



csr

CORPORATE SOCIAL
RESPONSIBILITY
REPORT

2011





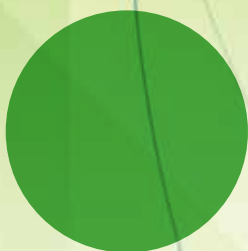


csr

CORPORATE SOCIAL
RESPONSIBILITY
REPORT

2011







DEAR READER,

2011 was a year of contrasts in the global economy. While the crisis seemed to be easing in the world's most developed countries, the southern Member States of the European Union – Greece, in particular, – were faced with mounting uncertainty, which imposed onerous burdens on the whole of the EU, including the Central and Eastern European region and, accordingly, Hungary.

Being a Budapest-based multinational corporation, OTP Bank is nonetheless profitable, and enjoys a remarkably firm standing. As revealed by the stress test coordinated by the European Banking Authority in 2011, OTP Bank remains to be one of the most stable banks. This is primarily due to our conservative lending policy and superior equity ratio; the latter also constitutes the basis of our corporate social responsibility.

I consider it important to point out that amidst the painful downsizing seen in the sector, which we were also unable to avoid in certain markets, the number of employees in the OTP Group in Hungary has increased by hundreds, whereas by thousands across the entire banking group.

Over the past year we placed major emphasis on encouraging savings and self-provision, drawing our customers' attention to the importance of financial prudence. The facility of early repayment of mortgage loans at fixed foreign exchange rates offered to Hungarian retail FX debtors represented an enormous burden for our Bank in the last third of the year both financially and in terms of pressure on our staff. In this situation, OTP Bank's commitment and people's confidence in it was clearly shown by the fact that even borrowers from other banks applied for and were granted significant amounts of OTP Bank refinancing loans.

I believe that the agreement concluded between the Hungarian Government and the Hungarian Banking Association last December is a remarkable achievement, in which our Bank also had its share and which, to my assessment, adds to the predictability and designability of the sector's future, alongside reasonable and necessary compromises.

In terms of corporate social responsibility, the European Year of Volunteering represented one of the focal points in 2011. Within OTP Bank, teams had the opportunity to bid for implementing projects, towards which they received financial support. In addition, our staff participated in a number of group-level programmes, offering their personal assistance or organising fund raising campaigns.

Financial education of young people has been at our heart for long. Beyond running the OTP Fáy András Foundation dedicated to this cause, our new initiative is a programme called "Back to the Alma Mater" (Vissza az Alma Materbe), whereby managers of the Bank return to their respective secondary schools to hold classes on financial literacy.

Being a dominant financial service provider in Hungary and in the region, OTP Bank seeks to meet the challenges of our age and of the economic and social environment and, not least, the expectations of its customers and investors. This is why we have updated our CSR strategy, which underlies our current report. We are aware that our dominant market influence imposes greater responsibility on us. Our objective is to carry on as the most stable financial institution in the region and as a responsible social actor, while keeping our focus on the strategic directions adopted last year – financing small and medium-sized enterprises, as well as the agriculture.

Last but not least, let me take the opportunity to thank all employees of the OTP Group for their last year's effort and performance, which had a major share in the success of our company.

Dr. Sándor Csányi
Chairman & CEO



TABLE OF CONTENTS

TABLE OF CONTENTS



				MESSAGE FROM THE CHAIRMAN & CEO	5
				TABLE OF CONTENTS	7
★	⚙️	👤	≡	1. THE OTP GROUP	10
★	⚙️	👤	≡	2. RESPONSIBLE SERVICE PROVIDER	14
★	⚙️	👤	≡	2.1 External challenges	17
★	⚙️	👤	≡	2.2 Steps taken to enhance service quality	20
★	⚙️	👤	≡	2.3 Steps taken to reinforce ethical service	24
★	⚙️	👤	≡	2.4 Development of our services in the spirit of responsible and sustainable consumption	25
★	⚙️	👤	≡	2.5 Risk management	32
★	⚙️	👤	≡	3. RESPONSIBLE EMPLOYER	34
★	⚙️	👤	≡	3.1 Responsible employment	37
★	⚙️	👤	≡	3.2 Training and education	38
★	⚙️	👤	≡	3.3 Involvement of the staff, internal communication	39
★	⚙️	👤	≡	3.4 Staff recognition, careers	40
★	⚙️	👤	≡	3.5 Equal opportunities, working environment	41
★	⚙️	👤	≡	4. SOCIAL INVESTMENTS, CORPORATE SOCIAL RESPONSIBILITY	42
★	⚙️	👤	≡	4.1 Developing financial literacy	45
★	⚙️	👤	≡	4.2 Our corporate social responsibility programmes	48
★	⚙️	👤	≡	5. ENVIRONMENTALLY FRIENDLY OPERATION	56
★	⚙️	👤	≡	6. DATA	62
★	⚙️	👤	≡	6.1 OTP Group facts & figures	63
★	⚙️	👤	≡	6.2 Data on responsible services	66
★	⚙️	👤	≡	6.3 Employee data	73
★	⚙️	👤	≡	6.4 Data on corporate social responsibility	80
★	⚙️	👤	≡	6.5 Data on environmentally friendly operation	81
★	⚙️	👤	≡	7. GRI INDEX	86
for customers	for employees	for households, interested readers	for investors and analysts		



ABOUT THE REPORT

When compiling this report, it was a priority objective to keep a balance between high professionalism and interesting, informative presentation.

We have applied innovations to OTP Group's Corporate Social Responsibility Report.

About the challenge:

Composing the Corporate Social Responsibility Report of the OTP Group is a complex task, whereby account must be taken of the fact that the banking group is related to a large number and variety of stakeholders, and is faced with different expectations.

- Being a listed company, our **investors** justly expect the presented information to be accurate and backed by figures. The underlying processes that ensure stability of the banking group are material to them.

- **Customers** show preference for more interesting presentation of information, and they are predominantly interested in the measures taken to improve banking activities, as well as the safety of their money and data.

- An important stakeholder group comprises **employees, households (civil organisations), suppliers, authorities and competitors**. Their scope of interest is rather diverse, often limited to a specific area only, but they are typically receptive to illustrative and substantial presentation.

- It is certainly unrealistic to expect us to produce a different report for each of the stakeholder groups – however, a CSR brochure representing our responsible operation is available to customers in the branches also in the current year.

- In a number of material areas (e.g. risk management, security, compliance), it is difficult to give a substantial presentation of the improvement, as it mainly involves refining the established systems.

- It is similarly difficult to go beyond generalities when providing a concise view of certain material changes, for example in the field of training courses, attitude changes and modifications to the organisational structures.

- **When compiling this report, it was a priority objective to keep a balance between high professionalism and interesting, informative presentation.**

Information is supplied in two channels:

- **this report**, segmented in line with the priorities of Corporate Social Responsibility in a concise and highly readable format focusing on the year 2011, presenting facts & figures in a separate section;
- our updated **website**, providing information on the general principles and correspondences underlying our social responsibility.

The subjects that are probably more interesting to individual stakeholder groups are distinguished by icons:



2011 was a **European Year of Volunteering**, in which our Banking Group took an active part as well. Our staff grabbed plenty of opportunities to help, and the diversity of their efforts is considered worthy of being presented. Voluntary activities are highlighted in the report.

