



corporate *governance*

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



Dr. Sándor Csányi
Chairman & CEO

Dr. Sándor Csányi (57) graduated from the College of Finance and Accounting in 1974 with a bachelor's degree in business administration and in 1980 from the Budapest University of Economics 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 he was Head of Department at the Ministry of Agriculture and Food Industry between 1983 and 1986. Between 1986 and 1989 he worked as Head of Department at Magyar Hitel Bank Rt. He was deputy CEO of K&H Bank from 1989-92. Since 1992 he has been Chairman & CEO of OTP Bank Ltd., where he is responsible for the Bank's strategy and overall operation. He is a member of the Board of Directors for Europe of MasterCard, one of the largest international card companies, and is also a Board member and co-chairman of the Hungarian oil and gas company MOL, 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 2009 he owned 200,000 ordinary OTP shares (while the total number of OTP shares held by him directly and indirectly was 2,700,000).

Dr. Antal Pongrácz
*Deputy Chairman, Deputy CEO
Member of the Board of Director
Staff Division*

Dr. Antal Pongrácz (64) graduated from the Budapest University of Economics and earned a Ph.D. 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 worked in various management positions at the Ministry of Finance. From 1986 to 1987 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 the CEO, and then Chairman & CEO, of the European Commercial Bank Rt. Between 1994 and 1998 he was the Chairman & CEO of Szerencsejáték Rt., then in 1998-99 he served as CEO of Hungarian flagship carrier, Malév. Since 2001 he has worked as the managing director of OTP Bank's Staff Division and more recently as Deputy CEO. He has been a member of OTP Bank Plc's Board of Directors since 2002. As of 31 December 2009 he held 200,000 ordinary OTP shares.

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

László Bencsik (40) 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 managing director of the Bank Operations Management Directorate, and the manager with responsibility for controlling and planning tasks. From 2000 until he joined OTP Bank he was a project manager at the consulting firm McKinsey & Company Inc. Between 1996 and 2000 he worked as a consultant at Andersen Consulting (Accenture). In 1996 he graduated from the Faculty of Business Administration at the Budapest University of Economics, and in 1999 he obtained a Masters in Business Administration (MBA) from the INSEAD Business School in France. As of 31 December 2009 he held no ordinary OTP shares.

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

Dr. István Gresa (57) graduated from the College of Finance and Accounting in 1974 and received a degree in economics from the Budapest University of Economics in 1980. He earned a Ph.D. 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 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 of OTP Factoring Zrt., and from 22 May 2007 chairman of the Board of Directors of OTP Healthcare Fund Zrt. As of 31 December 2009 he held 63,758 ordinary OTP shares.



Antal Kovács

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

Antal Kovács (57) graduated from the Budapest University of Economics with a degree in economics in 1985. He started his professional career in 1990 at the Nagyatád branch of K&H Bank where he worked as a branch manager between 1993 and 1995. From 1995 he started working for OTP Bank Ltd., first as a county director and from 1998 as the managing director of OTP Bank's South Transdanubian Region. He received additional training at the International Bankers' School and the World Trade Institute. He has been a member of OTP Bank's Supervisory Board since 2004. As of 31 December 2009 he held 23,000 ordinary OTP shares.

Ákos Takáts

*Deputy CEO
IT and Bank Operations Division*

Ákos Takáts (50) 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 2009 he held 153,347 ordinary OTP shares.

Dr. László Utassy

*Advisor to the Chairman,
Member of the Board of Director
OTP Bank*

Dr. László Utassy (58) graduated from the Law Faculty of ELTE in 1978, and earned a further degree in economics, with a specialisation in insurance, from the Budapest University of Economics in 1995. He held various positions at the State Insurance Company and then at ÁB-AEGON Rt. between 1978 and 1995. From 1996 to 2008 he was the CEO, and later Chairman & CEO, of OTP Garancia Insurance. He has been a member of OTP Bank's Board of Directors since 2001. He has been an advisor to the chairman and an executive director since 2008. As of 31 December 2009 he held 250,000 ordinary OTP shares.

