

Resolutions made at OTP Bank's AGM

OTP Bank Plc. announces that at its Annual General Meeting (AGM) of April 25, 2008 the following resolutions were made:

1/2008

„The AGM accepts the Board of Directors' Business Report on 2007 business activities of the Company, as well as the proposal for the Bank's non-consolidated and consolidated financial statements for the year 2007, together with the proposal for distribution of the profit after tax, based on the reports of the Supervisory Board, the Audit Committee and the Auditor.

The AGM approves the Bank's non-consolidated 2007 balance sheet and profit and loss account, prepared in accordance with Hungarian Accounting Standards (HAS), with the following key figures:

Balance sheet total: HUF 5,276 billion 378 million

After tax profit: HUF 119 billion 883 million of which

HUF 11 billion 988 million is to be transferred to the general reserves, while no dividend is to be paid.

Balance sheet profit for the financial year: HUF 107 billion 895 million.

The AGM approves the Bank's consolidated 2007 balance sheet and profit and loss account, prepared in accordance with International Financial Reporting Standards (IFRS), with the following key figures:

Balance sheet total: HUF 8,461 billion 874 million

Net income: HUF 208 billion 548 million of which

attributable to Equity holders: HUF 208 billion 208 million.”

2/2008

„The AGM accepts OTP Bank Plc.'s 2007 Report on Corporate Governance.”

3/2008

„Based on the appraisal of senior office holders' 2007 business activities, the AGM 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.”

4/2008

„Based on Section 3 Para 66 Act CXII of 1966 (Act on Credit Institutions and Financial Enterprises) – concerning the audit of OTP Bank Plc's non-consolidated and consolidated 2007 financial statements – the AGM is electing Deloitte Auditing and Consulting Ltd. as the Bank's auditor from May 1, 2008 until April 30, 2009. The AGM 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, proposes the appointment of Zoltán Nagy (No. 005027 chartered auditor) to be the individual in charge of auditing. The AGM establishes the total amount of HUF 54,000,000 + VAT as the Auditor's remuneration for the audit of the 2008 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 43,000,000 + VAT shall be paid in consideration of the audit of the non-consolidated annual accounts, and HUF 11,000,000 + VAT shall be the fee payable for the audit of the consolidated annual accounts. The audit shall be carried out in accordance with the provisions of Act C of 2000 on Accounting.”

5/2008

„The AGM accepts the amendment of the Company's By-Laws pursuant to the proposal and in keeping with the annex of the General Meeting's minutes.”

6/1/2008

„Dr. László Urbán is elected a member of the Bank's Board of Directors until the closing AGM of the fiscal year 2010 but latest until April 30, 2011.”

6/2/2008

„Dr. György Béla Szapáry is elected a member of the Bank's Board of Directors until the closing AGM of the fiscal year 2010 but latest until April 30, 2011.”

7/1/2008

„Mr. Tibor Tolnay is elected a member of the Bank’s Supervisory Board until the closing AGM of the fiscal year 2010 but latest until April 30, 2011.”

7/2/2008

„Dr. József Gábor Horváth is elected a member of the Bank’s Supervisory Board until the closing AGM of the fiscal year 2010 but latest until April 30, 2011.”

7/3/2008

„Mr. Jean-Francois Lemoux is elected a member of the Bank’s Supervisory Board until the closing AGM of the fiscal year 2010 but latest until April 30, 2011.”

7/4/2008

„Mr. Antal György Kovács is elected a member of the Bank’s Supervisory Board until the closing AGM of the fiscal year 2010 but latest until April 30, 2011.”

7/5/2008

„Mr. András Michnai is elected a member of the Bank’s Supervisory Board until the closing AGM of the fiscal year 2010 but latest until April 30, 2011.”

8/1/2008

„Mr. Tibor Tolnay is elected a member of the Audit Committee in keeping with the provisions of the By-Laws of the Company.”

8/2/2008

„Dr. József Gábor Horváth is elected a member of the Audit Committee in keeping with the provisions of the By-Laws of the Company.”

8/3/2008

„Mr. Jean-Francois Lemoux is elected a member of the Audit Committee in keeping with the provisions of the By-Laws of the Company.”

