

Resolutions made at OTP Bank's AGM

OTP Bank Plc. announces that at its Annual General Meeting of 29 April 2011 the following resolutions were made:

1/2011

The Annual General Meeting accepts the Board of Directors' Business Report on 2010 business activities of the Company, as well as the proposal for the Bank's unconsolidated – in accordance with Hungarian Accounting Standards – and consolidated financial statements – in accordance with International Financial Reporting Standards (IFRS) – for the year 2010, together with the proposal for distribution of profit after tax, based on the reports of the Supervisory Board, the Audit Committee and the Auditor.

The AGM approves the Bank's unconsolidated 2010 balance sheet with HUF 6,213,397 million balance sheet total and with HUF 108,964 million after tax profit. The AGM will distribute the HUF 108,964 million after-tax profit as follows: HUF 10,896 million will be set aside for general reserves, and HUF 20,160 million will be paid out as dividend, and thus the retained earnings will amount to HUF 77,908 million.

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

The AGM approves the Bank's consolidated 2010 balance sheet with HUF 9,780,946 million balance sheet total and with HUF 118,126 million net income of which HUF 117,930 million is attributable to equity holders.

2/2011

The Annual General Meeting accepts OTP Bank Plc.'s 2010 Report on Corporate Governance.

3/2011

Based on the appraisal of senior office holders' (i.e. members of the Board of Directors) 2010 business activities, the Annual General Meeting hereby certifies that senior office holders of the Company conducted their activities and performed their tasks by keeping the Company's interests at the fore during the fiscal year.

4/2011

Based on Section 3 Para 66 Act CXII of 1996 (Act on Credit Institutions and Financial Enterprises) – concerning the audit of OTP Bank Plc.'s unconsolidated and consolidated 2011 financial statements – the AGM is electing Deloitte Auditing and Consulting Ltd. as the Bank's auditor from 1 May 2011 until 30 April 2012.

The Annual General Meeting approves the nomination of Zsuzsanna Nagyváradiné Szépfalvi (No. 005313 chartered auditor) as the person responsible for auditing. In case any circumstance should arise which ultimately precludes the activities of Zsuzsanna Nagyváradiné Szépfalvi as appointed auditor in this capacity, the Annual General Meeting proposes the appointment of Zoltán Nagy (No. 005027 chartered auditor) to be the individual in charge of auditing.

The General Meeting establishes the total amount of HUF 58,000,000 + VAT as the Auditor's remuneration for the audit of the 2011 annual accounts, prepared in accordance with Hungarian Accounting Standards as applicable to credit institutions, and for the audit of the consolidated annual accounts prepared pursuant Act on Accounting. Out of total remuneration HUF 46,000,000 + VAT shall be paid in consideration of the audit of the unconsolidated annual accounts, and HUF 12,000,000 + VAT shall be the fee payable for the audit of the consolidated annual accounts.

5/1/2011

Pursuant to the proposal of the Board of Directors the Annual General Meeting makes a decision on the amendment of the Company's Bylaws by passing a single resolution.

5/2/2011

The Annual General Meeting accepts the amendment of sections 8.18, 8.33.4, 9.13.b), 8.33.15, 11.1, 11.11, and 11/A. § as well as section 9.13.c) of the Company's Bylaws in keeping with the proposal and on the basis of the annex to the minutes of the General Meeting.

6/2011

The Annual General Meeting accepts the proposal for modification of the rules of procedure of the Supervisory Board pursuant to the proposal, in keeping with the annex of the General Meeting's minutes.

7/1/2011

The Annual General Meeting elects Dr. Sándor Csányi to the member of the Bank's Board of Directors until the closing AGM of the fiscal year 2015 but latest until 30 April 2016.

7/2/2011

The Annual General Meeting elects Dr. Antal Pongrácz to the member of the Bank's Board of Directors until the closing AGM of the fiscal year 2015 but latest until 30 April 2016.

7/3/2011

The Annual General Meeting elects Mr. Mihály Baumstark to the member of the Bank's Board of Directors until the closing AGM of the fiscal year 2015 but latest until 30 April 2016.

7/4/2011

The Annual General Meeting elects Dr. Tibor Bíró to the member of the Bank's Board of Directors until the closing AGM of the fiscal year 2015 but latest until 30 April 2016.

7/5/2011

The Annual General Meeting elects Mr. Péter Braun to the member of the Bank's Board of Directors until the closing AGM of the fiscal year 2015 but latest until 30 April 2016.

7/6/2011

The Annual General Meeting elects Mr. Zsolt Hernádi to the member of the Bank's Board of Directors until the closing AGM of the fiscal year 2015 but latest until 30 April 2016.

7/7/2011

The Annual General Meeting elects Dr. István Kocsis to the member of the Bank's Board of Directors until the closing AGM of the fiscal year 2015 but latest until 30 April 2016.

7/8/2011

The Annual General Meeting elects Dr. László Utassy to the member of the Bank's Board of Directors until the closing AGM of the fiscal year 2015 but latest until 30 April 2016.

7/9/2011

The Annual General Meeting elects Dr. József Vörös to the member of the Bank's Board of Directors until the closing AGM of the fiscal year 2015 but latest until 30 April 2016.

8/1/2011

The Annual General Meeting elects Mr. Tibor Tolnay to the member of the Bank's Supervisory Board until the closing AGM of the fiscal year 2013 but latest until 30 April 2014.

8/2/2011

The Annual General Meeting elects Dr. Gábor Horváth to the member of the Bank's Supervisory Board until the closing AGM of the fiscal year 2013 but latest until 30 April 2014.

8/3/2011

The Annual General Meeting elects Mr. Antal Kovács to the member of the Bank's Supervisory Board until the closing AGM of the fiscal year 2013 but latest until 30 April 2014.

8/4/2011

The Annual General Meeting elects Mr. Pierre Lefèvre to the member of the Bank's Supervisory Board until the closing AGM of the fiscal year 2013 but latest until 30 April 2014.

8/5/2011

The Annual General Meeting elects Mr. András Michnai to the member of the Bank's Supervisory Board until the closing AGM of the fiscal year 2013 but latest until 30 April 2014.

8/6/2011

The Annual General Meeting elects Dr. Márton Gellért Vági to the member of the Bank's Supervisory Board until the closing AGM of the fiscal year 2013 but latest until 30 April 2014.

9/2011

The Annual General Meeting approves the principles and framework of the Bank Group's remuneration policy as provided for in the annex to the minutes of the General Meeting and concurrently authorizes the Board of Directors of the Company to develop, in line with the proposal attached and approved, the detailed rules of the Bank Group's remuneration policy.

In compliance with the provisions set forth in the Act CXII of 1996 on Credit Institutions and Financial Enterprises concerning the remuneration policy, the Annual General Meeting approves the determination, in consideration of 2010 performance, and the settlement, of the performance-based remuneration of the persons affected in accordance with the principles and rules of the Bank Group's new remuneration policy approved by the present Annual General Meeting.

10/2011

The Annual General Meeting provides that starting from 1 May 2011, the members of the Board of Directors shall receive the following monthly honorarium:

Chairman of the Board of Directors	HUF 780,000 and 1,000 ordinary shares of OTP Bank Plc per month,
Deputy Chairman of the Board of Directors	HUF 755,000 and 900 ordinary shares of OTP Bank Plc per month,
Members of the Board of Directors	HUF 670,000 and 800 ordinary shares of OTP Bank Plc per month.

The share allowance is settled once a year, within 30 days after the Annual General Meeting that closes the given business year, and in respect of 50% of the shares the beneficiaries are subject to an extended holding obligation (prohibition on sale) up to the end of their mandates.

The Annual General Meeting provides that starting from 1 May 2011, the members of the Supervisory Board shall receive the following monthly honorarium:

Chairman of the Supervisory Board	HUF 1,500,000,
Deputy Chairman of the Supervisory Board	HUF 1,300,000,
Members of the Supervisory Board	HUF 1,000,000.

11/2011

The Annual General Meeting hereby authorizes the Board of Directors to acquire treasury shares (shares issued by OTP Bank Plc) in order to provide the necessary shares for the remuneration policy of OTP Bank Plc, to ensure the possibility of rapid intervention to restrain share-price fluctuations, to develop and maintain services provided to the Company's customers and to execute transactions aimed at optimizing the Company's equity situation.

The Board of Directors is entitled to acquire HUF 100 face value ordinary shares with the proviso that the volume of treasury shares under this authorization shall not exceed 56,000,000 shares at any time.

If the acquisition of shares is for consideration then the purchase price of the shares at each transaction shall not be lower than the face value of the shares and not be higher than 150%, of the highest price registered on the Budapest Stock Exchange on the day before the transaction with the proviso that if such transaction is executed on the Budapest Stock Exchange the purchase price shall not be higher than 120% of the closing price registered on the Budapest Stock Exchange on the day before the transaction. The Board of Directors is entitled to the acquisition of treasury shares until 31 October 2012.

Authorization granted to the board of Directors by Resolution No. 8/2010 of the Annual General Meeting is hereby repealed.

OTP Bank Plc.

OTP Bank Plc.

Postal address: P.O.B.: 501

Budapest H-1876 Hungary

Phone: +36 1 473 5460

Fax: +36 1 473 5951

E-mail: investor.relations@otpbank.hu

Internet: www.otpbank.hu

Address:

Nádor street 16. Budapest H-1051 Hungary

Metropolitan Court as Court of Registration:

01-10-041585

2/2011

Corporate Governance Report

Introduction

OTP Bank Plc treats the development and maintenance of an **advanced corporate governance system**, conforming to Hungarian and international standards, as a key priority. A reliable governance system, accurate financial planning, responsible management and the appropriate control mechanisms are what form the basis for efficient and profitable operation.

To this end, OTP Bank Plc is continuously reviewing and developing its corporate governance practices.

Our corporate governance practice is an important means of ensuring the **fulfilment of our strategic objectives**. Accordingly, within the effective statutory frameworks, we have developed a corporate governance system that simultaneously ensures the confidence and satisfaction of our customers, growth in shareholder value, and our socially responsible corporate conduct. There is no perfect, universally applicable corporate governance solution through which every goal can be achieved as efficiently as possible. For this reason we continuously monitor our governance practices, identifying any deficiencies arising as the result of external and internal changes, and effect those modifications that best serve the fulfilment of our objectives.

The resulting governance structure, optimised to suit our objectives, takes into account the special characteristics of our operations as well as the statutory, supervisory and stock-market requirements that apply to the Bank, while also endeavouring to comply with the related Budapest Stock Exchange (BSE) guidelines. The purpose of the BSE's corporate governance guidelines is for the governance and operating structures of stock exchange-listed companies to be **transparent, and comparable** based on a uniform set of criteria. This enables investors, taking into consideration the special characteristics of a given company's operations, the complexity of its activities, and the statutory requirements related to its risk management and financial reporting, to make a well-founded judgement regarding the extent to which the given corporate governance practice ensures reliable and profitable operation.

Like all organisations that provide financial and investment services, the operations of OTP Bank Plc are, to a high degree, regulated in statutory provisions. As a consequence, not only certain business activities, but our operations as a whole are regulated in detail and monitored by the authorities on a continuous basis. The individual internal control functions (risk management, compliance, and internal audit) have to conform to strict standards, and their effectiveness must be attested not only within the internal corporate governance system, but also to the satisfaction of the external supervisory authorities. All these factors guarantee purposeful, comprehensive and verified risk management procedures, as well as reliable and appropriately supervised data reporting. Therefore, our status as a financial and investment service provider requires us to implement complex and effective corporate governance practices that simultaneously ensure **responsible conduct towards clients and shareholders, reliable operation, and long-term profitability**.

1.) Statement on Corporate Governance Practice

OTP Bank Plc's operation fully complies with the provisions of the relevant statutory regulations, the decrees of the supervisory authorities and the regulations of the Budapest Stock Exchange (BSE). The structure and operating conditions of the Company are contained in the Bylaws, which are approved by the General Meeting.

1.1. Management bodies

Board of Directors

The Company's executive body is the Board of Directors. In its objectives and activities, particular emphasis is placed on increasing shareholder value, profitability and efficiency, and on managing risks and complying fully with external requirements – in other words on ensuring the most effective enforcement of business, ethical and internal control policies.

The scope of its authority is defined in the effective statutory provisions, the Company's Bylaws, General Meeting resolutions, and the procedural rules of the Board of Directors. The procedural rules set out the structure of the Board of Directors, the tasks relating to the preparation, implementation and drafting of resolutions of its meetings, as well as all other issues relating to the operation of the Board of Directors.

