

Corporate Governance



Senior Management of OTP Bank and Executive Members of the Board of Directors



Dr. Sándor Csányi
Chairman & CEO

Dr. Sándor Csányi (55) 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 Plc., where he is responsible for the Bank's strategy and overall operation. He is a member of the Board of Directors of Europay and the Hungarian oil and gas company MOL, and is chairman of the Hungarian Banking Association. As of 31 December 2007 he owned 200,000 ordinary OTP shares (while the total number of OTP shares held by him directly and indirectly was 3,302,000).

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

Dr. István Gresá (55) 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 March 1 2006 he has been Deputy CEO of OTP Bank and the Head of the Credit Approval and Risk Management Division. As of 31 December 2007 he held 63,758 ordinary OTP shares.

Antal Kovács
*Deputy CEO **
Retail Division

Antal Kovács (55) 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 Plc., 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 2007 he held 33,000 ordinary OTP shares.

*from 1 July 2007

Csaba Lantos
*Member of the Board of Directors, **
Deputy CEO
Retail Division

Csaba Lantos (46) graduated in economics and sociology from the Budapest University of Economics in 1986. Between 1986 and 1988 he worked as a bond dealer at Budapest Bank Rt., then from 1989-94 he was the director of CREDITANSTALT Securities and, until 1997, its deputy managing director and the managing director of CREDITANSTALT Securities Investment Fund Management. Until 2000 he was CEO at CA IB Securities, and since the autumn of 2000 he has served as the deputy CEO of OTP Bank. Since 1990 he has been a member of the Council of the Budapest Stock Exchange, and since 1993 he has served as the Chairman of the Board of Directors of the Central Clearing House and Depository Ltd. (KELER). Since 2001 he has been a member of OTP Bank's Board of Directors. As of 30 June 2007 he held 80,116 ordinary OTP shares.

* until 30 June 2007

Géza Lenk
*Deputy CEO **

Géza Lenk (61) graduated from the Budapest University of Economics with a degree in economics in 1970, and in 1977 he earned a post-graduate degree in International Business Relations. He graduated from the International Banker's School in London in 1982. He went on to work at the Hungarian National Bank, then as CEO of the General Enterprise Bank. From 1988, he was Chairman and CEO of K&H Bank, and was the Vice Chairman and Deputy CEO of Trigon Bank AG Wien from 1996. He worked as the head of the MKB Leasing and Finance Group from 1998 and was the Chairman and CEO of Reorg Rt. from 1999. Since 2000 he has been Deputy CEO of OTP Bank, in charge of the Credit Approval and Risk Management Division, and since March of 2006 he has been an advisor to the Chairman. Between 2001 and 28 April 2006 he was a member of OTP Bank Plc.'s Board of Directors. As of 2 April 2007 he held 100,000 ordinary OTP shares.

*until 2 April 2007



Dr. Antal Pongrácz

*Member of the Board
of Directors,
Deputy CAO
Staff Division*

Dr. Antal Pongrácz (62) 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. 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 the CEO, and then Chairman & CEO, of the European Commercial Bank Rt. Between 1994 and 1998 he was the Chairman and 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 Central Management Division and more recently as Deputy CEO. He has been a member of OTP Bank's Board of Directors since 2002. As of 31 December 2007 he held 230,000 ordinary OTP shares.

Ákos Takáts

*Deputy CEO
IT and Bank Operations
Division*

Ákos Takáts (48) 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. Between 1989 and 1993 he was employed as a systems administrator at Investbank Rt. 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 October 1 2006 he has served as OTP Bank Plc.'s Deputy CEO and the head of the IT and Logistics Division. As of 31 December 2007 he held a total of 143,347 ordinary OTP shares.

Dr. László Urbán

*Deputy CEO
Strategic and Financial
Division*

Dr. László Urbán (49), economist, graduated from the Budapest University of Economics with a specialisation in finance in 1982. He has worked in the financial sector since 1995. He worked in Washington D.C. for the World Bank, and then served as ABN-AMRO Bank's director for planning and controlling. Between 1998 and 2000 he was Deputy CEO of Business Affairs at Postabank, and from 2000-2005 he was a manager at Citigroup New York, responsible for global product development. From 2005 he served as the director of the Hungarian National Bank and the director of the General Secretariat. Since 15 January 2007 he has been OTP Bank's Deputy CEO, and head of the Strategic and Financial Division. As of 31 December 2007 he held a total of 539 ordinary OTP shares.