9/2008

„The AGM accepts the following monthly remunerations as from May 1, 2008:

for the Chairman of the Board of Directors	HUF 710,000
for the members of the Board of Directors	HUF 610,000
for the Chairman and Vice-Chairman of the Supervisory Board	HUF 690,000
for the members of the Supervisory Board	HUF 550,000
for the members of the Audit Committee	no remuneration.”

10/2008

„The General Meeting resolves to launch a supplementary employee incentivisation plan for the employees of the OTP Group based on the following principles:

- The program will be funded from an earn out connected to sale of OTP Garancia. It will be payable by Groupama to OTP Bank if certain conditions are fulfilled
- Compensation of the employees involved will depend on the share price appreciation of OTP Bank shares and bancassurance performance compared to the business plan
- The specific rules and procedures of the plan will be set by the Board of Directors.”

11/2008

„The AGM amends the share option program for 2006–2010, which was approved by the AGM in resolution no. 8/2006 and amended in resolution no. 7/2007, as follows:

The wording of “6. The opening of the option period” of the annex to resolution no. 8/2006 of the AGM shall be amended as follows:

The option period in respect of the year under review – based on the resolution of the Board of Directors that ascertains the fulfilment of the conditions of the Program – shall open on 1 June of the given year and, in accordance with the rules on entitlement, shall be available until the end of the following calendar year, with the provision that the Bank’s Board of Directors is entitled to extend the option period by up to an additional 2 years in respect of the given year under review. In this period – including the extension that is based on the decision of the Bank’s Board of Directors – the beneficiary of the option may exercise his/her share purchase right during the entire period without any limitation, in keeping with the statutory regulations.

The amendments pertaining to the extension of the option period and the cancellation of exercising restrictions shall apply for the rest of the term of the Program as well as for the currently already open business year of 2006.

The wording of “7. Determining the option purchase price” of the annex to the resolution no. 8/2006 of the general meeting” shall be amended as follows:

The purchase price of shares that are available for sale in a given option period shall be the average of the daily mid rate of the shares registered at the Budapest Stock Exchange in the first quarter of the evaluated business year minus HUF 2,000. If on the day preceding the day on which the purchase price is exercised the mid rate of the share exceeds the purchase price by more than HUF 4,000, the purchase price shall be raised by the difference in excess of HUF 4,000.

This amendment shall be first applied in the review of the business year of 2007.”

12/2008

„In order to create the necessary supply for the administration of the incentive programme of the management at OTP Bank Plc and to prevent the price fluctuations of the shares, the AGM authorizes the Board of Directors to purchase up to 56,000,000 ordinary shares issued by OTP Bank Plc. The purchase price of the shares at each transaction shall not be lower than the face value of the share and not be higher than 150% of the highest 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 October 31, 2009.”

OTP Bank Plc.

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REPORT ON CORPORATE GOVERNANCE

1. Statement on corporate governance practices

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. Governing bodies

The Company's management body is the Board of Directors. The scope of authority of the Board of Directors is determined by the effective statutory regulations, the Bank's Bylaws, the resolutions of the General Meeting and the rules of procedure of the Board of Directors. The rules of procedure contain the organisational structure and mode of operation of the Board of Directors as well as its tasks pertaining to the preparation and implementation of meetings, the drafting of resolutions and other issues concerning the work of the Board of Directors. The Board of Directors supervises the management and evaluates and analyses on a quarterly basis the implementation of business policy objectives. The Board of Directors exercises employer's rights in respect of the management of the Company by way of the Chairman & CEO, with the proviso that the Board of Directors must be notified prior to the appointment, and the withdrawal of the appointment, of deputy CEOs.

The members of the Board of Directors are elected by the General Meeting for five years. Currently, the ratio of independent (non-executive) board members (3 persons) within the total number of board members (9 persons) is 33%.

The members of the Board of Directors are subject to all the obligations and prohibitions that are specified in Act CXII of 1996 on Credit Institutions and Financial Enterprises (Credit Institutions Act) in respect of persons in management positions.

The Company's management and business operation is supervised by the Supervisory Board. The Supervisory Board determines its own rules of procedure, which are approved by the General Meeting.

