

OTP BANK
ANNUAL REPORT

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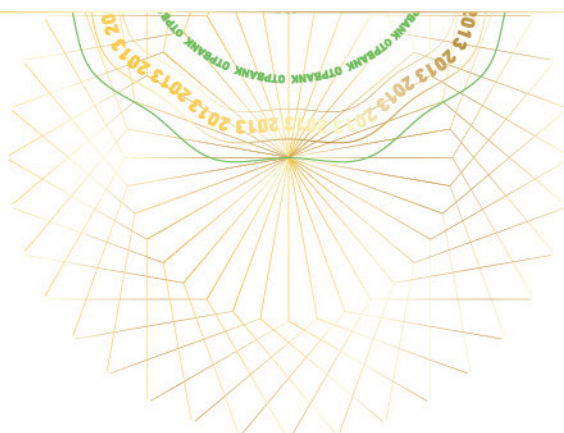
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Senior management of OTP Bank and executive members of the Board of Directors



Dr. Sándor Csányi
Chairman & CEO

Dr. Sándor Csányi (61) graduated from the College of Finance and Accountancy in 1974 with a bachelor's degree in business administration and in 1980 from the Budapest University of Economic Sciences with a degree in economics. He is an economist with a specialisation in finance, and is also a qualified pricing specialist and certified auditor. After graduation he worked at the Revenue Directorate and then at the Secretariat of the Ministry of Finance, after which, between 1983 and 1986, he was a departmental head at the Ministry of Agriculture and Food Industry. From 1986 to 1989 he worked as a head of department at Magyar Hitel Bank. He was deputy CEO of K&H Bank from 1989 to 1992. Since 1992 he has been Chairman & CEO of OTP Bank Plc., where he is responsible for the Bank's strategy and overall operation. He is a member of the European Board of Directors for MasterCard, one of the world's leading payment card companies, and is Vice Chairman of the Board of Directors of MOL Plc., Co-Chairman of the National Association of Entrepreneurs and Employers (VOSZ), and until April 2011 was a member of the Board of Directors of the Hungarian Banking Association. He has been Chairman of the Hungarian Football Association (MLSZ) since July 2010. As of 31 December 2013 he held 10,000 ordinary OTP shares (while the total number of OTP shares held by him directly and indirectly was 500,000).

Dr. Antal Pongrácz
Deputy Chairman Deputy CEO
Staff Division

Dr. Antal Pongrácz (68) graduated from the Budapest University of Economic Sciences and earned a PhD in 1971. From 1969 he worked as an analyst at the Petrochemical Investment Company, then as a group manager at the Revenue Directorate until 1975. From 1976 he held various executive positions at the Ministry of Finance. After that, he was the first Deputy Chairman of the State Office for Youth and Sports. Between 1988 and 1990 he was the first Deputy CEO of OTP Bank. Between 1991 and 1994 he was CEO, and then Chairman & CEO, of the European Commercial Bank Rt. Between 1994 and 1998 he was Chairman & CEO of Szerencsejáték Rt., then in 1998–99 he served as CEO of Hungarian flagship carrier, Malév. Since 2001 he has been executive director of OTP Bank's Staff Division and more recently, Deputy CEO. He has been a member of OTP Bank's Board of Directors since 2002, and its Chairman since 9 June 2009. Since 12 April 2012 he has been Chairman of the Supervisory Board of OTP Banka Hrvatska d.d. As of 31 December 2013 he held 14,400 ordinary OTP shares.

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

Dr. István Gresa (61) graduated from the College of Finance and Accountancy in 1974 and received a degree in economics from the Budapest University of Economic Sciences in 1980. He earned a PhD from the same establishment in 1983. He has worked in the banking sector since 1989. Between 1989 and 1993 he was branch manager of Budapest Bank's Zalaegerszeg branch. From 1993 he was director of OTP Bank's Zala County Directorate, and from 1998 he served as the executive director of the bank's West Transdanubian Region. Since 1 March 2006 he has been Deputy CEO of OTP Bank, as well as the head of the Credit Approval and Risk Management Division and Chairman of the Board of Directors at OTP Factoring Ltd. He has been a member of OTP Bank's Board of Directors since 27 April 2012. As of 31 December 2013 he held 71,935 ordinary OTP shares.

László Bencsik
CFO, Deputy CEO
Strategy and Finance Division

Mr. László Bencsik (44) has been deputy CEO of OTP Bank Plc., and head of the Strategy and Finance Division, since August 2009. He joined OTP Bank in September 2003, when he became executive director of the Bank Operations Management Directorate, and the manager with overall responsibility for controlling and planning. From 2000 to 2003 he was a project manager at consulting firm McKinsey & Company. Between 1996 and 2000 he worked as a consultant at Andersen Consulting (now Accenture). In 1996 he graduated from the Faculty of Business Administration at the Budapest University of Economic Sciences, and in 1999 he obtained a Masters in Business Administration (MBA) from INSEAD Business School in France. Since 13 March 2012 he has been Chairman of the Supervisory Board of DSK Bank. As of 31 December 2013 he held 4,780 ordinary OTP shares.