László Wolf

*Deputy CEO
Commercial Banking Division*

László Wolf (50) graduated from the Budapest University of Economics in 1983. After graduation he worked at the Bank Relations Department of the Hungarian National Bank for 8 years, after which he served as head of Treasury at BNP-KH-Dresdner Bank between 1991 and 1993. From April 1993 he was managing director of OTP Bank's Treasury Directorate, and since 1994 he has been Deputy CEO of the Commercial Banking Division. As of 31 December 2009 he held 677,640 ordinary OTP shares.

Non-executive members of the Board of Directors



Mihály Baumstark

*Chairman & CEO
Csányi Vinery Ltd.*

Mihály Baumstark (61) holds degrees in agricultural engineering and agricultural economics. He was employed by the Ministry of Agriculture and Food Industry between 1978 and 1989. Prior to leaving the Ministry he worked as deputy head of the Accounting Department. He went on to join Hubertus Rt. as its managing director, and from 1999 he was the deputy CEO, and then Chairman & CEO, of Villányi Vinery Ltd. (now Csányi Vinery Ltd.). Between 1992 and 1999 he was a non-executive member of OTP Bank's Supervisory Board, and since 1999 a non-executive member of its Board of Directors. As of 31 December 2009 he held 0 ordinary OTP shares.

Dr. Tibor Bíró

*Head of Department
Budapest College of Business*

Dr. Tibor Bíró (58) graduated from the Budapest University of Economics with a degree in business administration. He was the Head of the Financial Department of the City Council of Tatabánya from 1978 to 1982. He began teaching at the College of Finance and Accounting in 1982 and has been head of department since 1992. He is a chartered public accountant and a registered auditor. He is a member of the Budapest Directorate of the Hungarian Chamber of Auditors. He has been a non-executive member of OTP Bank's Board of Directors since 1999. As of 31 December 2009 he held 40,681 ordinary OTP shares.

Péter Braun

*Electrical Engineer
Former Deputy CEO
OTP Bank*

Péter Braun (74) earned a degree in electrical engineering from the Budapest Technical University. 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 Ltd. from 1993 until his retirement in 2001. Since the second half of 2009 he has been chairman of the Hungarian Chief Information Officers' Association. He has been a member of OTP Bank's Board of Directors since 1997. As of 31 December 2009 he held 527,905 ordinary OTP shares.

Dr. István Kocsis

*CEO
Budapest Public Transport Company*

Dr. István Kocsis (58) graduated from the Budapest Technical University as a mechanical engineer, and earned his PhD from the same institution in 1985. Career highlights: 1976-1978 Budapest University of Technology, Faculty of Mechanical Engineering, Mechanical Components Department, Assistant Lecturer; 1978-1979 VEGYTERV, chief planner; 1979-1991 Budapest University of Technology, Faculty of Mechanical Engineering, Department of Structural Mechanics, Assistant Professor, 1985-1991 Faculty of Mechanical Engineering, Kármán Tódor Campus, director (part-time); 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/State Privatisation and Holding Co. (ÁV Rt./ÁPV Rt.), Deputy CEO, 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 Atomic Power Plant, CEO; 2005-2008 Hungarian Power Companies Ltd., CEO; from 1 September 2008 CEO of the Budapest Public Transport Company (BKV Zrt.). A non-executive member of OTP Bank's Board of Directors since 1997. As of 31 December 2009 he held 81,600 ordinary OTP shares.



Dr. Sándor Pintér

*Chairman & CEO
CIVIL Security Service Ltd.*

Dr. Sándor Pintér (62) graduated from the Police Academy in 1978 and earned a degree in law from the Law Faculty of Eötvös Loránd University of Arts and Sciences (ELTE) in 1986. From 1970 he held various positions at the Ministry of the Interior, and in December 1996 he retired as National Police Chief. Between 1998 and 2002 he was Hungary's Minister of Internal Affairs. Between 29 April 1997 and 7 July 1998 he was a member of OTP Bank's Board of Directors. Between 2003 and 2006 he was a member of OTP Bank's Supervisory Board, and since 28 April 2006 he has been a member of OTP Bank's Board of Directors. As of 31 December 2009 he held 101,350 ordinary OTP shares.