Supervisory Board members are elected by the General Meeting for a term of three years. The ratio of independent (non-executive) board members (3 persons) within the total number of 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 member of the Board of Directors is determined by the Workers' Council operating at the Company, and this member is not considered to be independent by the Company.

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.

Minutes are taken of the meetings of the Board of Directors and the Supervisory Board, and their resolutions are documented.

Members of the Board of Directors, the Supervisory Board and the management (in the case of board members, their status as independent members is indicated), and the composition of the boards

Senior management of OTP Bank :

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, 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 Gresa (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 1 March 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 (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 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 2007 he held 33,000 ordinary OTP shares. Since 1 July 2007 he has been serving as the deputy CEO of OTP Bank.

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. He served as deputy CEO of OTP Bank until 30 June 2007.

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 Ltd.'s Board of Directors. As of 2 April 2007 he held 100,000 ordinary OTP shares. He serves as deputy CEO of OTP bank until 2 April 2007.

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. 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 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 (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, 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 2007 he held a total of 143,347 ordinary OTP shares.

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 Finance Division. As of 31 December 2007 he held 539 ordinary OTP shares.

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.

Internal (executive) members of OTP Bank's Board of Directors

Dr. Sándor Csányi (see description of professional qualifications under senior management of OTP)

Dr. Antal Pongrácz (see description of professional qualifications under senior management of OTP)

External (non-executive) members of OTP Bank's Board of Directors

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 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 (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 an independent, 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 (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, 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 (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 an independent, 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 (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 (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 Ltd.'s Board of Directors since 2001. As of 31 December 2007 he held 90,000 ordinary OTP shares.

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 an independent, 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 and Audit Committee of OTP Bank

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 an independent member 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 2007 he held 80,580 ordinary OTP shares.

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. He has been a member of the Audit Committee since 27 April 2007. As of 31 December 2007 he held 130,000 ordinary OTP shares.

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 an independent member of the OTP Bank's Supervisory Board since 1995. He has been the chairman of the Audit Committee since 27 April 2007. As of 31 December 2007 he held 10,000 ordinary OTP shares.

Antal Kovács (see description of professional qualifications under senior management of OTP)

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 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 an adviser to the North-East 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.

The following is a brief description of the number of board of directors meetings held and the number of participants in the meetings in 2007:

**Meetings of the Board of Directors
2007**

Date	Present	Absent
26.02.	8	2
19.03.	9	1
05.04.	8	2
08.06.	9	1
17.09.	9	-
05.11.	8	1
17.12.	9	-

Note:

In 2007 the Board of Directors held 7 meetings.

Starting from 1 July 2007 the Board of Directors had 9 members.

The following is a brief description of the number of supervisory board meetings held and the number of participants in the meetings in 2007:

**Supervisory Board Meetings
2007**

Date	Present	Absent
23.02.	4	1
23.03.	4	1
05.04.	5	-
15.06.	3	2
21.09.	5	-
09.11.	5	-
17.12.	5	-

Note:

In 2007 the Supervisory Board held 7 meetings.

During the meeting held on 15 June 2007, Antal Kovács submitted his vote in writing in respect of all agenda items to ensure a quorum at the meeting.

The following is a brief description of the number of Audit Committee meetings held and the number of participants in the meetings in 2007:

**Audit Committee Meetings
2007**

Date	Present	Absent
21.09.	3	-
09.11.	3	-

Note:

The General Meeting of Az OTP Bank Plc held on 27 April 2007 elected the Bank's Audit Committee, consisting of 3 members.

The Board of Directors holds its meetings when necessary, but at least 8 times per year, while the minimum number of required meetings per year in the case of the Supervisory Board is six. In 2007 the Board of Directors held seven meetings, while the Supervisory Board also held seven meetings and the Audit Committee held two.

The meeting must be convened if at least one member of the Supervisory Board, at least two members of the Board of Directors or the auditor requests it in writing with a specification of the reason and the purpose.