The members of the Board of Directors are elected by the General Meeting for a term of five years. All the obligations and prohibitions specified for executive officers under Act CXII of 1996 on Credit Institutions and Financial Enterprises (Credit Institutions Act) apply to the members of the Board of Directors.

In view of the Board of Directors' executive role in the governance of the Bank it is appropriate, and conducive to successful operation, that the members of the Board of Directors also have a personal interest in ensuring the Company's profitable operation. Therefore the members of the Board of Directors also participate in the share option scheme approved by the General Meeting. However, this prevents them from comprehensively fulfilling the statutory criteria for independence. Nonetheless, in view of the fact that the Board of Directors also has an important role in overseeing the work of management, it is consequential that **the Board of Directors, by principle, has a majority of non-executive members**. The makeup of the Board of Directors ensures that professional expertise, experience, and a degree of impartiality that exceeds the above-mentioned independence requirement, are brought to bear in equal measure in the decision-making processes.

The employer's rights towards the executive officers of the Company are exercised by the Board of Directors through the Chairman & CEO, with the proviso that the Board of Directors must be notified in advance for the appointment or withdrawal of appointment of deputy CEOs. The Chairman & CEO is empowered to decide in all matters that do not, pursuant to the Bylaws, fall within the scope of authority of the General Meeting or the Board of Directors.

Members of the Board of Directors of OTP Bank Plc:

Executive members:

Dr. Sándor Csányi **Chairman & CEO**

Dr. Sándor Csányi (58) graduated from the College of Finance and Accountancy in 1974 with a bachelor's degree in business administration and in 1980 from the Budapest University of Economic Sciences with a degree in economics. He is an economist with a specialisation in finance, and is also a qualified pricing specialist and certified auditor. After graduation he worked at the Revenue Directorate and then at the Secretariat of the Ministry of Finance, after which, between 1983 and 1986, he was a departmental head at the Ministry of

Agriculture and Food Industry. From 1986 to 1989 he worked as a head of department at Magyar Hitel Bank. He was deputy CEO of K&H Bank from 1989 to 1992. Since 1992 he has been Chairman & CEO of OTP Bank Plc, where he is responsible for the Bank's strategy and overall operation. He is a member of the European Board of Directors for MasterCard, one of the world's leading payment card companies, and is Vice Chairman of the Board of Directors of MOL Plc, Co-Chairman of the National Association of Entrepreneurs and Employers (VOSZ), and a member of the Board of Directors of the Hungarian Banking Association. As of 31 December 2010 he held 200,000 ordinary OTP shares (while the total number of OTP shares held by him directly and indirectly was 2,700,000).

Dr. Antal Pongrácz

**Deputy Chairman of the Board of Directors, Deputy CEO for Administrative Affairs
Staff Division**

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

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

Dr. László Utassy

**Chairman & CEO
Merkantil Bank Ltd.**

Dr. László Utassy (59) graduated from the Faculty of Law of ELTE University in Budapest in 1978.

He held various positions at the State Insurance Company between 1978 and 1995 and then at ÁB-Aegon Rt. He was Chairman & CEO at OTP Garancia Insurance from 1996 to 2008. He was managing director of OTP Bank Plc. between 2009 and 2010. Since 1 January 2011 he has been Chairman & CEO of Merkantil Bank Ltd. He has been a member of OTP Bank's Board of Directors since 2001.

As of 31 December 2010 he held 260,000 ordinary OTP shares.

Non-executive members:

Mihály Baumstark

**Chairman & CEO
Csányi Winery Ltd.**

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

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

Dr. Tibor Bíró

Head of Department

Budapest Business School

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

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

Péter Braun

Electrical Engineer

Former Deputy CEO, OTP Bank Plc.

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

As of 31 December 2010 he held 527,905 ordinary OTP shares.

Dr. István Kocsis

BKV Zrt. (Budapest Transport Corporation)

Dr. István Kocsis (59) graduated from the Technical University of Budapest as a mechanical engineer (1971-1976), and earned his PhD from the same institution in 1985. Career highlights: 1976-1978 Technical University of Budapest (BME), Faculty of Mechanical Engineering, Mechanical Components Department, Assistant Lecturer; 1978-1979 VEGYTERV, chief planner; 1979-1991 BME, Faculty of Mechanical Engineering, Department of Structural Mechanics, Assistant Professor, 1985-1991 Faculty of Mechanical Engineering, Kármán Tódor Campus, director; 1991 FÉG Machine Factory, chief engineer; 1991-1993 Ministry of Trade and Industry, Head of Department and later Undersecretary of State; 1993-1997 State Holding Company (ÁV Rt.), then State Privatisation and Holding Co. (ÁPV Rt.), Deputy CEO, then CEO; 1998-2000 RWE Energie, Head of Department (Germany); 2000-2001 ÉMÁSZ Rt., General Director; 2001-2002 RWE-EnBW Magyarország Kft., Director; 2002-2005 Paks Nuclear Power Plant, CEO; 2005-2008 Hungarian Power Companies Ltd. (MVM Zrt.), CEO; from 1 September 2008, CEO of Budapest Transport Corporation (BKV Zrt.). Social mandates: Deputy Chairman, Chairman of the Ányos Jedlik Society (2003-), chairman of the Scientific Society For Measurement, Automation and Informatics (2003-), member of the Social Senate of the University of Pecs (2004-); member of the endowment advisory board at Pro Progressio Foundation (2005-); member of the BME Economic Council; member of the national Presidium of the Hungarian Chamber of Commerce and Industry (2004-), chairman of the Supporter and Friends of BME (2006-); chairman of the endowment advisory board of the Duna-Mecsek Regional Development Foundation (2006-); member of the Hungarian Space Research Office; member of the Board of Directors of MKB Pension Fund; member of the Supervisory Board of Csányi Winery Ltd.; member of the Board of Directors of BKV Zrt.; member of the Board of Directors of Budapest Transport Centre.

Awards: Lőránd Eötvös award; Dénes Gábor award (2007), Kurcsatov order of merit, gold category (2007); honorary citizen of Paks (2007). Language skills: German, English

Non-executive member of OTP Bank's Board of Directors since 1997

As of 31 December 2010 he held 81,600 ordinary OTP shares.

Dr. György Szapáry

Dr. György Szapáry (72) graduated with a degree in economics from the Catholic University of Louvain (Belgium) in 1961 and gained a PhD from there, also in economics, in 1966. From 1965 to 1966 he worked at the European Commission in Brussels. From 1966 to 1990 he worked at the IMF in Washington, D.C. as an economist, senior economist and assistant director, and from 1990 to 1993 he was the Resident Representative of the IMF in Hungary.

From 1993 to 2007, with a short break when he was advisor to the Governor of the national bank, he served as Deputy Governor of the National Bank of Hungary, while also serving as a member of the Monetary Council.

From 2008 to 2010 he was visiting professor at the Central European University in Budapest. In June 2010 he was named Chief Economic Policy Advisor to the Prime Minister. In January 2011 he was appointed Ambassador of Hungary in Washington. He is the author of a book and of numerous articles published in various economic journals.

He has been a member of the Board of Directors of OTP Bank since 25 April 2008.

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

Dr. József Vörös

Professor, Institute Director

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

As of 31 December 2010 he held 117,200 ordinary OTP shares.

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

The Chairman & CEO must convene a meeting of the Board of Directors if

- a resolution has been passed by the Board of Directors to hold an extraordinary meeting of the Board;
- At least three Board members requests a meeting in writing by designating the reason and the purpose, and the items of the agenda, and by submitting a written proposal in respect of the decision to be made;
- The Supervisory Board or the auditor initiates such a meeting in writing;
- The Supervisory Board requires it;
- Under the law, a decision must be made about whether to convene an extraordinary General Meeting.

Minutes must be taken of the meetings of the Board of Directors, and its resolutions must be documented.

The table below provides a brief overview of the number of Board of Directors meetings held in 2010, and of the attendance at these meetings:

**Board of Directors meetings
2010**

Date	Present	Absent
01.02.	7	3
16.03	9	1
31.03	10	-
07.06*	9	-
20.09	7	2
08.11	8	1
17.12	9	-

Note:

In 2010 the Board of Directors met on a total of 7 occasions. In addition, resolutions were passed on 84 occasions by written vote.

**Starting from 29 May 2010 – after the departure of Dr. Sándor Pintér – the members of the Board of Directors changed from 10 to 9.*

The items on the agenda of the Board of Directors included, among other things, the tasks stipulated by law, such as making a decision on convening, and specifying the agenda of, the General Meeting, the acceptance of the documents submitted to the annual ordinary General Meeting, preparing a proposal concerning the annual report prepared in accordance with the Accounting Act and the use of the after-tax profit, preparation of the report on the management, on the Company's asset/liability position and on its business policy, measures taken to ensure the appropriate management of the Bank's trading books.

Additional, strategic tasks are, for example, the approval and annual review of the Bank's strategy, determination of its business plan, a review of the Bank's asset/liability position based on the quick reports, review of the Bank's liquidity situation, evaluation of changes in the qualified receivables portfolio, approval and review of the regulations that fall within the Board of Director's scope of authority (collateral evaluation, risk assumption, customer rating, etc.), regular review of compliance with the Credit Institutions Act and the Capital Markets Act, compliance, and customer complaints management. Furthermore, the Board of Directors is informed of any undertaking of obligations in excess of HUF 3 billion.

In addition, as part of its operative duties, the Board of Directors may make case-by-case decisions in respect of transactions that exceed the threshold value limit.

Supervisory Board

At the Bank, in line with the two-tier governance structure, the Supervisory Board performs the oversight of the Company's management and business activity. For this reason – and in accordance with the legal provisions – the principle of a majority of independent (non-executive) members is fully enforced in respect of the composition of the Supervisory Board.

Supervisory Board members are elected by the General Meeting for a term of three years. The ratio of *independent* (non-executive) Supervisory Board members (3 persons) to the total number of Supervisory Board members (5 persons) is 60%.

In order to avoid conflicts of interest, the General Meeting may not appoint the members of the Board of Directors and their close relatives to the Supervisory Board. The rules pertaining to the election and recall of the employee-representative member of the Board of Directors are determined by the Workers' Council operating at the Company, and this member is not considered to be independent by the Company.

The Supervisory Board establishes its own procedural rules, which are approved by the General Meeting.

The Company's internal audit organisation is governed by the Supervisory Board, in keeping with the provisions specified in the Credit Institutions Act. The Supervisory Board exercises the right of prior approval in respect of the establishment, termination and remuneration of the managers and employees of the internal audit organisation.

Members of OTP Bank Plc's Supervisory Board:

Tibor Tolnay

Chairman of the Supervisory Board

Chairman & CEO

Magyar Építő Zrt.

Tibor Tolnay (60) graduated from the Budapest University of Technology with a degree in civil engineering and then in economic engineering, and subsequently received a degree in economics from the Budapest University of Economics. In 1994 he was appointed Chairman & CEO of Magyar Építő Rt. He has been Chairman of OTP Bank's Supervisory Board since 1992. He has been a member of the Audit Committee since 27 April 2007.

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

Dr. Gábor Horváth

Lawyer

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

As of 31 December 2010 he held 10,000 ordinary OTP shares.

Jean-Francois Lemoux

CEO

Groupama International SA

Jean-Francois Lemoux (63), after graduating from the 'Hautes Etudes Commerciales' (HEC) college, began his career in 1971 at the Via Assurances Group, working first as Marketing Director, later as Management Controller, and finally as Director of Sales and Life Insurance. In 1988 he moved to the Athena Group, where he first worked as CEO of the group's life insurance subsidiary, and then from 1990 to 1998 held the post of CEO at PFA Vie, as well as becoming a member of the Group's governing committee.

In 1998, when Groupama acquired GAB, he was appointed to the Management Board of GAN SA, with the task of coordinating life and non-life insurance operations performed through agents and brokers.

In September 2000, in keeping with Groupama-Gan's new corporate structure, he also took control of the non-life insurance divisions and the sales networks.

Since his appointment in 2003 Mr. Lemoux has worked as CEO of Groupama International.

He has been a member of OTP Bank's Supervisory Board since 25 April 2008.

On 1 January 2011, he was appointed Senior International Advisor to Groupama's CEO.

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

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

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

As of 31 December 2010 he held 23,000 ordinary OTP shares.

András Michnai**Director****Independent Compliance Department****OTP Bank Plc**

András Michnai (56), who represents the employees of OTP Bank, graduated from the College of Finance and Accounting.