Dr. György Szapáry

*Professor
Central European University
Department of Economic Science*

Dr. György Szapáry (71) is an economist, who graduated from the Louvain Catholic University (Belgium) in 1961, earning his PhD in economic sciences from the same institution in 1966. Between 1965 and 1966 he worked at the European Commission. From 1966 to 1990 he was an analyst, chief analyst and finally deputy CEO at the International Monetary Fund in Washington, and then until 1993 he was the IMF's representative in Hungary. Between 1993 and 2007, except for a brief interval when he acted as advisor to the chairman of the National Bank of Hungary, he was deputy chairman of the National Bank of Hungary, and a member of the Monetary Council. He is currently a guest professor of the Department of Economic Science at the Central European University. He has published a book, and numerous essays in economic journals. From 25 April 2008 he is a member of OTP Bank's Board of Directors. As of 31 December 2009 he held no ordinary OTP shares.

Dr. József Vörös

*Professor,
Chairman of the Economic Council of
the University of Pécs*

Dr. József Vörös (59) graduated from the Budapest University of Economics in 1974. In 1984 he earned a masters degree and in 1993 a Ph.D. in economics from the Hungarian Academy of Sciences. Between 1990 and 1993 he was dean of the Faculty of Business and Economics of Janus Pannonius University (JPTE). In 1993 he attended a course in management for senior executives at Harvard University. From 1994 he was a professor at JPTE, and from 2003 until 2007 he was general Deputy Rector of Pécs University. He has been a non-executive member of OTP Bank's Board of Directors since 1992. As of 31 December 2009 he held 117,200 ordinary OTP shares.

Members of the Supervisory Board*



Tibor Tolnay

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

Tibor Tolnay (59) graduated from the Budapest University of Technology with a degree in architecture and received a second degree from the Budapest University of Economics. In 1992 he was appointed CEO of Magyar Építők 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 2009 he held no ordinary OTP shares.

Dr. Gábor Horváth

Lawyer

Dr. Gábor Horváth (54) earned a degree in law in Budapest from ELTE. 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 financing and corporate governance. He has been member of the Board of Directors of MOL Nyrt. since 1999, and a member of OTP Bank Plc.'s Supervisory Board since 1995. From 27 April 2007 he is deputy chairman of OTP Bank's Supervisory Board, and chairman of the Audit Committee. As of 31 December 2009 he held 10,000 ordinary OTP shares.

Jean-Francois Lemoux

*Head of International
Groupama SA*

Jean-Francois Lemoux (62), 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. From 25 April 2008 he is a member of OTP Bank's Supervisory Board. As of 31 December 2009 he held no ordinary OTP shares.

András Michnai

*Director
Independent Compliance
Department
OTP Bank*

András Michnai (55), 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 worked as an instructor in the central network coordination department, before being appointed district deputy director and later director in the branch 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. From 25 April 2008 he is a member of OTP Bank's Supervisory Board. As of 31 December 2009 he held 15,600 ordinary OTP shares.

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

Information for Shareholders

General company data

Date of foundation:

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

Legal predecessor:

Országos Takarékpénztár, founded 1 March 1949

Registered head office of OTP Bank Plc.

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

Share capital:

OTP Bank's share capital as at 31 December 2008 was HUF 28,000,001,000, consisting of 280,000,010 ordinary shares of nominal value HUF 100 each.

Ownership structure as at 31 December 2009:

Shareholder	Ownership (%)	Voting rights (%)
OTP Bank Plc.	1.5	0.0
Government held owner	0.5	0.5
Foreign institution	72.2	73.4
Foreign individual	1.3	1.3
Domestic institution	15.3	15.5
Domestic individual	9.2	9.3
TOTAL	100.00	100.00

Stock exchange listing

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

Participation and voting rights at the General Meeting

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.

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

- the shareholder verification effectively verifies the possession of shares;
- the shareholder should sequester those shares by which he intends to exercise his voting right at the AGM from the date of shareholder verification until the day following the AGM;
- the shareholder should be effectively entered into the Company's Share Register by the deadline;
- the authorized representative should identify the shareholders being represented;
- the voting right relating to the ownership of the shares shall not violate the provisions of the By-Laws, which circumstance shall be verified through monitoring by the Company.

Dividend

On 30 April 2010 OTP Bank's General Meeting decided not to pay dividend after fiscal year 2009.

Announcements

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

Investor relations

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

OTP Bank Investor Relations & DCM
H-1051 Budapest, Nádor utca 16.