Dániel Gyuris

Deputy CEO
Real Estate, Small Enterprises
and Agriculture Division

Mr. Dániel Gyuris (55) obtained a post-graduate degree in agricultural engineering from Gödöllő University of Agricultural Sciences in 1998. Two years earlier he graduated in economics from the Budapest University of Economic Sciences, where he majored in bank management. In the same year he obtained a post-graduate diploma from the College of Finance and Accountancy. He is a certified accountant and property valuation specialist. He began his career as an agricultural engineer at an industrial cooperative, where as deputy production manager he was responsible for the overall management of the production processes. In 1989 he was appointed a head of department at Agrobank Ltd., and then from 1991 he held a similar position at Inter-Europe Bank Ltd. From 1999 he was CEO of FHB Land Credit and Mortgage Bank Plc., and was the executive director responsible for the operation of the bank group. Since 1 November 2010 he has been deputy CEO of OTP Bank Plc., and is also the head of the Real Estate, Small Enterprises and Agriculture Division, as well as Chairman & CEO of OTP Mortgage Bank Ltd. and OTP Building Society Ltd. As of 31 December 2013 he held no ordinary OTP shares.

Antal Kovács

member of Supervisory Board
Deputy CEO
Retail Division

Mr. Antal Kovács (61) graduated from the Budapest University of Economics with a degree in economics in 1985. He began his professional career in 1990 at the Nagyatád branch of K&H Bank, where he worked as a branch manager between 1993 and 1995. He has been working at OTP Bank Plc. since 1995, first as a county director and from 1998 as the executive director of OTP Bank's South Transdanubian Region. Since 1 July 2007 he has served as OTP Bank's Deputy CEO. He has received additional training at the International Training Centre for Bankers and on various courses held by the World Trade Institute. He has been a member of OTP Bank's Supervisory Board since 2004. He has been Chairman of the Supervisory Board of OTP Bank Romania SA since 12 December 2012. As of 31 December 2013 he held 44,074 ordinary OTP shares.

Ákos Takáts

Deputy CEO
IT and Bank Operations Division

Ákos Takáts (54) graduated from the University of Horticulture and Food Industry in 1982 and earned a degree in engineering in 1985. He has worked in the banking sector since 1987. From 1993 he served as a deputy head of department at OTP Bank Plc., then, from 1995, he was managing director of the Bank's IT Development Directorate. Since 1 October 2006 he has served as OTP Bank's Deputy CEO and the head of the IT and Logistics Division. As of 31 December 2013 he held 184,963 ordinary OTP shares.

László Wolf

Deputy CEO
Commercial Banking Division

László Wolf (54) graduated from the Budapest University of Economic Sciences in 1983. After graduation, he worked at the Bank Relations Department of the National Bank of Hungary for 8 years, and then served as head of Treasury at BNP-KH-Dresdner Bank between 1991 and 1993. From April 1993 he was executive director of OTP Bank's Treasury Directorate, and since 1994 he has been Deputy CEO of the Commercial Banking Division. As of 31 December 2013 he held 587,182 ordinary OTP shares.

Non-executive members of the Board of Directors of OTP Bank



Mihály Baumstark
Agricultural engineer, economist

Mr. Mihály Baumstark (65) holds degrees in agricultural engineering and agricultural economics. He was employed by the Ministry of Agriculture and Food Industry between 1978 and 1989. When he left the Ministry he was deputy head of the Investment Policy Department. After this he was managing director of Hubertus Rt., and from 1999 to 2012 he was deputy CEO and then Chairman & CEO of Villányi Winery Ltd. (now Csányi Winery Ltd.). He is currently retired. He was a member of OTP Bank's Supervisory Board from 1992 to 1999, and has been a non-executive member of OTP Bank's Board of Directors since 1999. As of 31 December 2013 he held 16,000 ordinary OTP shares.

Dr. Tibor Bíró
College Associate Professor
Budapest Business School

Dr. Tibor Bíró (62) graduated from the Budapest University of Economic Sciences with a degree in business administration. He is a certified auditor and chartered accountant. He was head of the Finance Department of Tatabánya City Council's Executive Committee between 1978 and 1982, then from 1982 a professor at the College of Finance and Accounting, and between 1990 and 2013 head of department at the Budapest Business School. From 2000 to 2010 he was a member of the Presidium of the Budapest branch of the Chamber of Hungarian Auditors, and currently works as a member of the Chamber's Education Committee. He has been a non-executive member of OTP Bank's Board of Directors since 1992. As of 31 December 2013 he held 39,158 ordinary OTP shares.