He has been an employee of the Bank since 1974, and until 1981 held a variety of posts in the branch network. From 1981 he held a management position in the central network coordination department and then in the network. From 1994, as deputy management director, he participated in the central coordination of the branch network. Since 2005 he has headed the Bank's independent Compliance Department. He further expanded his professional skills, earning a masters degree at the College of Finance and Accounting, and is a registered tax advisor. He has been a member of OTP Bank's Supervisory Board since 25 April 2008.

He has been a member of OTP Bank's Supervisory Board since 25 April 2008.

As of 31 December 2010 he held 15,600 ordinary OTP shares.

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

Minutes are taken of the meetings of the Supervisory Board and its resolutions are documented.

The table below provides a brief overview of the number of Supervisory Board meetings held in 2010, and of the attendance at these meetings:

**Supervisory Board Meetings
2010**

Date	Present	Absent
23.02	5	-
19.03	4	1
31.03	5	-
11.06	4	1
24.09	4	1
12.11	4	1
17.12	5	-

Note:

In 2010 the Supervisory Board met on a total of 7 occasions.

The main function of the Supervisory Board is to see to it that the Bank has a comprehensive and effectively operating system of oversight and control. The agendas of the meetings included, among other things, the review of documents to be submitted to the annual ordinary General Meeting, a report on the annual financial statements and on the proposal concerning the use of the after-tax profit, the review of the Bank's annual and interim financial reports, and the proposal to the General Meeting regarding the auditor to be elected as well as his/her remuneration.

The tasks concerning the management of the internal audit unit includes the acceptance of the audit plan at the bank-group level, and the discussion of the report at the bank-group level of the audits performed by the internal audit units and of the performance of the audit tasks at the bank-group level. Additional agenda items include compliance with the provisions of the Credit Institutions Act, the situation in terms of implementation at group level of the Unified Internal Audit System and the further development of the system, a review of the implementation of the resolutions that close the audits performed by the authorities, a review of the volume and composition of the qualified receivables portfolio, changes in impairment and the risk provisioning obligations, report on compliance activity, etc.

Audit Committee

The Audit Committee is a body that supports the work of OTP Bank Plc's Supervisory Board by formulating opinions, making evaluations and making recommendations. The scope of the Audit Committee's authority is determined by the effective statutory regulations, the Bank's Bylaws, the resolutions of the General Meeting and its rules of procedure. Its main duties are as follows:

- Commenting on the report prepared in accordance with the Accounting Act;
- Drawing up the contract to be concluded with the auditor, and maintaining contact with the auditor, including monitoring that all professional requirements and conflict of interest provisions in respect of the auditor are observed;
- If necessary, making recommendations for action to be taken by the Supervisory Board;
- Assisting the Supervisory Board in ensuring adequate control of the financial reporting system, including evaluating the operation of the financial reporting system, and recommending any measures that need to be taken.

In accordance with the regulations on financial institutions, certain functions and tasks of the Audit Committee are performed by the Supervisory Board or by the independent internal audit apparatus that is relegated to its scope of authority by the Credit Institutions Act.

The Audit Committee consists of three persons, with its members having been elected by the General Meeting from among the independent members of the Supervisory Board. The Audit Committee elects a chairman from among its members.

Members of OTP Bank Plc's Audit Committee:

Dr. Gábor Horváth – Chairman

Tibor Tolnay

Jean-Francois Lemoux

(For a summary of their CVs, see the section entitled Members of OTP Bank Plc's Supervisory Board)

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

The table below provides a brief overview of the number of Audit Committee meetings held in 2010, and of the attendance at these meetings:

**Audit Committee Meetings
2010**

Date	Present	Absent
31.03	3	-
11.06	2	1
24.09	3	-
17.12	3	-

Note:

In 2010 the Audit Committee met on a total of 4 occasions.

The agenda of the Audit Committee meetings included, among other things, the information reporting on the Bank's financial results approved by the auditor, the Bank's non-consolidated financial statements prepared in accordance with International Financial Reporting Standards, a report on the financial statements and on the proposal for the use of the after-tax profit, a proposal to elect the Company's auditor and approve the person responsible for the audit, and the determination of his/her remuneration.

The remuneration of the members of the Board of Directors and the Supervisory Board is determined by the General Meeting, the supreme body of the Company. The guidelines and framework of the long-term remuneration and incentives of executives and senior office-holders are also determined by the General Meeting. The Board of Directors prepared the guidelines for evaluating and providing incentives to the management. The regulations that contain the detailed rules and procedures within this framework are approved by the Bank's Board of Directors (Share Option Program, Profit Sharing Program) and by the Management Committee (incentive system). At the annual ordinary General Meeting the Board of Directors provides information about the annual and mid-term goals and their attainment, which provides the basis of the evaluation.

1.2. The operation of the committees

a) **Permanent committees** established by the Bank's Management in support of management functions:

Management Committee

The Management Committee is a permanent committee established by the Board of Directors. It is a forum that directly supports the work of the Chairman & CEO and is the supreme management body of the Bank. It has decision making power in the issues that are relegated into its scope of authority by the Organisational and Operational Regulations, it takes a preliminary position and prepares decisions in the majority of issues that are discussed by the General Meeting, the Board of Directors and the Supervisory Board, and plays a coordinating role in the senior management of the Bank.

Subsidiary Integration and Direction Committee

Following acquisitions implemented by the Bank, this committee directs and coordinates the approval of action plans related to issues of the various individual companies and their relation to the group, and this is the committee to which the subsidiaries report. It is responsible for disseminating best practises across the Group, and for managing conflicts that arise between the subsidiaries and the headquarters. It requires and approves reports

regarding the annual action plans of the subsidiaries. It makes individual decisions in respect of issues that are currently being discussed in relation to the subsidiaries.

The Management Committee and the Subsidiary Integration and Direction Committee perform their work in accordance with a semi-annual work plan accepted by them and meet once a month (or as many times as necessary). Their work is regulated by their rules of procedure.

Management Coordination Committee

The primary function of the committee, which was established in July 2010, is to act as an operative decision-making forum to ensure that the Bank can respond flexibly and effectively to market and regulatory factors and that the Bank as a whole can act in a coordinated fashion. The committee does not diminish the competence of the Bank's related standing committees (TÉÁB, ALCO, HLB, LIIB) and acts as an operative forum of coordination between the special areas in order to resolve complex questions. Similarly to the Management Committee, it fulfils a coordination and decision-making function in the Bank as a whole, but its role – unlike the strategic role of the MC – is operative in nature. Owing to the operative nature of the committee, it holds its meetings on an ad hoc basis, without a preliminary work plan, generally on a monthly basis.

Remuneration Committee

The Remuneration Committee is a permanent committee created by the Board of Directors, which assists in elaboration of the principles for the remuneration of the CEO and deputy CEOs (hereinafter: management) and the Board of Directors and the Supervisory Board (hereinafter: senior office-holders), makes recommendations regarding the remuneration system, and monitors it.

The Remuneration Committee exercises its authority as an executive body.

The following additional permanent committees operate within the Company for the performance of specific tasks:

Asset-liability Committee, Credit-Limit Committee; Product Development, Sales and Pricing Committee; Work Out Committee; Information Technology Control Committee; Investment Committee, Group Operational Risk Management Committee.

Permanent committees are established by the Bank's Board of Directors for specific tasks, and the scope and rules of their operation are contained in their respective rules of procedure approved by the MC. In respect of resolutions, permanent committees, with the exception of the Credit-Limit, Group-Level Operational Risk Management Committee and the Work-Out Committee, operate on the principal that grants decision-making power to the chairman.

b) **A special committee** of the Bank is the **Ethics Committee**, which is elected by the Board of Directors and operates under the management of one of the external members of the Board of Directors.

A Nomination Committee has not been established at the Bank.

1.3. Members of OTP Bank Plc's senior management:

Dr. Sándor Csányi
Chairman & CEO

Dr. Antal Pongrácz
Deputy Chairman of the Board of Directors,
Deputy CEO for Administrative Affairs
Staff Division

Antal Kovács
Member of the Supervisory Board
Deputy CEO
Retail Division
(For their CVs, see the section entitled 'Management bodies')

László Bencsik
CFO, Deputy CEO
Strategy and Finance Division

Mr. László Bencsik (41) has been deputy CEO of OTP Bank Plc, and head of the Strategy and Finance Division, since August 2009.

He joined OTP Bank in September 2003, when he became executive director of the Bank Operations Management Directorate, and the manager with overall responsibility for controlling and planning.

From 2000, until he joined OTP Bank, he was a project manager at consulting firm McKinsey & Company.

Between 1996 and 2000 he worked as a consultant at Andersen Consulting (now Accenture).

In 1996 he graduated from the Faculty of Business Administration at the Budapest University of Economic Sciences, and in 1999 he obtained a Masters in Business Administration (MBA) from INSEAD Business School in France.

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

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

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

Ákos Takáts
Deputy CEO
IT and Bank Operations Division

Ákos Takáts (51) graduated from the University of Horticulture and Food Industry in 1982 and earned a degree in engineering in 1985. He has worked in the banking sector since 1987. From 1993 he served as a deputy head of department at OTP Bank Plc., then, from

1995, he was managing director of the Bank's IT Development Directorate. Since 1 October 2006 he has served as OTP Bank's Deputy CEO and the head of the IT and Logistics Division.

As of 31 December 2010 he held 153,347 ordinary OTP shares.

László Wolf

Deputy CEO

Commercial Banking Division

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

Dániel Gyuris

Deputy CEO

Real Estate, Small Enterprises and Agriculture Division

Chairman & CEO

OTP Mortgage Bank Ltd. and OTP Building Society Ltd.

Mr. Dániel Gyuris (52) obtained a post-graduate degree in agricultural engineering from Gödöllő University of Agricultural Sciences in 1998. Two years earlier he graduated in economics from the Budapest University of Economic Sciences, where he majored in bank management. In the same year he obtained a post-graduate diploma from the College of Finance and Accountancy. He is a certified accountant and property valuation specialist. He began his career as an agricultural engineer at an industrial cooperative, where as deputy production manager he was responsible for the overall management of the production processes.

In 1989 he was appointed a head of department at Agrobank Ltd., and then from 1991 he held a similar position at Inter-Europe Bank Ltd. From 1999 he was CEO of FHB Land Credit and Mortgage Bank Plc., and was the executive director responsible for the operation of the bank group. Since 1 November 2010 he has been deputy CEO of OTP Bank Plc., and is also the head of the Real Estate, Small Enterprises and Agriculture Division, as well as Chairman & CEO of OTP Mortgage Bank Ltd. and OTP Building Society Ltd.

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

1.4 Internal control system

The appropriate functioning of the internal control system is provided for, at bank-group level, in accordance with the relevant statutory regulations and in keeping with the relevant Recommendations.

The internal control system, alongside responsible corporate governance, is a cornerstone of the internal lines of defence that promote prudent, reliable and effective operation in accordance with the statutory regulations and internal regulations, protects the economic interests and social objectives of the customers and the owners and ensures continued trust in the Company.

The internal control functions are independent of each other and of the areas they supervise and audit. A significant aspect of their operation is management support; however, internal control functions are also expected to provide support to the senior management in making sound decisions.

Internal audit

The main function of internal audit is the protection of customers, the Company's assets and shareholders' interests.

In order to ensure effective auditing, the structure of the Company's internal audit system is segmented both vertically and horizontally. The system is built on three related levels of control, and at the same time is also segmented by area. The elements of the internal audit system comprise of in-process, management and independent internal audit.

The independent internal audit organisation supports safe and prudent business management, and effective operation, and it seeks to minimise risks and – in conjunction with the Compliance function – ensure compliance with the statutory regulations. Its key characteristic is that it is an independent, professional and objective organisation that inspects all control levels. The professional oversight of the organisation is conducted by the Supervisory Board, within the framework set by the Credit Institutions Act.

The independent internal audit organisation has an annual audit plan which is approved by the Supervisory Board. The annual plan is prepared using a risk-based methodology and, in addition to focusing on the areas that entail regulatory, business, operational and lending risk, it also takes into account changes in the prevailing economic situation.

The internal audit system includes shareholder audits conducted at the foreign and domestic group members as well as the professional oversight of the internal audit organisations of the subsidiaries. Uniform internal audit methods are created, continuously developed and implemented in respect of the operation and activities of the bank group members' internal audit units.

The internal audit organisation prepares objective and independent reports for the management bodies at quarterly and annual intervals. In its quarterly reports it gives a group-level, summary account of the audits conducted in the given quarter, the identified risks and the success of any action taken to eliminate them. The audit organisation reports annually on the performance of the tasks stipulated in the annual audit schedule, the audits conducted and other activities, as well as on any changes to the internal audit system.