László Wolf

*Deputy CEO
Commercial Banking Division*

László Wolf (48) 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 2007 he held 807,640 ordinary OTP shares.

Non-executive Members of the Board of Directors OTP Bank



Mihály Baumstark

*Member of the Board of Directors,
Chairman & CEO
Csányi Vinery Ltd.*

Mihály Baumstark (59) 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 the 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.). He has been a non-executive member of OTP Bank's Board of Directors since 1999. As of 31 December 2007 he held 50,000 ordinary OTP shares.

Dr. Tibor Bíró

*Member of the Board of Directors,
Head of Department
Budapest College of Business*

Dr. Tibor Bíró (56) 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 1978-82. 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 1992. As of 31 December 2007 he held 44,000 ordinary OTP shares.

Péter Braun

*Member of the Board of Directors,
Electrical Engineer,
Former Deputy CEO
OTP Bank*

Péter Braun (72) 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 Plc. from 1993 until his retirement in 2001. He has been a member of OTP Bank's Board of Directors since 1997. As of 31 December 2007 he held 599,905 ordinary OTP shares.

Dr. István Kocsis

*Member of the Board of Directors,
CEO
Hungarian Power Companies Ltd.*

Dr. István Kocsis (56) graduated from the Budapest Technical University as a mechanical engineer. From 1991 until 1993 he served as department head at the Ministry of Trade and Industry and later as Deputy Undersecretary. Between 1993 and 1996 he was managing director and deputy CEO of ÁPV Rt. Between 1996 and 1997 he was deputy CEO of ÁPV Rt. Later he became head of department at RWE Energie AG, then the general director of ÉMÁSZ Rt., and later the CEO of Paks Nuclear Power Plant. He has been the CEO of Hungarian Power Companies Ltd. since 2005. He has been a non-executive member of OTP Bank's Board of Directors since 1997. As of 31 December 2007 he held 83,500 ordinary OTP shares.



Dr. Sándor Pintér

*Member of the Board of Directors,
Chairman & CEO
CIVIL Security Service Ltd.*

Dr. Sándor Pintér (60) 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 the Minister of the Interior of Hungary. 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 2007 he held 49,350 ordinary OTP shares.

Dr. László Utassy

*Member of the Board of Directors,
Chairman-CEO
OTP Garancia Insurance Ltd.*

Dr. László Utassy (56) 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 he was the CEO of OTP Garancia Insurance, and then its Chairman & CEO. He has been the chairman of MABISZ (Association of Hungarian Insurers) since March 2001. He has been a member of OTP Bank Plc.'s Board of Directors since 2001. As of 31 December 2007 he held 90,000 ordinary OTP shares.

Dr. József Vörös

*Member of the Board of Directors,
General Deputy Rector
Pécs University*

Dr. József Vörös (57) 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 since 2003 until 2007 he has been the general Deputy Rector of Pécs University. From 2007, President of the Economic Council at Pécs University. Since 1992 he has been a non-executive member of OTP Bank's Board of Directors. As of 31 December 2007 he held 115,000 ordinary OTP shares.

Members of the Supervisory Board of OTP Bank*



Tibor Tolnay

*Chairman of the Supervisory Board,
Chairman & CEO
Magyar Építők Ltd.*

Tibor Tolnay (57) graduated from the Budapest Technical University with a degree in architecture and received another degree from the Budapest University of Economics. In 1972 he was appointed CEO of Magyar Építők Ltd. He has been a member of OTP Bank's Supervisory Board since 1992. As of 31 December 2007 he held 80,580 ordinary OTP shares.

Dr. Gábor Nagy

*Deputy Chairman of the Supervisory Board, Head of Codification Group
Ministry of Finance Accounting Division*

Dr. Gábor Nagy (71) graduated from the Budapest University of Economics and is a certified auditor. Between 1974 and 1977 he worked at the Institute of Further Education at the Ministry of Finance. Since 1977 he has been employed by the Ministry of Finance. He has been a member of the OTP Bank's Supervisory Board since 1991 and has been Deputy Chairman of the Supervisory Board since 1992. As of 31 December 2007 he held 130,000 ordinary OTP shares.

