014, central management training programmes have been postponed.
 - Launched in 2011 and broken into personality types, our **Public Relations Communication Training** attracted another 1,500 of our colleagues (by the end of 2013, a total of 3,500 employees completed the course). Further target groups have been added (e.g. private banking advisors, medium and large corporate relationship managers); therefore, by 31 March 2014, a total of 4,600 employees will have completed the course.
- As regards the aspects of in-branch customer service covered by measurements (general impression concerning in-branch administration, staff helpfulness and kindness) we continued to observe significant improvements – at 0.5 to 1 percent – in the wake of the training.
- At the call centre, we have introduced a mentor programme – with years of a proven track record in the branch network – by which to prepare our new hires.
 - Having been imposed a large fine by the Hungarian Competition Authority (GVH), OTP Bank prepared an e-learning module on competition law and its violations, which all employees had to complete. In 2013 the electronic training materials concerning the Code of Ethics was completed by 823 colleagues.
 - Competence development training at our affiliates were primarily focussed on sales, and e-learning has also been introduced.



4.3

Employee Recognition, Career Opportunities

At Group level we employ a harmonised remuneration framework which, for managers subject to EU Directives ensures compliance with such legislation. Members of OTP Group provide remuneration to their employees is in line with the affiliate's significance in the financial market of the country at hand. Recognition based on objective performance plays a dominant role in the Group's remuneration policy. In order to retain high-performing and talented individuals we apply both financial and moral incentives.

Vehicles of remuneration and motivation have remained virtually unchanged in 2013; however, fine-tuning tweaks on our performance assessment system are being performed on a continuous basis. Two changes have been introduced at OTP Bank, each in the support of product sales that is aligned with properly identified, actual client needs. For foreign affiliates, these aspects are being gradually added to their respective appraisal systems.

In 2013, members of OTP Group continued to reward colleagues and teams **exhibiting professional excellence**, whether on the long or the short run. At OTP Bank 375 employees were awarded on their own and another 449 as members of a team. At the affiliates, this number varied in the 50–70 range depending on their size.



FOR THE COMMUNITY' AWARD

Jászberény branch has been a cohesive community. Branch employees pay extra attention on information exchange is assisted by rapid chats – weekly sessions where all colleagues get to talk to one another for at least 10 minutes. As an in-house tradition, Wednesday morning is all-staff breakfast time, which provides for a more informal discourse. In addition, they engage in drama pedagogy exercises in order to better get to know one another and improve the effectiveness of communication. The community is also strong outside the workplace: they have so far won four times at the OTP Volunteer Contest and organise day trips several times a year, where family and friends are also invited.



To ensure career opportunities, our previously established programmes continued into 2013:

■ At OTP Bank, a succession system for branch network managers has been put in place featuring performance appraisals, targeted competence development and managerial mentoring. A uniform managerial and HR monitoring system is also in the pipeline.

■ A large number of young people complete their internships at OTP Group. OTP Bank welcomes students based on a summary of demand from business lines, primarily from higher education institutions considered as strategic partners.

972 interns

972 INTERNS AT OTP GROUP AND 370 AT OTP BANK

4.4 Employee Involvement, Internal Communication

Experience exchange mechanisms between functional areas operate in accordance with best practices within the Group, and a number of affiliates have their own extensive systems of internal communication channels (e.g. newsletters, newspapers, online and interactive interfaces) to help employee information and involvement.

Members of OTP Group have further enhanced their communication channels, which also allows for employee feedback and regular alerts. Getting personal in internal communications is a trend that is gaining momentum; managerial interviews and CEO Blogs provide for a more informal and indirect encounter with management opinions.

■ The OTP Magazine, an online in-house newspaper, continues to enjoy tremendous popularity. The number of quizzes has increased over the past year, as more and more business lines recognised these as useful tools in getting personnel acquire in-depth knowledge, while also improving commitment and motivation.

■ We launched the 'For You' (Érted) programme that is intended to get our colleagues on the same page and identify with the bank's core values, with the importance of their work and with ongoing processes.

■ Throughout the year, OTP Romania's intranet received a series of functionalities that make it more personal for employees. Based on the findings of the assessment completed, nearly 99 percent of managerial staff is content with internal communications processes and 73 percent of them likes the intranet.

■ OTP banka Slovensko has created a newsletter.

■ OTP banka Srbija created a chatroom on its intranet where all employees can share their opinions. Furthermore, an e-magazine is also being published, featuring articles about donations and sponsorship activities, as well as interviews with managerial staff and leisure-related content.

■ Ukraine's JSC-OTP Bank sends out a weekly sampler of the latest news featured on its intranet portal.

OTP banka Hrvatska has launched a project entitled 'Cooking Values' for the re-positioning of its corporate identity. The process first involved workshops to get the dialogue going within management, the resulting concepts and ideas were then presented to employees as part of an online consultation. More than 200 colleagues took part in drafting the values and the company slogan; therefore, these indeed represent the fruits of a joint effort by management and staff. The project also included a teambuilding event where managers cooked together in groups – each group testing a separate value. This joint cookout is what the event was named after.

The programme was also recognised with the Internal Communications Award by Grand Prix.

Most affiliates of OTP Group organise events for their employees and sometimes for their families as well, with the aim of spending time together in an informal setting, cementing the community and expressing the appreciation of staff members. Sports are almost always featured the programme lineup at such events. It is our pleasure to see that according to feedback these community events are attended by large numbers of employees who take part in the programmes actively and with enthusiasm. Representatives of three foreign affiliate banks participated at the International Sports Days along with OTP Bank, thus the total number of participants was nearly 400.

4.5

Equal Opportunity, Work Environment

Atypical Employment

OTP Bank has tested the introduction of atypical forms of employment. Based on relevant findings, we intend to carry on with part-timer and working time limit-based²⁴ work arrangements. Anything more flexible than this was backed neither by employees nor by management.

Overtime represents extra workloads at many companies within OTP Group, primarily for employees in front office positions. In 2013 progress was made at certain companies: colleagues at OTP Bank Romania saw the number of overtime hours being reduced and were compensated with extra days off and time-and-a-half pay. At OTP banka Srbija, cutting back on work on Saturdays has contributed to both reducing the number of overtime hours and improving work efficiency as well. At OTP Bank, no significant change in the number of overtime hours was observed.

²⁴ When applying the working time limit scheme, work hours need not necessarily be evenly distributed across the days of a workweek. It is sufficient to meet the working time limit stipulated in the employment contract as the average of a given period (the duration of working time).

For Healthy Employees

We continue to promote and popularise a healthy lifestyle among our employees. Health services beyond the statutory requirements – primarily including screening examinations and discounted therapy fees – remain typical for Hungary, Romania and Bulgaria. Company insurance in Ukraine is available to both employees and their relatives. OTP Bank plans to carry out a survey on workplace risks during 2014, in compliance with applicable legislation. With a more intensive use of internal communication channels, we aim to get colleagues acquainted with the various sports clubs both new and existing, while also highlighting the importance of health preservation together with the OTP Health Fund.

OTP banka Srbija – similarly to OTP Bank – also pays a rehabilitation supplement to its employees with disabilities.

471 employees

IN 2013, OTP GROUP HAD A TOTAL OF 471 EMPLOYEES WITH DISABILITIES, MOST OF THEM WORKING AT DSK BANK, OTP BANK RUSSIA AND JSC OTP BANK.

2014

OUR GOALS

- ESTABLISHING A METHODOLOGY AND FRAMEWORK FOR ORGANISATIONAL DEVELOPMENT
- COMPLETING THE CLIENT COMMUNICATION TRAINING, WITH INVOLVED EMPLOYEES RECEIVING FULL TRAINING
- WORKPLACE HEALTH AND SAFETY RISK ANALYSIS AT OTP BANK
- RAISING AWARENESS OF SPORTS, THE VARIOUS SPORTS CLUBS AND EXERCISE OPTIONS AVAILABLE AT OTP BANK

5 corporate social responsibility



OTP Group undertakes to implement initiatives serving the interest of society as a whole through its own projects and also in cooperation with other organisations.

| | |
|--|---------------------------|
| | OTP Fáy András Foundation |
| | Volunteering |
| | Prima Primissima Awards |
| | NGO Programme |
| | OTP Bozsik Programme |

As a responsible financial service provider, OTP Group considers it important to contribute, to the extent permitted by its economic resources, to the community's success.

We aim to provide actual and effective help by supporting programmes and causes that serve the interests and needs of society as a whole. Our efforts are focused primarily on

- developing financial literacy and shaping attitudes (given its importance, these endeavours are presented at the beginning of the report);
- value creation and preservation (supporting culture) and
- creating opportunities and building communities (supporting sports and people in need).

For more details on the basic principles of our corporate social responsibility and the programmes we are sponsoring, please visit our website <https://www.otpbank.hu/csr/en/social-responsibility>.



2012 / OUR UNDERTAKINGS

- The OTP Fáy András Foundation intends to address primary school students as well with its new project aimed at developing the financial, economic and business management culture.
- Continued development of the mileszel.hu website, adding new elements (unique IQ test and focus on students' enterprises)
- The OTP Fáy András Foundation is planning to open new regional centres and launch distance learning projects.
- Communicating our CSR activities via touchscreen and LED-panel interfaces at branches
- More intensive and focused communication of our corporate social responsibility endeavours
- Education as a focal area in 2013
- Provision of access and equal opportunity, and related communications

2013 / OUR RESULTS

- Following up a well-founded research and preparatory phase, the Sulibank pilot project has been implemented with approximately 1,500 students participating. Extended operations are scheduled for 2014.
- Programme has been devised, implementation scheduled for 2014.
- Establishment of a regional centre in Nyíregyháza in progress, grand opening scheduled for 2014. Demo courses in Transylvania completed by the mobile teachers' network, an expansion of which is in the pipeline.
- Implemented at 270 branches
- Focal point of communications was to present the O.K. Centre. Successfully implemented.
- Implemented by way of the O.K. Centre and with the development of the Sulibank Programme
- The O.K. Centre provides free access for all secondary schoolchildren to business courses (national coverage, cross-border pilot sessions, separate visits to children's homes etc.)

■ Implemented ■ Implementation in progress ■ Not executed



5.1

Our CSR Programmes

Members of OTP Group implement their sponsorship activities independently of one another, meeting the local needs and with-in their own means. As part of these endeavours they cooperate with local NGOs, ensuring an effective and efficient utilisation of resources.

Our sponsorship activities are focused on

- **education,**
- **cultural, arts and local community** events and
- assisting – primarily young – **people with disadvantages,** and
- **sports.**

Committed to long term cooperation, OTP Group saw many of its collaborations continue into 2013. Donations — 80 percent of which were courtesy of OTP Bank — stood at HUF 1.4 billion, just as in the year before.

Financial support amounted to 96 percent, even though certain affiliates provided considerable in-kind contributions as well (OTP Hungaro-Projekt: 93 percent, the Ukrainian JSC OTP Bank: 28 percent).²⁵

An increasing number of our affiliates are getting their stakeholders involved in their sponsorship decisions, making it possible for them to select the areas of support and identify the intended beneficiaries:

■ Again in 2013, OTP banka Hrvatska organised a public application scheme for the allocation of the funds intended to be given away as donations. Applicants could submit their project proposals in four categories, and the selection committee eventually chose 47 projects worthy of support.

■ Montenegro's CKB Bank let its employees, clients and partners decide on its website which one of the three goals it had identified to support. This kind of involvement was highly appreciated by everyone involved and the bank ended up supporting all three projects.

■ OTP Bank has donated equipment worth HUF 500,000 to the Hungarian Maltese Charity Service. To decide precisely what to purchase of the available three options, the bank held a public vote on its Facebook page.



NGO PROGRAMME*

The OTP Hungaro-Projekt provides assistance to non-governmental organisations and connects them with charitable partners. On the project's website <https://www.otpbank.hu/otphungaroprojekt/hu/cip-nyit/civil-program> a dedicated page is held available for various associations and organisations – a total of 9 NGOs in 2013 – to introduce themselves. Throughout the year, a total of seven grant letters had been compiled for four of these organisations at no charge. For another two NGOs, the OTP Hungaro-Projekt made it possible to meet commitments in equal opportunity and sustainability as specified in their respective bids for EU funding, with the preparation of environmental impact studies and equal opportunity plans. The budget allocated for Christmas gifts was offered to one of the organisations collaborating in the project, in the selection of which clients and employees were equally involved.

HUF 1.4 billion

HUF 1.4 BILLION IN DONATIONS AND HUF 1.2 BILLION IN SPONSORSHIP

²⁵ This included the value of the time devoted to such activities as well as the management costs.

Volunteering

Volunteering is a tradition at most members of OTP Group. The majority of our colleagues are personally involved in good causes, whether through fundraising activities or otherwise, and assistance often starts with our employees giving the first helping hand. We primarily support initiatives aimed at assisting disadvantaged children and the ill, but our colleagues are just as happy to embrace social and environmental causes as well.

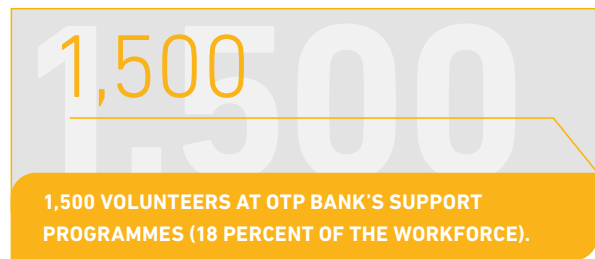
As part of the **OTP Voluntary Programme**, OTP Bank put together an in-house bidding process in order to provide financial assistance to initiatives of voluntary teams. Of the bids submitted by voluntary teams both old and new, 40 were selected for support during 2013²⁶. Among the programmes selected for implementation, the renovation of kindergartens and schools was the most popular area of support, also taking care to provide a rich experience to children. Programmes aimed at enhancing the financial literacy of young people were also given extra attention in the past year. Having an increasing number of bids focus on this area is indeed a welcome fact.

We make assistance possible by way of teambuilding training sessions, regular in-house **blood donation** and centrally organised voluntary programmes. In 2013, nearly a thousand of our colleagues donated blood on a total of 1,673 occasions. Blood drives are increasingly popular in the branch network: in the past year our Zalaegerszeg unit was named 'Blood Donor Friendly Workplace' by the Hungarian Red Cross. Blood drives are standard practice at multiple affiliates of OTP Group, for instance, CKB Bank and OTP Bank Romania both organise several donations each year.

Our colleagues can also be depended upon **in emergencies**: during the summer flooding of 2013, they participated in the prevention and rescue efforts at the most vulnerable river sections both as individuals and as large volunteering teams. Besides the gratitude of those affected by the flood, their work was recognised by the President of the Hungarian Red Cross in a certificate of merit.

Information on OTP Bank's volunteer projects so far is available on the Bank's Facebook **assistance map**. Related short video reports can be viewed on the CSR page of the website.

The majority of Group members run various **fundraising drives** – be it for children in need, hospitals, colleagues in hardship or their children –, with most employees chipping in. Montenegro-based CKB Bank held a fundraising event for a Neonatal Centre, with nearly 80 percent of its employees providing support. Ukraine's JSC Bank set up a dedicated intranet site to enable colleagues to donate.