Description of the work of the Board of Directors, the Supervisory Board and the management, and the criteria taken into account when individual members are evaluated

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 (remuneration regulations, 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

The Company has the following management committees:

The Audit Committee is a body that comments on, evaluates and makes proposals in respect of the work of the Supervisory Board of OTP Bank Plc. The scope of the Audit Committee's responsibility is determined by the effective statutory regulations, the Bank's Bylaws, and the resolutions and rules of procedure of the General Meeting. Its key tasks are to comment on the report prepared in accordance with the Accounting Act, prepare the contract to be concluded with the auditor, maintain contact with the auditor and monitor compliance with professional requirements and conflict-of-interest provisions in respect of the auditor; if necessary, to recommend actions to be taken by the Supervisory Board, provide assistance to the Supervisory Board in order to ensure adequate supervision of the financial reporting system, evaluate the operation of the financial reporting system and recommend the steps that should be taken.

The various functions and tasks of the Audit Committee are performed by the Supervisory Board in accordance with the regulations pertaining to financial institutions and by the independent internal audit organisation, which is placed under its control by the Credit Institutions Act. The tasks of the other committees are performed by the committees that have been and may be established in accordance with the Company's Organisational and Operational Regulations.

The Audit Committee consists of three members, who were selected by the General Meeting from among the independent members of the Supervisory Board. The Audit Committee selects a chairman from among its members. The Audit Committee convenes as many times as necessary, but at least four times a year.

No Remuneration and Nomination Committee has been established at the Bank.

Committees established by the Bank's Board of Directors to support the 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 and 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.

The Company has the following permanent committees:

The Ethics Committee; the Asset-Liability Committee; the Credit-Limit Committee; the Product Development, Sales and Pricing Committee; the Work-Out Committee; the IT Control Committee, the Investment 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. The permanent committees report to the Management Committee once a year.

1.3. Internal control system

Audit

The Company operates an independent internal audit organisation, which is headed by the Supervisory Board within the overall framework specified in the Credit Institutions Act. The independent audit group has an annual audit plan, which is approved by the Supervisory Board. The independent audit group regularly prepares objective and independent reports for the Board of Directors, the Supervisory Board and the management in respect of the satisfactory operation of risk management, internal audit mechanisms and corporate governance functions. The Supervisory Board exercises the right of prior consent in respect of the establishment and termination of the employment and the remuneration of the executives and employees of the internal audit organisation.

The General Meeting is entitled to select the business organisation that conducts the audit and to approve the selection of the member who is personally responsible for the audit.

Risk management

The Company has detailed risk management rules for all 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 Company's risk management practices, the limits, and compliance with these limits.

Our risk management system includes the identification of risks, an assessment and analysis of their impact, the required action plans and the monitoring of their effectiveness and results. The management makes its business decisions in the knowledge of all material risks. All material risks related to internal and external activities, risks related to compliance with financial and legal requirements as well as several other risks are evaluated and managed in accordance with a well-defined, transparent internal mechanism.

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. Group-level risk management is based on the introduction of a standardised, OTP-compliant organisational structure, together with relevant regulations and procedures, in the various subsidiaries.

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.

1.4. Information

The Company fulfils its disclosure obligation in accordance with Act CXX of 2001 on Capital Markets (Capital Markets Act) and Act CXII of 1996 on Credit Institutions and Financial Enterprises and the provisions of the relevant regulations of the Budapest Stock Exchange. In addition, the Company has effective internal regulations that ensure compliance with the obligation of disclosure.

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

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 Company has detailed internal regulations pertaining to individuals classified as insiders or as potential insiders, and these regulations fully comply with the restrictions and prohibitions specified in the effective Money Market Act. The persons concerned have been adequately informed about the prohibitions by the compliance area. The transactions of the Board of Directors, the Supervisory Board and the management related to the shares of the Company are published by the Company in accordance with the rules of disclosure. The Company's Annual Report contains information about the stakes (number of shares) of such persons in the Company. Regulatory and record-keeping obligations related to insider information and the holders of insider information are discharged by the Bank's Independent Compliance Department, and the Bank is continuously working to improve the IT systems in order to ensure the efficient execution of these duties. Insider records cover the entire Bank Group.

The Company publishes in its Annual Report the loans extended to executives and to companies in which they hold a stake.

1.5. 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

- o the holder of the registered shares has been effectively entered into the Company's Share Register;
- o 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 Ltd.;
- o 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.