Dr. Gábor Horváth

*Member of the Supervisory Board
lawyer*

Dr. Gábor Horváth (52) earned a degree in law in Budapest from ELTE. From 1983 he worked for the Hungarian State Development Bank. From 1986 he worked for a law office and from 1990 for the Ministry of Finance, the Hungarian State Institute for Research and the Municipality of Budapest as a private, independent lawyer. He has been a member of the OTP Bank's Supervisory Board since 1995. As of 31 December 2007 he held 10,000 ordinary OTP shares.

Klára Vécsei

*Member of the Supervisory Board
Deputy Managing Director
OTP Bank North-East Hungary Region*

Klára Vécsei (56) is a representative of OTP Bank's employees. She is an economist and received her degree from the Budapest University of Economics. She has been employed by OTP Bank Plc. since 1970. Between 1982 and 1992 she was deputy head of the Accounting and Controlling Department and served as chief accountant from 1994. Currently she is the deputy managing director of the Northern Hungary Region. She has represented the Bank's employees on the Supervisory Board since 1991. As of 31 December 2007 she held 4,000 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 October 28, 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 2007 was HUF 28,000,001,000, consisting of 280,000,010 ordinary shares of nominal value HUF 100 each. According to the XXVI. law came into effect on 21 April 2007 the voting preference shares stipulations ceased existing, thus 1 preference voting share with HUF 1000 face value has been transformed into 10 ordinary shares with HUF 100 face value. On 18 June 2007 the transformation was registered by the Court of Registry. On 18 September 2007, the 10 ordinary shares have been listed on the Budapest Stock Exchange.

Ownership structure as at 31 December 2007:

	Shareholder	Ownership share
Domestic shareholders	State budgetary organisations	0.3%
	Managers and employees	2.0%
	OTP Bank Plc.	2.9%
Foreign shareholders	Other domestic investors	9.4%
	Foreign investors	85.4%
Total		100.0%

Stock exchange listing

The ordinary shares of OTP Bank Plc. are listed on the Budapest Stock Exchange under category 'A', and the global depository receipts (GDRs) representing the ordinary shares that are traded abroad are listed on the Luxemburg Stock Exchange. (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 Plc. (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 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 Articles of Association, which the Company ascertains through a check following receipt of an owner's data reconciliation notice from KELER Ltd.;
- 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.

Dividend

On 25 April 2008 OTP Bank Plc.'s General Meeting decided not to pay dividend after fiscal year 2007.

According to the previous orientation OTP Bank Plc. should pay to the shareholders as dividend 30 percent of its after tax profit, which is almost HUF 35 billion, that is HUF 125 per share, which is less than 2 percent of the current share price.

Several shareholders suggested to the management of the bank to repurchase as much of own shares as it is possible.

The purchase price coming after the closing of the OTP Garancia's sale transaction will create wider range of opportunity for possible acquisitions as well as to the purchase of own shares. The Bank does not dispose at this amount for the present, therefore during February and March it had to choose between the own share purchase and the dividend. The Bank since February 2008, has spent as much for the purchase of own shares as the planned dividend fund was. This can be followed by the announcements published regularly after the share purchases. According to OTP Bank's management and directorate this strategy should serve the best the shareholders' interests in the present situation.

Announcements

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

Investor relations

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

OTP Bank Plc. Investor Relations

H-1051 Budapest, Nádor utca 16.

Telephone: (+36-1) 473-5460

Fax: (+36-1) 473-5951

email: investor.relations@otpbank.hu

The address of the Bank's website is www.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 contained 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 is defined in the effective laws, 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. At present, the ratio of independent Board members (3 persons) within the total number of the Directors (9 directors) is 33%. 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 operation of the Company. The Supervisory Board establishes its own procedural rules, which are approved by the General Meeting.

The members of the Supervisory Board are elected by the General Meeting with a mandate of three years. The ratio of independent Supervisory Board

members (3 persons) within the entire Supervisory Board (5 persons) is 60%.

In order to avoid any conflict 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 Supervisory Board are defined by the Works Council operating at the Company, and the Company does not consider such a member independent.

The Supervisory Board is responsible for the management of the internal audit organisation of the Company within the framework defined in 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, as well as definition of remuneration of the managers and employees of the internal audit organisation.

The Board of Directors holds meetings as frequently as necessary, or at least on eight occasions a year, while the Supervisory Board must hold at least six meetings a year. In 2007, seven Board meetings, seven Supervisory Board meetings and two Audit Committee meetings were held.