The organisation annually prepares, for the Supervisory Board, objective and independent reports in respect of the operation of risk management, internal control mechanisms and corporate governance functions.

In extraordinary cases that require immediate attention, the audit unit is entitled to perform an extraordinary audit.

The General Meeting is entitled to elect the auditor and approve the designation of the member who also bears responsibility for the audit.

Risk management

The basis for effective group-level risk management is the introduction of a standardised, "OTP-compatible" organisational structure as well as regulations and procedures at the subsidiaries concerned. The Company has detailed risk management rules for each of the various types of risk (liquidity, market, country, counterparty, credit risk, operational risk, and compliance risk), and these rules are in harmony with the statutory regulations pertaining to prudential banking operations. The annual report describes the risk management practices, the limits, and compliance with these limits.

Within the Company, the Credit Approval and Risk Management Division and the Strategy and Finance Division exercise functional control over the guidelines, methodology and

infrastructure of the Bank Group's risk management strategy, the purpose of which is to create a clearly defined, transparent, standardised credit, country, counterparty, market and operational risk management system at group level which complies with the Basel requirements, the expectations of the supervisory authority and local conditions. The Bank Group's Risk Management Strategy, the Group Lending Policy Principles and the Bank Group's Risk Assumption Regulations are approved by the Bank's Board of Directors. The Bank has established an Operational Risk Management Committee at group level.

The Bank's risk management system encompasses the identification of the risks, assessment of their impact, elaboration of the necessary action plans, and the monitoring of their effectiveness and results. The management make their business decisions in a knowledge of all the key risks. All significant risks related to internal and external operations, or to compliance with financial and legal requirements, as well as numerous other risks, are evaluated and managed using a clearly-defined and transparent internal mechanism.

Compliance

In accordance with EU regulations and with the Hungarian statutory provisions, the Company has established an independent organisational unit to explore and manage compliance risks (the Independent Compliance Department). The appropriate regulatory documents, such as the compliance policy, strategy and work plan, have been drafted. The purpose of the compliance policy is to establish the framework of compliance activities in respect of the entire OTP Bank Group, to determine the definition, purpose of compliance and the tasks and scope of the compliance function. Another important document of the compliance policy is the OTP Bank Group's compliance strategy. The compliance policy is approved by the Board of Directors of OTP Bank Plc. The Independent Compliance Department prepares a comprehensive report each year about the Bank Group's compliance activities and position, which is approved by the Bank's Board of Directors. The OTP Bank Group's senior management is responsible for the implementation in practice of the compliance policy.

Auditor

Our Company is audited by Deloitte Auditing and Advisory Kft. (Cg. 01-09-071057). Last year the auditor did not perform any activity that was not related to its auditing tasks.

The Board of Directors must inform the Company's General Meeting and Supervisory Board if the auditor is given any other material mandates. In addition, if warranted, the Company's Board of Directors, Supervisory Board and other boards may use the services of an external consultant as well.

1.5. Disclosure of information

Providing regular, authentic information is essential if the shareholders and the other participants in the capital market are to make sound decisions, and the way in which the Company discloses information also has an impact on its reputation.

The Company discloses information in strict compliance with the provisions of Act CXX of 2001 on the Capital Market (Capital Market Act) and the relevant Regulations of the BSE. In addition, the Company has effective internal regulations that ensure compliance with the obligation to disclose information.

The aforementioned regulations ensure that all material information pertaining to the Company and having a bearing on the price of the Company's shares is published accurately, in full, and in good time.

The Board of Directors describes its business, strategic goals and mid-term strategic plans of the given year at every ordinary General Meeting. The proposal to the General Meeting is published by the Company on the website of the Budapest Stock Exchange in accordance with its rules of disclosure and the provisions of the relevant regulations of the BSE.

The Company, in accordance with the statutory regulations, publishes on the Company's website and in its Annual Report the professional careers of the members of the Board of Directors, the Supervisory Board and the management.

The proposal pertaining to the remuneration of the chairman and members of the Board of Directors and the chairman and members of the Supervisory Board constitute a part of the proposals of the General Meeting.

The Company has detailed risk management regulations that include every type of risk (liquidity, market and credit risk) which are consistent with the statutory regulations pertaining to prudential banking operation. The Annual Report provides information about the Company's risk management practices, the relevant limits and compliance with the limits.

The Company has detailed internal regulations pertaining to insiders and potential insiders that fully comply with the restrictions and prohibitions regulated in detail by the Capital Market Act. In addition, the guidelines pertaining to securities trading by insiders are also available on the website. All transactions involving the Company's shares performed by the members of the Board of Directors and the Supervisory Board are published by the Company in accordance with the rules on disclosure, and the shareholdings in the Company of the officers of the Company (number of shares) are published in the Company's Annual Report.

The Board of Directors has assessed the effectiveness of information disclosure processes in 2010, and found them to be satisfactory.

1.6. Overview of the exercising of shareholders' rights

Participation in the General Meeting and voting rights

Shareholders may exercise their right of participation and their voting rights at the General Meeting, in person or by proxy.

The letters of proxy must be set forth in a notarised deed or a private document of full probative force. In the event that a shareholder is represented at the General Meeting by its legal representative (e.g. director, managing director, mayor etc.), the deed issued by the court or court of registration concerning the right of representation, or a certificate testifying to the election of the mayor, must be presented at the venue of the General Meeting.

The letters of proxy must be handed over during the period and at the location specified in the invitation to the General Meeting. If the letter of proxy was issued outside Hungary, it must satisfy, in terms of its form, the statutory provisions pertaining to the authentication or

counter-authentication of documents issued outside Hungary. Information on the subject can be obtained from the Hungarian representation offices abroad.

A condition of participation and voting in the General Meeting is that

- the shareholding as at the time of the shareholder matching procedure is corroborated by the result of the shareholder matching procedure;
- the holder of the registered shares has been effectively entered into the Company's Share Register;
- the voting right associated with ownership of the shares does not violate the provisions of the Company's Bylaws, which the Company ascertains through a check following receipt of the result of a holder matching procedure from KELER Zrt;

The rules on participation in the General Meeting and the exercising of voting rights on the part of GDR holders are contained in the Custody Agreement concluded between the Bank of New York and OTP Bank Plc.

Further details are contained in the Company's Bylaws on our website.

1.7. Brief description of the rules related to the conducting of the General Meeting

The Company requests a shareholder-matching procedure for the date of the General Meeting, as a corporate event, from the Central Clearing House and Depository (Budapest) Ltd. (KELER Zrt.). The shareholder-matching procedure may take place only in the period between the 10th and 5th working day at the stock exchange prior to the General Meeting. The rules pertaining to the shareholder-matching procedure are contained in the effective regulations of KELER.

The Company deletes all data from the Share Register that are effective at the time of the holder matching procedure, and at the same time the data resulting from the holder matching procedure are entered into the Share Register and the Share Register is closed after the data of the holder matching procedure are entered, at 12 o'clock noon Budapest time on the second working day prior to the day of the General Meeting. Afterwards entries regarding the shareholding of any shareholder may be made at the earliest on the working day after the General Meeting is closed.

The General Meeting must be announced in the manner specified in respect of announcements made by the Company, at least 30 days before the projected date of the General Meeting, unless otherwise stipulated in the Companies Act.

The invitation must contain the following

- a) the Company's official name and registered seat;
- b) the date and place of the General Meeting;
- c) the manner in which the General Meeting is to be held;
- d) the agenda of the General Meeting;
- e) the provisions contained in section 8.5 of the Bylaws, with the reminder that shareholders may participate in and vote at the General Meeting only in compliance therewith;
- f) information about the place and date of the handing over of the letters of proxy;
- g) in the event that there is no quorum, the place and date of the reconvened General Meeting.

Questions not listed on the agenda may be discussed by the General Meeting only if all shareholders are present and they give their unequivocal consent thereto.

The General Meeting is regarded as having a quorum if the votes of the attending shareholders represent more than half of the total votes embodied by shares entitling the holder to vote.

If a duly convened General Meeting still does not have a quorum an hour after the time specified in the invitation, the General Meeting that is reconvened at this time – that is, an hour after the original time – shall have a quorum in respect of the agenda items set forth in the invitation regardless of the number of people attending.

If a General Meeting that has a quorum cannot pass a resolution in respect of all the items on the agenda, it may decide to suspend the meeting and to convene a follow-up General Meeting, while indicating the new time and place. The General Meeting may only be suspended once, and the follow-up General Meeting must be held within 30 days of the suspension.

In respect of the quorum of a suspended and then reconvened General Meeting (follow-up General Meeting), the general rules apply. The follow-up General Meeting may pass decisions only in respect of the announced agenda items of the original General Meeting in respect of which the original General Meeting did not make a decision.

The General Meeting is chaired by the Chairman of the Board of Directors or another person designated by the Board of Directors who

- opens the General Meeting;
- appoints the person responsible for taking minutes;
- determines whether the General Meeting has a quorum;
- gives and revokes the right to speak;
- formulates resolution proposals and puts them to the vote;
- announces the result of the vote on the basis of the results indicated by the vote counters;
- announces the intermission; and
- closes the General Meeting.

Prior to the opening of the General Meeting, shareholders who have voting devices may notify the Chairman of the General Meeting in writing if they would like to speak in relation to any of the agenda items. The comments made by the shareholders may not be on a topic that is different from the designated agenda item. The Chairman of the General Meeting must grant the right to speak to persons who have indicated their desire to speak in accordance with the above.

The Chairman of the General Meeting may determine the order in which the comments on the given agenda item will be heard, may grant any person the right to speak or may retract such right, with the proviso that the right to speak may be retracted from a shareholder who has indicated his/her wish to speak in writing only if the shareholder's comments depart from the given agenda item despite a warning in this regard. The Chairman of the General Meeting may prohibit the recording in the minutes of comments that are made after the right to speak is retracted, and may terminate the availability of the technical conditions (microphone) for making such comments.

The Chairman of the General Meeting may decide to hold the General Meeting in private, and, with the exception of the members of the Board of Directors, the executives specified in the Credit Institution Act, the members of the Supervisory Board, the auditor, shareholders with blocks of votes and the representatives of such shareholders as well as the representatives of the State Financial Supervisory Authority and the Budapest Stock Exchange, he may exclude anyone from attending the General Meeting.

The General Meeting passes its resolutions, unless the Company's Bylaws stipulate otherwise, through a simple majority of the votes of the attending shareholders.

Decisions at the General Meeting are made by open vote.

In its first resolution, the General Meeting selects, from the list proposed by the Chairman of the General Meeting, the attending shareholders who will act as the authenticator of the minutes and the vote counters. In the case of an unsuccessful vote the Chairman of the Meeting must submit a new proposal.

Minutes must be taken of the General Meeting, which must include the following:

- the Company's official name and registered seat;
- the date and place of the General Meeting and the manner in which it is held;
- data necessary for determining whether the General Meeting has a quorum and changes in the number of persons attending;
- the name of the Chairman of the General Meeting, the person taking the minutes, the authenticator of the minutes and the name of the vote counters;
- the most important events at the General Meeting and the proposals made;
- the resolution proposals, the number of votes for and against the proposals and the number of those who abstained;
- objections to a resolution by any shareholder and any member of the Board of Directors or the Supervisory Board if the person objecting requests it himself.

The minutes are signed by the Chairman of the General Meeting and the person taking the minutes and are authenticated by an attending shareholder who has been selected for this purpose.

The Board of Directors must send the Company Court an authenticated copy of the minutes of the General Meeting within 30 days after the General Meeting is adjourned, together with the attendance register and the documents that certify that the General Meeting was properly convened.

For further details, please consult the Company's Bylaws, which you can download from our website.

1.8. Declaration on Remuneration

The Bank's General Meeting, in its resolution no. 8/2009, approved the Remuneration Guidelines, which the Company has also published on its website.

In 2010 the Bank, in accordance with Article 312/A of the Companies Act, published on its website, at the time of convening the 2010 annual ordinary general meeting, the information pertaining to the cash and non-cash remuneration of the members of the Board of Directors, the Supervisory Board and the Audit Committee that they received in this capacity in 2009, specified individually together with the legal grounds of the remuneration.

In addition, some of the data contained in the recommendation is also currently available on the Bank's website.

The remuneration of the members of OTP Bank Plc's Board of Directors and Supervisory Board is determined by the General Meeting in accordance with the Companies Act and the provisions of the Bank's Bylaws, and the relevant resolution has been published on the Company's website. Similarly, the Bank has published the conditions of the share purchase program, which constitutes an important factor in the remuneration of the Bank's executives and which was approved by the Bank's General Meeting for the years 2006-2010 in its resolution no. 8/2006 and was amended in its resolutions no. 7/2007 and 11/2008.