CORPORATE SOCIAL RESPONSIBILITY AWARD

The organisational unit having exhibited outstanding commitment to CSR was awarded by OTP Bank in 2013 as well. Within the nationwide branch network, the Dombóvár branch was selected for the award. As their first commitment, colleagues of the branch had set out to clean up the Town Museum courtyard, which then sparked a whole series of voluntary undertakings. Financial education was an important part of volunteering: with the active involvement of students, they held a total of 13 extra homeroom classes about financial literacy at three secondary schools across town. With support from the OTP Fáy András Foundation, they educated more than 200 children using advanced tools and methods. Branch employees also helped out in landscaping work for kindergartens and an eco-school, donated used computers to a village school and gave financial support to an animal shelter as well. Their blood drive also saw regional colleagues, family, friends and clients participate, which clearly illustrates the incentive power of reaching out. Thanks to volunteerism, the branch has melded into a more cohesive community characterised by common thought.




²⁶ The bids were evaluated by a panel of seven — comprising OTP Bank managers and two external experts. The most important selection criteria included the intensity of on-site activities, local partnership and the level of impact on the local community, alignment to OTP Bank's sponsorship priorities, creativity and the activity's reputational impact.



Examples of our support activity

HUNGARY

EDUCATION AND ATTITUDE SHAPING

■ It is primarily through the **OTP Fáy András Foundation** that the parent company contributes to education. 2013 saw the Foundation continue with its programmes – already a tradition – that include financial and business courses (the Basics Programme), vocational guidance (mileszel.hu) and school library support (BookWave). Implemented at the Secondary School of Buda, the purpose of the Model School  program is to enhance students' (future) awareness in fields such as finance, business, career orientation, environmental issues and health. In 2013, a great deal of emphasis was placed on enhancing sensitivity to the various groups and issues of society. The programme of the Foundation for Democratic Youth (Demokratikus Ifjúságért Alapítvány) seeks to prepare 9th graders for community service, whereas 10th graders can get acquainted and in touch with people living with disabilities through the Hungarian Special Olympics Association. 

■ We have also provided support to the **Foundation for Agriculture (Agráriumért Alapítvány) at the University of Debrecen**, in part by covering the travel costs of foreign students, and also by paying the tuition and offering scholarships, all with the intention to raise the popularity of degrees in agriculture and to allow for the acquisition of knowledge about advanced technologies.

■ In the context of a cooperation agreement with **Agrya – the Hungarian Association of Young Farmers**, we are working to promote agriculture and involve younger generations in the sector. Promoting the consumption of Hungarian products also figures among our common goals.

■ As a supporting partner, OTP Fund Management has joined **Transparency International's** anti-corruption awareness campaign targeted at the youth. As part of the campaign, a dance flash mob was staged at the Sziget Festival.

CULTURE AND LOCAL COMMUNITIES

■ 2013 saw a major renewal both in terms of appearance and content for the **Prima Primissima Awards** – Hungary's highest private honour –, which from now on are being run and financed by CEO Sándor Csányi and OTP Bank. Financing the award represents a major chunk of our donations for culture. Having gained high social acclaim, the award is given to individuals who made outstanding contributions to science, or demonstrated excellence in arts, culture and sports. Before the award process was changed, research had been conducted. From among the nominees selected in each category by professional advisory bodies, the Foundation's Board of Trustees elects the Award winners by way of secret voting. Moreover, the People's Choice Award is given to the individual selected by the general audience. Our intention was to give younger generations a better chance at winning the Award.

■ OTP Bank also continued with its other sponsorship activities that have been ongoing for years and typically involve the preservation of traditions (such as the National Dance House Festival and Fair, the House of Traditions, as well as local cultural organisations). As an innovation in 2013, finalists for the **OTP Dance House Prize** could be voted with a dedicated Dance House Prize smartphone app, which could also be used to select the 20th performer and the winner of the Audience Award at the Veszprém Street Music Festival. At both events, thousands of votes were received.

HELPING THE DISADVANTAGED

■ We have donated HUF 25 million – initially earmarked for Christmas gifts – to the **'Moving Playground'** (Mozgó játszótér) programme of the Hungarian Maltese Charity Service.²⁷ In 2013 these mobile playgrounds delivered programmes on approximately 400 occasions with more than 15,000 children participating – almost up by 50 percent from the previous year.

■ A joint call for proposals by OTP Bank and the **Ministry of Human Resources (EMMI)** has been implemented, with a view to providing support to socially disadvantaged foster families and those raising adopted children. The scheme provides an annual budget of HUF 20 million for projects aimed at improving the comfort level, energy efficiency and/or renovation, and/or reducing the utility bills of residential buildings/flats owned by the applicants. Under separate contracts, the Bank also provided housing loans with interest subsidy for home renovations. In the second call for proposals, submissions by total of 154 families were received.

■ The Bank donated a 50-million forint cardiac ultrasound imaging device to the **Military Hospital**, allowing for early-stage screening that is an important requisite for treatment.

²⁷ There remains 500 to 800 villages in Hungary without playgrounds for children. In 2011 the Charity Service purchased five buses to carry mobile playgrounds. These are special vehicles visiting small villages over weekends, each with a small crew of qualified teachers and volunteers.

SPORTS

Being the largest sponsor in Hungarian sports, OTP Bank supports numerous successful sport clubs, prestigious domestic and international sporting events, public sporting events, and popular sports that require physical and mental strength and stamina, a high level of concentration and well-organised teamwork.



OTP Bank
Bozsik Programme

**HUNGARY'S
LARGEST
SPORTS
DISCIPLINE-BASED
YOUTH**

AGE GROUPS
BETWEEN 5-14 YEARS

43,253
PARTICIPANTS



68,869
PARTICIPANTS

AGE GROUPS
BETWEEN 5-14 YEARS

27,731
PARTICIPANTS



65,543
PARTICIPANTS

BENEFICIARIES OF
THE BOZSIK PROGRAMME 6-12 YEARS

U12, U15

CHILDREN'S CLUB TEAM PROGRAMME

ADVANCEMENT PROGRAMME

YOUTH SCOUTING

CHILDREN'S INTRAMURAL PROGRAMME

CLUB TOURNAMENTS

INTRAMURAL TOURNAMENTS

5-14 YEARS

14-18 YEARS

OBJECTIVE:

- involvement and long-term retention of children,
- girls included,
- club team programme for the most talented.

PRACTICES:

- held according to uniform professional and pedagogical guidelines,
- taking age aspects into consideration,
- by more than 2,600 coaches either UEFA-certified or holding a Level D MLSZ degree.



OTP Bank has become a Diamond Sponsor of the Hungarian Olympic Committee, in the context of which it will be providing a total of HUF 130 million for the country's Olympic movement until the end of 2016 and will be considered the exclusive bank of the organisation.

2014

OUR GOALS

EXPANSION AND FULL ROLL-OUT
OF THE SULINET PROJECT

REGIONAL O.K. CENTRES IN NYÍREGYHÁZA
AND IN SEVERAL COUNTRIES IN THE REGION

PARTICIPATION BY OVER 10,000 STUDENTS AT THE O.K.
CENTRE'S FREE SESSIONS DURING THE 2013-2014
ACADEMIC YEAR

RENEWAL OF OTP BANK'S VOLUNTARY PROGRAMME

REDESIGN OF THE WEBSITE MILESZEL.HU

MORE IN-DEPTH COMMUNICATION OF OTP BANK'S CSR
ENDEAVOURS TO THE PUBLIC

International examples of our support activity

EDUCATION AND ATTITUDE SHAPING

- The Bank contributed to the **sponsoring of 65 students** during 2013 million in Istria county and the Sisak, Zupa doprovacka and Gradac regions.
- It has also provided support for the **Regional Case Study** 2013 programme, intended to help young adults in setting up their businesses and finding employment. Young people were given an opportunity to solve business cases for companies engaged in various sectors, and could participate at workshops and presentations to deepen their knowledge in areas such as finance, EU funds and management.

CULTURE AND LOCAL COMMUNITIES

- OTP banka Hrvatska provided support for the programmes of the **Dubrovnik Summer Festival** in 2013 as well. As a tradition, each year it helps staging the premiere of a theatre play – this time it was 'Allons Enfants', the first instalment in the 'Dubrovnik Trilogy' by Ivo Vojnović.

SPORT

- The bank donated funds to Diving Club Dubrovnik, among others, which organised a series of eco actions aimed at cleaning the seabed, gathering 80 divers from Croatia and abroad.

HELPING THE DISADVANTAGED:

- The bank supported a social debate ran by **SOS Children's Village** under the title 'Poverty: a Reason to Become Orphaned?' which seeks to create a platform for sharing best practices in caring for those socially orphaned due to poverty.

CROATIA

SERBIA

UKRAINE

ROMANIE

BULGARIA

MONTENEGRO

EDUCATION AND ATTITUDE SHAPING

■ 2013 marked the third anniversary for the bank's **'Right to Read'** campaign. Intended to help schools create or expand their libraries, the program has proven highly successful, with over 31,000 children in 162 schools having access to the more than 96,000 books that have thus far been donated.

EDUCATION AND ATTITUDE SHAPING

■ The bank was the sponsor of a **TV-quiz 'How Well Do We Know Each Other?'**, targeted at young people of different ethnic origin living in Vojvodina so that they can learn about each other's values and traditions.

CULTURE AND LOCAL COMMUNITIES

■ In 2013, the bank was listed among the sponsors of the **EXIT music festival**, which for the first time featured an OTP stage. A social campaign ran during the festival focussed on human rights and global freedom.

HELPING THE DISADVANTAGED

■ By purchasing their handmade gifts, the bank provided help to children in vulnerable situations.

RUSSIA

CULTURE AND LOCAL COMMUNITIES

■ OTP Bank Russia is one of the supporters of the **'Detsky Kinomay'** film festival.

HELPING THE DISADVANTAGED

■ In collaboration with a number of other organisations, the bank held a **charity fair called 'Dusevnij Bazar'** which is one of the largest projects in Russia aimed at developing the non-profit sector.

CULTURE AND LOCAL COMMUNITIES


■ It was the second time that the bank supported a children's matinee at the Sofia Opera and Ballet that intends to get young people acquainted with the world of opera and ballet.

HELPING THE DISADVANTAGED

■ A Gold Sponsor of the local SOS Children's Village, in 2013 the bank created a **special donation platform** on its website where both retail and corporate clients can pledge their support for the organisation.

CULTURE AND LOCAL COMMUNITIES

■ The bank provided support for several ballet productions including **'Viva Verdi'**, a concert performed together by the Tivat Music School and the Vasa Pavic School of Music and Ballet as part of the **'December Arts Scene'** series.

To read about OTP Bank's additional donation and sponsorship activities, visit <https://www.otpbank.hu/csr/en/social-responsibility>. See our affiliates' websites for more information. 

6 eco friendly operations



In addition to our services, we work harder each year to reduce the harmful effects of our operations and continuously seek environment-friendly solutions.



Remote energy monitoring system



Green awareness campaign



Account statements printed on recycled paper

OTP Group is committed to protecting the environment. While the environmental impacts stemming from our operations as a banking service provider are somewhat less significant compared to our other impacts on sustainability, we are nonetheless making unrelenting efforts to reduce them.

The environmental impacts and activities relating to our operations are related to the following:

- use of resources (materials, equipment, energy, water, fuel);
- waste management; and
- the resulting carbon-dioxide emissions.

For our basic principles concerning the above and the fundamentals of our practice, visit our website <https://www.otpbank.hu/csr/en/environmental-responsibility>. The indirect impact of our activities and also our opportunities are primarily linked to our role as a responsible service provider and employer.

For years, our actions and activities have been fundamentally determined by the Bank Group's efforts to keep our operating costs under control. Consequently, we have implemented targeted investments.



2012 / OUR UNDERTAKINGS

- Expanding the remote energy monitoring system in OTP Bank's branch offices.
- The notices to be provided for customers on a mandatory basis are planned to be displayed electronically to reduce the use of paper and printing ink.
- Printing account statements for OTP Bank's retail customers on recycled paper.
- Extending the system of separate waste collection to the largest possible number of branches within the OTP Bank network.
- Integrating the distribution of marketing materials in core logistics.

2013 / OUR RESULTS

- Implemented at 144 branches by the end of 2013.
- The e-Notice depository is scheduled to go live in late 2014 or early 2015.
- Implemented
- Implementation delayed for 2014, involving a total of 60 to 65 branches.
- Implemented, with the exception of materials requiring installation, to which the undertaking does not apply.

■ Implemented ■ Implementation in progress ■ Not executed



Economical Use of Resources

Systems at OTP Group are being updated around the clock: the procurement and installation of energy efficient tools and equipment (e.g. air conditioners, boilers, light bulbs) continued during 2013 as well. In addition to which:

- Decision was made on an extended deployment of a **remote monitoring system**, in order to reduce the branch network's energy demand for heating and cooling. Having included 112 branches into the project, at the end of the year a total of 144 branches were linked to remote monitoring. The programme will continue in 2014.

- We continued the installation of **LED lighting** systems. The exterior overhaul of branches is now complete and lighting systems including facade lights, logos and in-branch poster frames all feature LED lighting.

In 2013, OTP Group's total energy consumption²⁸ totalled 698,000 GJ, marking a 5 percent decrease from a year ago. The amount of energy generated in 2013 using solar energy and heat pumps, respectively, stood at 1,950 and 3,641 GJ.

We tirelessly work to cut back on our **paper use** and reduce printing operations. In 2013, we managed to lessen the environmental load of printing through the following:

- further rationalisation and improved transparency of notices;
- account statements of OTP Bank's retail, micro and small business clients – amounting to 60 percent of all statements – are printed on recycled paper;
- opting out of deposit and withdrawal slips, as well as transfer receipts introduced as a pilot project in 2013 and is intended to be made universally available during 2014;
- As an experiment, the Bank has switched to purchasing organic printer ink cartridges for its fax machines.
- OTP Faktoring handles all its correspondence with judicial executors and notaries electronically, and uses e-return receipts for its mass mailings;
- OTP banka Srbija has also begun reducing the volume of its printed client documents: bundled transactions now only need a single receipt and, instead of personal printers, they are in the process of installing network printers;

- OTP Bank Slovensko encouraged the use of electronic account balances and electronic signatures at its branches;

- JSC OTP Bank has cut the volume of paper printed during POS transactions and cash loans by approximately 50 percent, and has also seen the page count of contracts for most of its products decrease, thereby saving, on an annual scale, 21 tonnes of paper, or 357 trees;

- as of 2013, the various committees at OTP Bank Romania fully switched to paperless operation.

At the end of 2013, already 34 percent of account statements were created electronically (1.1 million statements) in Hungary. The number of account statements sent out electronically was up 18.8 percent in the SME sector and 16.5 percent in medium and large corporations and the municipal business line.

500 people

ENERGY SAVINGS AMOUNTED TO THE AVERAGE ANNUAL CONSUMPTION OF 500 PEOPLE

34%

34 PERCENT OF ACCOUNT STATEMENTS CREATED ELECTRONICALLY

318 tonnes

318 TONNES OF RECYCLED PAPER USED AND 5,400 GROWN TREES SAVED 

²⁸ Direct and indirect energy use combined.

Travels

The provision of banking services entails extensive travelling and transport. 2013 saw multiple affiliates introduce stricter regulations (e.g. annual mileage limit, avoidance of excessive consumption) in the use of company automobiles. At Group level, the overall mileage was down by close to 15 percent compared to 2012 data, resulting in an 18-percent reduction of carbon emissions. Lower consumption is now a key feature when it comes to purchasing company vehicles. Cars are kept in service as long as it is economical and safe.

Several companies have also introduced restrictions regarding airline travel, and made efforts to substitute foreign trips with video conferences instead. The number of business trips was reduced by 25 percent at Group level compared to the previous year, translating into a 55-percent reduction in CO₂ emissions (also partly due to aircraft having also become less polluting).