Telephone: (+36-1) 473-5460

Fax: (+36-1) 473-5951

E-mail: investor.relations@otpbank.hu

Declaration on Corporate Governance Practice

OTP Bank Plc.'s operation is in full compliance with the applicable laws, supervisory provisions and Budapest Stock Exchange (BSE) regulations. The structure and conditions of operation of the Company are set out in the Company's Bylaws.

Executive bodies

The executive body of the Company is the Board of Directors. The scope of the Board of Directors' authority is determined in the effective laws, the Bank's Bylaws, General Meeting resolutions, and the procedural rules of the Board of Directors. The procedural rules set out the composition of the Board of Directors, the tasks relating to the preparation, implementation and drafting of resolutions at its meetings, as well as all other issues pertaining to the operation of the Board of Directors.

The members of the Board of Directors are elected by the General Meeting for a term of five years. All the obligations and prohibitions specified for executive officers under Act CXII of 1996 on Credit Institutions and Financial Enterprises (Credit Institutions Act) apply to the members of the Board of Directors. The Supervisory Board oversees the management and business operations of the Company. The Supervisory Board establishes its own procedural rules, which are approved by the General Meeting.

Supervisory Board members are elected by the General Meeting with a mandate of three years. The proportion of independent Supervisory Board members (3 persons) within the entire Supervisory Board (5 persons) is 60%. In order to avoid any conflicts of interest, the General Meeting may not elect members of the Board of Directors or their close relatives to the Supervisory Board. The rules applicable to the appointment and recall of the employee member

of the Board of Directors are defined by the Works Council operating at the Company, and the Company does not consider such a member to be independent.

The Supervisory Board is responsible for the management of the internal audit function of the Company within the framework set by the Credit Institutions Act. The Supervisory Board exercises a preliminary right of consent in respect of decisions relating to the establishment and termination of the employment of, and well as the determination of the remuneration of, the managers and employees of the internal audit department. The Board of Directors holds meetings as frequently as is necessary, or at least on eight occasions a year, while the Supervisory Board must hold at least six meetings a year. In 2009 eight Board meetings, eight Supervisory Board meetings and three Audit Committee meetings were held.

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

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

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

Meetings of the Supervisory Board are convened

by the chairman. A meeting 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. Meetings of the Audit Committee are convened 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 convenes a meeting. The meetings of the Board of Directors and Supervisory Board are recorded in minutes, and all resolutions are documented. The employer's rights towards the executive officers of the Company are exercised by the Board of Directors through the Chairman & CEO, with the provision that the Board of Directors must be notified in advance for the appointment or dismissal of deputy CEOs. The Board of Directors has prepared guidelines for evaluation of the management's work, and remuneration of the management. The Bank has launched a share option scheme for the evaluation and encouragement of management performance, based on the fulfilment of annual and medium-term targets. The detailed conditions of the share purchase program and the expectations with regard to performance are approved by the General Meeting of the Company. The Board of Directors provides information on the annual and medium-term targets and their performance, representing the basis for evaluation, at the Annual General Meeting. The Company has separate committees for the maintenance of the Board of Directors and the Supervisory Board. These are: the Audit Committee, Management Committee, Subsidiary Integration and Management Committee, and Remuneration Committee. In addition, certain functions and tasks are performed by different permanent committees: the Ethics Committee, Asset Liability Committee, Credit and Limit Committee, Product Development, Sales and Pricing Committee, Work-Out Committee, Information Management Committee, the Investment Committee and the Group-Level Risk Management Committee.

Internal audit

The most important reason for operating a control mechanism is to safeguard the assets of the

customers and the Company, and to protect the interests of shareholders.

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

The independent internal audit organisation promotes the use of safe, well-considered business procedures, efficient operation and the minimising of risks, and also – together with the Compliance department – monitors compliance with the statutory provisions. Its most important characteristic is that it functions as an independent, professional, impartial organisation, which conducts its audits at all control levels. Professional oversight of the organisation is performed, within the framework defined by the Credit Institutions Act, by the Supervisory Board. The independent internal audit department works to an annual internal audit schedule, which is approved by the Supervisory Board. The annual schedule is prepared in accordance with a risk-based methodology, and besides focusing on those areas of operation that carry a regulatory, business, operating and lending risk, also takes into consideration the changes in the economic environment at any given time.