Volunteer

This report on the year 2011 and our website in combination comply with the expectations of application level **B+ of GRI G3.1 guidelines**. Beyond presenting data for a minimum of twenty performance indicators, we also describe performance and information that are relevant to the Banking Group's activity, where such reliable data are available. For the principles applicable to the GRI Index and reporting, please visit our website. (www.otpbank.hu/CSR)

This report was verified by KÖVET, Hungarian Association for Environmentally Aware Management. The verification can be found on the last page of this report.

The report applies to the group level, data are presented focusing on the whole of the OTP Group (including the parent company, the major subsidiaries in Hungary and subsidiary banks abroad), as well as on the parent company, OTP Bank. An exception to that is the presentation of financial data, where the results of the OTP Group and OTP Core (core operation in Hungary, i.e. a group comprising OTP Bank, OTP Mortgage Bank, OTP Building Society, and OTP Factoring) are shown, in line with the financial accounts. On describing non-data information or practices, a reference to the relevant scope or companies is provided.



THE OTP GROUP

The OTP Group is a dominant financial service provider in the region: in 2011, we served the needs of over 13 million customers in nine countries. We retained our market leading role in Hungary and Montenegro, as well as in Bulgaria in the retail segment.



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

"The relationship linking the country, the households and OTP Bank looks back to six decades of multifold past. The role of OTP Bank in the economy carries strategic importance, coupled with unquestionable impact and responsibility: the stability of our lending institution adds to the country's economic and financial security, whilst the hardships of the country affect us nonetheless.

The world is changing at an ever increasing pace in the field of finance as well. This change generates uncertainty in people, which is why they need a grip and some help. For many, we are the grip. It is our employees in whom our customers trust, who they ask for information – and our staff should be up to date in this rapidly changing environment. This represents a genuine challenge.

This rapid change can only be followed through commitment, discipline, industriousness, innovativeness and flexibility.

OTP Bank takes its market leading role and the inseparable responsibility seriously, which all of us can be proud of. Being a reliable employer, a considerable payer of taxes and contributions and, concurrently, one of the largest corporate sponsors in the country."

The OTP Group is a dominant financial service provider in the region: in 2011, we served the needs of over 13 million customers in nine countries. We retained our market leading role in Hungary and Montenegro, as well as in Bulgaria in the retail segment.

The OTP Group is a significant economic player in Hungary and also in several countries in the region, filling a substantial role in the stability of the economy and, indirectly, the society. This is precisely why it is important that we do not reduce our activities even in this external environment with international and domestic backdrop and full of challenges: we plan for the terms both in Hungary and in the region.

The banking group retained its stability also in 2011 by way of its profitability, excellent financial standing and liquidity. OTP Bank's stability is indicated by its distinguished results in the stress test carried out in 2011 as well, ranking third out of 91 banks examined.

For more information, please visit our website.

(https://www.otpbank.hu/static/portal/sw/file/110715_teszt_195.pdf)



¹ An EU-wide stress test coordinated by the European Banking Authority (EBA) with the cooperation of the Hungarian Financial Supervisory Authority, the European Central Bank, the European Commission and the European Systemic Risk Board.

A NEMZETKÖZI BANKCSOPORT

OTP Group

Branches	1 444
Employees ³	49 353
Number of clients	~ 13.5 m
Total assets	HUF 10 201 bn
Taxes paid	HUF 137.6 bn
Total spend on employee training	HUF 917 m
Total amount of donation	HUF 2.2 bn
Per-capita energy consumption	31.2 GJ
Per-capita water consumption	13 m ³
Per-capita CO ₂ consumption	1.46 t
Total paper usage	6137 t

OTP Core¹ Business (Hungary)

Branches ²	377
Employees ³	8 791
Number of clients	~ 4.5 m
Total assets	HUF 6 548 bn
Market share in retail loans ⁴	26.9%

IFRS data as at 31 December 2011. On the map the year of acquisition is shown under the name of each bank.

¹ OTP Core: OTP Bank, OTP Mortgage Bank, OTP Building Society and OTP Factoring

² Includes the data for branches of the Hungarian group members.

³ Total employees includes full and part-time employees

⁴ Market share is the share of the market for retail loans (individuals, micro and small enterprises)

⁵ Includes the data for Omsk Oblast and the branches of DNB

⁶ Also includes the data of the agents employed by the bank, the number of part-time employees working less than 60 hours is 17 225 persons

DSK Group (Bulgaria)

Branches	386
Employees ³	3 614
Number of clients	~ 3.0 m
Total assets	HUF 1 361 bn
Market share in retail loans ⁴	30.2%

CKB (Montenegro)

Branches	32
Employees ³	486
Number of clients	~ 0.3 m
Total assets	HUF 233 bn
Market share in retail loans ⁴	20.1%

OTP banka Hrvatska

Branches	103
Employees ³	998
Number of clients	~ 0.3 m
Total assets	HUF 530 bn
Market share in retail loans ⁴	4.5%

OTP Bank Romania

Branches	386
Employees ³	1 066
Number of clients	~ 3.0 m
Total assets	HUF 461 bn
Market share in retail loans ⁴	3.4%

OTP Bank Russia

Branches ⁵	148
Employees ⁶	29 150
Number of clients	~ 4.2 m
Total assets	HUF 868 bn
Market share in retail loans ⁴	1.6%

OTP banka Srbija

Branches	52
Employees ³	687
Number of clients	~ 0.4 m
Total assets	HUF 121 bn
Market share in retail loans ⁴	1.3%

OTP Banka Slovensko

Branches	74
Employees ³	600
Number of clients	~ 0.2 m
Total assets	HUF 386 bn
Market share in retail loans ⁴	2.7%

OTP Bank Ukraine

Branches	152
Employees ³	3 389
Number of clients	~ 0.3 m
Total assets	HUF 778 bn
Market share in retail loans ⁴	6.2%



Bank of the Year 2011²:

At the MasterCard competition, OTP Bank won the title Bank of the Year for the third time in 2011, also winning third prize in the category "Most Innovative Bank of the Year". Dániel Gyuris was voted as The Banker of the Year.



Best Private Bank in Central and Eastern Europe:

OTP Private Banking won the award of The Banker & PWM Magazines for the second time in 2011, both belonging to the Financial Times Group, recognised internationally and in Hungary for its authority.



The Best Bank in Hungary and in Bulgaria:

The British Global Finance magazine's award in 2011 went to OTP Bank for the 14th time, and DSK Bank was also awarded.



Most Successful Programme of the Year:

Visa's recognition was awarded to our Ukrainian subsidiary bank's "Mani na karmani" programme targeting young people, being the first junior banking brand in Ukraine.



Financial pride of South Ural:

QAO OTP Bank won in the category "Financial Breakthrough of the Year" of an independent prize issued for the third time in 2011.



Honorary Sign of the President:

Chairperson and Chief Executive Officer of DSK Bank Viola Marina was awarded recognition for her outstanding merits and personal contribution, to which DSK Bank owes its position as the bank serving the most customers and holding the largest number of branches in Bulgaria.



Best Private Banking Service:

At the voting of Euromoney Private Banking in 2011 OTP Bank won in Hungary and in Ukraine alike.