The OTP Group is increasingly exploiting the possibilities of **video conferencing**, year after year. Each year, OTP Group is increasingly exploiting the possibilities of video conferencing, with our colleagues having made a total of 4,800²⁹ video conference calls amounting to an overall duration of 3,100 hours. This way, our annual CO₂ emissions could be reduced with 1,450 tonnes.

Again in 2013, OTP Bank installed additional **bicycle racks** at several branches and at a headquarter building. The number of our employees commuting to work by bicycle continues to rise, the bicycle racks are well utilised.

Waste management

With IT equipment being replaced on a continuous basis, the handling of discarded equipment is in compliance with applicable environmental regulations. OTP Bank continues with its practice of "giving gadgets a second chance" and has for years been giving away some of its discarded equipment for charity. Among the affiliate banks OTP banka Srbija, OTP Bank Romania and DSK Bank turn over electronic waste for recycling. In 2013, OTP Bank Romania introduced a new procedure for the collection and forwarding of used toner cartridges.



As for recycling, the separate collection of **PET bottles, paper waste and used toners** has been partly implemented by several members of OTP Group. As of 2013, CKB Bank is also dedicated to the separate collection of paper waste. The amount of waste collected this way is on a steady rise. 📧 In 2013 preparations for the separate collection of waste (PET bottles, packaging and office paper, electronic waste) were made at approximately 60–65 branches of OTP Bank, paving the way for a 2014 launch.

690 people

SAVINGS FROM TRAVEL REDUCTIONS EQUALLING THE ANNUAL CARBON FOOTPRINT OF 690 PEOPLE

710 tonnes

710 TONNES OF SEPARATELY COLLECTED WASTE

681 tonnes

681 TONNES OF SEPARATELY COLLECTED PAPER WASTE

²⁹ Group-level estimate based on OTP Bank's accurate data.

With Our Colleagues for Protecting the Environment

An increasing number of affiliates of OTP Group are laying particular emphasis on raising awareness among its employees about the conservation of natural resources.

■ In 2013, OTP Bank launched a campaign via its internal magazine to spread the word about simple eco-friendly practices at and outside the workplace.

- The centrepiece of the campaign was a manual sent out electronically to all employees.

- The home page of OTP Magazine now features the 'Our Environment' box containing short videos intended to boost eco awareness, together with articles about a wide selection of topics, each related to a specific function of the bank.

- Mini video campaign: in seven different topics, environment-friendly practices (e.g. collapsing PET bottles before throwing them out, shutting down the computer) were communicated through 8 brief yet entertaining clips. The mini campaign and the related quiz were one of the most viewed contents of the Magazine throughout 2013 (with the quiz filled out by 1,178 colleagues). The video clips and their messages had a positive resonance among our employees.

- With the adoption and clean-up of the Holdvirág Gorge, we have included eco awareness among our centrally organised volunteer programmes. We have also joined the 'U Pick It Up!' (TeSzedd) movement and Earth Hour as well.

■ OTP Bank Romania launched an eco-awareness campaign in 2012 which continued into 2013. As part of the initiative, messages about environmental protection were posted at the most frequented locations of headquarter buildings. Also, its colleagues have for years been participating in voluntary actions in environmental protection and regularly organise electronic waste collection campaigns.



Responsible Procurement

Members of OTP Group are primarily financial providers whose procurements are related to the meeting of essential conditions and sale of their services.

The products and services thus purchased do not get incorporated into the Group's products – nor are they directly related to clients –, and carry a significantly lower added value than as the case with a production company. As a result, procurements entail a lower level of risk and, given their volume and nature, have a less pronounced social and environmental impact.

That said, OTP Group is nevertheless a major buyer given its size, and its procurement and supplier decisions do affect the local economy, its business culture and development.

With the market value of OTP Group in mind, the most important procurement items are the following:

■ Services related to the operation of headquarter buildings and branches, with energy, vehicles and branch network operation being the top spending items.

Foreign affiliates handle procurements on their own; however, elements of corporate identity are unchanged across the Group, several product categories are subject to the same procurement regulations, and decisions concerning large investments are made by the parent bank's Investment Committee.

■ Procurements in information technology: IT developments, licences, bank card and bank technology equipment, cash and asset transport, IT infrastructure, telecommunications. In most areas, the procurements of affiliates are controlled by indirect (e.g. use of prices defined at group level, special regulations) or direct means.

■ Marketing purchases: most significant items include the planning and implementation of communication campaigns, as well as the logistics of marketing and sales support materials. In this area, foreign affiliates handle all procurements on their own.

In 2013, the procurement system remained virtually unchanged within OTP Group. Affiliate purchases are set to undergo restructuring during 2014.

■ At Group level, **our efforts are centred on standardisation and centralisation**; with large-volume and major purchases handled at core level (e.g. IT procurements, motor vehicle purchases). The level and method of centralisation is subject to the characteristics of the product at hand and the Group member affected.

■ Transparency and the **requirement of responsible and ethical conduct** on the part of suppliers are among the key principles governing our investment activities, together with total life cycle cost management. As part of their respective contracts concluded, OTP Bank's suppliers undertake to comply with the Ethics Statement. In contracts related to operations, suppliers also agree to meet the principles of environmental protection listed on OTP Bank's CSR website.

■ Compliance with environmental legislation is monitored. As far as our procurements are concerned, we always strive to reuse and repair before making a purchase. As for promotional gifts, members of OTP Group lay particular attention on environmentally sound and ethical procurements.

■ We seek to establish relations and **strategic partnerships** for the long term, in order to guarantee service quality. Depending on the characteristics of the procured service or product, periodically we may announce tenders among our suppliers. For instance, open market tenders are held for electric power and natural gas suppliers. New suppliers may be solicited in the case of irregular events, new products/services and in connection with periodical market reviews. New ad-hoc suppliers are selected by way of a restricted tender.

■ Affiliates within the Group offer a number of services that may be in demand at the parent company or another affiliate. Such services are only given priority if, under market competition, relevant terms prove to be more favourable.



2014

OUR GOALS

ENABLING OUR CLIENTS TO OPT OUT OF RECEIVING DEPOSIT AND WITHDRAWAL SLIPS DURING IN-BRANCH TRANSACTIONS.

FURTHER EXPANDING THE REMOTE ENERGY MONITORING SYSTEM AT OTP BANK'S BRANCHES.

EXPANDING SEPARATE WASTE COLLECTION TO 60-65 BRANCHES OF OTP BANK.

7

about the report



The purpose of the Report is to present our endeavours and achievements from the perspectives of responsible operations, sustainability, the economy, society and the environment at large.



Compliance with GRI G3.1 guidelines



B+ - audited



Professionalism



Based on stakeholders' expectations

2013 marks the eighth year OTP Group publishes its Report on Corporate Social Responsibility. The purpose of the Report is to present our endeavours and achievements from the perspectives of responsible operations, sustainability, society, environment and the economy at large.

While compiling the Report – the individual chapters of which reflect the priorities of OTP Bank's CSR Strategy – the following three requirements were considered:

1. compliance with GRI G3.1 guidelines,
2. taking stakeholder opinions into account,
3. elaborate on issues deemed pertinent by the management of OTP Bank.

1. In line with our previous practice, the Report is compliant with GRI's (Global Reporting Initiative) G3.1 Guidelines, the most widely recognised and used set of reporting standards in the world, meeting application level B+.

2. To identify the expectations of our stakeholders concerning the Report, a survey has been conducted.

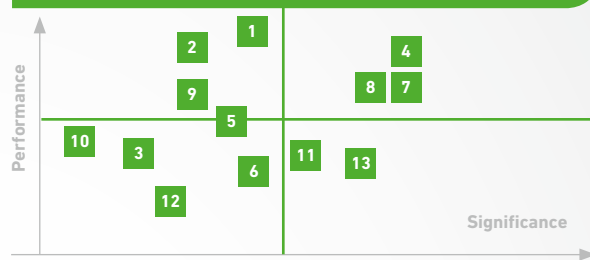
87 percent of respondents found the Group's 2012 Report to be 'very good' or 'excellent'. Another 93 percent figured it was a little better than other reports of similar type, whereas 47 percent thought it was much better. In addition to the rather positive feedback, we have naturally identified a number of options for advancement based on our study.

Some of the chapters of the Report were created taking respondent expectations in mind both in terms of layout and content:

- we sought to make the report shorter,
- sub-chapters begin with topics deemed more significant,
- wherever warranted, the mode of presentation has been changed,
- tables and charts have been redesigned, a new solution is used for highlighting;
- usability of the online version has been improved.

3. OTP Group plans to implement G4 reporting guidelines in 2015 but preparations have already started in 2014. One of the first key steps in this regard was a workshop where OTP Bank's executives evaluated the relevance of different topics in sustainability and decided on the indicators to be featured in the report. While developments in data collection are underway, the current Report only reflects on the workshop decisions in terms of the sequence and certain contents of subchapters.

DIRECT SIGNIFICANCE AND PERFORMANCE OF FACTORS AFFECTING SATISFACTION



1. How the Report fits into OTP Bank's corporate identity
2. Appearance and layout of the Report
3. Focuses on data (with lots of quantitative content)
4. Straightforward
5. Compiled based on stakeholder expectations
6. Presents processes and trends (going back several years)
7. Informative
8. Presentation of future commitments and goals, and evaluation of past undertakings
9. Adequate ratio of illustrations/figures and text
10. Allows for comparisons (with other similar reports)
11. Concise and straight to the point
12. Presents stories and case studies
13. Transparent (offers insight into company operations)

For more details about our corporate social responsibility efforts, please visit our dedicated website <https://www.otpbank.hu/csr/en/main>. Printed and pdf versions provide a less elaborated overview of general principles and focus expressly on our achievements in 2013.

Just as in previous years, we have also created a **CSR Brochure** based on the Report, which clients can pick up at our branches.

In the Report:





■ **Data** refer to OTP Group as a whole and the parent company. The only exception from this are the financial data, which refer to the OTP Core (Hungarian core activities, that is, those of the group comprising OTP Bank, OTP Mortgage Bank, OTP Building Society and OTP Faktoring) instead of OTP Bank, in line with our financial reports.

■ As regards the presentation of **non-data information and practices**, references are given as to the company or companies affected. Compared with other affiliates, the Hungarian OTP Bank is somewhat overrepresented in the report. This is due to the fact that the Group is headquartered in Budapest and the Hungarian environment is therefore of particular strategic importance, and also because a number of developments are first launched by the Hungarian bank and only get implemented at other affiliates of the Group afterwards.

8 data



The reporting practice and the Report's content is in compliance with GRI principles. Based on our audit, the scope of the information covered in the Report meets application level GRI B+.

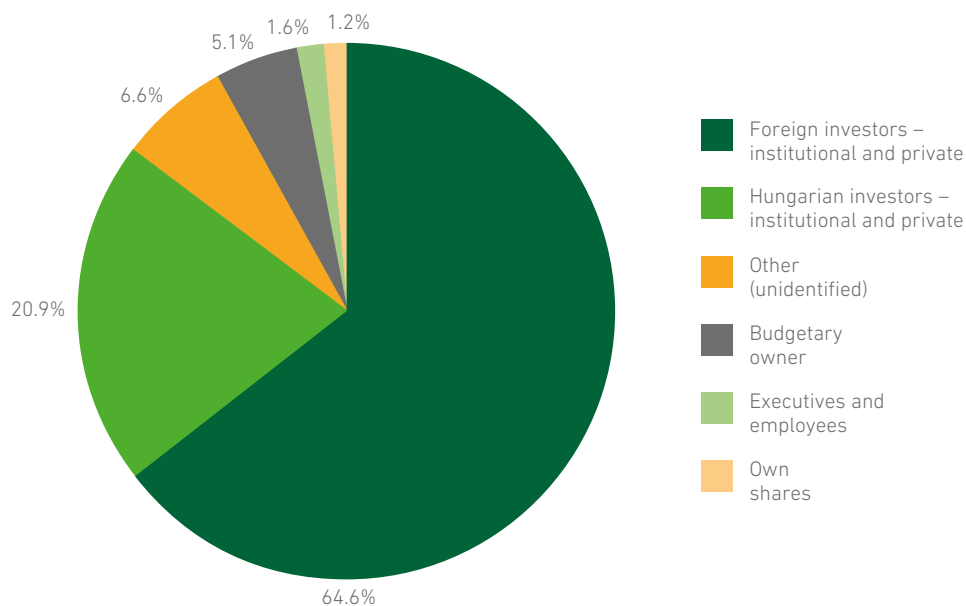
| | |
|---|----------------------------|
|  | 24 companies |
|  | 10,000 figures |
|  | 28 basic indicators |
|  | 7 supplementary indicators |

8.1

OTP Group in figures

OWNERSHIP STRUCTURE BASED ON PERCENTAGE OF SHARES HELD

(AS OF 31 DECEMBER 2013)



SHAREHOLDERS

(WITH STAKES OVER 5%)

AS OF 31-12-2013

OWNERSHIP PERCENTAGE

INFLUENCE

| | | |
|---|-------|-------|
| Medget, Timur and Ruslan Rahimkulov | 8.89% | 9.00% |
| MOL Magyar Olaj és Gázipari Nyrt. | 8.57% | 8.68% |
| Groupama Group | 8.30% | 8.40% |
| Lazard Group | 5.51% | 5.58% |
| Magyar Nemzeti Vagyonkezelő – National State Holding Company | 5.03% | 5.10% |

Financial results

| ECONOMIC VALUE GENERATED AND DISTRIBUTED, 2013 (based on consolidated, audited IFRS profit and loss statement, in million HUF) | | | OTP CORE | OTP GROUP |
|--|--|--|-----------------|------------------|
| I. | Direct economic value generated | = 1 | 384,587 | 864,910 |
| 1. | Net sales revenue | Interest revenue + non-interest type revenue (net fees) (adjusted) | 384,587 | 864,910 |
| II. | Distributed economic value | = 2+3+4+5 | 347,036 | 515,572 |
| 2. | Operating costs | Operating costs – personnel expenditures – depreciation | 77,710 | 132,125 |
| 3. | Employees' wages and allowances | Staff costs – contributions on wages | 70,740 | 163,600 |
| 4. | Payments to shareholders | Dividends | 33,600 | 33,600 |
| 5. | Taxes paid | Total tax liability | 163,793 | 184,846 |
| 6. | Community investments | Donations | 1,193 | 1,401 |
| III. | Retained earnings | = 1-(2+3+4+5) | 37,551 | 349,338 |

THE TAX LIABILITY OF OTP GROUP

In million HUF



| STATE SUBSIDIES, ALLOWANCES (IN MILLION HUF) | 2011* | | 2012 | | 2013 | |
|---|-------------|--------------|-------------|--------------|-------------|--------------|
| | OTP BANK | OTP GROUP | OTP BANK | OTP GROUP | OTP BANK | OTP GROUP |
| Tax credits | 3,718 | 4,718 | 0** | 1,563 | 15,467 | 16,321 |
| R&D subsidies (HUF) | 1,240 | 1,240 | 0** | - | - | 0 |
| Other funds received from any government for any activity | - | - | - | 50 | - | 21 |
| Total state subsidies and allowances | 4,958 | 5,958 | 0 | 1,613 | 15,467 | 16,342 |

NOTE:

* Since 2011 H2 corporate income tax credits are also available for the sponsorship of spectator sports and the amount of tax credit comprises the allowances due on account of sponsorship of films and performing arts as well. This change is the cause of the significant increase of the tax credits used, in comparison to the preceding year.