A meeting must also be called if a member of the Supervisory Board or at least two members of the Board of Directors, or the auditor, request it in writing, indicating the objectives and reasons for the 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 and chief executive officer, with the proviso that the Board of Directors must be notified in advance for the appointment or withdrawal of appointment of deputy CEOs.

* Based on the Corporate Governance Recommendations (8 December 2003) published by Budapest Stock Exchange

The Board of Directors has prepared guidelines for the evaluation of the work and the remuneration of the management.

The Bank has launched a share option scheme for the evaluation and encouragement of management performance, based on the performance of annual and medium-term targets. The detailed conditions of the share purchase program and the expectations in terms of 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 of evaluation, at the annual General Meeting. The Company has separate committees for the maintenance of the Board of Directors and the Supervisory Board: Audit Committee, Management Committee, Subsidiary Integration and Management Committee. Additionally certain functions and tasks are performed by different permanent committees: Ethics Committee, Asset Liability Committee, Credit and Limit Committee, Product Development, Sales and Pricing Committee, Work Out Committee Information Management Committee.

Audit

There is an independent internal audit organisation at the Company, controlled by the Supervisory Board within the framework stipulated by the Credit Institutions Act. The independent internal audit group has an annual audit plan, approved by the Supervisory Board. The independent internal audit group prepares regular objective and independent reports on the operation of risk management, internal control mechanisms and corporate governance functions for the Supervisory Board and the management. The Supervisory Board exercises a preliminary right of consent with regard to decisions relating to the establishment and termination of employment and to the determination of the remuneration of the managers and employees of the internal audit organisation.

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.

The Board of Directors must notify the General Meeting and Supervisory Board of the Company about any other major assignment given to the auditor. Apart from that, in justified cases, the Board of Directors, the Supervisory Board and other committees of the Company may also use the services of external consultants.

Compliance

In compliance with the Regulations of the European Union and the Hungarian applicable laws, the Company has established an independent organizational unit (Compliance Department) with the scope of exploration and management of compliance risk. Corresponding regulatory documents were adopted: as compliance policy, strategy and working schedule. Objectives of the compliance policy are the determination of the framework of the compliance activities regarding the whole OTP Group, the definition of compliance, objectives, the duties and authority of compliance function. The compliance strategy of OTP Group is also an essential document of compliance policy.

The compliance policy is approved by the Board of Directors. Compliance Department provides a comprehensive annual report about the activities and actualities of compliance and it is approved by the Board of Directors.

The management of the Group is responsible for the 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 BSE regulations. The Company also has an effective internal disclosure policy.

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 securities.

The Company discloses its 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 BSE website and with the provisions of the relevant Regulations of the BSE.

The Company discloses information about the professional career of the members of the Board of Directors, 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 (monthly remuneration and option scheme) is also 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 prudent 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 for 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 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 Company discloses the loans extended to its executive officers, as well as the enterprises in which it has an equity participation, in its annual report.

Provisions Against Money Laundering

Money laundering means that services of financial institutions is used in order to conceal the true source of funds deriving from criminal activity by the perpetrator, or other individuals.

In order to avoid that OTP Bank Plc. be used for Money Laundering activities, we do everything to establish the true identity of any person/client demanding/applying for any services from the bank, and OTP Bank shall not perform any transaction order given by a client who does not identify him/herself pursuant to the legal regulations.

In accordance with Act No. CXXXVI of 2007 on the prevention and impeding of money laundering and terrorist financing:

- OTP Bank operates an internal control and information system for the purpose of preventing of banking and financial transactions enabling or realising Money Laundering.
- OTP Bank has developed internal rules in pursuance of the Act, the Decree of Ministry of Finance No. 35/2007 (XII. 29.),

the recommendation of the Supervisory Authority of Financial Institutions, and all of its employees are under a legal obligation to act in accordance with the provision of these Rules.

- The employees of the Bank are to be performing their client screening and reporting obligations.
- The performance of the reporting obligations shall not be regarded as a violation of bank, securities, insurance and business secrets.
- Omission of the reporting obligation constitutes a crime punishable under the Penal Code.
- OTP Bank cooperates with the authorities to disclose any circumstances relating to Money Laundering.