² Further awards will be presented in the sections relevant to their subject. (www.otpbank.hu/portal/hu/rolunk)

Corporate social responsibility and sustainability in the OTP Group

To the OTP Group, responsible operation means stable financial management, responsible employment and an active role in the society.

As a service provider, our objective is to provide responsible and correct financial services adjusted to customer needs.

The provided services fundamentally define how responsible a bank is. In addition to financially responsible services, the services and products supporting environmental protection and helping social causes are also important.

population of retail customers as remarkable and even one of a kind, which helped us understand people's opinion and attitude vis-a-vis social responsibility. For more details of the research, see page 54.

In 2011, we renewed our Corporate Social Responsibility Strategy (it has been approved by the reporting date in 2012), which defines three priorities in our responsibility.

CORPORATE SOCIAL RESPONSIBILITY STRATEGY

Priority	Definition	Key areas
Responsible service provider	core activity: responsible provision of services and responsible operation	<ul style="list-style-type: none"> • improvement of service quality • transparency • accessibility
Responsible employer	responsible employer: properly trained, prepared and satisfied employees	<ul style="list-style-type: none"> • training • involvement • improved work environment
Corporate social responsibility	active role in the community and setting examples	<ul style="list-style-type: none"> • education, attitude forming • value creation and retention • creation of opportunities, building communities

Moreover, we consider it our responsibility to act ethically towards our stakeholders, and to reduce our ecological footprint.

Our objective is to incorporate the principles of sustainable and truly responsible operations in every level of running the corporation.

Growing integration of the principles of responsibility is adequately described by the fact that the majority of the Banking Group's priority projects – e.g. LEADER, NET, HR strategy, Advice on Life Situations – aim at responsible or more responsible operation. We consider our CSR study conducted last year on a large

The strategy sets forth our principles and objectives regarding corporate responsibility and, ultimately, the professional and image building communication programmes of responsible operation.

Our principles laid down in the field of responsible operation comprise a requirement for the corporate responsibility to support OTP Bank's operation and business success; transparency; authenticity; integration; continuous development.

For more details of the strategy and the coordination of corporate social responsibility, see our website. (www.otpbank.hu/CSR/hu/fenntarthatosag)



RESPONSIBLE 2 SERVICE PROVIDER

The essence and a key element of our responsibility lies in responsible provision of financial services and responsible operation. Our corporate social responsibility is authentic to our customers and shareholders only if the company can be relied upon as a stable and dependable point in every case.



The essence and a key element of our responsibility lies in responsible provision of financial services and responsible operation.

Our corporate social responsibility is authentic to our customers and shareholders only if the company can be relied upon as a stable and dependable point in every case.

Being a responsible service provider, we concentrate on the following areas:

- retention of **financial stability**;
- **adequate risk management** and overall security;
- provision of **transparent information** on our operation and its impacts, on our results and services;
- **ethical provision of services**, fair business practices and communication;
- continuous improvement of **service quality**;
- **motivation of responsible and sustainable consumption**.

For our values and principles regarding these areas, visit our website.

Outstanding results in 2011

Setting up the Service Quality Forum

Borrower Protection Programme

Managing the facility of early repayment of mortgage loans at fixed foreign exchange rate

Improvement of after-sales processes

Drastic overhaul of the Customer satisfaction survey

Development of a Risk management indicators system



2010 > OUR COMMITMENTS

2011 > OUR RESULTS

Measure the selected risk indicators in a pilot program and regularly monitor the existing indicators. Determine the warning and critical levels of the indicators (where possible)

✓ Indicators have been measured and the levels have been determined.

Draw up a crisis communication plan for the foreign subsidiaries

✓ The subsidiaries have developed their own plans.

Upgrade OTP Bank's internet banking system and innovatively expand the scope of financial education

✗ Preparatory works have been completed; implementation is expected for the first half of 2012.

✓ Direct Points have been extended to nearly 100 branches

Continue the Borrower Protection Programme

✓ The programme has been carried on as necessary, and the experience has also given rise to further improvements.

Achieve further improvements in customer satisfaction, gain a better insight into customer requirements, underpinned by mystery shopping surveys

➔ The results of the customer satisfaction survey are incomparable to last year's data due to changes in the methodology.

Create 105 more children's areas in Hungary

✓ Children's areas have been created in all branches where it was practicable, and as a result, children's areas are available in a total of 221 branches.

In the interest of strengthening customer focus, establish customer relationship departments for the retail, micro and small enterprise segments

✓ The departments have been established, with positive experience in their functioning.

Complete the consumer protection audit

✓ The audit has been completed, and the recommendations have been implemented.

Review the language used in letters sent to retail customers, and make them more comprehensible

✓ 450 types of customer notification letters have been reviewed and re-styled, from the business line and back-office operations

Assumption of a role by OTP Bank and OTP Hungaro-Projekt as aid intermediaries in the corporate advisory programme for small and medium-sized enterprises

✓ We have assumed an aid intermediary role in four regions.

Reduce the number of justified complaints and authority proceedings in which a penalty is imposed

➔ The number of justified complaints exceeded that of 2010, but their ratio slightly diminished. Due to an increasing activity of the authorities, the number of proceedings rose, whereas the amount of imposed fines decreased.

Expand the range of products related to environmentally friendly technologies, and list these products at group level

➔ The products have been listed, but no new product has been developed.

Develop products that fulfil the special requirements of the agricultural sector

✓ We have launched our Green Card loan, and have increased the ratio of pre-financing on direct agricultural subsidies.

✓ Implemented

➔ Implementation in progress

✗ Not fulfilled

2.1 External challenges

This section presents the tasks that had been brought about by factors outside the control of our banking group, the management of which required significant efforts.

Early repayment of mortgage loans at fixed foreign exchange rates in Hungary

Pursuant to an act passed by the Hungarian Parliament, a facility was available until the end of February 2012 to perform lump-sum early repayments of foreign currency loans secured by real estate collaterals or state guarantee or financial leasing debt – at fixed exchange rates significantly more favourable than the current market rates. All the related losses have been incurred by the banks; however, 30 percent of the losses resulting from the use of preferential exchange rates for the early repayment of mortgage loans can be written off from their special tax payments returned in the year 2011.

The early repayment of mortgage loans at fixed exchange rates represented a substantial challenge for OTP Bank as well. Within the Bank, a dedicated

workgroup was established to manage the tasks to ensure that our staff is adequately prepared, and the rules of procedure are set up. In order to help customers, we employed hostesses, ensured the opportunity to reserve appointments by phone and track submitted applications by phone. Adjusted to the flow of customers, the number of tellers was managed in a flexible way, and the work of our staff was also controlled through mystery shoppings. A specific challenge was presented by the change to the conditions of the mortgage loan early repayment scheme within the allotted timeframe, to which we called out customers' attention via multiple channels.



Agreement between the Government and the Hungarian Banking Association

OTP played an equally important part in the agreement reached between the Government and the Hungarian Banking Association towards further assistance to be offered to FX mortgage debtors in 2011 by developing proposals and conducting negotiations. The agreement, signed on 15th December, eases the pressure on a wide range of the affected borrowers by sharing the burdens of debtors.