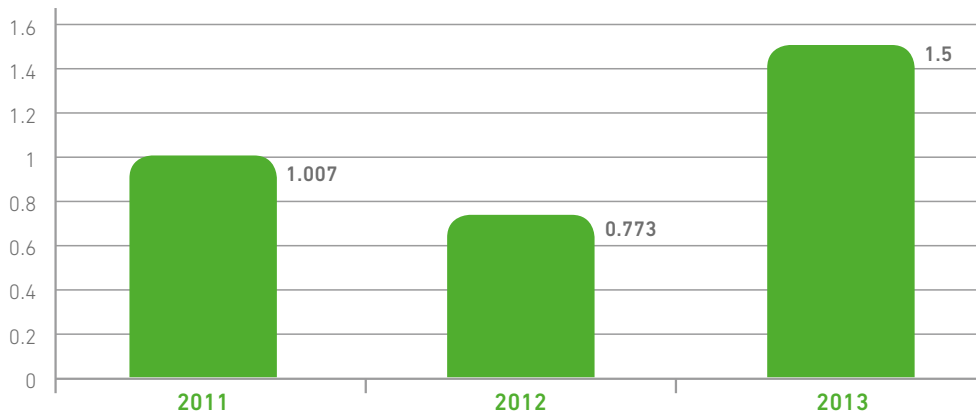
**OTP Bank provided sponsorship to film making and spectator sports in 2012 as well, which made it possible for the Bank to leverage corporate tax credits, up to 70% of the calculated amount of the corporate income tax payable. In the tax year of 2012 OTP Bank Plc. did not have a positive corporate income tax base required for applying the corporate income tax credit based on its sponsorships that give rise to entitlement to corporate income tax credit, i.e. it had no calculated corporate income tax payable. A taxpayer providing sponsorship can also decide to apply the tax credit for the tax year's sponsorships not in the given tax year but in any of the next 3 tax years, regardless of whether the corporate income tax payable in the tax year of the sponsorship does or does not enable the applying of the tax credit.

***Due to changes in applicable legislation since 1 January 2012 the Bank cannot, at its discretion, reduce the amount of the innovation contribution it has to pay by subtracting the direct costs of R&D activities, i.e. neither the costs of its own R&D activities nor those of such activities ordered from external organisations can be used as items reducing the amount of the innovation contribution payable.

8.2

Data on responsible service provision

ASSETS MANAGED BY RESPONSIBLE INVESTMENT FUNDS



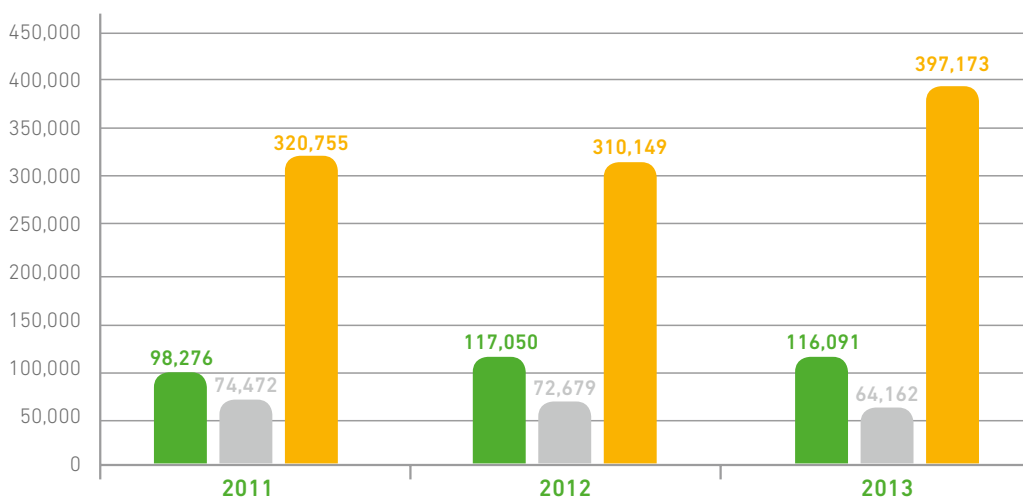
Assets managed by the OTP Climate Change 130/30 Fund (in billion HUF)

OTP Bank Romania's Green Energy Fund was a closed-end fund that matured on 25 June 2013 and the fund manager did not launch another fund with a similar investment policy.

In our view the prevailing investment culture both in Hungary and our region still only recognises investments laying particu-

lar attention on responsible corporate operations to a modest extent; therefore, no major boom in such funds should be expected in the near future. However, financial education and the advancement of financial literacy may indeed have a positive influence on the process.

CLIENT COMPLAINTS, OTP BANK*



- Number of complaint cases closed
- Number of warranted complaints
- Compensation awarded (in thousand HUF)

* OTP Bank, OTP Mortgage Bank and OTP Building Society

| CUSTOMER COMPLAINTS | OTP BANK* | | | OTP GROUP | | |
|---|-----------|-------|-------|-----------|-------|-------|
| | 2011 | 2012 | 2013 | 2011 | 2012 | 2013 |
| Compensation paid (in million HUF) | 321 | 310 | 397 | 659 | 419 | 528 |
| Amount of compensation per warranted complaint (in million HUF) | 4,300 | 4,300 | 6,200 | 8,500 | 5,400 | 7,200 |

Also includes data for OTP Building Society and OTP Mortgage Bank.

| PROCEEDINGS BY AUTHORITIES AND OTHER LEGAL PROCEDURES CLOSED DURING 2013 | OTP BANK* | | | | | | |
|--|------------------------------|-------------------------------|--|---|---|--|--|
| | Number of closed proceedings | Amount of fines paid (HUF mn) | Number of procedures closed with fines | Number of procedures closed with non-financial sanction | Number of procedures closed in the framework of conflict management procedure | Number of procedures closed with acquittal | Number of procedures converted into court procedures |
| violation of competition rules | 2 | 3,922 | 1 | 0 | 0 | 0 | 1 |
| violation of consumer protection rules | 43 | 2.2 | 11 | 19 | 0 | 13 | 0 |
| violation of rules on equal opportunities | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| supervisory procedures | 4 | 2 | 1 | 2 | 0 | 1 | 0 |
| violation of taxation rules | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| violation of environmental protection rules | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| other procedures that may result in the imposition of fines** | 227 | 0 | 0 | 0 | 98 | 123 | 6 |
| Total | 276 | 3,927 | 12 | 21 | 98 | 137 | 7 |

* Also includes data for OTP Building Society and OTP Mortgage Bank.

**Cases heard by the Financial Arbitration Board

For data of 2012 see page 76 of the 2012 Corporate Social Responsibility Report.

For data of 2011 see page 72 of the 2011 Corporate Social Responsibility Report.



| PROCEEDINGS BY AUTHORITIES AND OTHER LEGAL PROCEDURES CLOSED DURING 2013 | OTP GROUP | | | | | | |
|--|------------------------------|-------------------------------|--|---|---|--|--|
| | Number of closed proceedings | Amount of fines paid (HUF mn) | Number of procedures closed with fines | Number of procedures closed with non-financial sanction | Number of procedures closed in the framework of conflict management procedure | Number of procedures closed with acquittal | Number of procedures converted into court procedures |
| violation of competition rules | 49 | 3,922.4 | 1 | 2 | 0 | 11 | 35 |
| violation of consumer protection rules | 172 | 11.6 | 51 | 21 | 6 | 59 | 35 |
| violation of rules on equal opportunities | 2 | 0 | 1 | 0 | 0 | 0 | 1 |
| supervisory procedures | 16 | 3.8 | 12 | 3 | 0 | 1 | 0 |
| violation of taxation rules | 5 | 0 | 3 | 0 | 0 | 1 | 1 |
| violation of environmental protection rules | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| other procedures that may result in the imposition of fines** | 261 | 51.9 | 26 | 0 | 99 | 125 | 11 |
| Total | 505 | 3,989.7 | 94 | 26 | 105 | 197 | 83 |

* Also includes data for OTP Building Society and OTP Mortgage Bank.

**Cases heard by the Financial Arbitration Board

For data of 2012 see page 76 of the 2012 Corporate Social Responsibility Report.
For data of 2011 see page 72 of the 2011 Corporate Social Responsibility Report.

8.3

Employee data

| EMPLOYEE HEADCOUNT (AS OF 31 DECEMBER) | OTP Bank | | | | | | OTP Group | | | | | |
|--|----------|--|-------|--|-------|-------|-----------|--------|--------|--------|-------|--------|
| | 2011 | | 2012 | | 2013 | | 2011 | | 2012 | | 2013 | |
| | Total | | Total | | Total | Male | Female | Total | Female | Total | Male | Female |
| | | | | | | | | | | | | |
| Full time employees | 6,873 | | 7,084 | | 7,332 | 2,064 | 5,268 | 32,394 | 37,147 | 36,792 | 8,241 | 28,551 |
| Part time employees over 60 hours a month | 1,039 | | 948 | | 765 | 73 | 692 | 1,336 | 1,261 | 1,265 | 205 | 1,060 |
| Statistical headcount, total | 7,912 | | 8,032 | | 8,097 | 2,137 | 5,960 | 33,730 | 38,408 | 38,057 | 8,446 | 29,611 |
| Part time employees below 60 hours a month | 45 | | 38 | | 36 | 2 | 34 | 15,623 | 14,296 | 5,332 | 967 | 4,365 |
| Employees, total | 7,957 | | 8,070 | | 8,133 | 2,139 | 5,994 | 49,353 | 52,704 | 43,389 | 9,413 | 33,976 |
| Proportion of women | 75% | | 74% | | 74% | - | - | 74% | 79% | 78% | - | - |
| Proportion of men | 25% | | 26% | | 26% | - | - | 26% | 21% | 22% | - | - |
| Proportion of those employed under fixed term contracts | 8% | | 9% | | 9% | 10% | 9% | 39%* | 3% | 37%** | 29% | 39% |

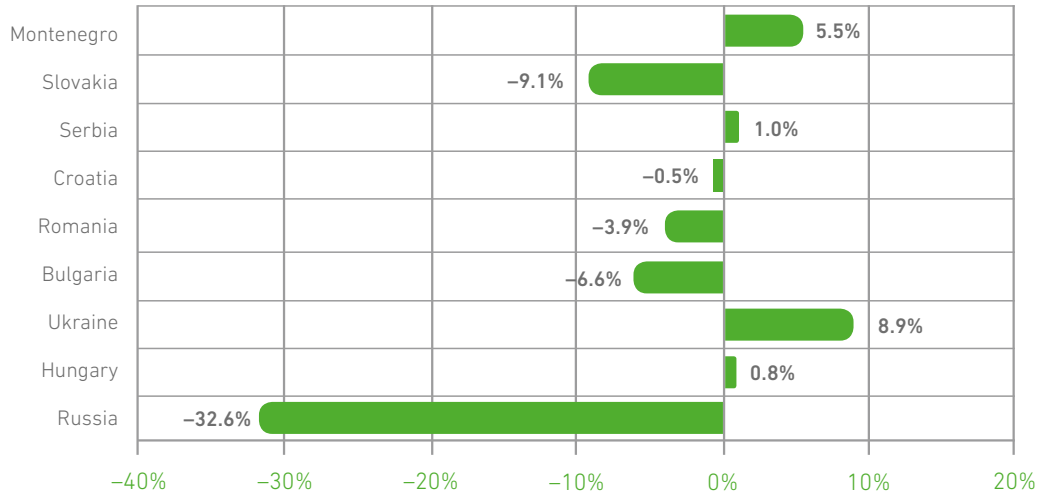
*Primarily owing to the employment of more than 17,000 colleagues of OTP Bank Russia (most of them agents) under fixed term contracts.

**The high figure is primarily due to the fact that more than 73% of OTP Bank Russia's workforce (most of them agents) are employed under fixed-term contracts. Fixed-term contracts apply to a relatively high number of employees at OTP Banka Slovensko (25%) and Montenegro's CKB Bank (15%)

As regards part-time employment, men are significantly outnumbered in this category by women.

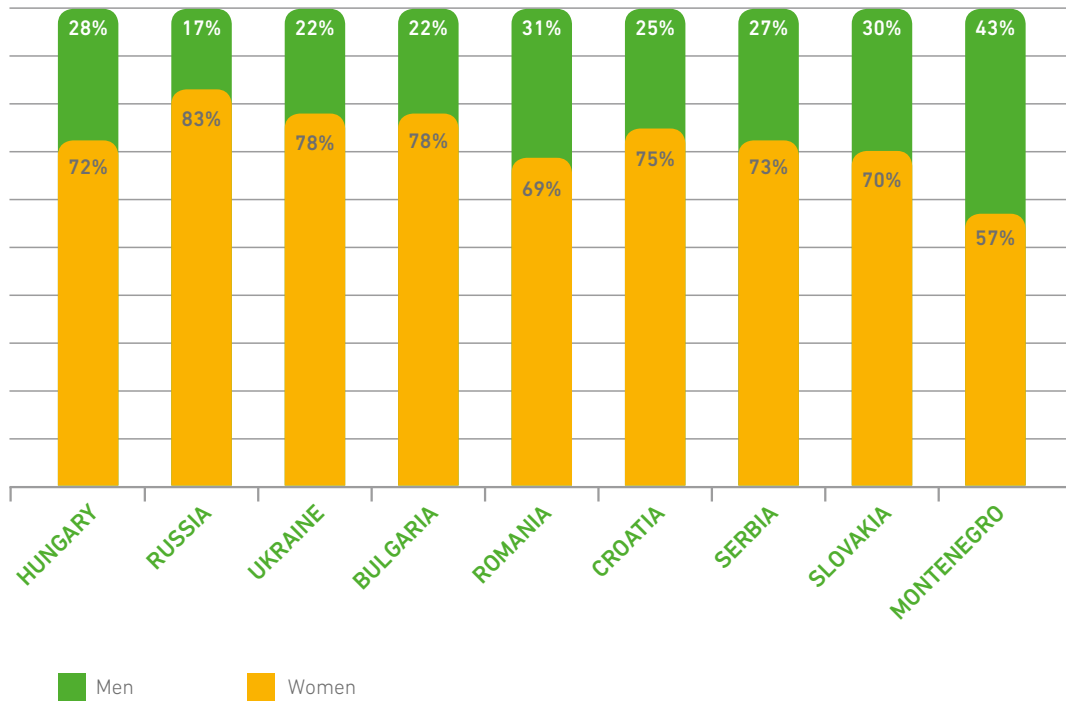
CHANGES IN HEADCOUNT COMPARED TO THE PREVIOUS YEAR

(AS OF 31 DECEMBER 2013)

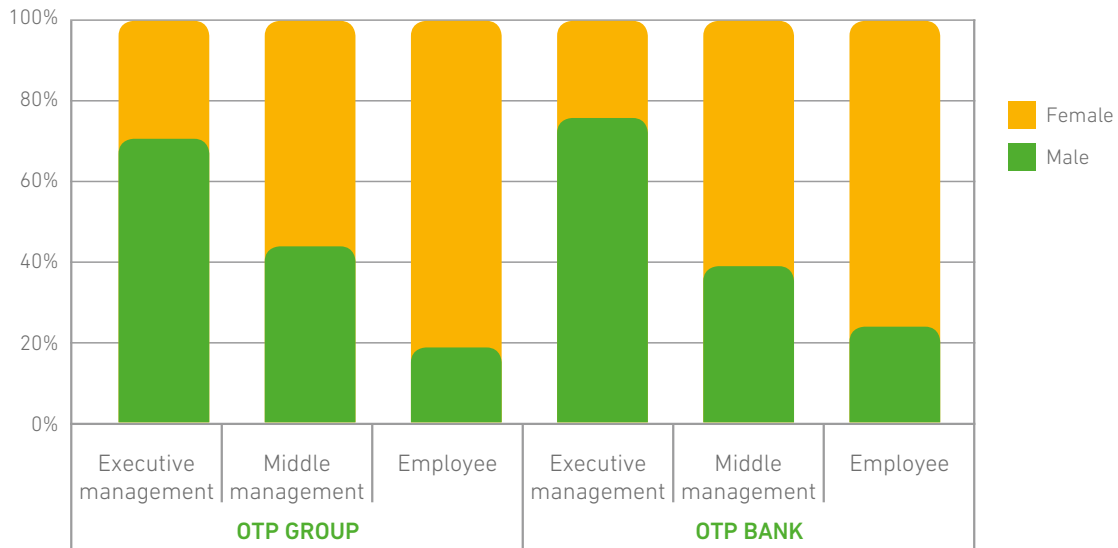


In Russia, the majority of agents previously working as part-time employees are now employed by the bank on a contractual basis.