The internal audit department regularly prepares objective and independent reports for the executive bodies at quarterly and annual intervals. In its quarterly report it gives an account of the audits conducted in the given quarter, the risks identified and performance of the measures implemented for their elimination. The internal audit department reports annually on the performance of tasks specified in the annual schedule, the audits performed and its other activities, as well as any changes that are made to the internal auditing system.

Each year the department prepares an objective and independent report for the Supervisory Board on the operation of risk management, internal control mechanisms and corporate governance functions. In exceptional cases requiring immediate intervention, the internal audit department has the authority to summarily perform unscheduled internal audits. The scope of the internal control system also extends to the owner's audits

conducted at foreign and Hungarian subsidiaries, as well as the professional supervision of the subsidiaries' own internal audit organisations. To this end, standardised internal auditing protocols pertaining to the operation and activities of group members' internal audit departments are developed, enhanced and applied on a continuous basis.

The Supervisory Board exercises a preliminary right of consent in respect of decisions relating to the establishment and termination of the employment of, as well as the determining the remuneration of, the managers and employees of the internal audit department. The General Meeting has the right to elect the business entity auditing the Company, and to approve the member of the audit company who will be personally responsible for the audit.

Compliance

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

Disclosure

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

Exchange. The Company also has an effective internal disclosure policy for ensuring fulfilment of its public disclosure obligations.

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

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

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

The Board of Directors has assessed the effectiveness of the disclosure procedures for 2009, and found them to be satisfactory. Besides this, it has also ordered a survey of external stakeholders in the interests of further raising the effectiveness of its disclosure procedures.

Anti-money laundering measures

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

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

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

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

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

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

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

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

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

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

Corporate social responsibility

With trust and responsibility for each other

OTP Bank bears a considerable burden of responsibility as the largest independent regional participant in Central and Eastern Europe, not least because the domestic and foreign subsidiaries also look to the Hungarian parent bank for examples of corporate social responsibility. Over the past years the Bank has continuously developed its corporate social responsibility operations at its subsidiaries too, supporting the companies in the strengthening of their sustainability principles and approach.



Besides this the Bank considers it an important duty to take into consideration the various banks' special local and cultural characteristics, and to keep these in mind when articulating the CSR expectations applicable to the Bank Group as a whole.

Last year the financial institution continued apace its efforts to fulfil the objectives set forth in its corporate social responsibility (CSR) strategy, since for OTP Bank sustainability remains synonymous with:

- Social progress, which facilitates the promotion of a sophisticated financial culture, the provision of appropriate customer information, and equal opportunities for all stakeholders
- Economic development, which enables it to create products and services that are important from a social perspective, each satisfying the financial needs of a specific group
- Environmental protection, in the course of which it uses the means at its disposal to safeguard our natural heritage, and through its day-to-day operations to encourage its stakeholders to adopt an environmentally aware attitude.

Responsibility for our customers

During the year numerous initiatives were implemented that served to strengthen the personal relationship between customers and customer service staff, and to ensure that customers have smooth access to the services offered by OTP Bank. Through customer satisfaction surveys, regular mystery shopping and the processing of feedback received from our own employees, the financial institution endeavours to improve and develop its services in line with the needs of customers.

For its retail, corporate and municipality customers, in Hungary OTP Bank was among the first to begin disbursing the new type of interest-subsidised forint home loans. The Bank continuously, and in the form of coherent programs, offers favourable savings opportunities and, in an important move, has overhauled and extended its Debtor Protection Program. To alleviate repayment difficulties experienced by forint and foreign-currency borrowers the Bank has introduced payment easing measures, and also provided individual solutions designed to cover every life circumstance, for those customers who were facing repayment problems due to the loss of their job, a fall in their household's income or a substantial rise in currency exchange rates. The new, expanded range of debtor protection measures offers solutions that fit in with the Bank's broad product range, and which are flexible and matched to the customer's given life circumstances.

OTP Bank received recognition from its own industry in the form of gold medals in two important categories of the MasterCard awards. In addition the "Bank of the Year" award, OTP Bank was also named the "Bank best managing the crisis". In the opinion of the judging panel, in its management of the crisis the Bank, heeding the situation of its retail customers, conducted itself in a cooperative, helpful manner.