INFO POINT

- In the course of the early repayment of mortgage loans, nearly **20%** of the foreign exchange mortgage loan and housing lease portfolios was repaid:
 - ➔ **36 000** contracts;
 - ➔ **HUF 217 billion** (at the exchange rate valid on 30 September 2011);
 - ➔ In addition, we extended HUF-denominated loans to replace foreign exchange loans worth **HUF 64 billion**,
 - ➔ which facilitated early repayment of **HUF 23 billion** mortgage loans to other banks.
- The total loss resulted from the early repayment of mortgage loans at fixed exchange rates amounted to **HUF 33.6 billion**, representing **29%** of OTP Core's after-tax profit, excluding one-off items. **HUF 33.1 billion** of the loss was accounted for the year 2011.



Changes involving private pension funds

In early 2011, mandatory membership in private pension funds was abolished in Hungary, and a vast majority of fund members returned to the social security system run by the state. Regarding the change, the OTP Group fully complied with its legal requirements and established a dedicated workgroup to handle the issue **affecting approximately 750 thousand customers.**

The staff in the branch network and the call centres received personal training and regular information to be duly prepared to manage the issue and to provide objective information. Our branches offered longer business hours and extra staff to the customers, and multiplied the number of employees answering phone calls of fund members.

Payments to departing fund members and the transfer of assets to the state was carried out in compliance with the legislation. Concurrently to paying out real yields, we staged a marketing campaign to motivate savings.



INFO POINT

- *As revealed by research, only **16%** of households converted the real yield paid out to them into savings, **57%** used it to pay for daily expenses, while the remaining **27%** spent it otherwise.*
- *OTP Private Pension Fund has **18 thousand** members left (2.4% of all members).*
- *In addition to the shrinkage of the voluntary pension fund market, the market share of OTP Voluntary Pension Fund has also slightly diminished to **18%** as at the end of 2011. The membership numbered 229,000 (3.4% down in comparison with 2010).*

Borrower protection

In most of the banks in our banking group, the number of customers facing financial difficulties kept rising in 2011. **In order to protect our customers and to retain stability, we deemed it our responsibility to carry on with, and further develop, our Borrower Protection Programmes.**

The facilities previously available (extended loan term, reduced instalments, combined solutions) remained available with each of our member companies.

As new facilities in OTP Bank in Hungary:


- In addition to fixed exchange rates applied to mortgage loan instalments to aid debtors – in line with the legal requirements – we offered participation in the state-provided Home Protection Programme. That involved a facility for customers with foreign currency based loans borrowed against real estate collaterals to repay their loans at fixed exchange rates instead of the currently applicable exchange rates (for CHF, at 180 HUF/CHF, for EUR, at 250 HUF/EUR, for JPY, at 2 HUF/JPY) for three years. The difference between the normal instalments and the instalments calculated at the applicable fixed exchange rate is accumulated under a so-called buffer account loan, which customers will have to start repaying after three years.
- Similarly to the state-provided Home Protection Programme, we devised an OTP exchange rate fixing facility, offering repayment at a fixed rate for 36 months (this solution is not identical with the exchange rate cap scheme offered by the state, as in this case, customers had an opportunity to repay at fixed foreign exchange rates higher than those defined for the state-provided programme. This solution resulted in less debt accumulated under the buffer account loan in comparison with the state-provided Home Protection Programme, which represented lower monthly burdens for customers in terms of repayment after the period with fixed exchange rates).
- Our bank provides its customers with a possibility to switch to transparent pricing (through conversion loans or product modifications).
- A significant step forward was the agreement concluded by the Government and the Hungarian Banking

Association in December 2011, whereby a facility of loan repayment at a fixed exchange rate will be repeatedly offered in 2012 with, in most cases, even more favourable conditions in comparison with the earlier ones, as debtor burdens above the fixed exchange rate are also shared with the bank and the state.

- A part of the agreement concluded by the Government and the Hungarian Banking Association in December 2011 laid down that in 2012 the bank was to convert the foreign currency loans secured by real estate into HUF, and to waive 25 percent of the outstanding debts of foreign currency borrowers with payments overdue for over 90 days as of 30 September 2011. (The borrowers meeting the conditions were notified in a letter by 15th April 2012.

In case of foreign subsidiary banks, the Borrower Protection Programme was extended to debtors who had steady difficulties. With the rising number of applicants and the experience gained, borrower protection programmes were made more structured in case of the Croatian, Montenegrin and Serbian subsidiaries.

In 2011, it was also made possible for corporate customers to restructure their loans on an individual basis and on individual agreement. In addition to the facilities previously offered to local governments in Hungary, in 2011 we similarly prepared the exchange rate fixing scheme that would be available from 2012 on: a portion of their loan instalments resulting from a CHF exchange rate above HUF 200 is accumulated on a special buffer account, with repayments to commence at a later date. OTP Bank has laid particular emphasis on raising awareness to the borrower protection facilities: a summary is also provided on our website as well as in a thematic issue of our customer magazine "Bankó" available in the branches and on the website.

(<https://www.otpbank.hu/portal/hu/Lakashitel/Segithetunk/FizetesiNehezseg>) 

(https://www.otpbank.hu/static/portal/sw/file/Banko_201108.pdf) 

With the number of defaulted loans rising, our factoring activities were necessarily extended. It is important to point out that our ultimate goal in every case has been



to return the loans to the contractual framework, and we always find a solution for cooperating customers. Primarily, we suggest various financial solutions and proceed to other solutions involving real estate – such as rent back or joint sale – only once the former schemes prove not to be viable. A good indicator of how we seek a joint solution is that only four cases of eviction were initiated by OTP Bank in the past four years, while the Bank had at least two thousand foreclosure proceedings annually.



INFO POINT

- As of the end of 2011, **16.6%** of all credits extended by the banking group were overdue for over 90 days, with coverage grown to **76.7%**.
- Although in comparison with the end of 2010, the ratio of credits overdue for over 90 days rose in almost every segment and in every country, this proportion started declining in the segment of micro and small enterprises, as well as in the corporate segment in a number of countries during the last quarter of the year.
- Application for reduced instalments (with only a minimum amount paid within the grace period) was the most frequently chosen borrower protection facility.
- As at the end of 2011, **8.4%** of retail loans were involved in the Borrower Protection Programme, and the ratio of restructured loans overdue for over 90 days was **3.5%**.
- In Hungary in 2011, more than 80 000 retail customers used some of the borrower protection facilities. The repayment instalments of customers involved in the Borrower Protection Programme shrank approximately **50%** in 2011.



2.2 Steps taken to enhance service quality

A number of novelties were presented to our customers in 2011, which to our hopes shall **add to the comfort and personalisation of banking and the handling of issues and problems** for as many customers as possible.

Efficient and customer-friendly service

The efficiency of services was improved through reorganisation of our internal processes and through improved branch administration:

- In order to improve the quality of service, we have established a Service Quality Forum by involving a wide range of business areas. The Forum functions as an organisation of one of the highest level boards of OTP Bank. The organisation decides on implementing internal projects aimed at improving customer satisfaction, coordinates them and controls service quality.
- In the most frequented branches, we tested a new position, whereby a staff member received and helped the visiting customers and collected observations. If the new post is received well by our customers, we will adopt it in all of our large branches from 2012 onwards.
- The information forwarded to our tellers has been centralised, which facilitates their work and reduces the possibility of errors: we send newsletters to our staff to brief them about new information and butts of knowledge on a daily and weekly basis. Familiarity with the information, as well as basic knowledge is tested every day.
- We deem it important to serve our customers quickly and in line with their needs not only up to the time of sale but also subsequently, which is why employees with special qualifications are available in the head office to our tellers from 2011 onwards, in order to provide them with prompt assistance in complex and special issues; an experimental Special Customer Notification Line was set up in certain branches.
- We provided our customers with a leaflet deposited in the branches in order to call their attention to changes

affecting the Central Credit Information System, and established a dedicated call centre group to answer the relevant customer questions.