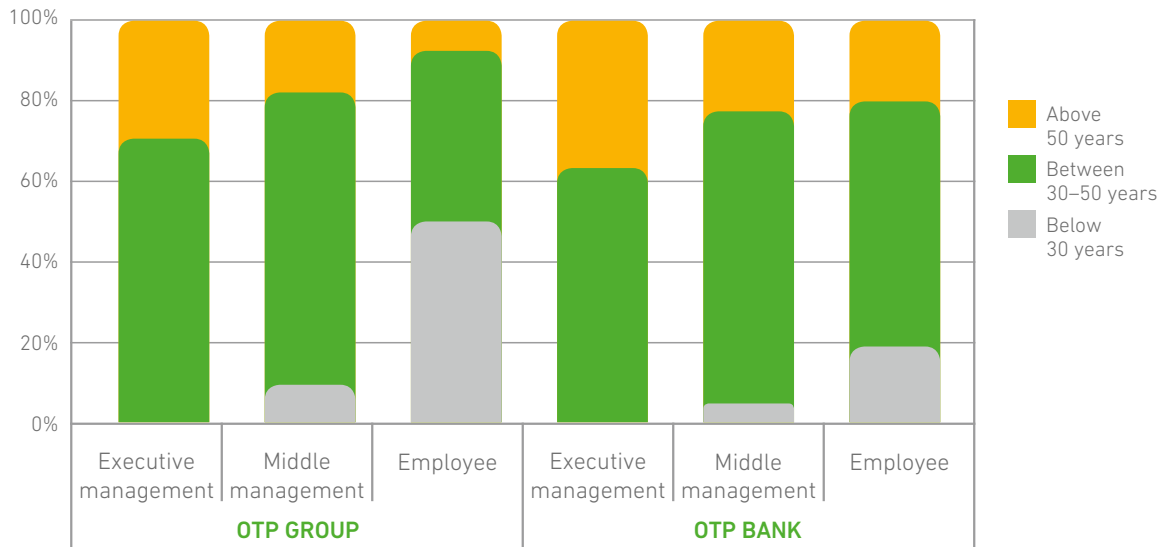
GENDER DISTRIBUTION OF OTP GROUP EMPLOYEES IN EACH REGION



GENDER DISTRIBUTION OF EMPLOYEE CATEGORIES AS OF 31 DECEMBER 2013



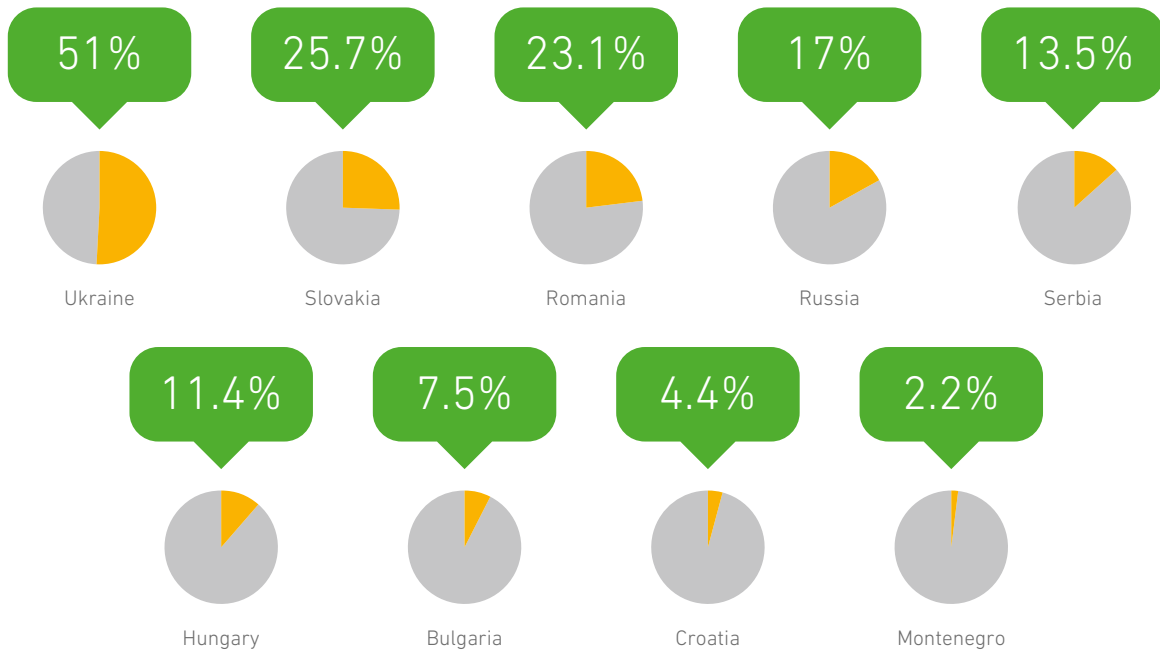
AGE DISTRIBUTION OF EMPLOYEE CATEGORIES AS OF 31 DECEMBER 2013



OTP Bank's Supervisory Committee, Audit Committee and 10 standing committees have a total of 116 members, 97 percent of whom are men, 3 percent women. At 60 percent the majority of members are aged between 30 and 60 years, 40 percent of them are aged 50 and above.

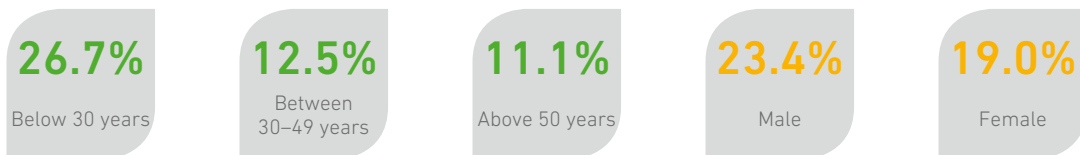
SHARE OF RESIGNED EMPLOYEES PER COUNTRY OTP GROUP

AS OF 31 DECEMBER 2013



RESIGNED EMPLOYEES PER GENDER AND AGE, OTP GROUP IN THE PERCENTAGE OF TOTAL HEADCOUNT FOR THE GIVEN CATEGORY

AS OF 31 DECEMBER 2013

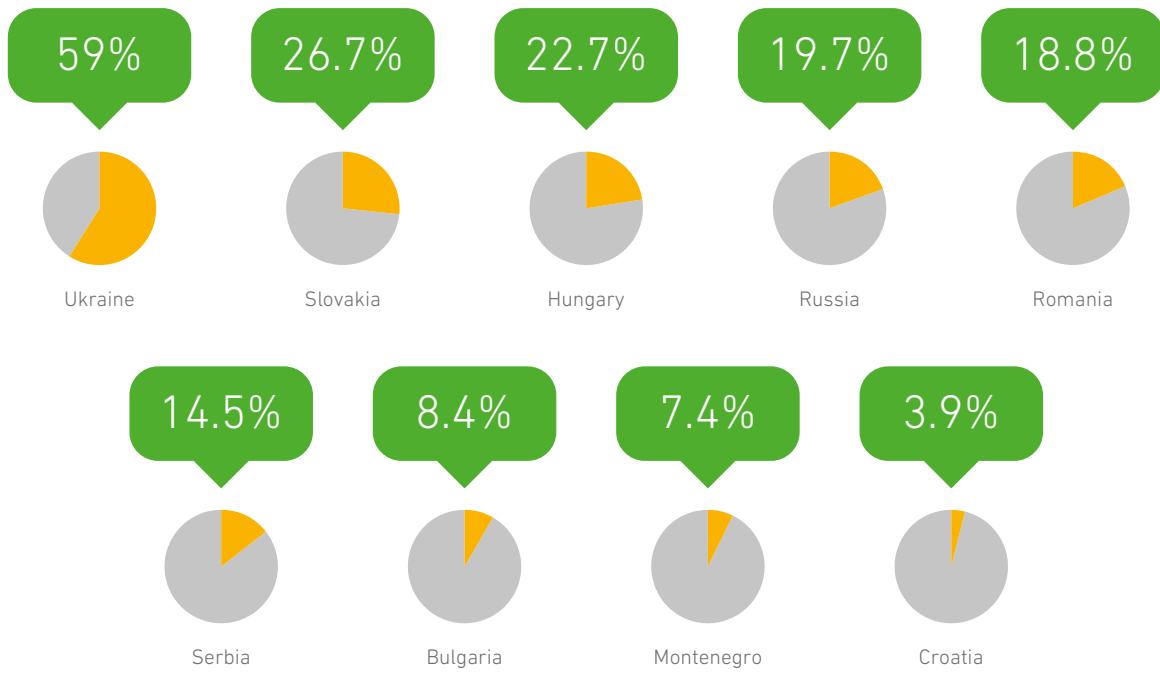


Resigned employees include termination of employment both by employee and employer, as well as retirement. For data on OTP Bank Russia, agents previously working as part-time employees and on contracts as of 2013 were disregarded.

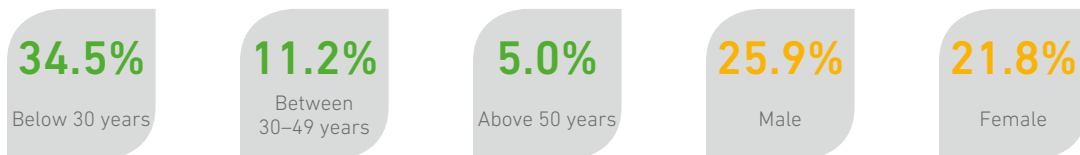
Fluctuation varies widely among the individual companies of OTP Group, explained by regional and sectoral characteristics:

- generally higher fluctuation rates in the banking sector in Slovakia, Romania and Serbia;
- the large number of agents and their fluctuation in Russia and Ukraine.

REGIONAL PROPORTION OF NEW HIRES DURING 2013 TO THE FINAL HEADCOUNT AT THE END OF THE YEAR



GENDER AND AGE DISTRIBUTION OF NEW HIRES DURING 2013 AS A PROPORTION OF FINAL HEADCOUNT IN THE CATEGORY AT THE END OF THE YEAR, OTP GROUP



During the year a total of 25 labour disputes that had been launched against Group members were closed:

- Of the closed lawsuits, six ended with the acquittal of Group members.
- In two cases, non-monetary sanctions were incurred.

- A total of HUF 6.6 million in fines was imposed (JSC OTP Bank and OTP banka Srbija).

- Complaints had been lodged in connection with layoffs, disciplinary action, as well as scheduling and overtime.

Labour inspectorates closed a total of 11 cases with member companies involved, none of which resulted in the imposition of fines.



| ANNUAL TRAINING PER EMPLOYEE (NUMBER OF HOURS, 2013) | OTP BANK | | | | | | OTP GROUP | | | | | |
|--|----------|-------|----------|-------|-------|-------|-----------|-------|----------|-------|-------|-------|
| | Internal | | External | | Total | | Internal | | External | | Total | |
| | Men | Women | Men | Women | Men | Women | Men | Women | Men | Women | Men | Women |
| Executive | 39.9 | 11.9 | 37.8 | 24.2 | 77.6 | 36.2 | 0.7 | 0.02 | 1.1 | 0.1 | 1.8 | 0.1 |
| Middle manager | 76.5 | 75.6 | 26.3 | 14.7 | 102.7 | 90.3 | 3.9 | 1.5 | 2.3 | 1.1 | 6.2 | 2.5 |
| Employee | 39.2 | 41.5 | 9.6 | 4.2 | 48.8 | 45.7 | 14.4 | 13.4 | 3.6 | 1.0 | 18.0 | 14.4 |
| Average | 51.8 | 43.0 | 24.6 | 14.4 | 76.4 | 57.4 | 6.3 | 5.0 | 2.3 | 0.7 | 8.7 | 5.7 |

| PROGRAMMES AIMED AT SKILL DEVELOPMENT AND LIFELONG LEARNING IN 2013 | OTP BANK | | OTP GROUP | |
|---|-----------|-----------|-------------------------|-------------------------|
| | Men | Women | Men | Women |
| In-house training courses | Available | Available | Typically available | Typically available |
| External training or financial assistance to training | Available | Available | Typically available | Typically available |
| Leave of absence for studying, with job guaranteed to be reserved | Available | Available | Typically available | Typically available |
| Planning before pension for those about to retire | Available | Available | Typically not available | Typically not available |
| Continued training for those who intend to keep on working after retirement | None | None | Typically not available | Typically not available |
| Severance pay | Available | Available | Typically not available | Typically not available |
| If the organisation provides no severance pay, does it take into account the employee's age | Yes | Yes | Typically no | Typically no |
| If the organisation provides no severance pay, does it take into account the employee's age | Yes | Yes | Typically no | Typically no |
| If the organisation does provide severance pay, does it take into account the number of the employee's years of service | None | None | Typically not available | Typically not available |
| Job seeking assistance for employees made redundant | None | None | Typically not available | Typically not available |

Weighted average by employee headcount.

Typically not available: available at less than 50% of the members of the Group.

Partly available: available at 51–70% of the members of the Group.

Typically available: available at 71–99% of the members of the Group.

MEASURING EMPLOYEE SATISFACTION

In 2013, three affiliates of OTP Group — the Croatian OTP banka Hrvatska, the Serbian OTP banka Srbija and Ukraine's JSC OTP Bank — conducted employee satisfaction surveys.