Péter Braun
Electrical Engineer
Former Deputy CEO

Péter Braun (78) earned a degree in electrical engineering from the Technical University of Budapest. Between 1954 and 1989 he worked for the Research Institute for Electrical Energy, with his last position there being head of department. After that, he was the managing director of K&H Bank Rt., working in its Computer and Information Centre. He is a member of GIRO Rt.'s Board of Directors, and was Deputy CEO of OTP Bank Plc. from 1993 until his retirement in 2001. Since the second half of 2009 he has been the chairman of the Chief Information Officers' Association (VISZ). He has been a member of OTP Bank's Board of Directors since 1997. As of 31 December 2013 he held 343,905 ordinary OTP shares.

Tamás Erdei

Tamás Erdei (60) graduated in 1978 with a degree from the College of Finance and Accounting. He began his professional career at OTP, in a variety of administrative roles (his last position was branch manager), before going on to work at the Ministry of Finance in the area of bank supervision. Since 1983 he has been employed by the Hungarian Foreign Trade Bank (today MKB), where he gradually worked his way up through the ranks. In 1985 he became managing director, in 1990 he was appointed deputy CEO, then in 1994 he was made CEO, and from 1997 until the end of March 2012 he was chairman and CEO. Between 1997 and 2008 he was the elected president of the Hungarian Banking Association. He is the chairman of the Supervisory Board of the International Children's Safety Service. He has been a member of OTP Bank's Board of Directors since 27 April 2012. As of 31 December 2013 he held 6,439 ordinary OTP shares.



Zsolt Hernádi

Chairman & CEO
MOL Plc.

Zsolt Hernádi (54) graduated in 1986 from the department of industrial planning at the Karl Marx University of Economic Science. Between 1989 and 1994 he held a number of positions at Kereskedelmi és Hitelbank Rt., where from 1992 to 1994 he was deputy CEO of the financial institution. Between 1994 and 2001 he was CEO and a member of the Board of Directors at Magyar Takarékszövetkezeti Bank Rt. He has been a member of MOL's Board of Directors since 1994, and its Chairman since 2000, while since 11 June 2001 he has been the company's Chairman and CEO. He is also a member of the Corporate Governance and Remuneration Committee of MOL's Board of Directors. He has been a member of OTP Bank's Board of Directors since 29 April 2011. As of 31 December 2013 he held 16,000 ordinary OTP shares.

Dr. István Kocsis

Managing Director
Merkantil Bank Ltd.

Dr. István Kocsis (62) obtained his degree in mechanical engineering from the Mechanical Engineering Faculty of the Technical University of Budapest in 1976, and earned his PhD in 1985. Career highlights: 2002–2005 Paks Nuclear Power Plant, CEO; 2005–2008 Hungarian Power Companies Ltd. (MVM Ltd.), CEO; 2008–2011, CEO of Budapest Transport Corporation (BKV Ltd.); since 2011 Managing Director of Merkantil Bank Ltd. Offices held: Chairman of the Ányos Jedlik Society; chairman of the Scientific Society For Measurement, Automation and Informatics; member of the Social Senate of the University of Pécs; member of the national Presidium of the Hungarian Chamber of Commerce and Industry; chairman of the endowment advisory board of the Duna-Mecsek Regional Development Foundation. Non-executive member of OTP Bank's Board of Directors since 1997. He's membership suspended since 3 October 2012. As of 31 December 2013 he held 13,670 ordinary OTP shares.

Dr. László Utassy

Chairman & CEO
Merkantil Bank Ltd.

Dr. László Utassy (62) graduated from the Faculty of Law of ELTE University in Budapest in 1978. He held various positions at the State Insurance Company between 1978 and 1995 and then went on to work at ÁB-Aegon Rt. He was Chairman & CEO of OTP Garancia Insurance from 1996 to 2008. He was managing director of OTP Bank Plc. between 2009 and 2010. Since 1 January 2011 he has been Chairman & CEO of Merkantil Bank Ltd. He has been a member of OTP Bank's Board of Directors since 2001. As of 31 December 2013 he held 281,000 ordinary OTP shares.

Dr. József Vörös

Professor, Head of
Institute University of Pécs

Dr. József Vörös (63) earned a degree in economics from the Budapest University of Economic Science in 1974. In 1984 he earned a PhD in economics from the Hungarian Academy of Sciences, and a Doctor of Science degree in 1993. He has been a member of the Hungarian Academy of Sciences since 2013. Between 1990 and 1993 he was the dean of the Faculty of Business and Economics, Janus Pannonius University (JPTE) in Pécs. In 1993 he attended a course in management for senior executives at Harvard University. From 1994 he was a professor at JPTE, and was the senior Vice Rector of the University from 2004–2007, between 2007 and 2011 he was chairman of the Board of Trustees. Non-executive member of OTP Bank's Board of Directors since 1992. As of 31 December 2013 he held 133,200 ordinary OTP shares.

Members of OTP Bank Supervisory Board*



Tibor Tolnay

**Chairman of the Supervisory Board
Chairman & CEO
Magyar Építő Ltd.**

Tibor Tolnay (63) graduated from the Budapest University of Technology with a degree in civil engineering and then in economic engineering, and subsequently received a degree in economics from the Budapest University of Economics.