- We have centralised the administration of complicated processes (e.g. probate cases), and uncommon transactions are now assigned to a staff member in each region.
- We have developed the measuring of teller errors. Measurements are emphatically aimed at improvement instead of sanctions. These are used for individual training and development plans, which are also part of the performance targets set for branch managers. We plan a customer-centred analysis of customer feedback and complaints in 2012.
- By the end of 2011, we had completed children's areas in the Hungarian branches. The position of children's areas is determined by criteria of physical potentials, uninterruption and children's safety. We pay attention to the equipment and toys in children's areas on a continuous basis, developing and replacing them from time to time. In Romania, children's areas were set up as early as in 2009, and we also plan to establish some in Russia, Croatia and Slovakia. After launching the first children's areas, we added more as a result of our customers' opinion, or even changed their position within the branch on customer request.



INFO POINT

- We revised **450** types of customer notification letters, which resulted in a more transparent structure and more comprehensible wording.
- The number of teller overtime hours decreased by nearly **30%**.
- The average service time of deposit and withdrawal transactions decreased by **45%**.
- **60%** of all OTP branches in Hungary (221 branch) feature children's areas.
- **40%** of all OTP Bank branches in Romania (40 branches) feature children's area.
- The number of branches equipped with touch-screen queue management terminals to **226**.

Advice on life situations

OTP Bank set up a special advisory package – in addition to financial advice – for life situations of critical importance. In 2011, we elaborated experimental services for cases of childbirth and moving to a larger home in five branches.

- Regarding childbirth, we provide information on state subsidies on children, obtaining official documents in addition to self-provision and its financial solutions, as well as advice on practical financial and lifestyle issues during the time of receiving maternity grant/child care benefit.
- Concerning moving houses, we also provide information on the duty and personal income tax payment obligations at reduced rates, in addition to the facilities of housing financing. Based on positive experience, we have launched full advising on life situations on both subjects, and plan to add further life situations to expand the service. We prepare our tellers for discreet handling of adverse life situations (e.g. divorce, decease) through practice-oriented training, in order to facilitate administration.

OTP Bank Romania

was active mostly in mortgage lending in 2011. We participated in stage 4 of the government programme First Home (Prima casa), under which customers are provided loan facilities with highly advantageous conditions.

(<http://www.otpbank.ro/hu/maganszemelyek/hitelek/also-haz/index.html>)

Customer focus award

We established an award to recognise outstanding customer friendliness of branches, which was first awarded to a mini-branch in Nyíradony. The only 3-strong staff of the branch that opened as little as three years ago work at an outstanding standard, attend local events with relentless enthusiasm, maintain a good relationship with the local government and the local secondary school – where the branch manager holds classes on banking to school leavers from year to year. A good indicator of commitment to customers is the staff's willingness to help resolve problems even outside working hours (e.g. the use of OTP Direkt).

Awards





Improvement of e-communication

In 2011, multiple companies within the OTP Group appeared in social media. OTP Bank was the most active in terms of such communication.

The application **OTP Help (Segítünk)**, available on Facebook, facilitates direct contact with the bank staff and personalised provision of information via a **chat-based service** – which is unique across the banking sector.

Also on Facebook, a Knowledge Base (Tudásbázis) is also accessible, where elementary financial education is provided through short films. Our commitments in the field of corporate social responsibility are also presented on the site.

The OTP Bank in Russia publishes fresh news in the social media on a daily basis, equally accentuating communication with customers.

We consider it useful for users to express their opinions openly on these interfaces concerning the issues that keep their minds busy. We also agree to take strong expressions of critical observations, which we seek to respond adequately. We provided our staff with guidelines on how to use the Bank's social media sites.

We extended our **Direct Point (Direkt Pont)** initiative to almost 100 branches in Hungary in order to raise awareness of electronic services and to encourage their use.



INFO POINT

- The ratio of Internet banking contracts in Hungary and in Bulgaria is close to **60%**, and no further dynamic growth is expected in the next years.
- Internet banking is relatively widely used in Slovakia and in Croatia.

100 Russian cities

OTB OTP Bank issued a call for bids for the students of the Chelyabinsk State University to develop a new financial product. The first prize was awarded to a student who elaborated an electronic application to facilitate fast disclosure of preliminary credit reports.

The most electronic bank

Ukrainian JSC OTP Bank was awarded third prize by business journal Investgazeta.



Measurement of customer satisfaction

- In 2011, we radically changed the methodology of measuring customer satisfaction. We use **TRI*M**³ to measure the general customer satisfaction and loyalty for OTP Bank and all material competitors⁴. Beyond general satisfaction, information is analysed for each customer segment (e.g. entrants to the job market, juniors, premium customers). The comprehensibility and style of account statements, letter and notifications are examined as separate criteria.

- We have expanded the **Service Quality Measurement System** in Hungary. The measurement now includes even the smallest branches, and additional indicators have also been adopted: e.g. use of Internet banking, customer complaints, lost/stolen bank cards. The measurement increasingly focuses on the points that fundamentally influence customer satisfaction.

From 2011 on, the Service Quality Measurement is included in the performance based target agreements with the branch staff of OTP Bank.

- We have carried on with **mystery shoppings**, ensuring consistency on a regional level, in order to measure how tellers use the standards of the customer service process⁵.



INFO POINT

- *OTP Bank is considered by its customers as a responsible market leading bank, which provides diverse services.*
- *During the past year, customers' general confidence in the banking sector decreased.*
- *Customers believe that the comprehensibility of customer letters is particularly important. They found account statements adequate, while they expected improvement in the clarity and style of letters and notifications.*
- *At a regional level, OTP Bank and its greatest competitors do not differ significantly in terms of the quality of customer service.*
 - ➔ *The standard of customer service in the banking group shows an improving tendency in most countries; the most progress was seen in customer service, where the banking group's performance was the best (83%),*
 - ➔ *Provision of information also improved (our performance in this respect was at 73%,*
- *In the Bulgarian DSK Bank and the Hungarian OTP Bank, customer needs are explored at the highest level (64% and 68% performance, respectively).*
- *The information provided is of similarly high standard in each country. Within the OTP Group, the performance of JSC OTP Bank of Ukraine and of OTP Bank of Hungary excelled (79% and 77%, respectively).*

³ Similarly to the previous methodology, this survey is also conducted on a representative sample at an annual frequency.

⁴ The TRI*M methodology is a leading method of customer satisfaction in the world; the three Ms (Measure, Manage, Monitor) refer to continuous measuring, managing and monitoring, which are parts of a complex TRI*M project.

⁵ During mystery shopping, we observe the entire customer service process. At this point of the report, the results of analysing needs, providing information and customer management that are most relevant to responsible customer service (see the Info point) are presented. With the exception of the Serbian and Montenegrin subsidiary banks, all subsidiary banks have participated in the survey.