- At the Croatian affiliate, where the annual surveys have become something of a tradition, satisfaction continued to rise during the year. Employees continued to appreciate internal communication the most (66% of respondents were highly satisfied or satisfied), while salaries were with what they were the least satisfied (33% of respondents were highly satisfied or satisfied). Due to the uncertainties surrounding Croatia's economy, employees considered the security behind workplace retention and the base pay as the two most important categories having the biggest impact on satisfaction.
- The results of OTP banka Srbija were similar to those recorded in 2012: job satisfaction rate ranged between 80% and 90% — except in the case of salaries, where the level of satisfaction was as low as 60%.
- Of the categories evaluated, the colleagues at JSC OTP Bank assigned the highest value (83%) on emotional involvement, and the lowest (73%) on support.
- DSK Bank has completed a comprehensive assessment on internal communications at its headquarters, focusing on expectations and areas requiring development.

| SICK LEAVE, ACCIDENTS (2013) | OTP GROUP, HUNGARY | | BULGARIA* | | MONTENEGRO | | CROATIA | |
|---|-----------------------|--------|-----------|--------|------------|--------|---------|--------|
| | Men | Women | Men | Women | Men | Women | Men | Women |
| Sick leave (days) | 7,426 | 54,555 | 3,437 | 21,394 | 1,420 | 6,682 | 16,174 | |
| Absence rate | 1.18% | 3.44 | 1.91% | 3.35% | 3.09% | 10.95% | 6.1% | |
| Number of accidents | 5 | 5 | 0 | 0 | 0 | 0 | 3 | 10 |
| Accident rate | 0.001% | 0.000% | 0 | 0 | 0 | 0 | 0.004% | 0.005% |
| Number of days lost through accident at work | 47 | 81 | 0 | 0 | 0 | 0 | 69 | 211 |
| Ratio of days lost | 0.008% | 0.005% | 0 | 0 | 0 | 0 | 0.103% | 0.107% |

* Including long periods of absence owing to ill health (e.g. child care) and unpaid holidays as well. At OTP banka Hrvatska, there were two fatal workplace accidents in 2013.

| SICK LEAVE, ACCIDENTS (2013) | ROMANIA | | SLOVAKIA | | SERBIA | | RUSSIA | | UKRAINE | |
|--|---------|--------|----------|-------|--------|--------|--------|--------|---------|-------|
| | Men | Women | Men | Women | Men | Women | Men | Women | Men | Women |
| Sick leave (days) | 6,747 | 15,201 | 584 | 3,789 | 929 | 12,172 | 1,606 | 20,440 | 718 | 1,187 |
| Absence rate | 9.44% | 9.55% | 1.32% | 3.70% | 1.9% | 9.3% | 0.21% | 0.55% | 0.21% | 0.10% |
| Number of accidents | 0 | 0 | 0 | 0 | 0 | 3 | n/a | n/a | 0 | 0 |
| Accident rate | 0 | 0 | 0 | 0 | 0 | 0.002% | n/a | n/a | 0 | 0 |
| Number of days lost through accident at work | 0 | 0 | 0 | 0 | 0 | 48 | n/a | n/a | 0 | 0 |
| Ratio of days lost | 0 | 0 | 0 | 0 | 0 | 0.037% | n/a | n/a | 0 | 0 |

The accident statistics are recorded using methods prescribed by law.

When calculating the rates the number of days of absence or the number of accidents was compared to the work days to be spent working.

| AID IN RELATION TO SERIOUS ILLNESSES, 2013 | Employees | | Employees' family members | | Members of local community | |
|--|-----------|-------------------------|---------------------------|-------------------------|----------------------------|-------------------------|
| | OTP Bank | OTP Group | OTP Bank | OTP Group | OTP Bank | OTP Group |
| Education/training on how to prevent/treat a given illness | Available | Typically not available | None | None | Available | Typically not available |
| Consultancy concerning illnesses | Available | Typically available | Available | Typically not available | Available | Typically not available |
| Activities aimed at preventing illnesses or the spreading of illnesses | Available | Typically available | Available | Typically not available | Available | Typically not available |
| Treatment | Available | Typically available | None | Typically available | Available | Typically not available |

Weighted average by employee headcount.

Typically not available: available at less than 50% of the members of the Group.

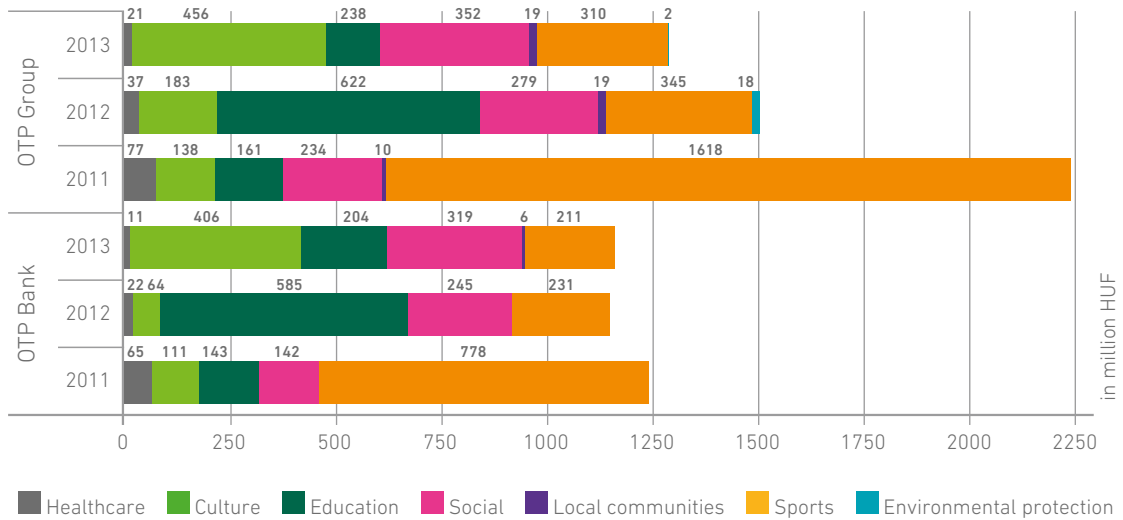
Typically available: available at 71–99% of the members of the Group.

At several members of OTP Group, there are employees who, in the course of their work, are often affected by or at great risk of stress.

8.4

Data concerning corporate social responsibility

DONATIONS BY OTP BANK AND OTP GROUP



For 2012, the amount of support for education was remarkably high due to the costs incurred in the establishment of the O.K. Centre.

At Group level, sponsorship is primarily focussed on arts and culture (27%) and sports (64%), however, individual affiliates' practices may vary to a significant extent:

- at OTP Bank Romania, education (30%) and support for local communities (17%) play the most important role, reflecting the fact that the bank's support activities are solely sponsorship-based;
- OTP Bank Slovensko has its sponsorship pursuits divided between arts and culture (66%) and education (26%);
- In its sponsorship activities, JSC OTP Bank primarily focuses on education (59%);
- 97% of the sponsorship activities at OTP banka Srbija are targeted at arts and culture.

8.5

Data on environmentally friendly operation

| TYPICAL DATA ON THE MATERIALS USED BY OTP GROUP AND ITS PROCUREMENTS | OTP BANK | | | OTP GROUP | | |
|---|------------------|---------------|---------------|-----------|---------|---------|
| | 2011 | 2012 | 2013 | 2011 | 2012 | 2013 |
| Number of branch offices | 397 | 397 | 397 | 1,469 | 1,443 | 1,434 |
| Ratio of branch offices refurbished during the year to the total number of branch offices | 4% | 3% | 6% | 3% | 4% | 5% |
| Number of computers | Approx. 9,000 | Approx. 9,000 | Approx. 9,000 | n.a. | n.a. | n.a. |
| Replacement period | Average: 4 years | | | | | |
| Number of ATMs | 2,028 | 1,956 | 2,017 | 4,013 | 3,940 | 3,939 |
| Number of POS terminals | 42,122 | 49,385 | 51,683 | 58,813 | 66,644 | 69,427 |
| Weight of ink cartridges and toners used (kg) | 4,057 | 3,128 | 11,051 | 36,566* | 32,987* | 43,987* |
| Amount of stationery (t) | 960 | 963 | 1,006 | 3,248* | 3,382* | 3,422* |
| Amount of paper used for document sorting and packaging (t) | 17 | 24 | 26 | 124** | 223** | 67** |
| Amount of indirectly used paper (t)** | 752 | 580 | 233 | 2,765** | 2,256** | 598** |

*estimate: based on actual data, calculated by proportioning

** the data on the amount of paper used by OTP Group are somewhat less reliable

*** e.g. marketing publications, letters posted by sub-contractor

Use of recycled materials:

- 7.8% of the amount of paper used by OTP Group, 15.1% of the amount of paper used by OTP Bank is recycled.
- Some 70% of the toners used by OTP Bank are aftermarket products.

| ENERGY CONSUMPTION (GJ) | | OTP BANK | | | OTP GROUP | | |
|---------------------------------------|--------------------------|---------------------|----------------|----------------|------------------|----------------------|----------------|
| | | 2011 | 2012 | 2013 | 2011 | 2012 ³ | 2013 |
| Direct energy consumption | Gas energy | 85,041 | 84,080 | 82,255 | 204,678 | 146,089 | 143,265 |
| | Vehicle fuel | 18,173 ¹ | 34,801 | 40,445 | 165,139 | 115,164 ⁴ | 97,842 |
| | Other | - | - | - | 10,887 | 8,124 ⁴ | 3,487 |
| | Solar energy (renewable) | 1,950 | 1,950 | 1,950 | 1,950 | 1,950 | 1,950 |
| | Heat pump (renewable) | 1,170 | - ² | - ² | 1,170 | 3,867 | 3,641 |
| | Total | 106,334 | 120,831 | 136,770 | 383,824 | 275,193 | 250,185 |
| Indirect energy consumption | Electricity | 141,253 | 145,004 | 138,373 | 533,802 | 387,934 | 386,020 |
| | District heating | 33,171 | 27,911 | 26,115 | 95,717 | 69,530 | 61,701 |
| | Total | 174,424 | 172,915 | 164,488 | 629,519 | 457,464 | 447,722 |
| Grand total energy consumption | | 280,758 | 293,746 | 301,259 | 1,013,343 | 732,657 | 697,906 |
| Per-capita energy consumption | | 35.59 | 36.65 | 37.62 | 31.20 | 20.72 | 18.89 |

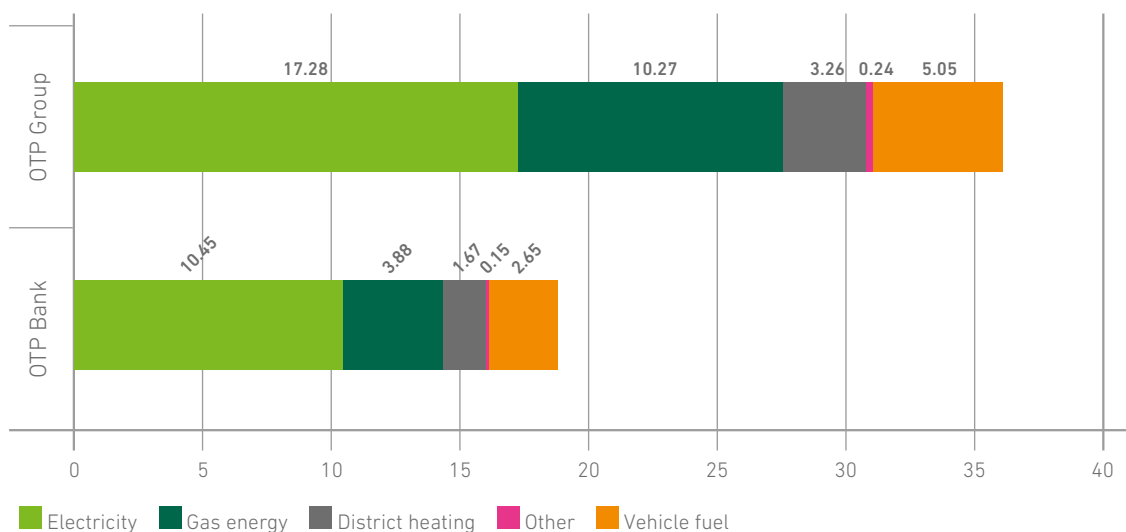
¹ The extremely low figure is a result of imperfection in data collection

² Stated at Monicomp Zrt.

³ Data supplied in 2012 were significantly more accurate.

⁴ Follow-up adjustment.

PER-CAPITA ENERGY CONSUMPTION, 2013

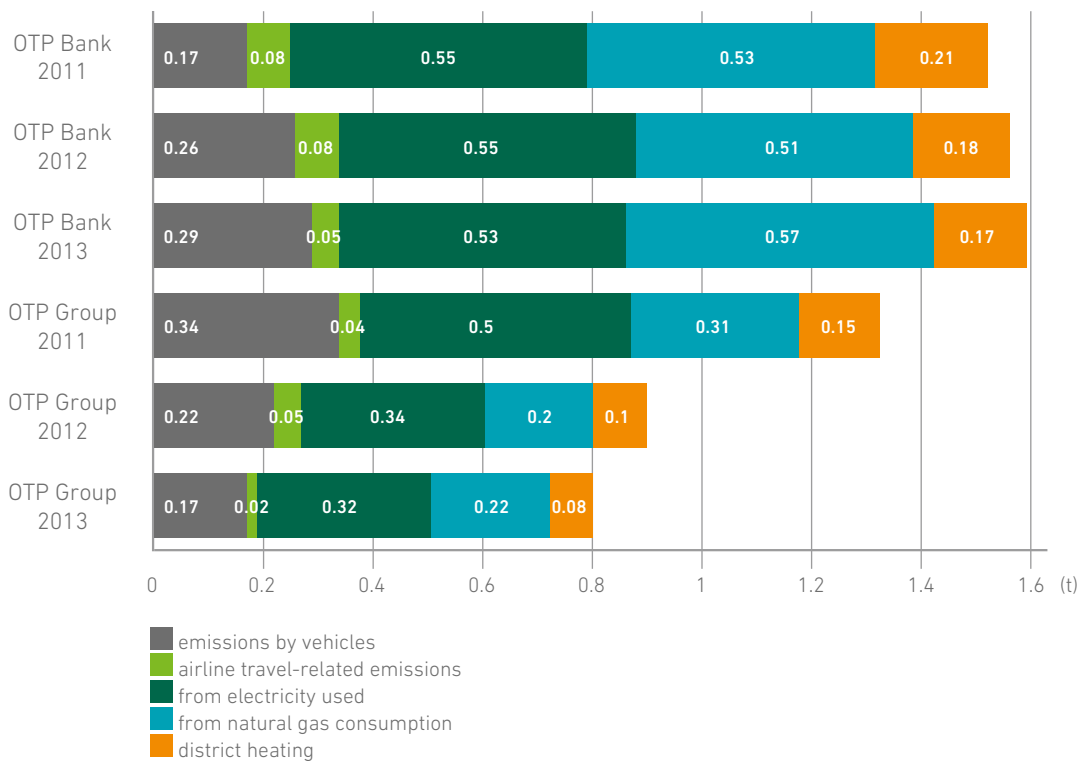


| OTP GROUP'S TOTAL CO ₂ EMISSION (T) | | OTP BANK | | | OTP GROUP | | |
|--|------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | | 2011 | 2012 | 2013 | 2011 | 2012 | 2013 |
| Direct | by vehicles | 1,322* | 2,049 | 2,297 | 11,109 | 7,635 | 6,260 |
| | flight related | 634 | 601 | 359 | 1,397 | 1,852 | 823 |
| | from natural gas consumption | 4,137 | 4,091 | 4,591 | 9,958 | 7,107 | 7,997 |
| Indirect | from electricity | 4,316 | 4,431 | 4,228 | 16,310 | 11,854 | 11,795 |
| | district heating | 1,675 | 1,410 | 1,319 | 4,834 | 3,511 | 3,116 |
| Total | | 12,084 | 12,582 | 12,794 | 43,608 | 31,959 | 29,991 |
| Per-capita | | 1.54 | 1.57 | 1.60 | 1.34 | 0.90 | 0.81 |

The table contains the key identified items of carbon-dioxide emission. It was calculated on the basis of the applicable statutory regulations, industry estimates and official emission data.