OTP Bank Plc.'s announcement on its client-identification procedure as set out here is available in every premises of OTP Bank open to clients.

Corporate Social Responsibility

OTP Bank Plc. has functioned as a responsible corporation for decades, paying particular attention to its immediate environment and to the **economic, social and environmental** impact of its operations, because – as with everyone – it is in our interests that we operate in a sustainable and harmonious world.



In accordance with our market-leading position, and in view of our size and the consequent depth of our roots in society, we play a significant role in Hungary and the region. We are conscious of our economic responsibility, and we strive to set an example for the benefit of our stakeholders and the broader environment in which we operate.

In 2007, we published our **Corporate Social Responsibility Report** for the first time, summarizing the practical steps we have taken and the results achieved in the service of sustainability. Besides this, we have drawn up our **corporate social responsibility strategy (CSR strategy)**, in which we outline the medium and long-term objectives we would like to achieve in the coming 5-10 years with the active participation of our staff. Among our goals, special emphasis is given to the continual development and deepening of CSR-related activities within the Bank, their integration into the operational corporate structure and core profile of the organization, and their extension to the widest possible number of subsidiaries both at home and abroad.

We see – and practice – corporate social responsibility not only in the assistance we provide as part of our carefully elaborated and executed **sponsorship and social support policy**, but also in the transparency of the Bank's operations and activities as a whole, and in the tracking – and continuous analysis and assessment – of the impact of these operations and activities, both directly and as they affect the broader environment. We regard the provision of quality financial services to our customers as an elemental aspect of **ethical business conduct**. Our commitment in this regard, beyond observing transparent, **responsible corporate governance** and ensuring legitimate, transparent and coherent operations, is manifested in our increased sensitivity to issues that affect and preoccupy society at large.

We strive to forge purposeful and long-term cooperative relations with civil organizations, local communities and all our stakeholders.

As before, the focus of the Bank's sponsorship and social support policy is **creating opportunities** and **building communities**, and thus, as far as we are able, we choose to support initiatives that help promote these goals over the long term. The Bank's charitable activities are centred around providing assistance to disadvantaged and sick children, educating young people, and improving the living conditions of those with disabilities, both through domestic and international organizations, and by means of the various foundations set up and operated by the Bank itself.

Another important aspect of our corporate social responsibility is **our responsibility towards our staff**. Various benefits, programs and initiatives aimed at improving both the quality of the workforce and their working conditions serve to ensure that employees stay with us. These include a variety of professional and skills development training programs, voluntary pension and health insurance schemes, and provision of vacation and recreational opportunities. In 2007, we introduced an employee satisfaction survey and launched our new banking career management scheme, which provides members of staff participating in the program with continuous study and development opportunities organized in accordance with their individual career goals.



Part of our **environmentally aware approach** is to recognize the impact of the Bank's operations on the environment and to alleviate the burden they have on the environment. With this in mind, we take care to lessen the environmental burden of our operations and to create an appropriate underlying infrastructure that serves to protect the environment. In 2007, we employed a full-time environmental expert at the Bank, tasked with improving the energy efficiency of our company premises and bank branches. In most buildings power factor correction equipment is already in operation, thereby decreasing the reactive power load, and we are using energy-saving light bulbs. We try wherever possible to use renewable energy sources, with one notable development in this regard being the solar energy panels that we have put into use at our central building on Babér street.

In 2007, through our subsidiary OTP Fund Management Ltd, we introduced a new product that indirectly contributes to the protection of our environment. Our **Climate Change Fund** provides an opportunity to invest in the stocks of companies whose revenues derive in large part from the exploitation of business opportunities arising from global climate change (e.g. environmental management and clean technologies), or from the utilization of alternative resources (e.g. renewable energy, water management, agrochemicals).



Taking into account issues of social and environmental sustainability and the points of view of its various stakeholders, OTP Bank pursues an approach that espouses corporate responsibility. This approach is apparent in our efforts to optimise the impact we have on the environment, in the content of the services we provide to our customers, in our conduct towards our employees, and – in the case of local communities and specific sections of society – in our support for initiatives aimed at ensuring equal opportunities for all. If you would like to know more, and to gain a comprehensive insight into the operations of OTP Bank, with particular regard to how they impact the Bank's immediate as well as its broader environment, please consult our Corporate Social Responsibility Report, which can be viewed on the Bank's website.



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