2.3 Steps taken to reinforce ethical service

We consider it important to comply in every respect with the requirements of business ethics⁶, which is also covered by our Code of Ethics, in addition to meeting the legal regulations while keeping customers' interest in mind.

Compliance

It is increasingly typical for business areas within the banking group to seek the Compliance Division regarding formulation of a professional conduct in order to fully comply with the legal requirements, i.e. the supporting role of **compliance is expanding**.

- In 2011, the compliance risk management system was fully extended to subsidiaries, in line with our plans.
- We have renewed the procedure of internal regulation, cutting the internal deadline for applying the amendments of legal requirements.
- We have adopted a new anti-money-laundering directive in line with the legal requirements.
- We have developed our IT systems to prevent and avoid financing of terrorism and insider trading. The latter will be launched in early 2012.
- We have adopted an e-learning training and examination system in the field of compliance, and developed training materials to suit the relevant jobs.



INFO POINT

- *In 2011, 16 cases were reported to the Ethics Committee: 13 questions of ethics and 3 business issues. We reached an agreement with the affected customers in every case.*

Consumer protection

The emphasis on issues of consumer protection and customer protection kept growing in 2011.

- **OTP Bank's senior management** monitors consumer protection complaints on a continuous basis and seeks to resolve differences of attitude, which is why regular consultations with the HFSA⁷ were initiated at the highest level.
- In our internal consumer protection audit, conducted with the participation of the Institute for Training and Consulting in Banking, we found the banking processes and documents basically acceptable. The Bank produced a Consumer Protection Action Plan, and mandated the head of the Compliance Directorate to report on it with a deadline of 31 March 2013. Analysis of the fines imposed by the HFSA backs the fact that inadequate procedures can be traced back almost exclusively to individual/teller mistakes. In order to prevent mistakes, we control our staff on a continuous basis, and improve our control and support systems.
- The Financial Arbitration Board, which has been functional since the second half of 2011, considers our Bank to be an expressly cooperative party.



INFO POINT

- *The amount of fines imposed by the HFSA has decreased (2011: HUF 6.6 million, 2010: HUF 25.5 million), whereas the number of fines has increased (2011: 36 cases, 2010: 12 cases).*
- *According to HFSA audit related to giving information, the tellers of OTP Bank' comply with the legal requirements and the expectations beyond that.*

⁶ For the steps related to customer information, see section 2.2

⁷ Hungarian Financial Supervisory Authority – in Hungary



2.4 Development of our services in the spirit of responsible and sustainable consumption

OTP Group believes that all services entailing social or environmental benefits are responsible services. We seek to provide a range of such services as broad as possible to all of our customers – retail, corporate or local government –, and we cooperate with a number of state-controlled and international organisations to this end.

For the accessibility of services

The OTP Group believes in exceeding the legal requirements regarding facilitation of people with disabilities. Accordingly, OTP Bank decided to expand its accessible services in the second half of 2011. The locations where accessible ATMs will be installed were determined in cooperation with the “Hand in Hand” (Kézenfogva) Foundation, adjusted to the needs of people with disabilities. Due to their installation at a lower height, such ATMs will be less conveniently usable for customers with no disabilities, which is why the conversion is not planned in all of our premises. Two ATMs have been installed flush-mounted in the wall, of which we plan to install another 10 to 15. In addition, we are busy developing voice control software to facilitate the blind and the visually impaired to use ATMs.



INFO POINT

- **93%** of OTP Bank's branch network and **55%** of the branches within the banking group are accessible
- The websites of OTP Bank, as well as OTP banka Hrvatska are accessible to the visually impaired.

CEERIUS index⁸



We are proud of OTP Bank's steady membership of the Vienna Bourse's share index of sustainability CEERIUS (CEE Responsible Index Universe). As at the end of 2011, the weight of OTP Bank in the share index comprising 15 companies was nearly 15 percent. (The decrease compared to the previous year was attributable to the new members.)

In order to ensure financial stability of the banking group and our customers, we emphasized our borrower protection programmes, and remained open primarily to areas representing lower risk. As a result, extension of our product range and credits were pushed to the background in 2011.

In the continuation, only the new products will be presented. For the current features of our currently available products launched earlier, see the chapter Data.

⁸ The index weighted for capitalisation includes those listed companies from the Central Eastern European region, that receive the highest scores on the basis of an analysis – carried out by RFU, an independent Austrian consultancy firm – examining social, environmental, economic and sustainability criteria.



Self-provision

Our customers' attention has been called to self-provision in a number of ways. We consider it important because, in addition to a persistent crisis, legal requirements also add to the importance of conscious saving and individual preparation of future financial expenses.

Within OTP Bank, we have established a separate savings workgroup, which manages savings and investment campaigns, product developments and financial education programmes collectively.

In our marketing campaigns, self-provision was a crucial element during the year; it was also in the focus of an issue of our thematic customer magazine "Bankó".

- In 2011, we published the OTP Self-provision Index on two occasions (for more information, see section 4.1).

- Calculators and product selectors are available on the websites of multiple banks within the OTP Group, assisting in finding the most adequate service.

- For objective comparability, OTP Bank provides a link to the HFSA's deposit and savings finder program, which is available at a single click.

- In addition to allowances in account management fees and promotional interest rates in a number of savings programmes, we have offered a Pension Savings Account and a Savings Account that are used for regular minor savings.

- We have advertised a number of savings facilities that combine bank deposits with favourable interest rates and principal protected life insurance policies with special method of yield calculation.

- In 2011, we launched an insurance policy on the standard of living called "Life Belt" (Mentőöv), which provides income in case of unemployment, inability to earn and defaulted or delayed child support. (In case of insurance products sold by the bank, the service is provided by Groupama Insurance.)

- In 2011, we published a set of **investment guidelines**, which contains investment-related key principles and information, and can easily fit in a purse.

- A facility of **customised wealth planning** is available to all OTP customers. The wealth planning calculator accessible on the website helps consider goals and assess their achievement. Following completion, there is a facility to make an appointment for personal consultation.

During personal consultation on wealth planning, individual properties of our customers are taken into account (e.g. age, financial standing), which are shown by our surveys to be crucial regarding expectations of financial products.

The quality of the advice is improved on a continuous basis through training delivered to our tellers. The knowledge and knowledge transfer of the staff is measured on a regular basis.



INFO POINT

- In 2011, our customers opened **50 000** Pension Savings Accounts and Savings Accounts.
- Our customers took out **8 350** insurance policies called "Life Belt" (Mentőöv) to insure their standard of life.
- Last year, OTP Bank provided wealth planning services to **84 000** customers (**15%** of which were premium customers), which represented a 50% rise over 2010. We offered wealth planning to all visiting customers.

Community Card

OTP Bank Romania also participates in the Community Card programme implemented under the leadership of Háromszék (Trei Scaune) Community Foundation. It entails a one-percent discount on the payments of all customers using their OTP Bank cards for paying via OTP Bank card readers, another percent paid by a supporting entrepreneur to the community fund, and 0.5 percent of the transaction fee transferred by the Bank to the Foundation's account.