*The extremely low figure is a result of imperfection in data collection

DISTRIBUTION OF PER-CAPITA CO₂ EMISSIONS



| SEPARATELY COLLECTED HAZARDOUS WASTE (KG) | OTP BANK | | | OTP GROUP | | |
|--|----------|-------|-------|-----------|--------|--------|
| | 2011 | 2012 | 2013 | 2011 | 2012 | 2013 |
| Separately collected waste paper (t) | 404 | 348 | 298 | 877 | 631* | 681* |
| Separately collected PET bottles (kg) | 11,046 | 9,598 | 6,287 | 11,442 | 9,957* | 7,354* |
| Separately collected hazardous waste (kg) | 432 | 489 | 196 | 24,257 | 19,749 | 1,789 |

**DSK Bank does not collect information on selective waste collection but it does selectively collect waste paper from its scrapped documents, the PET water bottles of the central buildings and the ink cartridges.

9 GRI Index



GRI is the most-widely used CSR reporting framework. Based on its guidelines, we work hard to improve our transparency and the comparability of our performance with that of other companies.



DETERMINATION OF APPLICATION LEVEL ACCORDING TO THE GRI G3.1 GUIDE

| Application level / presentation criteria | C | C+ | B | B+ | A | A+ |
|---|---|------------------------------------|---|------------------------------------|---------------------------------------|------------------------------------|
| Organisational profile | 1.1; 2.1-2.10; 3.1-3.8; 3.10-3.12; 4.1-4.4; 4.14-4.15 | certified by external organisation | complete presentation | certified by external organisation | complete presentation | certified by external organisation |
| Management approach | not required | | in regard to all indicator categories | | in regard to all indicator categories | |
| Performance indicators | at least 10 indicators, at least one indicator from the social, economic and environmental category | | at least 20 indicators, at least one indicator in every single indicator category | | all basic indicators | |

| Indicator number | Indicator description | Where is it to be found | Remark |
|------------------|-----------------------|-------------------------|--------|
|------------------|-----------------------|-------------------------|--------|

Strategy and analysis

| | | | |
|-----|--|--|---|
| 1.1 | Declaration issued by the highest ranking decision maker on the importance of sustainability for the organisation and its strategy | Chairman's welcome | |
| 1.2 | Description of key impacts, risks and opportunities | Chairman's welcome, Chapter 1, accomplishment of goals, new goals, microsite | https://www.otpbank.hu/csr/en/sustainability |

Organisational profile

| | | | |
|-----|---|---------------------------|--|
| 2.1 | Name of the organisation | About the Report, website | https://www.otpbank.hu/portal/hu/JogiEtikaiNyilatkozat#Impresszum |
| 2.2 | Primary brands, products and/or services | website, Chapter 1. | https://www.otpbank.hu/portal/hu/fooldal , the subsidiaries' websites accessible from https://www.otpbank.hu/portal/hu/OTPCsoport |
| 2.3 | The organisation's operating structure, key divisions | microsite | https://www.otpbank.hu/csr/hu/fenntarthatosag The key subsidiaries covered by the reports are listed in subsection 3.6. |
| 2.4 | The location of the centre of the organisation | website | https://www.otpbank.hu/portal/hu/JogiEtikaiNyilatkozat#Impresszum |
| 2.5 | The sites of the operation of the company | map, Chapter 1. | |

| Indicator number | Indicator description | Where is it to be found | Remark |
|-------------------------------------|---|-------------------------------|--|
| 2.6 | The nature and legal form of ownership | website | https://www.otpbank.hu/portal/hu/Rolunk/Tortenet |
| 2.7 | The markets served, in a breakdown by division and area | Chapter 1, map, Annual Report | More details available in the Annual Report. https://www.otpbank.hu/portal/hu/IR_Eves_jelentes |
| 2.8 | The size of the reporting organisation | map, data, Annual Report | More details available in the Annual Report. https://www.otpbank.hu/portal/hu/IR_Eves_jelentes |
| 2.9 | Major changes during the reporting period in the size, structure or ownership of the organisation | Annual Report | For changes in capitalisation and ownership structure, refer to the Annual Report. https://www.otpbank.hu/portal/hu/IR_Eves_jelentes No major change took place in the other areas. |
| 2.10 | Awards and prices received during the reporting period | Chapter 1, website | https://www.otpbank.hu/portal/hu/Rolunk/Dijak |
| The parameters of the report | | | |
| 3.1 | Specification of the reporting period | About the Report | |
| 3.2 | Date of the latest report | microsite | Our most recent Corporate Social Responsibility Report was issued for 2012. https://www.otpbank.hu/static/csr/download/OTP_Vallalati_felelossegvallalasi_jelentes_2012.pdf |
| 3.3 | The length of the reporting cycle | | Annual cycle |
| 3.4 | Accessibility for those who have any question concerning the report | | csr@otpbank.hu |
| 3.5 | The process of defining the contents of the report. | About the Report, microsite | https://www.otpbank.hu/static/csr/download/a_jelentestete_alapelvei.pdf |
| 3.6 | The limits of the report | | The report contains information on the key members of OTP Group, including OTP Bank, all of the foreign subsidiaries and the following subsidiaries in Hungary: OTP Mortgage Bank, OTP Building Society, OTP Factoring, OTP Home Leasing, Merkantil Group, OTP Life Annuity, OTP Private Pension Fund , OTP Voluntary Pension Fund , OTP Health Insurance Fund, OTP Fund Service Provider, OTP Property, OTP Property Fund Manager, OTP Fund Manager, OTP Hungaro-Project, OTP Travel, Monicomp. Data of other enterprises — with sales revenue figures below HUF 1 billion — are not contained in the report. Suppliers are not covered by the report either. |
| 3.7 | Restriction on scope and limits. | | The report covers the group members listed in subsection 3.6. No extension is planned in regard to the member companies. As for performance indicators, information on major suppliers will be provided from 2016 onwards, where applicable. |
| 3.8 | Description of the criteria on the basis of which the organisation describes in its report the performance of the joint ventures, subsidiaries, facilities leased to customers, outsourced operations and other units that may have a major impact on the report's comparisons over time and/or with other organisations. | microsite | https://www.otpbank.hu/static/csr/download/a_jelentestete_alapelvei.pdf |
| 3.9 | Description of the fundamentals of data measuring techniques and calculations, including assumptions and technological considerations applied in working out estimates or in compiling indicators and other pieces of information comprised in the report. | website and relevant sections | https://www.otpbank.hu/static/csr/download/a_jelentestete_alapelvei.pdf |

| Indicator number | Indicator description | Where is it to be found | Remark |
|---|--|-------------------------|--|
| 3.10 | Reasons for the repeated presentation of information already disclosed in earlier reports. | | Information may be repeated due to changes in data collection methodology, or in case corrections are needed for previously disclosed erroneous information, as noted in the given text. |
| 3.11 | Major changes in the report's scope, limits or the methods of measurement applied, in comparison to the previous reporting period. | Data | To ensure a more complete application of the GRI G3.1 guidelines and as part of our preparation for the G4 guidelines, we have commenced the collection and publication of data based on a gender distribution |
| 3.12 | Table showing where the elements of the standard presentation of data are to be found in the report. | GRI index | The table is also used for the communication of information. |
| 3.13 | Description of the policy and practice currently applied by the organisation in having the report certified by an external entity. | | The report was certified by Deloitte Üzletviteli és Vezetési Tanácsadó Zrt. |
| Management, commitment and obligations | | | |
| 4.1 | Description of the organisation's management structure | | https://www.otpbank.hu/portal/hu/IR_Tarsasagiranyitas — Board of Directors, Supervisory Board, Operational top management, Responsible Corporate Management Report 25.04.2014 https://www.otpbank.hu/static/portal/sw/file/OTP_Alapszabaly_20130426.pdf The Board of Directors elects its chairman from among its members, the chairman of the Board of Directors is, at the same time, the Company's Chief Executive Officer (Chairman and Chief Executive). All foreign affiliates feature a two-tier governance structure, with the Board of Directors as the managing body of the company and the Supervisory Committee engaging in monitoring and control. The operation of the OTP Bank Group is realised under a model best suited to the special features of the group, in a country responsible/business unit matrix governance system. In terms of its nature, three types of governance is distinguished: – Owners' governance, which essentially refers to the exercise of the parent company's ownership rights provided by the applicable law. The parent bank enforces its ownership interests at the General Meeting, and through the subsidiaries' boards and the chairmen of the boards. – Functional governance entails activities in the course of which the parent bank's support/operational/service units transfer know-how and experience or provide services to the affiliates' corresponding business units or directly supervise their functioning. The purpose of functional control is the adaptation of the best practices/procedures applied by the parent bank's functional professional areas to the practice of the subsidiary banks. The main tools of governance include the application of centrally defined standards and guidelines and ensuring compliant operation, as well as continuous accountability and maintenance of professional relations, and centralised decision-making in certain issues. |
| 4.2 | Specifying whether the chair of the supreme managing body has an executive role as well. | | |

| Indicator number | Indicator description | Where is it to be found | Remark |
|------------------|--|--------------------------|--|
| 4.2 | Specifying whether the chair of the supreme managing body has an executive role as well. | website, microsite, Data | <p>Business governance: it is a major component of the control system, typically including the control of retail banking and sales and corporate banking business activities. It involves the group-level adaptation of best practices and facilitating operation in the expected professional quality, as well as professional support to group members. The nature of support can vary to a great extent. Besides knowledge transfer, continuous performance monitoring is also a tool of financial governance.</p> <p>The operation of OTP Bank is assisted by standing committees functioning as the Bank's bodies in charge of preparing and making decisions as well as conducting consultations. The Board of Directors is empowered to set up standing committees.</p> <p>Management Committee: the Bank's supreme managing body, the forum assisting the work of the Chairman and Chief Executive directly. It has a decision making power concerning issues assigned to its scope of competence by the Bylaws, it issues preliminary position statements and it performs a function preparing decisions to be made on many of the issues submitted to the General Assembly, the Board of Directors or the Supervisory Board, along with a coordinating role in the Bank's top management. The Committee plays a role of a strategic nature.</p> <p>Subsidiary Integration and Management Committee: In the wake of acquisition by the Bank it manages and coordinates the process of the adoption of action plans worked out with regard to individual subsidiaries or group-level affairs and of checking on the performance of those plans. It is responsible for the sharing of best practices among group members and for the resolving of conflicts between subsidiaries and the headquarters. Approval and review of the annual action plan of the subsidiaries. Individual decisions adopted in relation to the current issues concerning the subsidiaries.</p> <p>Management Coordination Committee: as an operational decision making forum it provides for the Bank's flexible and effective responses to changes in the market or in the regulatory environment and it ensures coordinated action across the Group.</p> <p>Asset-Liability Committee: The Committee's task is to optimise financing at group level.</p> <p>Credit and Limit Committee: it is in charge of the Bank Group level country, customer and partner rating, risk assumption, collateral valuation, rating, impairment loss provisioning and specific provisioning regulations, the Bank's and the Bank Group's risk management strategy and the annual credit policy.</p> <p>Product Development Sales and Pricing Committee: With regard to products sold in the network of OTP Bank its competence extends to the introduction of the product of the group member, modification of its terms and conditions, sale as well as marketing communication.</p> <p>Group Operational Risk Management Committee: The Committee performs a controlling, co-ordinating and advisory function with regard to operational risks and Business Continuity Planning.</p> |

| Indicator number | Indicator description | Where is it to be found | Remark |
|------------------|---|--------------------------|---|
| 4.2 | Specifying whether the chair of the supreme managing body has an executive role as well. | website, microsite, Data | <p>CAPEX Committee (Investment Committee): The group members' real property investment plans are coordinated by the Investment Committee.</p> <p>Work-Out Committee: has decision making power in regard to special transactions, for the most part above a specific amount.</p> <p>IT Steering Committee (Hungarian acronym: IIB): The Committee consults the group members' IT investment with the members concerned.</p> <p>The members of the committees are mandated for a period of 3 years. The committees are chaired by the relevant BoD members. The members include OTP Bank's and the subsidiaries' senior managers, along with external members of the supreme managing bodies.</p> |
| 4.3 | In the case of a one-tier Board of Directors structure the name and genders of the members of the supreme managing bodies who are independent and/or have no executive powers. | | Not relevant. |
| 4.4 | Mechanisms enabling owners and employees to make proposals or offer guidance for the supreme managing bodies. | website | Act IV of 2006 on business associations, https://www.otpbank.hu/portal/hu/IR_Tarsasagiranyitas Responsible Corporate Management Report 25.04.2014 |
| 4.5 | Link between the remuneration of the top management and the performance of the organisation | website | Responsible Corporate Management Report, 25.04.2014 https://www.otpbank.hu/portal/hu/IR_Tarsasagiranyitas |
| 4.6 | Procedures functioning at the top management level to prevent conflicts of interests | | To prevent conflicts of interests the General Meeting is not permitted to elect members of the Board of Directors or their close relatives of members of the Supervisory Board. The Bank's employees must make out a declaration in which they state that they have familiarised themselves with the regulations on conflicts of interests. |
| 4.7 | The process in which the composition of the supreme managing body and its committees, the required qualifications and experience of their members, including any consideration concerning gender or other diversity indicator | | No diversity criterion (e.g. gender) has been prescribed |
| 4.8 | Internal statements on the organisation's mission, values, norms of conduct and other basic principles of relevance for assessing economic, environmental and social performance | | <p>Code of Ethics: The code applies to the whole of the Bank Group, a mandatory regulation for its employees, with which employees familiarise themselves in a training programme. Among other things, the code sets out the fundamental moral requirements, the principles of professional operation, the expectations relating to fair business practices, respect of competitors, the rules on lobbying, requirements concerning conflict of interests and equal treatment, commitment to environmental protection and healthy work place, the obligation to notify breaches of the norms of ethics and complaint management.</p> |

| Indicator number | Indicator description | Where is it to be found | Remark |
|------------------|---|-------------------------|---|
| 4.8 | Internal statements on the organisation's mission, values, norms of conduct and other basic principles of relevance for assessing economic, environmental and social performance | | <p>Our definition of 'breach of ethics' is based on the definition adopted by the Hungarian Banking Association:</p> <p>'Any form of behaviour of a moral implication, in the broadest everyday sense of the term, that is contrary to regulations applying to banks as special institutions, to business organisations in general, or to rules set out in legislation prohibiting unfair market practices and the restriction of competition and in legislation on advertising, or to regulations or expectations of ethics developed in the domestic banking practices and those evolved in modern banking systems that are accepted by practices that are considered as desirable in our systems as well, qualifies as breaching the Code'.</p> <p>Bylaws: Every member of the Bank Group has its own rules, but the core principles of these rules are harmonised across the Group. The Bylaws are accessible for and applicable by every single employee of the Group.</p> <p>Group Management Regulation: It regulates the group level principles of corporate management and its implementation to ensure effective operation and clear-cut scopes of responsibilities.</p> <p>Collective Agreement: The members of the Bank Group conclude their own Collective Agreements but some of the member companies have no trade union organisations and Collective Agreements in place. At companies where there is a Collective Agreement, it applies to all of the employees of the given company, regardless of whether he or she is or is not a member of the trade union. The Collective Agreements are in line with the local statutory regulations.</p> <p>Environmental Code: The Code sets out the rules applying to the parent company's environmental activities. Its aim is to ensure commitment to the protection of the environment — in addition to meeting statutory requirements — along with the integration of environmental considerations in business activities.</p> <p>Corporate Social Responsibility Strategy: It lays down the framework for OTB Bank's corporate social responsibility related activities. For more detail, see Chapter 1 of the Report.</p> <p>Donation policy: It sets out the guidelines for OTP Bank's donation and sponsoring activities, specifying areas to be sponsored and the applicable expectations.</p> |
| 4.9 | Which are the procedures whereby the supreme managing body of the organisation supervises how economic, environmental and social performance is identified and managed, including the management of relevant risks and opportunities and the observance of internationally accepted norms, codes of conduct and other basic principles. | website | <p>Responsible Corporate Management Report, 25.04.2014 https://www.otpbank.hu/portal/hu/IR_Tarsasagiranyitas</p> <p>The Board of Directors approves the Bank's strategy and its annual revisions and it regularly reviews compliance-related activities. The Board of Directors reports on the annual and medium term objectives underlying the evaluation relating to performance based remuneration and on how those objectives are being met, in the annual regular General Meetings.</p> |
| 4.10 | Which are the processes and procedures whereby the organisation' supreme management evaluates its own performance, with a special focus on economic, environmental and social performance. | website | <p>Responsible Corporate Management Report, 25.04.2014 https://www.otpbank.hu/portal/hu/IR_Tarsasagiranyitas</p> |