The components of the remuneration of the Chairman & CEO as well as the division heads are the following:

- Salary components consisting of the basic wage within a specific category and a bonus. The base salary of the Chairman & CEO, the targets that serve as the basis for establishing the performance-based component of his remuneration, and the evaluation of the performance of these targets, as well as the extent of the bonus payable, are determined by the Bank's Board of Directors. In the case of the deputy CEOs (heads of divisions), it is the Chairman & CEO who has the competence to decide in such matters.
- Share Option Program
- The Profit Sharing Program, which was first able to be applied with respect to the financial results of 2007, provides a reward in the event that profit targets are exceeded, in proportion to the contribution made to the results. The framework terms and conditions of the program were approved in resolution no. 8/2007 of the General Meeting, and its detailed rules were approved by the Bank's Board of Directors.

The remuneration of the members of the Supervisory Board and the Board of Directors, which is determined in a resolution of the General Meeting, is public information as described above. The detailed and specific data pertaining to the remuneration of the management was not published by the Company in 2010, in accordance with section 3 (4) of Act XXII of 1992 on the Labour Code.

2.) CG Report on compliance with the Corporate Governance Recommendations

As part of the Corporate Governance Report, the Company states, by completing the following tables, the extent to which it has implemented the recommendations and proposals specified in the specific sections of the Corporate Governance Recommendations ("CGR") of the Budapest Stock Exchange in its own corporate governance.

By looking at the tables, market participants are able to gain a quick insight into the extent to which the corporate governance practices of particular companies comply with certain requirements specified in the CGR, and to quickly compare the practices of various companies.

Level of compliance with the Recommendations

The company specifies whether it has applied the relevant recommendation or not, and if not, it describes briefly the reasons why a particular recommendation has not been implemented.

1.1.1 The Board of Directors has ensured that shareholders have access, in a timely manner, to the information required for exercising their rights.

Yes

1.1.2 The Company follows the "one share – one vote" principle

No

Each of the Company's ordinary shares ensures one voting right. In keeping with the stipulations of the Company's Bylaws, voting rights depend specifically on the size of the shareholding.

1.2.8 The Company ensures that owners may participate in the General Meeting if they meet the same conditions.

Yes

1.2.9 Only those issues may be put on the General Meeting's agenda that are accurately defined and described.

Yes

The resolution proposals comprised the recommendation of the Supervisory Board and included a detailed explanation of the effects that the decision would have if taken.

Yes

1.2.10 Shareholders' comments and addenda to the agenda items were published no later than two days before the General Meeting.

Yes

1.3.8 Comments made in respect of the agenda items of the General Meeting were available to the shareholders no later than at the time of registration.

Yes

Written comments in respect of the agenda items were published two working days before the General Meeting.

Yes

1.3.10 The election and recall of senior office-holders is made in a separate resolution in respect of each person.

Yes

2.1.1 The tasks of the Board of Directors include those specified in point 2.1.1.

Yes

2.3.1 The Board of Directors held meetings at pre-specified, regular intervals.

Yes

The Supervisory Board held meetings at pre-specified, regular intervals.

Yes

The rules of procedure of the Board of Directors contain provisions about conducting meetings that cannot be planned in advance and about making decisions through electronic media.

Yes

The rules of procedure of the Supervisory Board contain provisions about conducting meetings that cannot be planned in advance and about making decisions through electronic media.

Yes

2.5.1 The Company's board of directors has a sufficient number of independent members to ensure impartiality.

No

At the Bank, in line with the two-tier governance structure, the Supervisory Board has a controlling function, while the Board of Directors fulfils an executive function. For this reason – and in accordance with the legal provisions – the principle of a majority of independent (non-executive) members must be fully enforced in respect of the composition of the Supervisory Board.

In harmony with the executive role of the Board of Directors, and to provide incentives for ensuring successful operation, the members of the Board of Directors have a personal stake in the successful operation of the Company. Consequently, the members of the Board of Directors participate in the share option program accepted by the General Meeting. For this reason, however, they cannot fully meet the criteria of independence stipulated by law. But since the Board of Directors also has an important role to play in supervising the management, it is essential that the principle of maintaining a majority of independent members in the Board of Directors be observed. The personal composition of the Board of Directors ensures the presence, in equal measure, of expertise, experience and independence, which goes beyond what is stated above, in its decision-making processes.

2.5.4 The Board of Directors regularly (in relation to the annual CG report) asked its members who are considered to be independent to confirm that they are independent.

No

In respect of the two-tier governance structure, in keeping with the provisions of the Companies Act, the criteria of independence pertain to the members of the Supervisory Board and not to the Board of Directors. Consequently, the company fully complies with the statutory regulations in respect of the Supervisory Board; however, in the case of the Board of Directors, the company does not consider it necessary to determine the remuneration of the members of the Board of Directors independently of the results of the company, and based on their personal interest, the members do not satisfy this provision.

At the same time, since the Board of Directors has an important role to play in supervising the management, it is essential that the principle of maintaining a majority of independent members in the Board of Directors be observed.

2.5.5 The Supervisory Board regularly (in relation to the annual CG report) asked its members who are considered to be independent to confirm that they are independent.

Yes

2.5.7 The Company published on its website its guidelines concerning the independence of the Board of Directors and the Supervisory Board and the applied criteria of independence.

Yes

2.6.1 Members of the Board of Directors notified the Board of Directors (supervisory board / Audit Committee) if he/she (or a person who is closely related to him/her) had a material personal stake in any transaction of the Company (or any of its subsidiaries).

Yes

2.6.2 Transactions concluded between board and management members (and persons related to them) and the Company (or its subsidiary) were conducted in accordance with the regular business practices of the Company but on the basis of stricter rules of transparency than is customary in the course of regular business practices.

Yes

Transactions, specified in 2.6.2, which depart from regular business practices and the conditions thereof were accepted by the Supervisory Board (Audit Committee).

No

The Company prepared procedural rules for approving transactions that depart from usual business practices, and this ensures adequate control.

2.6.3 The board member informed the Supervisory Board / Audit Committee (Nomination Committee) if he/she was asked to act as a member on the board or in the management of a company that does not belong to the Group.

Yes

2.6.4 The Board of Directors created guidelines pertaining to the flow of information within the Company as well as the management of insider information and supervises compliance therewith.

Yes

The Board of Directors created guidelines pertaining to insider trading of securities and supervises compliance therewith.

Yes

2.7.1 The Board of Directors created remuneration guidelines for the remuneration and evaluation of the work of the Board of Directors, the Supervisory Board and the management.

Yes

The Supervisory Board commented on the remuneration guidelines.

Yes

The General Meeting approved the remuneration guidelines and the amendments thereto pertaining to the Board of Directors and the Supervisory Board in a separate agenda item.

Yes

2.7.2. The Board of Directors must evaluate its own performance in a given business year.

The Board of Directors evaluated its own performance in a given business year.

No

The annual report of the Company contains the overall evaluation of the activity, which includes a description of the work of the management bodies, and therefore the personal appraisal of the members is performed in the course of the work of the bodies.

2.7.3 The supervision of the performance of the management and the remuneration of the management falls within the competence of the Board of Directors.

Yes

The framework of and changes in benefits that are due to the members of the management and are different from what is customary are approved by the General Meeting in a separate agenda item.

Yes

2.7.4 The General Meeting approved the principles of share-based remuneration schemes.

Yes

Prior to the decision by the General Meeting concerning share-based remuneration schemes the shareholders received detailed information (at least as described in point 2.7.4)

Yes

2.7.7 The Company has prepared a Declaration on Remuneration and presented it to the General Meeting.

No

The Bank's General Meeting, in its resolution no. 8/2009, approved the Remuneration Guidelines, which the Company has also published on its website.

In 2010 the Bank, in accordance with Article 312/A of the Companies Act, published on its website, at the time of convening the 2010 annual ordinary general meeting, the information pertaining to the cash and non-cash remuneration of the members of the Board of Directors, the Supervisory Board and the Audit Committee that they received in this capacity in 2009, specified individually together with the legal grounds of the remuneration.

In addition, some of the data contained in the recommendation is also currently available on the Bank's website.

The remuneration of the members of OTP Bank Plc's Board of Directors and Supervisory Board is determined by the General Meeting in accordance with the Companies Act and the provisions of the Bank's Bylaws, and the relevant resolution has been published on the Company's website. Similarly, the Bank has published the conditions of the share purchase program, which constitutes an important factor in the remuneration of the Bank's executives and which was approved by the Bank's General Meeting for the years 2006-2010 in its resolution no. 8/2006 and was amended in its resolutions no. 7/2007 and 11/2008.

The components of the remuneration and incentives system for the Chairman & CEO and the heads of division are as follows:

- Salary components consisting of the basic wage within a specific category and a bonus. The base salary of the Chairman & CEO, the targets that serve as the basis for establishing the performance-based component of his remuneration, and the evaluation of the performance of these targets, as well as the extent of the bonus payable, are determined by the Bank's Board of Directors. In the case of the deputy CEOs (heads of divisions), the Chairman & CEO has the competence to decide in such matters.
- Share option program
- The Profit Sharing Program, which was first able to be applied with respect to the financial results of 2007, provides a reward in the event that profit targets are exceeded, in proportion to the contribution made to the results. The framework terms and conditions of the program were approved in resolution no. 8/2007 of the General Meeting, and its detailed rules were approved by the Bank's Board of Directors.

The remuneration of the members of the Supervisory Board and the Board of Directors, which is determined in a resolution of the General Meeting, is public information as described above. The detailed and specific data pertaining to the remuneration of the management was not published by the Company in 2010, in accordance with section 3 (4) of Act XXII of 1992 on the Labour Code.

The Declaration on Remuneration contains the remuneration of certain members of the Board of Directors, the Supervisory Board, and the management.

No

See the previous point.

2.8.1 The Board of Directors or the committee operated by it is responsible for the supervision and direction of the Company's entire risk management operations.

Yes

The Board of Directors verifies the efficiency of risk management procedures at specific intervals.

Yes

The Board of Directors took the necessary steps to identify key risk areas.

Yes

2.8.3 The Board of Directors formulated the principles pertaining to the internal control system.

Yes

The internal control system, which has been established by the management, ensures that the risks to which the Company is exposed are managed and that the Company's objectives are attained.

Yes

2.8.4 When formulating the internal control system, the Board of Directors took into account the criteria specified in point 2.8.4.

Yes

2.8.5 The management is responsible for establishing and maintaining the internal control system.

Yes

2.8.6 The Company created an independent internal audit function which reports to the Audit Committee.

Yes

The internal audit group must report, at least once, to the Audit Committee about the operation of risk management, the internal control mechanisms, and the corporate governance functions.

Yes

2.8.7 The internal audit activity is performed by the internal audit organisation on the basis of a mandate given by the Audit Committee.

No

In accordance with the Credit Institutions Act, the internal audit organisation is governed by the Supervisory Board, and the members of the Audit Committee participate in the execution of this task in their capacity as members of the Supervisory Board. Due to effective statutory regulations, the audit organisation cannot perform its internal audit activities based on the mandate of the Audit Committee.

Internal audit is organisationally separate from operative management.

Yes

2.8.8 The internal audit plan was approved by the Board of Directors (Supervisory Board) upon the recommendation of the Audit Committee.

Yes

2.8.9 The Board of Directors prepared a report for shareholders on the operation of internal controls.

Yes

The Board of Directors formulated its rules of procedure in respect of receiving and processing reports on the operation of internal controls and preparing its own reports.

Yes

2.8.11 The Board of Directors identified the key deficiencies of internal controls and reviewed and re-evaluated the relevant activities.

Yes

2.9.2 The Board of Directors, the Supervisory Board and the Audit Committee were notified when the auditor's mandate, by its nature, may have incurred considerable expenditure, may have given rise to a conflict of interest or may have had any other material impact on business operations.

Yes

2.9.3 The Board of Directors notified the Supervisory Board if it gave a mandate to an audit company or an external audit expert in respect of an event that has a material impact on the Company's operation.

Yes

The Board of Directors specified in advance, in a resolution, the events that may be considered to have a material impact on the Company's operation.

Yes

3.1.6 The Company published on its website the tasks delegated to the Audit Committee, the Nomination Committee, and the Remuneration Committee, together with the goals, rules of procedure and the composition of the committees (members' names, brief CV and date of appointment).

Yes

3.2.1 The Audit Committee oversaw the effectiveness of risk management, the operation of the internal control system and the internal audit activity.