Responsibility for society

The Bank Group interacts with civil organisations both as a financial service provider and as a sponsor, as it endeavours to forge purposeful, active and long-term cooperative partnerships with the third sector and local communities. To promote equal opportunities and community building, in 2009 it provided financial assistance for several hundred

initiatives countrywide, in a total value of HUF 303 million.

One of these was a new type of initiative, launched two years ago by OTP Bank and the Nonprofit Information and Training Centre (NIOK) Foundation.

Jointly with NIOK, the Bank invited applications for civil organisations to join an online donation-collecting system. As a result of this tender, the winning organisations can now also accept donations online via the www.adhat.hu internet site.

This makes it simple for donors, at the touch of a button, to ensure that their pledged donations reach those who need them as fast as possible. The Bank also assists in the donation activities by substantially reducing the costs of the transactions.

Through the financial institution's own OTP Fáy András Foundation, since 2006 more than 1,000 secondary-school pupils have completed economics, life-skills and career-related training courses, and since 2009 teachers trained by the foundation have also been imparting financial, business, career and life skills to their students. A part of the initiative, known as the BASICS Program, involves the passing on of labour-market, employment and business skills, as well as the provision of basic financial training and individual self-awareness and career counselling. Since its launch, the program has received more than HUF 200 million in assistance.

As a result of the foundation's "Bookwave" program, every year 150 schools have been granted a HUF 100,000 package of books, selected by the schools themselves in line with their individual needs, from a list of some 3,000 titles. Last year, to mark the "Year of the Hungarian language", works of Hungarian literature also featured prominently in the offering.

In 2009 priority continued to be given to supporting the Hand-in-Hand Foundation's "Accept them, accept me" campaign to shape public opinion regarding people with disabilities, the operation of a mobile dental screening facility in cooperation with the National Children's Safety Service, and the work of the Hungarian Therapeutic Horse Riding Association.

Besides cash donations, the Bank also made contributions in kind (voluntary work by employees, giving blood, loan of vehicles etc.) to assist the civil organisations, training institutions and local communities that it supports. In 2009 a total of 510 employees gave blood on 861 occasions on blood-giving days held by the Red Cross.

Responsibility for our environment

OTP Bank considers it important for environmentally-aware and responsible conduct to be reflected in the operation of the Company as a whole, and to be communicated to the broadest cross-section of stakeholder groups comprehensibly and via a diverse range of channels. For the financial institution, instilling a sense of individual responsibility is crucial for encouraging environmentally aware behaviour, and it is clear from the in-house training programs, the developed interactive teaching materials and the efforts made to reduce our environmental footprint that OTP Bank intends its environmental protection initiatives to stand as a positive example to both its immediate and broader environment.

The year 2009 brought an expansion in the range of environmentally friendly promotional products as, following the Christmas greetings cards, gift bags, calendars, diaries, notepads and annual reports, now all branch product brochures are also made entirely from recycled paper. As a result, in 2009, some

45 tons of brochures were made from environmentally friendly material. In another initiative to promote recycling, in the branches publications that are no longer needed are gathered up and sent for reuse.

An important part of OTP Bank's responsibility towards the environment is its efforts to protect our immediate surroundings, to set an example, and – no less importantly – to encourage others to be environmentally aware. For this reason the Bank and the World Wildlife Fund (WWF) have conducted a national campaign to draw the public's attention to the need to protect trees and forests. As a part of this cooperation people were reminded that by switching to green bank statements, fewer trees will be felled. The objective of the campaign was to persuade customers to request electronic bank statements, instead of printed statements sent by mail. In this way, in addition to preserving nature, every time a responsibly-minded customer of the bank agreed not to receive a paper-based account statement, a contribution of HUF 40 was made to the WWF's Forest Protection Program in accordance with a pledge made by OTP Bank. As a result of this initiative more than 38,000 of our customers have switched over to or selected the "green" bank statement.

In 2009 OTP Bank celebrated its 60th anniversary. Over the past six decades the financial institution has successfully adapted to continuous economic and social changes, while maintaining its stability, its values and the trust of its customers. Our aim is to continue serving the best interests of our customers and investors, as well as to pursue exemplary corporate social responsibility practices. In case you would like to have a better overview on our CSR activities, please take a look at the sustainability report on our homepage.