Financing agriculture and agricultural enterprises

The OTP Group is committed to the development and modernisation of the agricultural sector. We set up a Division for the Financing of Real Estate, Agricultural and Small Enterprises in early 2011 for strategic considerations. The agricultural sector was among the most stable ones in the years of the financial and economic crises. In 2011, agriculture played a significant role in the growth of the GDP in Hungary, while the profit of agricultural enterprises on the aggregate hiked approximately 50 percent, in line with preliminary forecasts. The predictability of EU funding adds to the stability of those enterprises.

- the conditions of accepting agricultural lands as collaterals have been improved by raising it from 60 to 85 percent; the collaterals can be used for all credit types, in addition to agricultural credit.

Information provision to customers has been considerably improved. We provided training and workshops to enhance the technical knowledge of the branch network staff, we have released uniform product information and brochures, and prepared presentations for various banking expos, conferences and customer events.



Dániel Gyuris, Deputy CEO
Real Estate, Small Enterprises and Agriculture Division

"In the past one or two years, multiple breakout points are visible in the agricultural sector – partly due to its increasing role in generating alternative energy. In addition, we are both willing and able to assume a role in formulating customer needs aligned with the structure of EU funding to member states subsequently acceding to the EU – such as Romania and Bulgaria –, but our involvement in building state subsidised systems of guarantee and setting up the product range in countries with remarkable agricultural potentials but outside Europe (such as Russia) may represent a prospect to us."

During the past year, OTP Bank developed or restructured a number of products so that they better serve the needs of agricultural enterprises:

- the pre-financing ratio of direct agricultural funding was increased to 80 percent in case of EU co-financed supports and to 70 percent for supports purely funded from domestic sources;
- Green Card credit was launched for 2 or 3-year pre-financing of territory-based support;
- all credits refinanced by MFB (Hungarian Development Bank) are available in our bank;
- the Agricultural Széchenyi Card provides state subsidised current account overdraft for micro, small and medium-sized enterprises, prime producers and family farms – this product has been offered by OTP Bank for the longest time;



INFO POINT

- **HUF 5.75 billion** has been disbursed through the new agricultural products:
 - ➔ Pre-financing for direct agricultural subsidies: 135 disbursements, nearly **HUF 4 billion**
 - ➔ Green Card loan: 8 disbursements, **HUF 190 million**
 - ➔ Loans refinanced by MFB: 34 disbursements, **HUF 1.36 billion**
 - ➔ Agricultural Széchenyi Card: 22 disbursements, **HUF 200 million**
- Loan disbursements to the Hungarian agricultural sector increased by **20-30%**.




Services to micro and small enterprises

Micro and small enterprises are crucial players in the economy, in addition to being one of the segments most exposed to economic recession. The year 2011 brought no significant changes in our products offered to micro and small enterprises, nor in the method of customer relations, but the positive results of OTP Bank and the growing number of customers underpin the correctness of the strategy drawn up. Our customers frequently seek our staff also as private individuals. This indicates the value they attach to the new model adopted in 2010 regarding contact persons.

The **economic sentiment index of OTP Bank for small and medium-sized enterprises** (SMEs), which shows the confidence of the heads of companies in the Hungarian SME sector concerning the future, has dropped considerably, by nearly 6 percentage points to 42.2 percent in the last quarter, after having stagnated early in the year. Our background research revealed that the more pessimistic assessment of the situation by SMEs was explained particularly by their liquidity problems and the dynamics of their sales prospects.

For subsidiaries, we plan to develop both products and sales, and have launched a model project in Ukraine and Bulgaria to implement them. The Ukrainian bank has established a business support centre at the directorate in Podilsk, where advice and legal assistance are provided free of charge to small and medium-sized enterprises on responsible business operations and taxation, for instance.

Multiple subsidiaries have been affected by the contract concluded between Bethlen Gábor Foundation and OTP Bank, whereby the winners of the tender advertised by the foundation were to receive the disbursed funding exclusively by way of funds transfer to current accounts opened with subsidiaries of OTP Bank (OTP Bank Romania, OTP banka Srbija, OTP Banka Slovensko) or by way of the associated bank cards in all the affected countries. Accordingly, OTP Bank grants drawdown of the funding and managing an account for awarded applicants free of charge.

For more information on the tender, see:
(<http://www.otpbank.ro/hu/rolunk/szulofoldon-magyarul.html>) 



INFO POINT

A state-supported credit programme was launched for Romanian small and medium-sized enterprises with the participation of OTP Bank Romania: it facilitates disbursement of loans worth EUR 3 billion in the course of two years.

OTP Real Estate Value Map

The map, which was published in 2011, is the first one to offer detailed and reliable data to interested parties about the prices, turnover and stability of value of real estate all over Hungary, which represents considerable help to all real estate owners for decisions on purchase or sale. OTP Mortgage Bank publishes the map on its website on a six-monthly basis, with a report written in an easy-to-understand format and released on an annual basis. The key features of the Value Map are reliability and quality. Its database relies on information released by the National Tax and Customs Administration, as well as on OTP Group's own information collected on a regular basis. The turnover data are detailed for 174 national statistical micro-regions and for 161 districts marked by postal codes in the capital city. The Value Map will be extended to include a market analysis on agricultural lands next time.

Bratislava City Card

Slovakian OTP Banka Slovensko also participated in the issuance of a city card, which provides discounts on community transport and entrance fees to city facilities for local residents, and also functions as a bank card. The success of the card is underpinned by the fact that 35,000 persons activated one in the first year. The card facilitates the use of community transport and local cultural services and, accordingly, bolsters added sustainability of customers' lifestyle.

OTP Széchenyi 500 and other products promoting investment

Enterprises and booming investments play a crucial role in the recovery from the crisis – to which OTP Bank wishes to be a partner. In 2011, we laid particular emphasis on promoting familiarity with the financial products available to corporate customers. Advertisements and PR articles were published both in the printed press and over the Internet, and we organised press conferences in multiple cases. Unfortunately, the propensity of companies to invest remained extremely low, which explains why our initiatives and the new products made available did not bring success in every area.

- OTP Széchenyi 500 Corporate Loan Programme was launched in June 2011. The customised financing framework set up to match company features offers access to flexible funding, where nearly all loan products within the amount limit are available to our customers – primarily medium-sized companies. Companies use the credit line principally for other than investment purposes.

- From the New Széchenyi Programme, we launched the Portfolio Guarantee in 2011. This scheme can be used to finance acquisitions of machinery or tangible assets, as well as funding investments, expansions or development. Here, utilisation is similarly restricted by the low investment activities of companies.

Among enterprises and local governments, **loans refinanced by MFB** (Hungarian Development Bank) ("New Hungary" Credit Programmes and "For a Successful Hungary" programmes) **retained their popularity**. For further information on utilisation, see the chapter Data.

Consulting services for the utilisation of funding by the European Union

OTP Hungaro-Projekt and its subsidiaries, OTP Consulting Romania, DSK Bul-Project, as well as Croatian OTP Consulting established in 2011 made considerable efforts during the past year to promote implementation of the development plans drawn up for municipal and corporate customers.

The companies have been extremely **successful in tendering**, project management activity expanded in line with the plans.