In 1994 he was appointed Chairman & CEO of Magyar Építő Rt. He has been Chairman of OTP Bank's Supervisory Board since 1999. He was a member of the Audit Committee between 27 April 2007 and 29 April 2011.

As of 31 December 2013 he held 54 ordinary OTP shares.

Dr. Gábor Horváth

**Deputy Chairman of
the Supervisory Board
Lawyer**

Dr. Gábor Horváth (58) earned a degree in law from ELTE University in Budapest. From 1983 he worked for the Hungarian State Development Bank. He has been a lawyer since 1986, and since 1990 has run his own law firm, which specialises in corporate finance and corporate governance. He has been a member of the Supervisory Board of OTP Bank Plc. since 1995, and a member of MOL Plc's Board of Directors since 1999. He has been Supervisory Board of OTP Bank's deputy Chairman since 27 April 2007. He was a member of the Audit Committee between 27 April 2007 and 29 April 2011. He has been a member of the Supervisory Board of BKV Holding Ltd. since 29 January 2014. As of 31 December 2013 he held no ordinary OTP shares.

András Michnai

**Executive Director
Compliance Directorate**

András Michnai (59), who represents the employees of OTP Bank, graduated from the College of Finance and Accounting with a degree in business economics.

He has been an employee of the Bank since 1974, and until 1981 held a variety of posts in the branch network. From 1981 he held a management position in the central network coordination department and then in the network. From 1994, as deputy management director, he participated in the central coordination of the branch network. Since 2005 he has headed the Bank's independent Compliance Department (since 2011 a Directorate) as executive director. He further expanded his professional skills, earning a masters degree at the College of Finance and Accounting, and is a registered tax advisor. He has been a member of OTP Bank's Supervisory Board since 25 April 2008. As of 31 December 2013 he held 14,400 ordinary OTP shares.

* Mr. Antal Kovács has been a member of OTP Bank's Supervisory Board since 2004 (see page 227).



Dominique Uzel
Director
Groupama International SA

Dominique Uzel (46) graduated as an agricultural development engineer, then obtained a Masters degree in agricultural and food industry management at the ESSEC Business School. He joined Gan in 1991 as head of the agricultural division. Five years later he left France to join Gan España, where he headed the subsidiary's department responsible for planning and auditing, then became technical director of the newly established Groupama Seguros. In 2008 he was appointed managing director of the insurance business, in which capacity he was instrumental in the launch and roll-out of Click Seguros, a direct marketing tool on the Spanish insurance market. In July 2010 he joined the international board of Groupama S.A. as Managing Director for direct insurance, but he also continued to be responsible for the management of the direct insurance division in Spain and Poland. Since 1 October 2011 he has worked as the Chief Operating Officer. He has been a member of OTP Bank's Supervisory Board since 26 April 2013. As of 31 December 2013 he held no ordinary OTP shares.

Dr. Márton Gellért Vági
General Secretary
Hungarian Football Association

Dr. Márton Gellért Vági (52) graduated in 1987 from the department of foreign economics at the Karl Marx University of Economic Science (today the Corvinus University of Budapest), where he also earned his doctorate in 1994. Between 2000 and 2006 he worked at the State Holding and Privatisation Co. (ÁPV Ltd.), as managing director, deputy CEO and then CEO. Between 2006 and 2010 he was Chairman of the National Development Agency. From July 2002 until 1 January 2011 he was a member of the Board of Directors of FHB Plc., during which period he also spent four years as Chairman of the Board. Since 2010 he has been general secretary of the Hungarian Football Association. He has authored or co-authored more than 80 research papers, essays and books. He has been a member of OTP Bank's Supervisory Board since 29 April 2011. As of 31 December 2013 he held no ordinary OTP shares.

Information for Shareholders

General company data

Date of foundation:

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

Legal predecessor:

Országos Takarékpénztár, founded 1 March 1949.

Registered head office of OTP Bank Plc.:

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

Share capital:

OTP Bank's share capital as at 31 December 2013 was HUF 28,000,001,000, consisting of 280,000,010 ordinary shares of nominal value HUF 100 each.

Ownership structure as at 31 December 2013:

Shareholder	Ownership (%)	Voting rights (%)
Treasury shares	1.23%	0.00%
Government held owner*	5.13%	5.20%
Foreign institutions**	63.49%	64.28%
Foreign individuals	1.15%	1.16%
Domestic institutions	11.97%	12.12%
Domestic individuals	10.47%	10.60%
Other***	6.56%	6.64%
Total	100.0%	100.0%

Stock exchange listing

The ordinary shares of OTP Bank Plc. are listed on the Budapest Stock Exchange under category "Premium Equity", and the global depository receipts (GDRs) representing the ordinary shares that are traded abroad are listed on the Luxemburg Stock Exchange. (2 GDR represents 1 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

The General Meeting will be conducted with the personal presence of those entitled to participate. Shareholders may participate in the General Meeting in person or through a proxy. OTP Bank Plc. is entitled to check the personal identity of the shareholders and their proxies on the basis of documents, prior to their admission to the General Meeting.