1.6. Brief description of rules pertaining to the implementation of the General Meeting

The Company requests a holder matching procedure in respect of the date of the General Meeting, a corporate event, from the Central Clearing House and Depository (Budapest) Ltd. (KELER Zrt.). The holder 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 holder-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 blocks of votes 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.

If the Company has put into circulation shares belonging to different share series and if due to the provisions of the statutory regulations the consent of holders of a specific share series is necessary for the validity of the General Meeting's resolutions, the resolution of the General Meeting shall be conditional and shall become valid only if the attending holders of the relevant share series – in the absence of a provision in the Bylaws to the contrary – consent to it with their majority vote.

Unless the Bylaws of the Company provide otherwise, 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.

1.7. Statement on remuneration

In 2007 the Company did not publish a Statement on Remuneration; however, the Company currently publishes some of the data specified in the recommendation.

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. This program ensures that the long-term interest of the management in increasing the share price is maintained.

The guidelines and incentives of the long-term remuneration and incentives of executives were determined in resolution no. 8/2007. of the General Meeting, which is also available on our website.

The components of the remuneration of the Chairman and 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 objectives of the Chairman and CEO, the evaluation of their execution, and the amount of the bonus that can be accounted for are determined by the Bank's Board of Directors. In the case of deputy CEOs (division heads) these competences are held by the Chairman and CEO.
- Share Option Program
- The Profit Sharing Program, which can be first used in respect of the results of 2007, provides incentives, in the ratio of contribution to the results, if the goals are exceeded. The detailed rules of the program are 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 2007, in accordance with section 3 (4) of Act XXII of 1992 on the Labour Code.

2. Statement on compliance with the Corporate Governance Recommendations

1.1.1 The Board of Directors 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 must contain the proposals of the Supervisory Board and a detailed explanation of the effects of the decision.

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 on the agenda items of the General Meeting were disclosed to the shareholders no later than at the time of registration.

Yes

Written comments to the agenda items were published two working days before the General Meeting.

Yes

1.3.10 The election and recall of executives 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.

Yes

2.5.4 The Board of Directors regularly (at the time of the annual FT report) asked its members, who are considered to be independent, to confirm that they are independent.

No

The Company specifically ensures that there are sufficient independent members on the boards. Due to the conflict-of-interest regulations the Company monitors any potential change in this.

2.5.5 The Supervisory Board regularly (at the time of the annual FT report) asked its members, who are considered to be independent, to confirm that they are independent.

No

The Company's Supervisory Board, with the exception of employee representatives, consists of independent members. The Company complies with the stipulations of the Companies Act, according to which the majority of the members of the Supervisory Board should be independent (Section 310 of the Companies Act).

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 applicable criteria of independence.

No

The Company satisfies the statutory regulations pertaining to independence, and therefore it did not draft any separate guidelines.

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

The Company acts in accordance with the provisions of the Credit Institutions Act and its internal regulations in cases that involve its officers, and therefore the flow of information is secured.

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 rules of procedure for approving transactions that depart from regular business practices, which ensures an adequate flow of information.

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.

No

In accordance with the Company's regulations pertaining to the prevention of conflicts of interest, requests to act as an officer in a company that does not belong to the Group are reported to the person exercising employer's rights and are registered, and the organisational unit that controls the records is supervised by the Board of Directors.

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.

No

In 2007 the Company did not publish a Remuneration Statement; however, it currently publishes a part of the data contained in the recommendation.

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 provisions of the Companies Act and the Bank's Bylaws, and the relevant resolution has been published on the Company's website. Similarly, the Bank published on its website the conditions of the purchase option program which constitutes a key component of the executive remuneration system and which was approved by the Bank's General Meeting in its resolution no. 8/2006. for the years 2006-2010. This program provides a long-term incentive for the management to increase the price of shares.

The guidelines and framework of the long-term remuneration and incentive system of executive employees were determined in resolution no. 8/2007. of the General Meeting, which is also available on the website.

The components of the remuneration and incentives of the chairman and 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 objectives of the Chairman and CEO, the evaluation of their execution, and the amount of the

bonus that can be accounted for are determined by the Bank's Board of Directors. In the case of deputy CEOs (division heads) these competences are held by the Chairman and CEO.