No

In accordance with the Credit Institutions Act, the internal audit organisation is governed by the Supervisory Board, and the members of the Audit Committee participate in the execution of this task in their capacity as members of the Supervisory Board. Assigning the right of oversight to the Audit Committee is contrary to these legal requirements.

3.2.3 The Audit Committee receives accurate and detailed information about the work schedule of the internal auditor and the independent auditor and receives a copy of the report by the auditor regarding the problems identified during the audit.

Yes

3.2.4 The Audit Committee asked the new candidate for the auditor position to submit a disclosure declaration as specified in 3.2.4.

Yes

A 3.3.1 The Company has a Nomination Committee.

No

The Company does not have a Nomination Committee; however, in respect of the members of the management – the Chairman & CEO and the deputy CEOs – the Bank's Board of Directors exercises control partly because it exercises employer's rights in respect of the Chairman & CEO and – in accordance with the Bylaws of the Company – the Board of Directors exercises the employer's rights by way of the Chairman & CEO in respect of the deputy CEOs, with the proviso that the Board of Directors must receive prior notice of the appointment and dismissal of such persons.

In addition, Act CXII of 1996 (Credit Institutions Act) contains strict requirements in respect of persons who are appointed to an executive position, and compliance therewith is verified by the State Financial Supervisory Authority within the scope of its right to exercise preliminary approval, which is necessary for the appointment.

3.3.2 The Nomination Committee prepares the way for changes in personnel.

No

See the comments under point 3.3.1 above.

The Nomination Committee reviewed the procedures pertaining to the selection and appointment of the members of the management.

No

See the comments under point 3.3.1 above.

The Nomination Committee evaluated the activities of board members and the members of the management.

No

See the comments under point 3.3.1 above.

The Nomination Committee examined all proposals concerning the nomination of board members that were proposed by the shareholders or by the Board of Directors.

No

See the comments under point 3.3.1 above.

3.4.1 The Company has a Remuneration Committee.

Yes

3.4.2 The Remuneration Committee has submitted a proposal regarding the remuneration system of the boards and the management (amount and structure of remuneration for each person), and oversees this process.

Yes

3.4.3 The remuneration of the management has been approved by the Board of Directors based on the proposal of the Remuneration Committee.

Yes

The remuneration of the Board of Directors is approved by the General Meeting upon the recommendation of the Remuneration Committee.

Yes

The Remuneration Committee has also checked the system of share options, cost reimbursements and other contributions.

Yes

3.4.4 The Remuneration Committee has formulated proposals in respect of the principles of remuneration and the remuneration of individual persons.

Yes

The Remuneration Committee has reviewed the terms and conditions of contracts that were concluded with the management.

No

A review of the terms of contracts concluded with members of the management does not fall within the remit of the Remuneration Committee.

The Remuneration Committee has checked if the Company has satisfied the obligation of disclosure regarding executive remuneration issues.

Yes

3.4.7 The majority of the members of the Remuneration Committee are independent.

Yes

3.5.1 The Board of Directors has disclosed its reasons for merging the Remuneration and the Nomination Committee.

No

The Company operates a Remuneration Committee; it does not operate a Nomination Committee.

See the comments under point 3.3.1 above.

3.5.2 The Board of Directors has performed the tasks of the Nomination and the Remuneration Committee and has issued a statement on its reasons for doing so.

No

The Company operates a Remuneration Committee; it does not operate a Nomination Committee.

See the comments under point 3.3.1 above.

4.1.1 The Board of Directors, in its disclosure guidelines, has determined the principles and procedures that ensure that all material information that has a significant bearing on the Company and on the price of its shares is published and is accessible accurately, in full and in good time.

Yes

A 4.1.2 In the course of providing information, the Company has ensured that all shareholders and market participants receive equal treatment.

Yes

4.1.3 The Company's disclosure guidelines include electronic and internet disclosure procedures.

Yes

The Company's website has been created with due regard to the disclosure guidelines, and with a view to providing appropriate information to investors.

Yes

4.1.4 The Board of Directors has assessed the effectiveness of disclosure processes.

Yes

4.1.5 The Company publishes its corporate events calendar on its website.

Yes

4.1.6 The Company, in its annual report and on its website, has provided information to the public about its strategic goals and about its guidelines related to its core activity, business ethics and its various stakeholders.

Yes

4.1.8 The Board of Directors has stated in its annual report the other mandates, together with the type and volume of such mandates, that the entity that audits the Company's annual financial statements has received from the Company and its subsidiaries.

Yes

4.1.9 The Company, in its annual report and on its website, has disclosed information pertaining to the professional careers of members of the Board of Directors, the Supervisory Board and the management.

Yes

4.1.10 The Company has provided information about the internal organisation and operation of the Board of Directors and the Supervisory Board and the criteria applied when evaluating the work of the Board of Directors and the management and of their individual members.

No

The Company's website provides information about the operation of its management bodies in the Bylaws. See also: point 2.7.2.

4.1.11 The Company has published in its annual report and on its website a Declaration on Remuneration, which describes the remuneration guidelines used and, specifically, the guidelines pertaining to the remuneration of members of the Board of Directors, the Supervisory Board and the management.

No

See the comments under point 2.7.7 above.

4.1.12 The Board of Directors has published risk management guidelines which discuss the internal control system, and the risk management principles and rules, and provide an overview of major risks.

Yes

4.1.13 In order to provide information to market participants, the Company publishes its report on corporate governance once a year, when the annual report is published.

Yes

4.1.14 The Company publishes on its website the guidelines pertaining to securities trading in respect of the Company's shares by persons classified as insiders.

Yes

The Company, in its annual report and on the Company's website, has disclosed information about the stakes held in the Company's securities and in its share-based incentive system by members of the Board of Directors, the Supervisory Board and the management.

Yes

4.1.15 The Company has published in the annual report and on the Company's website the relationship of members of the Board of Directors and the management with any third parties that may have an impact on the Company's operation.

Yes

Level of compliance with the recommendations

The Company must specify whether it applies the relevant recommendation of the FTA or not.

Yes

J 1.1.3 The Company has an organisational unit that deals with investor relations.

Yes

J 1.2.1 The Company has published on its website the summary related to its General Meetings and shareholder voting rights (including voting by proxy).

Yes

J 1.2.2 The Company's Bylaws are accessible on the Company's website.

Yes

J 1.2.3 The Company's website contains the information specified in point 1.2.3 (regarding the cut-off date in respect of corporate events).

Yes

J 1.2.4 The Company has published on its website the information and documents regarding the General Meeting as specified in point 1.2.4 (invitation, proposals, resolution proposals, resolutions, minutes).

Yes

J 1.2.5 The Company held its General Meeting by ensuring that as many shareholders can attend as possible.

Yes

J 1.2.6 The Company published the addenda to the agenda items within five days of their receipt, in a manner that is identical to the manner of publishing the original invitation to the General Meeting.

Yes

J 1.2.7 The voting procedure used by the Company ensured that the decision by the owners is determined unequivocally, clearly and quickly.

Yes

J 1.2.11 The Company, upon the shareholders' request, forwarded information pertaining to the General Meeting electronically as well.

Yes

J 1.3.1 The Company's General Meeting accepted the chairman of the General Meeting prior to the actual discussion of the agenda items.

No

J 1.3.2 The Board of Directors and the Supervisory Board were represented at the General Meeting.

Yes

J 1.3.3 The Company's Bylaws allow the invitation of a third party to the Company's General Meetings upon the initiative of the Chairman of the Board of Directors or the shareholders of the Company, and such third party may participate with advisory right and comment on the relevant agenda item.

Yes

J 1.3.4 The Company did not restrict the right of owners who participate in the General Meeting to ask for information, to comment and to submit a motion and did not set any preconditions in respect of such right.

Yes

J 1.3.5 The Company published on its website within three days its responses to questions that it was unable to answer satisfactorily at the General Meeting. The Company published an explanation in respect of questions that it refused to answer.

Yes

J 1.3.6 The chairman of the General Meeting and the Company ensured that responses to questions asked at the General Meeting did not violate any statutory or stock exchange regulations pertaining to the provision of information and disclosure and ensured that such provisions are observed.

Yes

J 1.3.7 The Company published a press release and/or held a press conference about the decisions of the General Meeting.

Yes

J 1.3.11 The Company's General Meeting makes decisions about amendments to the Bylaws in separate resolutions.

Yes

J 1.3.12 The Company published the minutes of the General Meeting containing the Company's resolutions, the description of the resolution proposals and all material questions and answers concerning the resolution proposals within 30 days after the General Meeting.

Yes

J 1.4.1 The Company, within 10 working days, paid dividends to shareholders who have provided all necessary information and documents.

No

J 1.4.2 The Company published its guidelines concerning solutions for preventing hostile takeovers directed at the Company.

No

J 2.1.2 The rules of procedure of the Board of Directors contain the organisational structure of the Board of Directors, tasks related to the preparation and execution of the meetings and the formulation of resolutions and other issues related to the operation of the Board of Directors.

Yes

J 2.2.1 The Supervisory Board provides a detailed description in its rules of procedure and work plan of the operation and tasks of the board, as well as of the administrative rules and procedures that the Supervisory Board follows.

Yes

J 2.3.2 The board members had access to the proposals of the given meeting at least five days before the given meeting.

Yes

J 2.3.3 The rules of procedure stipulate the regular and occasional participation in the board meetings of non-board members.

Yes

J 2.4.1 The members of the Board of Directors were selected in a transparent manner, and information pertaining to the candidates were disclosed at least five days before the General Meeting.

Yes

J 2.4.2 The composition and headcount of the boards complies with the stipulations of point 2.4.2.

Yes

J 2.4.3 In the orientation program of the Company, newly elected non-executive board members were able to learn about the structure and operation of the Company and their tasks as board members.

Yes

J 2.5.2 The division of the tasks of the chairman and the CEO is stipulated in the key documents of the Company.

Yes

J 2.5.3 The Company provided information about how it ensures that the Board of Directors remains objective in its evaluation of the management activities in the event that the position of Chairman & CEO is combined.

No

J 2.5.6 No member of the Company's Supervisory Board held a position on the Company's Board of Directors or in the management in the three years prior to his/her nomination.

No

J 2.7.5 The remuneration policy of the Board of Directors, the Supervisory Board and the management serves the purposes of the Company and therefore the strategic objectives of shareholders.

Yes

J 2.7.6 Members of the Supervisory Board receive a fixed remuneration no portion of which is tied to the share price.

Yes

J 2.8.2 The Board of Directors elaborated risk management principles and basic rules together with the members of the management who are responsible for planning, operating and supervising risk management processes and for the incorporation thereof into the Company's daily operation.

Yes

J 2.8.10 When evaluating the internal control system, the Board of Directors took into account the criteria specified in 2.8.10.

Yes

J 2.8.12 The Company's auditor assessed and evaluated the Company's risk management systems and the risk management activities of the management and submitted a relevant report to the Audit Committee.

Yes

J 2.9.1 The rules of procedure of the Board of Directors, the Supervisory Board and the committee include the procedure to be followed when the services of an external consultant are used.

Yes

J 2.9.4 The Board of Directors may invite the Company's auditor to attend its meetings where the agenda items of the General Meeting are discussed, with advisory right.

Yes

J 2.9.5 The Company's internal audit organisation cooperated with the auditor in order to ensure the effective execution of the audit.

Yes

J 3.1.2 The chairman of the Audit Committee, the Nomination Committee and the Remuneration Committee (and the other committees of the Company) regularly inform the Board of Directors of the meetings of the relevant committees, and the committees prepare at least one report each business year for the executive body and/or the Supervisory Board.

No

J 3.1.4 The Company's committees consist of members who have appropriate abilities, expertise and experience for carrying out their tasks.

Yes

J 3.1.5 The rules of procedure of the Company's committees contain the stipulations specified in point 3.1.5.

Yes

J 3.2.2 The members of the Audit Committee received exhaustive information about the Company's accounting, financial and operating characteristics.

Yes

J 3.3.3 The Nomination Committee prepared at least one evaluation for the chairman of the Board of Directors about the operation of the Board of Directors and the work and performance of individual members of the Board of Directors.

No

J 3.3.4 The majority of the members of the Nomination Committee is independent.

No

J 3.3.5 The Nomination Committee's rules of procedure include the stipulations specified in 3.3.5.

No

J 3.4.5 The Remuneration Committee ensures that a declaration on remuneration is prepared.

No

J 3.4.6 The Remuneration Committee consists only of the non-executive members of the Board of Directors.