The authorisations relating to representation as a proxy at the General Meeting must comply with the relevant provisions of Hungarian law. The authorisation must include, clearly and expressly, a statement of authorisation with respect

* E.g.: Hungarian National Asset Management Inc., Social Security, Municipality, 100% state-owned companies etc.

** Foreign institutions, and International Development Institutions (E.g.: EBRD, EIB, etc.).

*** Non-identified shareholders.

to the proxy, a specification of the authoriser and of the proxy, and any limitations that may apply to the authorisation. The authorisation must be issued in the form of a notarised deed or a private document of full probative force.

One representative may represent several shareholders; however, he/she must possess authorisations from every shareholder represented by him/her, either in the form of a notarised deed or a private document of full probative force. If several proxies are indicated in one authorisation, then it must be specified that, under the authorisation, each proxy may exercise his/her right of representation independently, as each shareholder may only have one representative.

The authorisation shall be valid with respect to one general meeting, or for the time specified therein, but at most for twelve months.

The validity of the authorisation shall extend to any continuation of a suspended general Meeting, as well as to any general meeting re-convened due to the lack of a quorum.

If a shareholder is represented at the General Meeting by its lawful representative (e.g. chief executive, managing director, mayor, etc.), the court or company court document evidencing the right of representation – in its original form, or in the form of a copy certified as authentic by a notary public, issued not more than 30 days previously – or a certificate regarding the election of the mayor, as the case may be, must be presented at the venue of the General Meeting. In the case of providing evidence of the existence of companies (and other organisations) registered abroad and of the right to represent the entity issuing the authorisation, it is essential that the foreign document shall be issued by a certified public records body or that these facts shall be attested by a notary public.

If the authorisation or any document submitted as evidence of the representation right was not issued in Hungary, the form of the document must satisfy the legal regulations pertaining to the certification and/or legalisation of documents

issued abroad. According to these regulations, in the absence of a bilateral international agreement to the contrary, (I) the diplomatic certification and/or legalisation of the document is needed, or (II) – if the given country is a party to the relevant international convention – the furnishing of the document with an apostille is required. Detailed information on the applicable rules are provided by the Hungarian foreign representation offices. If the document is written in a language other than English or Hungarian, then a certified Hungarian translation of the document must be presented.

The authorisation and the related documents must be handed over by 22 April 2014 at the very latest, at any of the designated OTP branches listed under section X below, or – if the proxy, based on a foreign document, is representing more than one shareholder – at the Corporate Secretariat of OTP Bank Plc.

Preconditions for participation in the General Meeting and for the exercising of voting rights are that:

- a) the result of the shareholder verification procedure confirms the shareholding as at the date of the shareholder verification procedure;
- b) the shareholder be registered in the Company's Share Register by the closure of the register as specified in section III of this announcement;
- c) the shareholder proxy indicate the shareholders represented by him/her, based on the requirements set forth in section III;
- d) the shareholding and/or the voting rights of the shareholder do not violate the legal regulations or the provisions of the Company's Bylaws, which circumstance the Company shall determine through a check.

Dividend

On 25 April 2014 OTP Bank Plc.'s General Meeting decided to pay dividend after fiscal year 2013.

Dividends will be HUF 145 per share, representing 145% of the face value of each share. The actual amount of dividends to be paid to the individual shareholders will be calculated and disbursed in accordance with the Company's Bylaws, that is, the Company will distribute the dividend calculated in respect of all the shares qualifying as treasury shares among the shareholders entitled to receive dividends. Dividends will be disbursed from 10 June 2014, in accordance with the procedural order set forth in the Bylaws.

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 the National Bank of Hungary (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 & DCM

H-1051 Budapest, Nádor utca 16.

Telephone: (+36-1) 473-5460

Fax: (+36-1) 473-5951

e-mail: investor.relations@otpbank.hu



Statement on Corporate Governance Practice

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

Management bodies

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

The members of the Board of Directors are elected by the General Meeting for a term of five years.

All the obligations and prohibitions specified for executive officers under Act CXII of 1996 on Credit Institutions and Financial Enterprises (Credit Institutions Act) apply to the members of the Board of Directors.

The oversight of the Company's management and business activity is performed by the Supervisory Board. The Supervisory Board establishes its own procedural rules, 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) Supervisory Board members (4 persons¹) to the

total number of Supervisory Board members (6 persons) is 66%.

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

In 2013 the Board of Directors met on a total of 6 occasions, and the Supervisory Board on a total of 7. In addition, resolutions were passed by means of correspondence voting, by the Board of Directors on 112 occasions and by the Supervisory Board on 9 occasions.