- Share Option Program
- The Profit Sharing Program, which can be first used in respect of the results of 2007, provides incentives, in the ratio of contribution to the results, if the goals are exceeded. The detailed rules of the program are 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 2007 in accordance with section 3 (4) of Act XXII of 1992 on the Labour Code.

The Supervisory Board commented on the remuneration guidelines.

No

The members of the Supervisory Board participate in the General Meeting and can make comments and express their opinion in respect of its agenda items, for example in relation to the incentive system.

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 Company's annual report contains a comprehensive evaluation of the activity which contains the description of the management.

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 prepared the Remuneration Statement and presented it to the General Meeting.

No

See the response under point 2.7.1.

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

No

See the response under point 2.7.1.

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.

No

The Bank has an internal audit system that fully complies with the statutory regulations; however, ensuring the effective operation of the internal audit system and providing direction to and requiring reports from the internal audit organisation is the inalienable task of the Supervisory Board, according to the Credit Institutions Act. The members of the Audit Committee participate in the execution of this task in their capacity as members of the Supervisory Board.

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.

No

In accordance with the Credit Institutions Act, the Supervisory Board is responsible for directing the internal audit organisation, and the members of the Audit Committee, in their capacity as members of the Supervisory Board, participate in executing this task.

2.8.7 The internal audit activity is performed by the internal audit organisation on 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.

The internal audit organisation is structurally separated from operative management.

Yes

2.8.8 The internal audit plan is approved by the 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 pre-specified 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).

No

The Company fully complies with the statutory requirement of public disclosure, and the information is available on the website. In 2007 no additional disclosures were made in respect of the committees.

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.

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 found during the audit.

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.

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

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.

A 3.3.1 The Company has a nomination committee.

No

Currently the Company does not have a nomination committee; however, in respect of the **members of the management** – the chairman and 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 and CEO and – in accordance with the Bylaws of the Company – the Board of Directors exercises the employer's rights by way of the Chairman and 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 personnel changes.

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.

No

In 2007 the Company did not have a remuneration committee. The General Meeting, the Company's supreme body, has the right to determine the remuneration of the members of the Board of Directors and the Supervisory Board. The guidelines and framework of the long-term remuneration and incentives of executives are also determined by the General Meeting. The Board of Directors prepared the guidelines for evaluating and providing incentives for the work of 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 (remuneration regulations, incentive system).

3.4.2 The Remuneration Committee 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.

No

See the comments under point 3.4.1 above.

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

No

See the comments under point 3.4.1 above.

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

No

See the comments under point 3.4.1 above.

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

No

See the comments under point 3.4.1 above.

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

No

See the comments under point 3.4.1 above.

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

No

See the comments under point 3.4.1 above.

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

No

See the comments under point 3.4.1 above.

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

No

See the comments under point 3.4.1 above.

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

No

See the comments under point 3.4.1 above.

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

No

See the comments under point 3.4.1 above.

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

No

The Company complies with the obligation of disclosure in strict compliance with the provisions of Act CXX of 2001 on the Capital Markets and the relevant regulations of the Budapest Stock Exchange. The Company has internal regulations that ensure compliance with the obligation of disclosure, which present the tasks and obligations arising from the provisions of the above act and the regulations of the Budapest Stock Exchange for all the relevant boards, organisations and employees of the Company. On the basis of the aforementioned regulations, the disclosure obligation can be fully met without the need for separate guidelines.

4.1.2 In the course of providing information, the Company 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.

No

The Company complies, in terms of content, with the disclosure provisions: in practice all the information to be published is accessible on the Company's website. Although no formal guidelines have been prepared, we have formulated disclosure regulations. For further information see point 4.1.1.

The Company's website was created in keeping with disclosure criteria and with a view to providing information to investors.

Yes

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

No

See the comments under point 4.4.1 above.

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, 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 stated in its annual report the other mandates, together with the type and volume, that the entity that audits the Company's annual financial statements received from the Company and its subsidiaries.

Yes

4.1.9 The Company, in its annual report and on its website, 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 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 executive bodies in the Bylaws. With regard to the evaluation of the individual members, see point 3.4.1.