No

J 4.1.4 The Company's disclosure guidelines include at least the stipulations set out in point 4.1.4.

Yes

In the annual report the Board of Directors informs shareholders of the results of its study concerning the effectiveness of disclosure processes.

Yes

J 4.1.7 The Company prepares its financial statements in accordance with IFRS principles.

Yes

J 4.1.16 The Company prepares and publishes its statements in English as well.

Yes

5/2/2011

1. Obligatory modifications related to the change in statutory regulations concerning the termination of the trading of shares listed on a regulated market (sections [8.18.], [8.33.4] and [9.13.b]) of the Bylaws)

8.18. If the duly convened General Meeting still does not have a quorum in an hour after the starting time indicated in the invitation, the General Meeting that is reconvened for an hour later shall have a quorum in the matters that are listed on the original agenda, regardless of the number of persons attending. If a proposal is on the agenda of the General Meeting regarding the delisting of the shares on all regulated markets (hereinafter: total delisting) the reconvened General Meeting shall have a quorum with regard to this agenda item if the shareholders holding more than half of the votes represented by the voting shares are presented thereat.

8.33.4. The General Meeting has exclusive competence in the following matters:

...

4. decision regarding the total delisting of shares ~~list shares on and delist shares from the stock exchange;~~ (qualified majority)
In respect of the decision, shares that embody multiple voting rights shall represent one share.
~~The General Meeting may make a decision resulting in the delisting of the shares from the Budapest Stock Exchange (BÉT) if an investor (investors) agrees (agree) in advance to make a purchase offer that complies with the Listing and Trading Regulations of BÉT;~~

9.13.b).xv.) and xvi) The following matters in particular belong to the exclusive competence of the Board of Directors:

...

- (xv.) decision on the listing of shares on a regulated market;
(xvi.) decision on delisting of shares on a specific regulated market, provided that the shares are admitted to trading on any another regulated market (hereinafter: transfer).

2. Termination of the Audit Committee and the simultaneous modification of the regulations pertaining to the Supervisory Board (sections [8.33.15.], [11.1.], [11.11.] and [11/A. §] of the Bylaws)

8.33. The General Meeting has exclusive competence in the following matters:

...

~~15. (deleted) electing and recalling, and determining the remuneration of, the members of the Audit Committee;~~

11.1. The Supervisory Board supervises the management of the Company.
The Supervisory Board may have 5~~3~~ - 9 members.

11.11. Minutes must be taken of the meetings of the Supervisory Board. With respect to the decisions that are made when exercising the competences that are stipulated for the Audit Committee in Article 311 (2) of the Companies Act and Article 62 (3) of the Capital Markets Act, the votes of the independent members of the Supervisory Board must also be recorded in the minutes separately and they must be disclosed to the shareholders with respect to the matters on the agenda of the General Meeting. The Supervisory Board must hold meetings on at least 6 occasions each year. The meeting must also be convened if this is requested by a member of the Supervisory Board, at least by two members of the Board of Directors, or by the auditor, in writing, with an indication of the reason and the purpose.

Article 11/A

The Audit Committee

~~11/A.1. — The General Meeting elects an Audit Committee consisting of 3-5 members from among the independent members of the Supervisory Board for the performance of the tasks specified in Article 311 (2) of the Companies Act. The Audit Committee elects a chairman from among its members. The Audit Committee has a quorum if more than half of its members are present. The Audit Committee passes its resolutions by a simple majority of the votes of those present.~~

~~11/A.2. — The detailed rules of the Audit Committee's operation are contained in its rules of procedure which are approved by the Supervisory Board.~~

~~11/A.3. — Membership in the Audit Committee is terminated by:~~
~~a.) — resignation;~~
~~b.) — recall;~~
~~c.) — termination of membership in the Supervisory Board;~~
~~d.) — losing “independent” status as specified in section 11.2.~~

~~11/A.4. — If according to the law a Company does not have to have an Audit Committee, the Company's Audit Committee shall cease to exist on the day that this legislation takes effect, and simultaneously the provisions of the Bylaws pertaining to the Audit Committee shall lose their effect.~~

3. Authorisation of the Board of Directors to modify the Bylaws within the scope permitted by the Companies Act (section [9.13.c]) of the Bylaws)

- c) The Board of Directors Board shall, within its exclusive competence, be entitled:
- i.) to decide, in the cases specified in the Companies Act, to accept the Company's interim balance sheet, with the preliminary approval of the Supervisory Board;
 - ii.) to decide, instead of the General Meeting, to pay an advance on dividends, with the preliminary approval of the Supervisory Board,
 - iii.) to make decisions regarding any change in the Company's name, registered office, sites, branches and the Company's activities – with the exception of its core activity – and in relation to this, to modify the Bylaws if it is necessary to do so on the basis of the Companies Act or the Bylaws.

6/2011

**Rules of Procedure of the Supervisory Board of
OTP Bank Plc**

1. Legal status of the Supervisory Board

The Supervisory Board, as a body that has been elected by the General Meeting, supervises the Company's management and business activities and the lawfulness of its operation. It does not make management and business decisions.

It may request reports or information from the members of the Board of Directors and the executives of the Company, which request the relevant persons must comply with by the deadline specified by the Supervisory Board. The Supervisory Board may examine, or have an expert examine, the Company's books and documents.

Every quarter, the Board of Directors prepares a report for the Supervisory Board regarding the net-worth position, profitability, provisions, and liquidity of OTP Bank Plc and the liquidity risks inherent in the business policy.

The General Meeting may make a decision regarding the financial statements prepared in accordance with the Act on Accounting and the utilisation of the after-tax profit only after it has familiarised itself with the written report of the Supervisory Board. In addition, all proposals regarding the amendment of the Bylaws, the auditor, the business policy, the share, bond, dividend or capital policy, or the major commitments of OTP Bank Plc, or the transformation, termination, or form of operation of OTP Bank Plc, or the rules of procedure of the Supervisory Board that are on the agenda of the General Meeting of OTP Bank Plc must be submitted to the Supervisory Board.

In addition to the Board of Directors, individual members of the Supervisory Board and the management may also submit proposals to the Supervisory Board.

The members of the Supervisory Board participate in the General Meeting and may propose items to be placed on its agenda.

If the opinion of the members of the Supervisory Board who represent employees unanimously departs from the majority opinion of the Supervisory Board, the minority opinion of the representatives of the employees must be presented at the General Meeting.

The chairman or a designated member of the Supervisory Board may participate with advisory rights at the meetings of the Board of Directors. The chairman or the designated member provides information about the content of the meeting at the meeting of the Supervisory Board.

The Supervisory Board may exercise its rights as a body or through its members. It may also divide control among its members on a permanent basis.

The division of control does not affect the responsibilities of the member of the Supervisory Board or his/her right to extend the control to another activity that falls within the scope of control of the Supervisory Board.

The tasks of the Supervisory Board are especially:

- a) to ensure that OTP Bank Plc has a comprehensive and fully functioning audit system,
- b) to propose to the General Meeting – with the prior approval of the Board of Directors – an auditor and his/her remuneration,
- c) to check OTP Bank Plc's annual and interim financial statements,
- d) to direct the internal audit unit in accordance with the following tasks:
 - accepting the annual audit plan of the internal audit unit after it has been discussed with the Board of Directors,
 - accepting the annual report of the internal audit unit on the operation of risk management, internal control mechanisms and enterprise control functions,
 - discussing at least every six months the reports prepared by internal audit and checking the implementation of the necessary measures,
 - proposing changes in the headcount of the internal audit unit.
- e) to prepare recommendations and proposals based on the findings of internal audit and on its own experiences,
- f) to ensure compliance with Article 92 (4) of the Credit Institutions Act, including ensuring the adequate operation of the internal audit functions of the credit institutions, financial enterprises and investment firms controlled by OTP Bank Plc as follows
 - reviewing the annual internal audit plan of the subsidiaries and proposing its approval or, if necessary, its supplementation or modification,
 - evaluating the annual internal audit report of the subsidiaries and endorsing it in agreement or by adding comments,
 - discussing the quarterly summary report concerning the findings of the audits that were completed by the internal audit units of the bank group in the quarter concerned as well as the status of the measures to be taken, and proposing any measures that may be necessary,
 - discussing in detail the report prepared by the Internal Audit Directorate regarding the theme audit of the operation and degree of regulation of the internal audit units of the subsidiaries, and asking the relevant management bodies of the subsidiary to take the necessary measures,
- g) to maintain regular contact with the selected auditor,
- h) to perform any other task that is assigned to its competence by the statutory regulations or the Bylaws,
- i) to comment on the principles of the remuneration policy drafted by the Board of Directors, to monitor it regularly and to check the implementation of the remuneration policy (and to require an annual internal theme audit in this respect),
- j) prior to the annual ordinary General Meeting, to comment on and approve the Bank's corporate governance report.

The prior approval of the Supervisory Board is required for decisions regarding the establishment and termination of the employment of executives and employees of the internal audit unit as well as regarding their remuneration. The decisions of the Supervisory Board within this scope of competence are made by the chairman of the Supervisory Board.

2. Legal status of the members of the Supervisory Board

All members of the Supervisory Board are elected by the General Meeting. According to the law, the Work Council has the right to nominate persons for one third of the members of the Supervisory Board. The General Meeting may only refuse to elect the nominees of the Work Council as members of the Supervisory Board if the nominees are disqualified from holding such position for some legal reason.

Members of the Supervisory Board must notify the chairman of the Supervisory Board if they are nominated as members at a company that is not a member of the Company Group, prior to accepting the nomination. The Company must notify market players of the acceptance of the nomination.

The Supervisory Board consists of 5-9 members.

The members of the Supervisory Board must act with the due care that is expected from an elected official. Members are held responsible, in accordance with the general rules of Civil Law, for any damage sustained by the Company that is caused by the violation of their obligations even if the members are employed by OTP Bank Plc. Members of the Supervisory Board may not accept instructions from their employers in their capacity as such members.

The members of the Supervisory Board must keep as a business, bank or securities secret all the information that they obtain about the affairs of the Company.

The members of the Supervisory Board must issue a declaration each year regarding their fulfilment of the criteria of independence – or shall report any changes immediately to the chairman of the Supervisory Board. (The criteria of independence are set forth in Annex 1 of these rules of procedure.)

3. The chairman and deputy chairman of the Supervisory Board

The chairman and deputy chairman of the Supervisory Board are elected by the members of the Supervisory Board from their own ranks. The term of the mandate of the chairman and deputy chairman of the Supervisory Board coincides with the term of the Supervisory Board's mandate.

The meetings of the Supervisory Board are chaired by the chairman.

The deputy chairman substitutes for the chairman of the Supervisory Board if the latter is unable to fulfil his/her duties.

4. The operation of the Supervisory Board

The Supervisory Board meets at least six times a year and performs its activities on the basis of a work plan. The working language of the Supervisory Board is Hungarian.

The meetings of the Supervisory Board are convened by the chairman. Any member of the Supervisory Board may request in writing that a meeting be convened – by designating the purpose and the reason for the meeting – from the chairman of the Supervisory Board.

The chairman of the Supervisory Board must notify the members of the Supervisory Board of the place, time and agenda of the meeting at least 8 days before the scheduled meeting.

The chairman of the Board of Directors and the head of the Staff Division must be invited to the meeting of the Supervisory Board in every case.

The chairman of the Supervisory Board may invite – with advisory right – all the persons whose participation he/she believes to be necessary, including the employees of OTP Bank Plc, the members of the Board of Directors as well as the auditor.

The Supervisory Board has a quorum if two thirds of its members are present. The Supervisory Board passes resolutions by open vote. Each member of the Supervisory Board has 1 vote. The Supervisory Board passes its resolutions by way of a simple majority of votes, and in the case of a tie vote, the motion is regarded as having been rejected.

The result of the vote must be recorded in minutes.

Resolutions can also be passed in writing (by fax or registered letter) if the chairman requests this type of vote in special cases and none of the members of the Supervisory Board object in writing within three days of receipt of such request.

The resolutions of the Supervisory Board must be numbered continuously with Arabic numerals together with the date.

Summary minutes must be taken of the meetings of the Supervisory Board which contains comments and the main substance of the responses, the names of the persons commenting, the draft resolution, the outcome of the vote and the decisions together with the deadlines and responsible persons, if applicable.

With respect to decisions that are made when exercising the competences assigned to the authority of the Audit Committee in Article 311 (2) of the Companies Act and Article 62 (3) of the Capital Markets Act, the vote of the independent member of the Supervisory Board must be indicated separately in the minutes, and if it concerns a matter that is on the agenda of the General Meeting, it must also be presented to the shareholders.