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

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

- a resolution has been passed by the Board of Directors to hold an extraordinary meeting of the Board;
- At least three Board members requests a meeting in writing by designating the reason

¹ On 26 April 2013 the General Meeting elected 1 new Supervisory Board member, Dominique Uzel, and thus from this point on, the Supervisory Board continued its work with 6 persons (4 non-executive and 2 executive members).

and the purpose, and the items of the agenda, and by submitting a written proposal in respect of the decision to be made;

- The Supervisory Board or the auditor initiates such a meeting in writing;
- The Supervisory Board requires it;
- Under the law, a decision must be made about whether to convene an extraordinary General Meeting.

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

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

The employer's rights towards the executive officers of the Company are exercised by the Board of Directors through the Chairman & CEO, with the proviso that the Board of Directors must be notified in advance for the appointment or withdrawal of appointment of deputy CEOs.

Determining the remuneration of the Board of Directors and the Supervisory Committee is in the competence of the Company's supreme body, the General Meeting. The principles and frameworks of the long-term remuneration and incentives system for employees in senior positions are also determined by the General Meeting. Accordingly – on the basis of the provisions relating to remuneration policies set forth in the Credit Institutions Act, which complies with the relevant EU directives – the Bank's Annual General Meeting of 2011, in its resolution no. 9/2011, approved for the first time the principles and rules of the remuneration policy of OTP Bank Plc. and the Bank Group, and the Board of Directors issued the internal regulations and procedures necessary for their implementation, which documents have been amended several

times by the Bank's General Meeting and Board of Directors in the past years.

At the Annual General Meetings the Board of Directors gives a briefing on the annual and medium-term objectives providing the basis for performance-based remuneration, and on their fulfilment.

The following management bodies have been established at the Company to assist the Board of Directors and Supervisory Board in their work: Management Committee, Subsidiary Integration and Governance Committee, Management Coordination Committee, Remuneration Committee. The following additional permanent and special committees also operate within the Company for the performance of specific tasks: Asset-Liability Committee, Credit-Limit Committee; Product Development, Sales and Pricing Committee; Workout Committee; Information Technology Control Committee; Investment Committee, Group Operational Risk Management Committee, Real Estate Advisory Committee, Ethics Committee, Communication Consultation Committee.

Audit

The main function of the internal audit system is to protect customers, the company's assets and shareholder's interests, as well as to facilitate and monitor operation in compliance with the statutory provisions.

The internal audit system extends to all of the company's organisational units, business lines and activities, including outsourced activities. To ensure effective auditing, the system's structure is subdivided both vertically and horizontally, and built on three modular levels of control, as well as being segmented by department. The elements of the internal audit system are comprised of in-process and management controls, and an independent internal audit organisation and management information system.

The independent internal audit organisation assists in the legally compliant and effective management of assets and liabilities and the protection of property; it supports secure business operation, the effectiveness, cost-efficiency and success of internal control systems, the minimisation of risks, and moreover – alongside the compliance organisation – it detects and reports departures from the provisions of the statutory regulations and internal policies, makes recommendations for the elimination of deficiencies, and monitors the implementation of the measures. It performs its activities independently, objectively and professionally. Its independence is ensured by the fact that it is professionally overseen by the Supervisory Board, within the framework set by the Credit Institutions Act.

The independent internal audit organisation has an annual audit plan which is approved by the Supervisory Board. The annual plan is prepared using a risk-based methodology and, in addition to focusing on the areas that entail regulatory, business and operational risk, and the other main risk exposures, it also takes into account the company's prevailing strategic priorities. The internal audit system, which is applied consistently throughout the Bank Group, includes shareholder audits conducted at the foreign and domestic group members as well as the professional oversight of the internal audit organisations of the subsidiaries defined in the Credit Institutions Act as included in the scope of consolidated supervision. Uniform internal audit methods are created, continuously developed and implemented in respect of the operation and activities of the bank group members' internal audit organisations. Internal audit also liaises regularly, and cooperates, with external auditing bodies.

The internal audit organisation makes independent reports on its auditing activities for the management bodies at quarterly and annual intervals. In its quarterly reports it gives a group-level, summary account of the audits

conducted in the given quarter, the risks identified in the course of its own audits and audits conducted by the authorities, and the success of any action taken to eliminate them. In exceptional cases that require immediate intervention, it provides the management with extraordinary briefings. It reports annually on the performance of the tasks stipulated in the group-level annual audit schedule, the audits conducted and other activities, and on the circumstances of the organisation's operation, as well as on any changes to the internal audit system.

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

The General Meeting has the authority to elect the company performing the audit, and to approve the nomination of the member responsible for the audit.

Compliance

In accordance with EU regulations and with the Hungarian statutory provisions an independent organisational unit (the Compliance Directorate) operates at the Company, with the task of exploring and managing compliance risks. This function is supported by the appropriate regulatory documents: the compliance policy, strategy and work plan. 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 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 Compliance Directorate 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.