4.1.11 The Company published in its annual report and on its website a remuneration statement 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 3.4.1 above.

4.1.12 The Board of Directors 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.

No

The Bank complies with its obligations of disclosure in accordance with the stipulations of the Capital Markets Act.

The Company, in its annual report and on the Company's website, 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 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

3. 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.

No

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.

No

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.

No

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 and 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 includes the procedure to be followed when the services of an external consultant are used.

No

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 remuneration statement 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.

No

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

No

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

Proposal for the amendment to the By-Laws of OTP Bank Plc.

1.) Section 1.1 of the By-Laws will be replaced with the following provisions:

1.1. The trade name of the Company: OTP Bank Nyrt.

In English: OTP Bank Plc.

2.) The 4.§ of the By-Laws will be replaced with the following provisions:

„4.§

The Company's defined scope of activity

- 4.1. TEÁOR 6419 Other monetary intermediation (the main activity of the Company)
- 4.2. TEÁOR 6491 Financial leasing
- 4.3. TEÁOR 6499 Other financial service activities
- 4.4. TEÁOR 6612 Security and commodity contracts brokerage
- 4.5. TEÁOR 6619 Other activities auxiliary to financial services
- 4.6. TEÁOR 6622 Activities of insurance agents and brokers
- 4.7. TEÁOR 6630 Fund management activities
- 4.8. TEÁOR 5629 Other food service activities”

3.) Section 6.4 of the By-Laws will be replaced with the following provisions:

The extent of voting rights exercised directly or indirectly by any individual shareholder or group of shareholders may not exceed 25% (or in case the voting rights of another shareholder or group of shareholders exceed 10% it may not exceed 33%) of the total voting rights represented by the shares entailing voting rights at the General Meeting of the Company.

If the shareholder by oneself or together with other shareholders belonging to the same group of shareholders is holding directly or indirectly more than 2% of the voting rights represented by the shares entailing voting rights at the General Meeting of the Company, the shareholder is obliged to notify the Board of Directors without delay. Simultaneously, the shareholder has the obligation to assign those shareholders, through which indirect voting right is existing and the members of the group of shareholders. In case of missing the notification or being presumable with an acute reason that shareholder's notification is deceptive regarding the composition of the shareholder group, the voting right of the shareholder shall be suspended and shall not be exercised until the above obligations are met. Obligation for notification stipulated by this paragraph shall also be applied to individuals eligible for obtaining or exercising voting rights in the Company in accordance with CMA (Tpt) 61. §, Section 5, Point a)-h) and Section 6).

Group of shareholders: the shareholder together with the other shareholder, in which the former has either direct or indirect shareholding or has influence without shareholding (jointly direct and/or indirect influence); furthermore: shareholder together with the other shareholder, who is exercising or is willing to exercise its voting rights together with the former shareholder irrespective of the agreement behind the joint practice of the participants.

Identification and calculation of indirect holding shall be delivered as defined in Act No. CXII. of 1996. (ACI or Hpt.).

In case voting rights exercisable by the group of shareholders exceed the threshold stipulated in the first paragraph of this section, voting rights shall be reduced so, that voting rights entailing to shares last obtained by the group of shareholders are not exercisable.

4.) Subpoint 16. to Section 8.33 will be replaced with the wording „Deleted”.

5.) Subpoint 17. to Section 8.33 will be replaced with the following wording:

„17. with the exceptions specified in the AEA (Gtv.), decision on the acquisition of the Company’s own shares;”

6.) Second paragraph of Section 9.13 in By-Laws will be supplemented with the following provisions:

”...“

- decision on actions aiming to hinder a public takeover procedure;
- decision on the approval of a public purchase offer in respect of the purchase of own shares.”

7.) Section 11/A.1 of the By-Laws will be replaced with the following provisions:

„In order to perform the functions specified in § 311 para (2) of AEA the Audit Committee shall be elected from the members of the Supervisory Board by the General Meeting. Audit Committee shall consist of three to five members. Audit Committee shall elect a Chairman from among its members. The Audit Committee shall have a quorum if more than half of its members are present. The decisions of the Audit Committee shall be taken with a simple majority of votes.”