| Indicator number | Indicator description | Where is it to be found | Remark |
|---|--|--|---|
| 4.11 | Application and observance of the principle of precaution within the organisation | risk management | Precaution within the core operations |
| 4.12 | Charters, basic principles or other initiatives comprising economic, environmental and social norms developed by external organisations, of which the organisation is a member or supporter. | | The Code of Conduct (Hungary) is emblematic of ethical banking services, thereby facilitating conformity to social norms. As of 1 January 2010, signatory institutions are required to perform their lending (and financial leasing) activities for retail customers in full observance of the provisions of the Code. We joined even before the Code entered into force. |
| 4.13 | Membership in associations and in national/international interest representing organisations | microsite | https://www.otpbank.hu/static/csr/download/szervezeti_tagsagok.pdf |
| 4.14 | The list of stakeholders with which the Organisation is engaged in a dialogue | microsite | https://www.otpbank.hu/static/csr/download/kapcsolattartas_az_erintettekkel.pdf |
| 4.15 | Description of the basic principles on the basis of which the organisation selects the stakeholders with which it intends to set up a dialogue | | |
| 4.16 | Description of the methods for the involvement of stakeholders, specifying the frequency of dialogues with the various stakeholder groups. | | |
| 4.17 | Key issues and questions discussed in the course of dialogue with the stakeholders and the way the organisation responded to them, including the way those topics are presented in the report. | | |
| Economic performance indicators | | Chapter 1, Chapter 2, Introduction, Annual Report, microsite | https://www.otpbank.hu/static/portal/sw/file/130426_eves_jelentes_170.pdf https://www.otpbank.hu/csr/hu/felelos-szolgaltato |
| Economic performance | | | |
| EC1 | Direct economic value generated and distributed | data | |
| EC4 | Massive financial support from the state | data | |
| Market presence | | | |
| EC7 | Procedures relating to the employment of local staff and the ratios of local employees in top management and in the main sites of the organisation | website | https://www.otpbank.hu/portal/hu/IR_Tarsasagiranyitas ; https://www.otpbank.hu/portal/hu/Rolunk/OTPCsoport OTP Group has no comprehensive policy or practice for giving preference to local residents in hiring, however, it is predominantly local residents who apply to jobs on offer. Local staff dominance is characteristic at OTP Bank's foreign subsidiaries. In the majority of the subsidiary banks the chief executive officers are local professionals and local staff members make up the majority of the BoD members as well. Hungarians make up a higher percentage of the members of the supervisory boards. The composition of managing bodies depends on local conditions and circumstances. |
| Environmental performance indicators | | Chapter 5, microsite, GRI 2.3 | The indicators are shaped primarily in line with characteristics of productive enterprises, therefore not all of the definitions and requirements are of relevance to OTP Group. https://www.otpbank.hu/csr/hu/kornyezeti-felelosseg |
| Materials | | | |
| EN1 | Quantity of materials used in terms of weight or volume | data | |
| EN2 | Percentage ratio of recycled materials within the total amount of materials used | data | GRI standards partially met. |

| Indicator number | Indicator description | Where is it to be found | Remark |
|---|---|-----------------------------|--|
| Energy | | | |
| EN3 | Direct energy consumption in a breakdown by primary sources of energy. | data | |
| EN4 | Direct energy consumption in a breakdown by primary sources of energy. | data | GRI standards partially met. |
| Gaseous and liquid emissions and waste | | | |
| EN16 | Weight of directly and indirectly emitted greenhouse gases | Chapter 6, data | |
| Labour policy practice and fair working environment indicators | | | |
| | | Chapter 3, website, GRI 2.3 | |
| Employment | | | |
| LA1 | Total headcount in a breakdown by type of employment, employment contract and regions | data | OTP Group does not collect data on centrally supervised employees (most of whom work in IT and retail ⁵), but it may be stated that their number is insignificant compared to the overall employee headcount. |
| LA2 | Total workforce fluctuation by age group, gender and region | data | |
| LA3 | Allowances for full time employees not provided for temporary and part time employees | | No distinction is made between employees from the aspect of entitlement to allowances in terms of employees working time or the types of their employment contracts — there are no allowances that are not provided for temporary or part time employees. The wages and fringe benefits of our employees and the guidelines on the amounts concerned are set out in the applicable regulations adopted by the Bank. Different members of OTP Group provide different allowances for their employees, depending on the economic circumstances of the countries concerned. Where available, member companies typically contribute to employees' savings in health insurance and pension funds. Several members contribute to healthcare expenses, offer discounted meal plans, and the practice of providing ad-hoc assistance based on social conditions is also prevalent. |
| Relationship between employees and management | | | |
| LA4 | The percentage of the employees covered by the collective agreement. | | OTP Group provides for its employees' interest representation, the right to assemble and the collective agreement in accordance with applicable laws and legal regulations. At member companies of the Group where a Collective Agreement is in place, it applies to all employees of the given company. |
| Health and safety at work | | | |
| LA7 | Injuries, occupational illnesses, days lost and absence rates, number of fatal accidents at work | data | |
| LA8 | Education, training, consultancy, prevention and risk management programmes to help employees and their family members, along with members of the local community, in relation to serious illnesses | data | |
| LA10 | Average annual number of hours spent training per employee, in a breakdown by employee category and gender | data | |
| Education and training | | | |
| LA11 | Programmes aimed at skills development and life-long learning to keep employees continuously in their jobs and to help close their careers. | data | |

| Indicator number | Indicator description | Where is it to be found | Remark |
|--|---|----------------------------|--|
| Diversity and equality of opportunities | | | |
| LA13 | Composition of the managing bodies and categories of employees by age, belonging to minority groups and other factors of diversity. | data, website | https://www.otpbank.hu/portal/hu/IR_Tarsasagiranyitas Data on ethnic background is not listed owing to statutory regulations. |
| LA14 | Relationship between the basic salaries of men and women, by position category. | | There are no differences between the basic salaries of men and women within the various employee categories. Overtime is paid for in accordance with the relevant statutory regulations. GRI standards partially met. |
| Human rights and performance indicators | | microsite; 4.8, LA4 | https://www.otpbank.hu/csr/hu/felelos-munkaltato https://www.otpbank.hu/csr/hu/kornyezeti-felelosseg |
| Elimination of negative discrimination | | | |
| HR4 | Number of cases in which negative discrimination was observed and measures taken to eliminate them | GRI Index | No such case has occurred. |
| HR6 | Risk of child labour, measures taken to eliminate such risk | | OTP Group employs neither forced labour nor child labour. |
| HR7 | Risk of forced labour or mandatory work, measures taken to eliminate such risk | | |
| HR11 | Number of complaints received in relation to human rights and the number of cases resolved in the context of the formal complaint management mechanism | | No such case has occurred. |
| Social performance indicators | | microsite, 4.8 | https://www.otpbank.hu/csr/hu/tarsadalmi-szerepvallalas https://www.otpbank.hu/csr/hu/felelos-szolgaltato |
| Anti-competitive conduct | | | |
| S06 | Total amount of cash and in-kind contributions provided for political parties, politicians and related institutions | | OTP Group does not sponsor such persons or organisations. |
| S07 | Number and outcomes of legal proceedings relating to anti-competitive conduct or breaching of anti-trust or anti-monopoly regulations | Chapter 3.3, data | |
| S08 | Amount of major fines and the number of non-financial sanctions imposed owing to failure to comply with laws and legal regulations. | data | |
| S09 | Activities with significant potential or actual negative impacts on local communities. | | No such activities are performed by any member of the Bank Group. |
| Product liability | | Risk.man., microsite, 2.3, | https://www.otpbank.hu/csr/hu/felelos-szolgaltato |
| Labelling of products and services | | | |
| PR5 | Practices aimed at securing customer satisfaction, including results of assessments of customer satisfaction | customer satisfaction | |
| Legal compliance | | | |
| PR9 | Extent of non-compliance with statutory regulations relating to products and services, sanctioned by major fines, in other words, the amount of the fines concerned | data | |

| Indicator number | Indicator description | Where is it to be found | Remark |
|------------------|-----------------------|-------------------------|--------|
|------------------|-----------------------|-------------------------|--------|

Supplementary indicators applying to the financial sector

| | | | |
|------|--|--------------------------------|--|
| FS3 | Processes aimed at checking on the side of the customer, the implementation of and compliance with the environmental and social requirements prescribed in the agreements and in the course of the transactions. | | When providing loans, OTP Group always checks compliance with the applicable environmental regulations, with the involvement of external experts in most cases. Such checks are carried out regularly during the term of a given loan and violations of the undertakings/requirements are sanctioned in the credit limit agreements. At the time of the approval within the Bank of the financing of a project and before the first disbursement the availability of the required permits and authorisations and compliance with their provisions is always verified by one or more external consultants (legal and/or technical experts), thereafter in addition to the customer's regular declarations the Bank's monitoring activity provides for compliance. |
| FS7 | Pecuniary value of products and services aimed at social benefits, by division, in a breakdown by goal. | products, data | (GRI standards partially met.) |
| FS8 | Pecuniary value of products and services aimed at environmental benefits, by division, in a breakdown by goal. | products, data | (GRI standards partially met.) |
| FS13 | Service points in economically disadvantaged or sparsely populated areas, by type | website | https://www.otpbank.hu/static/portal/sw/flash/fiokkereso_map/fiokmap.html (The branch office networks of foreign subsidiary banks are accessible on their respective websites.) No separate statistics are kept, but in regard to the density access points (branch offices, ATMs) the members of OTP Group are in the lead in several countries of this region. (GRI standards partially met.) |
| FS14 | Initiatives to improve the access of people with disabilities to the financial services. | unobstructed service provision | |
| FS15 | Guidelines on fair and responsible product and service development and fair and responsible sales activities. | | The performance of the clerical employees in the branch offices is evaluated on the basis of the same principles across the Group, in accordance with the customers' interests. (GRI standards partially met.) |
| FS16 | Initiatives to improve knowledge about financial matters, in a breakdown by beneficiary | financial literacy | |



Registered office:
OTP Bank Plc.: 1051 Budapest, Nádor u. 16., Hungary

We are looking forward to your feedback!

To improve the Bank's performance in sustainability,
it is very important for us to know your opinion.
Please share it with us at csr@otpbank.hu.

INDEPENDENT ASSURANCE REPORT

To the management of OTP Bank Nyrt.

This report has been prepared in accordance with the terms of our contract dated 25 April 2014 in order to accomplish the independent external party examination of OTP Bank Nyrt.'s Corporate Social Responsibility Report 2013 document (hereinafter "Report") presenting the non-financial performance and sustainable operation of OTP Bank Nyrt.

The responsibility of OTP Bank Nyrt's management

OTP Bank Nyrt. is responsible for the preparation of the Report in accordance with the B+ criteria of Global Reporting Initiative (GRI) G3.1. as described in the guideline to the Report.

This responsibility includes the selection and application of appropriate methods to prepare the Report and the use of assumptions and estimates which are reasonable in the given circumstances.

The scope of the examination, its criteria and its limitations

The aim of this limited assurance engagement is to express a conclusion whether the selected information and data of the Report prepared for the year ended 31 December 2013 are prepared by the Management of OTP Bank Nyrt. in line with the GRI criteria.

The limitations of our examination

The scope of our examination included solely the sustainable performance indicators stated in the Report.

During our examination we have not fully examined all the sustainable data and information stated in the Report. Our examination included solely the compliance of the data reporting procedure with GRI principles and the sample-based testing of the data sources.

Our examination of numerical data included in the Report was limited to the sustainability indicators PR9 (Extent of non-compliance with statutory regulations relating to products and services, sanctioned by major fines, in other words, the amount of the fines concerned), FS14 (Initiatives to improve the access of people with disabilities to the financial services), EN2 (Percentage ratio of recycled materials within the total amount of materials used), LA10 (Average annual number of hours spent on training per employee, in a breakdown by employee category and gender) and EC4 (Massive financial support from the state) together with the testing of the data sources. The examination of the other numerical data presented in the Report has not been performed.

We have not examined previous years' data and trends relating to performance indicators presented in the Report.

Our report has been prepared solely for the purpose described in the first section of this report.

Our responsibility

Our responsibility is to report on the selected data and information included in the Report of 2013.

We prepared our report solely for the purpose of disclosing it in the documents of OTP Bank Nyrt., and we do not accept any responsibility for any third party usage of the documents published as a result of this examination (for example the final examination report).

We conducted our engagement in accordance with the International Standard on Assurance Engagements 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" ("ISAE 3000").

This standard requires that we comply with the ethical requirements as well as plan and perform the assurance engagement to obtain limited assurance whether the selected information and data included in the Report of 2013 have been prepared, in all material respects, in accordance with the GRI criteria.

Summary of the work performed

The verification process, the examination and evaluation of the Report have been prepared according to the Financial Services Sector Supplement of GRI G3.1 guideline.

Procedures performed:

The verification of the reporting process:

- Examination of the organization's operational processes;
- Examination of regulations of the reporting process;
- Examination of the data gathering and maintaining practice;
- Examination of the reporting practice;
- Examination of documentation practices and regulations.

The verification of GRI application level:

- Examination of the completeness and appropriate application of indicators used in the Report.
- Examination of the definition level application of GRI indicators stated in the Report.
- The evaluation of the Report's compliance with GRI principles.

Examination of the appropriateness of five selected indicators on data level.

Preparation of the final examination report: professional evaluation and elaboration of recommendations. We have summarized the possible development areas connected to the reporting process in the final examination report prepared for the management of OTP Bank Nyrt. These statements do not have influence on our conclusions on the Report stated in this independent assurance report.

To confirm and to complete the statements above, we have accomplished the following interviews at the selected departments connected to the verification of the Report of 2013: Marketing and Communication Directorate – Public Relations and Internal Communications Department, Tax and Budget Relations General Department – Regulation and Accounting Department, Human Political and Development General Department – Training Organization Department. We have interviewed one domestic subsidiary and one foreign subsidiary. We have examined the internal communication connected to sustainability through interviews with a representative group of employees. The examination of the management's commitment was performed through interviews with the management.

In a limited assurance engagement the evidence-gathering procedures are more limited than for a reasonable assurance engagement, and therefore less assurance is obtained than in a reasonable assurance engagement.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

Based on our limited assurance engagement, nothing has come to our attention that would cause us to believe that the selected information and data of the Report have not been prepared, in all material respects, in accordance with GRI criteria, and the Report would not comply with the GRI B+ criteria.

Budapest, 17 September 2014



Nagyváradiné Szépfalvi Zsuzsanna

Partner

Deloitte Könyvvizsgáló és Tanácsadó Kft.

1068 Budapest Dózsa György út 84/C.