Disclosure of information

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

The Company discloses information in strict compliance with the provisions of the Companies Act, the Capital Market Act, the Credit Institutions Act and the Investment Services Act, the Accounting Act and Ministry of Finance Decree 24/2008 (VIII. 15.), as well as the relevant regulations of the Budapest Stock Exchange. In addition, the Company has effective internal regulations that ensure compliance with the obligation to disclose information.

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

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

The Company, in accordance with the statutory regulations, publishes on the Company's

website and in its Annual Report the professional careers of the members of the Board of Directors, the Supervisory Board and the management.

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

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

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

The Board of Directors has assessed the effectiveness of information disclosure processes in 2013, and found them to be satisfactory.

Anti-money laundering measures

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

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

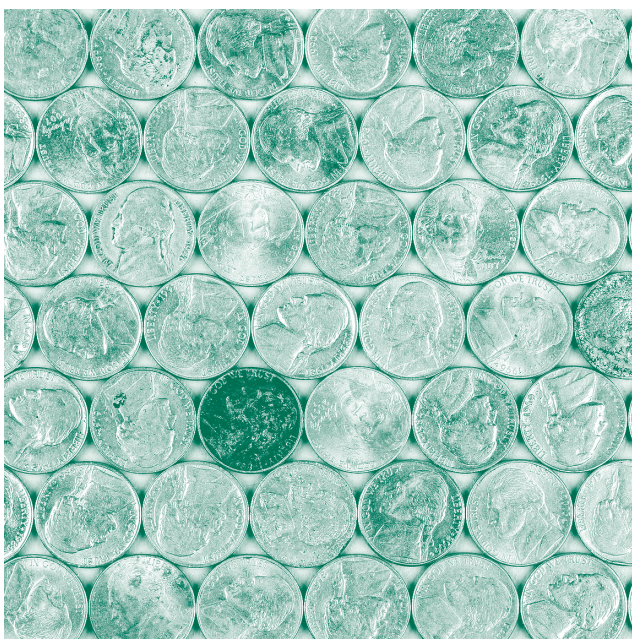
In keeping with the provisions of Act CXXXVI of 2007 on the prevention and impeding of money laundering and the financing of terrorism (hereinafter: Act on Money Laundering), OTP Bank has introduced, and applies, the following measures and rules:

- It operates an internal control and information system designed to prevent banking or financial operations that might

enable, or in themselves constitute, money laundering.

- It has internal regulations, in accordance with Ministry of Finance Decree 35/2007. (XII. 29.) and the recommendations of the Hungarian Financial Supervisory Authority, that all employees of the bank must observe.
- The employees of the bank must fulfill their customer due diligence and reporting obligations.
- Compliance with the reporting obligations are not construed as a breach of bank, securities, insurance or trade secrets.
- Failure to fulfill the reporting obligation may result in prosecution under criminal law.
- OTP Bank cooperates with the criminal investigation authorities in the investigation of all circumstances suggestive of money laundering.

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



With trust and responsibility for each other

OTP Bank's CSR activities in 2013

OTP Group devotes considerable attention to its social and natural environment, as well as to the values that are important to communities. It performs its corporate social responsibility (CSR) activity in an integrated manner at every level of its organisational operation, and aims to share best practices across the group. The Bank's website gives interested parties a comprehensive overview of its own corporate social responsibility guidelines, objectives and initiatives.



The year 2013 saw the implementation of the objectives defined in the CSR strategy, and of programmes launched earlier. This year promoting financial literacy and equal opportunities continued to be at the focus of the bank's CSR activities. As in previous years, a substantial proportion of our charitable donations served the creation of opportunities and the conservation of cultural heritage.

Complex accessibility developments at OTP Bank

OTP Bank leads the way among Hungary's credit institutions in ensuring accessibility to banking services; the programme aimed at ensuring that people with disabilities can administer their financial affairs without difficulty, both in branches and outside them, has been running for more than a decade now. In order to gain the fullest possible understanding of needs and expectations, our bank consults on a continuous basis with the Hand in Hand Foundation, whose experts provide assistance in the implementation of the accessibility programme, and in planning its next steps.

When the programme was first launched, the most important objective was to ensure physical access to the bank branches for all customers, including wheelchair users. In the branch network renovation programme, this aspect has been given priority, with the result that today 90 percent of our branches meet the requirements for barrier-free physical access. The ramps and other technical solutions make life much easier not only for people who use a wheelchair, but also for customers arriving with children in strollers.

Today the objective of accessibility developments is not only to ensure barrier-free access to the branch, but also to facilitate the unimpeded use of the branch equipment found inside – such as the customer calling system, and the counters – and to train and sensitise members of staff. To help the bank gain a better understanding of the needs and expectations of people living with disabilities, and to identify the tasks to be resolved, last year it conducted comprehensive surveys. It also made contact

with professional organisations that represent people living with disabilities, the employees and **experienced experts** of which provided invaluable assistance in the detailed elaboration of the bank's comprehensive accessibility programme.