If requested by a member of the Supervisory Board, the opinions that depart from the passed resolution must also be recorded in the minutes of the meeting. The dissenting member of the Supervisory Board must sign below the description of the dissenting opinion upon the request of the chairman.

The minutes must be prepared within 8 days after the meeting, signed by the chairman and the keeper of the minutes and be sent – within 2 weeks – to the members of the Supervisory Board, the chairman of the Board of Directors, the head of the Staff Division, and to the Hungarian Financial Supervisory Authority.

If there are errors in the minutes, they must be corrected upon the request of any member of the Supervisory Board at the next meeting.

The Chairman of the Supervisory Board – within 10 days after the meeting of the Supervisory Board – must send any such minutes, proposals and reports to the Hungarian Financial Supervisory Authority as concern agenda items discussed by the Supervisory Board that pertain to a serious violation of the Company's internal regulations or any serious breach of the regulations in respect of governance or management.

The secretarial tasks of the Supervisory Board – in cooperation with the Internal Audit Directorate – are preformed by the Company's Secretariat. Such tasks include drawing up work plans, preparing and organising meetings, sending out invitations and proposals, preparing and sending out minutes, and documenting resolutions and their implementation.

5. Using the services of an external expert

For the purpose of controlling the management, in justified cases the Supervisory Board may directly commission an external expert in order to assist it in arriving at an opinion. The management must ensure the funds required to pay for such a mandate, if necessary by modifying the budget plan. In other matters the general regulations pertaining to commitments apply.

6. Closing provisions

The General Meeting has accepted these rules of procedure set forth in a uniform structure including the amendments in its resolution 6/2011.

ANNEX 1

Independence criteria in respect of board members

A member of a board is considered to be independent if he/she has no relationship with OTP Bank Plc other than his/her membership in the board.

A member of the Supervisory Board is not considered independent especially if

- a) he/she is an employee or ex-employee of OTP Bank Plc, for five years after the termination of such employment;
- b) he/she performs tasks on behalf and in favour of OTP Bank Plc or its senior officers for compensation in the capacity of an expert or in any other contract capacity;
- c) he/she is a shareholder of OTP Bank Plc who possesses, either directly or indirectly, at least thirty percent of the eligible votes, or he/she is a close relative or companion of such person [Article 685 b) of the Civil Code];
- d) he/she is a close relative of a non-independent senior officer or executive of OTP Bank Plc;
- e) he/she is entitled to a pecuniary benefit in the event of the profitable operation of OTP Bank Plc on the basis of his/her membership in the Supervisory Board, or receives any other compensation from OTP Bank Plc or an affiliated company thereof in addition to his/her fee received for the membership;
- f) he/she has a legal relationship with a non-independent member of the Supervisory Board in another company on the basis of which the non-independent member has the right to govern and control;
- g) he/she is OTP Bank Plc's independent auditor or an employee or partner of the auditor for three years after the termination of such legal relationship;
- h) he/she is a senior officer or executive in a company whose independent member of the board of directors is simultaneously a senior officer of OTP Bank Plc.

9/2011

REMUNERATION GUIDELINES OF OTP BANK PLC.

The amended Act on Credit Institutions and Financial Enterprises is, in line with the relevant European Union directive, stricter than the previous regulations. It has introduced changes that restrict the degree of freedom that companies have when making remuneration decisions – and these are requirements that credit institutions must comply with from 31 May 2011 at the latest. The Bank's Board of Directors submits a proposal to the General Meeting, which is in line with the new statutory regulations and which at the same time represents a significant departure from the Bank's former remuneration policy.

1. The objective of the Remuneration Policy

The objective of the Bank Group's Remuneration Policy is to acknowledge the performance, within the risk-tolerance capacity of the Bank Group, of the management of OTP Bank and of individual managers occupying key positions, as well as of the heads of the subsidiaries of the Bank Group in contributing to results at the bank and at the group level, and to provide an incentive for performance.

2. Effect of the Remuneration Policy

The following individuals fall under the effect of the Bank Group's Remuneration Policy:

- members of the Board of Directors of OTP Bank Plc.
- members of the Supervisory Board of OTP Bank Plc.

and

from the employees of OTP Bank Plc.

- the Bank's CEO
- the Bank's deputy CEOs
- 3rd-level managers heading the independent central organisational units
- heads of the regional profit centres
- based on case-by-case assessment, 4th-level managers, primarily in respect of departments that discharge controlling and risk-management functions
- all managers who in terms of their income fall into the same category as the managers who come under the effect of the remuneration policy based on their functions
- dealers working in the treasury trading department

as well as,

of the managers employed by the subsidiaries of the Bank Group that are subject to consolidated supervision,

- the 1st-level managers of the subsidiaries
- in the case of certain subsidiaries, the 2nd-level (deputy) managers of the subsidiaries.

Decisions on the persons subject to the scope of the Bank Group's Remuneration Policy are made by the Board of Directors of the Bank.

3. The framework for applying the Bank Group's Remuneration Policy to the subsidiaries

All basic decisions under the remuneration policy shall be made by OTP Bank Plc., while the subsidiaries shall be responsible for complying with local statutory regulations and obligations.

- In the case of **credit institutions that have their registered seat in Hungary**, the remuneration policy shall be comprehensively applied in respect of level 1 and level 2 managers.
- In the case of the **foreign subsidiaries**, the performance-based components of compensation specified in the remuneration policy shall be applied in a comprehensive manner, with the proviso that in the case of subsidiaries outside of the European Union, in keeping with the principle of proportionality, the payment process of performance-based remuneration will only include deferral in the case of compensation allocated in the form of a share allowance.
- In the case of **Investment Fund Management Companies and Financial Enterprises**, the remuneration policy will be applied using the principle of proportionality, with the proviso that in the case of companies operating within EU member states the payment of performance-based remuneration will be deferred.
- In the case of **Auxiliary Enterprises** – in view of the nature of their activities – the current forms of remuneration (basic salary and bonus) will continue to be applied.

4. The ratio of fixed and variable remuneration

Members of the **Board of Directors** and the **Supervisory Board** shall receive a fixed honorarium and will not be awarded performance-based remuneration in this capacity of theirs.

With respect to the persons covered by the remuneration policy, remuneration shall consist of fixed and variable components. The ratio of fixed and performance-based remuneration components shall be determined by the Bank's Board of Directors, according to the function, size and complexity of the organization managed.

The current ratios of fixed and performance-based remuneration are as follows:

Management categories covered by the remuneration policy of the OTP Bank Group	Structure of remuneration	
	ratio of fixed remuneration	ratio of variable remuneration
members of the Board of Directors of OTP Bank Plc.*	100%	
members of the Supervisory Board of OTP Bank Plc.*	100%	
of the employees of OTP Bank Plc.		
the Bank's CEO	20%	80%
the Bank's deputy CEOs	20%	80%
3 rd -level managers heading independent organizational units**	20 - 50%	50 - 80%
certain 4 th -level managers of departments responsible for special management functions who participate in the preparation of decisions	30 - 70%	30 - 70%
managers classified on the basis of the amount of their income	30 - 50%	50 - 70%
dealers working in the treasury trading department	35%	65%
of the managers employed by the subsidiaries of the Bank Group that are subject to consolidated supervision		
the 1 st -level managers of the subsidiaries	20 - 80%	20 - 80%
in the case of key subsidiaries, 2 nd -level (deputy) managers	25 - 65%	35 - 75%

* fixed honorarium

** including the heads of the regional profit centres of the network

5. The method and instruments of performance assessment linked to variable remuneration

In the case of **managers employed by OTP Bank Plc.**, performance is assessed, in addition to the RORAC index¹ reflecting the Bank Group's return on risk adjusted capital, on the basis of criteria measuring individual performance (financial indices, as well as indices measuring the quality of work).

In the case of the **managers of the Bank Group's subsidiaries**, performance is assessed on a differential basis, in view of the nature of the companies' respective activities.

The target values of the indices are determined by the Bank's Board of Directors on the basis of the prevailing annual financial budget. The Board of Directors may modify such target values in consideration of statutory changes implemented after the determination thereof and/or changes in market circumstances that have a significant objective effect on the Bank's profit and/or the achievement of the target values set.

6. Determining entitlement to variable remuneration

In respect of the year evaluated, the entitlement to variable remuneration and the extent thereof must be determined within 30 days following the ordinary annual General Meeting closing the year in question.

- For **senior managers of OTP Bank Plc.** (CEO and deputy CEOs) the entitlement to variable remuneration and the extent of such compensation shall be determined by the Board of Directors, in proportion to the fulfilment of annual objectives.
- The entitlement of **managers employed by the Bank** to variable remuneration and the extent thereof shall be determined by the CEO, with the proviso that in respect of the heads of Risk Management, Internal Audit and Compliance the Remuneration Committee has the right of joint decision-making.
- The entitlement of the **managers of the Bank Group's subsidiaries** to variable remuneration and the extent of compensation shall be determined by the body exercising ownership rights, with the preliminary approval of the Remuneration Committee of OTP Bank Plc.

7. Principles and rules concerning the payment of variable remuneration

- Upon assessing the performance of the year evaluated ("T year"), the amount of performance-based remuneration is determined and broken down to the level of individuals. The amount of performance-based remuneration is determined in consideration of individual performance, as well as the ratio of fixed and variable compensation.
- Performance-based variable remuneration shall be paid out in the form of a cash bonus and a share allowance granted at a discount, at a ratio of 50-50%.

¹ This index is calculated on the basis of the figures of Hungarian and foreign group members that were subject to consolidation throughout the entire economic year assessed.

- The number of shares per person that may be used as a share allowance granted at a discount must be determined on the basis of the quotient of the amount of share-based performance remuneration and the value of the share allowance granted with a discount in effect at the time of performance assessment.
- The value of share allowance granted at a discounted price in effect at the time of performance assessment must be determined on the basis of the average of the daily mean quoted price of the ordinary shares issued by OTP Bank, as registered by the Budapest Stock Exchange, on the three business days preceding the date of performance assessment.
- The share allowance granted at a discounted price may contain a maximum discount of HUF 2,000 at the time of performance assessment, and the profit content per share may amount to maximum HUF 4,000 at the time of vesting the share compensation. In respect of the year assessed, the specific content of the share allowance granted at a discounted rate shall be decided upon by the Board of Directors of the Bank, within 30 days from the General Meeting closing the economic year evaluated.
- As a standard, 60% of variable remuneration shall be deferred for a period of 3 years, within which the extent of deferred payment shall be identical every year (1/3-1/3-1/3 of deferred compensation, that is, 20%-20%-20% of the total variable remuneration). Both non-deferred and deferred payment shall take place in the form of a cash bonus and a share allowance granted at a discounted price, at a ratio of 50-50% in both cases.
- Entitlement to deferred payment shall be determined in consideration of the subsequent assessment of risks. The assessment of risks takes place, on the one hand, on the basis of criteria pertaining to prudent operations – that is, in consideration of the fulfilment of the requirements concerning an amount of capital that is in excess of the minimum guarantee capital specified in the Act, and ensuring operations without the need to take advantage of the deposit insurance fund – and, on the other hand, it is linked to the activities of the persons concerned. On the basis of the assessment of risks related to the activities of the persons concerned, deferred amounts may be partially or fully reduced in case of a significant breach of the internal regulations, with special respect to those concerning risk management.

Entitlement to deferred amounts is linked to the subsequent assessment of risks and effective employment at the time of paying out the deferred amount. Any valid deviations from the above may only be authorized in respect of managing directors (CEO, deputy CEOs) by the OTP Bank's Board of Directors. In the case of exceptional performance, deviations may be permitted in respect of bank employees in management functions and heads of the subsidiaries, on the basis of a decision made by the OTP Bank's CEO.

- 50% of the first (non-deferred) share allowance granted at a discounted price shall be retained for a period of 1 year (entitlement will be awarded, but the compensation may actually be drawn in the period between 1 June and 31 December of the year following the year in which such compensation was awarded).
- Share allowances granted at a discounted price may be vested in the period between 1 June and 31 December of the year in which they were awarded (T+1 - T+4).

For dealers employed in treasury trading department, performance-based remuneration shall not contain any component linked to shares. Performance-based remuneration shall be settled in three instalments, by the end of the year following the period assessed.

The Board of Directors shall be entitled to adopt decisions on the settlement of share allowances by way of an agreement qualifying as a special share-based legal transaction, which must be in line with the actual market price of the share allowance.

For all members of the Bank Group, the share-based portion of variable remuneration shall be made available by OTP Bank Plc.