The adapted bank branch environment, the new equipment and special aids all improve accessibility to banking services:

- To ensure accessibility in terms of communication, our customers who are deaf or hard of hearing are served by **staff trained in sign language** at 35 of our busiest branches.
- **Special induction loops** to assist communication, and special communication guides to improve dialogue, have been installed in, or delivered to, some 120 of our branches.
- Nine out of ten OTP branches already fulfil the requirements of **physical accessibility**, which relates not only to approaching and entering the branch, but also to movement and orientation within the customer service area.
- The height of the **queue ticket machines** makes it easy for anyone to use the device, and where possible we also install the accessible version of the "Browser" information and entertainment terminal in the customer service area.
- For our visually impaired customers, our bank's **accessible website** offers assistance in obtaining information.
- When using the **appointment booking function**, which is available to everyone and growing in popularity, customers with disabilities can indicate any special needs, so that our branch staff can make the necessary preparations for the meeting.
- Ensuring physical accessibility is naturally also a primary consideration when designing ATMs. At the same time, the braille markings on the buttons of ATMs and POS terminals make shopping and withdrawing cash easier and safer by ensuring **communication accessibility**; in other words, they make our services accessible, in an integrated way, to all of our customers.

As a result of the Bank's complex accessibility programme and continuous developments, more and more of our customers with disabilities have access to a full-featured service.

Involvement and sensitisation of staff

In 2013 OTP Bank again devoted particular attention to ensuring a further strengthening of a responsible attitude within the bank. It expanded the range of opportunities for employees to take part in the widest variety of corporate social responsibility programmes, since the success of achieving CSR objectives is largely dependent on the commitment of employees.

In the spirit of equal opportunities and social inclusion and acceptance, in 2013 employees once again participated in the Hand in Hand Foundation's "Accept them! Accept me!" events, holding branch open days with financial education sessions for hearing and visually impaired, as well as mobility-impaired people. The company's contribution to protecting the environment was not limited to its reductions in energy and material usage, as it launched a new series of programmes jointly with the Hungarian Nature Trail Association, for the continuous maintenance of Hungary's popular protected tourist trails. The "Bike to Work!" movement, aimed at promoting cycling as a means of transport, continued to enjoy great popularity among employees in 2013, as did the Earth Hour initiative to encourage energy saving, and the Walk Across the Chain Bridge event that was part of a campaign to raise awareness of breast cancer.

Financial education

It is important for OTP Bank to set an example with its activities in the field of financial and economics education. With its expertise and commitment to promoting financial literacy, its stated aim is to engender a new culture of financial awareness.

It was in this spirit that the **O.K. Centre, established by the OTP Fáy András Foundation**, began its operation at the end of 2012. This programme, which also represents a milestone in Hungarian public education, earned our bank the title of "Most Active Bank in the Promotion of Financial Literacy" in the MasterCard awards. The National Financial and Economics Education Centre for Secondary Schools, which is overseen by the OTP Fáy András Foundation with its 20 years of professional experience, was established as a part of EU Social Renewal Programme project 3.2.1. B-11/1, with the assistance of the Hungarian government and the support of OTP Bank. The total budget for the first two years of the project – calculated without taking

into account the provision of premises and development of the know-how – exceeds HUF 1.6 billion.

In the year since the O.K. Centre operated by the OTP Fáy András Foundation was established, it has:

- provided training and personal advice to 6,512 students (a total of 83 schools from 14 counties),
- hosted 300 groups in the O.K. Centre's building, and taught 174 groups in secondary schools and camps,
- participated in 471 attitude-shaping events (professional forums, workshops, trade fairs, conferences), at which it reached 16,000 active participants.



Creating opportunities

Providing assistance for disadvantaged people, especially children, remains an important part of OTP Bank's social participation.

The purpose of the Home Making Assistance scheme run jointly by OTP Bank and the Ministry for Human Resources is to raise society's awareness of parents who are raising another person's child as their own. A total of 12 socially disadvantaged foster families and adoptive families were awarded housing assistance under the scheme, which had a HUF 20 million budget.

For the third year running our bank provided a donation of HUF 25 million to the **mobile playground programme of the Hungarian Maltese Charity Service**, which brings the joy of play to around a thousand children a year in

the most disadvantaged regions of the country. The project enjoys the priority support of our bank, which initially purchased the vehicles and has subsequently ensured their continued operation. The lump-sum aid payment was supplemented in 2013 by a donation of more than HUF 500,000 collected by staff.

At the end of the year, users had the opportunity to vote on the financial institution's social networking page, regarding which project of the Hungarian Maltese Charity Service should receive fixed assets in a value of HUF 500,000 courtesy of the bank.

Thanks to those who voted, the beneficiary was the Day Centre for People with Disabilities, run by the Hungarian Maltese Charity Service in Keszthely.

You can read more about OTP Bank's CSR activities and its latest programmes on our website, at www.otpbank.hu/csr/en/main.

Date: Budapest, 30 May 2014