In Hungary, three projects were intended for municipal development. The projects were aimed at sewage disposal and waste water treatment, development of the drinking water network and modernisation in terms of energy technology. The primary goals of corporate projects were development of premises and technology, enhancement of innovative activities, as well as modernisation in terms of energy technology.

The company in Romania has supported (25) projects primarily designed for environmental protection, in addition to five projects targeting social development. The Bulgarian company advised companies only, where projects were aimed at developing corporate infrastructure, and to a smaller extent, at rural development.

In 2011, OTP Hungaro-Projekt launched its financial consulting service offered to venture capital fund manager customers of Portfolion.

In November, OTP Consulting was launched as a subsidiary of Croatian OTP banka Hrvatska, and provides consulting on preparing and utilising EU funds. The bank expects a stable year for 2012, and plans to start further innovative products and services in addition to expanding CSR activities, for which HKR 4 million was assigned in 2011.



INFO POINT

- *The OTP Hungaro-Projekt:*
 - Produced 8 municipal and 61 corporate tenders,
 - Managed 14 municipal and 44 corporate projects,
 - Results: **39** awarded tenders, support worth **HUF 5.7 billion**, investment costs of **HUF 9 billion**,
 - A success rate **82%**.
- *OTP Consulting Romania:*
 - Participated in 25 municipal and 7 corporate projects,
 - Won support worth **HUF 11.3 billion**, with investment costs of **HUF 17 billion**,
 - The company success rate was **85%**.
- *DSK Bul-Project participated in 29 corporate projects, with planned investment costs of **HUF 3.7 billion**. (the majority of the projects will be assessed in 2012.)*



Intermediation of funding

OTP Bank is the only one among the domestic banks to provide duties of intermediation of funding with OTP Hungaro-Projekt and the Hungarian Foundation for Enterprise Promotion, as well as the National Federation of Traders and Caterers.

The offices to perform intermediation of funding were set up in the head office building of OTP Bank, employing full-time managers, as well as further co-workers to cater for the related tasks. Our function is to assess applications for funding enterprise promotion services, to conclude funding contracts, to disburse funding, and to provide the related administration and customer service.

Until 2013, funding worth approximately HUF 2.3 billion was intermediated in four regions for roughly 2 400 applicants. Experience shows that the majority of applications were projects with costs between HUF 2 to 4 million.

Financing the utilisation of renewable energy resources

The OTP Group considers it important to expand the utilisation of renewable energy sources and, within economically rational limits, seeks to finance these investments. In the year 2011, which was unpredictable in multiple respects, low-risk lending was emphasized. In our annual lending policy **financing of investments utilising renewable sources of energy was the only funded area of project financing**. Due to the supportive and predictable regulatory environment, preparatory works were carried out mainly in Romania and Bulgaria, and loan disbursement of HUF 1.4 billion to the hydroelectric power plant in Békésszentandrás commenced.

For boosting the facilities of renewable sources of energy, the bank attends technical conferences and initiatives of ministries – principally in Hungary – in order to set up the adequate financing products.

For more information on responsible project lending, please visit our website. (www.otpbank.hu/CSR) 



Pannon Wind Power Plant Project – financing and volunteering

A windfarm comprising seven wind turbines with a total output capacity of 15 MW has been implemented as a result of exemplary cooperation in the area of Bábolna.

Cooperation between OTP Bank and Pannon Wind Power Plant Kft. commenced in late 2009 concerning a project with an implementation cost exceeding HUF 7 billion, whereby our Bank financed slightly over 60 percent of the project costs, as well as the VAT.

The park was launched in late 2010, and has been incessantly producing power since. The windfarm generated 35 000 MWh energy until the end of 2011, 98 percent of which was sold, while the remaining portion was used for the wind turbines' own consumption.

The Spanish Renovalia Group, owner of Pannon Wind Power Plant Kft., was so pleased with our Bank's attitude shown while preparing the financing that they primarily sought our Bank also for their investments planned in the Romanian market. Financing of the first 40 MW project has been approved by the Bank; currently, due diligence of consultants are being performed.

Our staff organised a day trip for disadvantaged children between 10 and 14 years of age, also including the windfarm. The purpose of the trip was to raise their attention to the importance of generating renewable energy and to combating global warming.

The highlight of the memorable day was the visit to the windfarm. The owner of the wind power plant presented the operation of the plant, and a competition was staged, also involving our staff. A series of quiz questions were prepared to test the children's knowledge, and the best ones – and ultimately all – were rewarded.

Beyond the trip, purchased gifts and sports equipment for the participating school and its pupils and, using the voluntary contributions of the participating staff, a group photo was taken for the school and for the power plant.

Volunteer



INFO POINT

*The OTP Group provided funding for 5 projects aimed at using renewable sources of energy until the end of 2011 through a total loan amount of **HUF 12 billion** (Nick hydro-electric plant, Pannon Wind Power Plant, Pannongreen biomass, Rossi biodiesel project).*



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

"In addition to the crisis, formulation of a crisis communication strategy was also urged by the swift flow of information owed to the Internet, as we need to fend off and manage impacts of assumed or actual information.

Crisis communication defines who is to respond, when, how and what. Sometimes it is forbidden to speak, at other times it is mandatory. The key is that we must always tell the truth. Our Bank has prepared a complex crisis communication programme for efficient management of unexpected situations. Operations of the OTP Group are characterised by transparency, since this is the principal means to ensure customers' confidence. It is important to be able to underpin it from multiple sides that the financial management of customers' funds and deposits by OTP Bank is prudent when disbursements are considered."

2.5 Risk management

There are a number of processes that constitute the basis of safe and prudent banking activities, being practically invisible to external observers; their importance is noticed only when they fail to operate properly. The OTP Group traditionally pays particular attention to the processes that play a crucial role in ensuring the stability of the banking group even amidst the years of crisis.

The banking group's principles and core practices concerning risk management did not change in 2011; still, our methods were further improved. In managing operating risks, the OTP Group gradually develops its methodology used to measure, assess and prevent risks.

- In 2011, a system comprising 30 key risk indicators was set up for OTP Bank, defining a warning and a critical level for each indicator (e.g. deposit portfolio, foreign currency base, teller burdens – ratio of lost calls, IT faults). Over the past year, indicator limits have been exceeded as a result of the changes that affected the private pension funds and also due to the facility of early repayment of mortgage loans at preferential foreign exchange rates; these issues imposed huge additional burdens on tellers. In case of foreign subsidiaries, the indicators are planned to be developed in 2012.

- On analysing scenarios, high-risk events with a low probability (e.g. natural disasters, total breakdown of ATMs) were considered one by one, and their impacts examined.

The **Business Continuity Plan** has been compiled for our subsidiaries as well, in line with our intentions; 26 critical processes were selected from the 126 defined earlier – where breakdown would endanger core banking operations –, and we focus on managing these ones. In 2012, branch-level business continuity plans were produced in compliance with the requirement set forth by the National Bank of Hungary.

A manual for the **Crisis Communication Plan** has been produced and sent to all concerned organisational units. The subsidiaries have set up their own crisis communication plans.

In the past year, the plan had to be applied on one occasion in Hungary: at the end of the year, confidence in the forint considerably ebbed, which largely increased demand for other currencies. In order to retain customers' and households' trust, and to avoid a general panic, we took every step that was necessary to ensure that foreign currencies are available in the branches on a continuous basis, and our customers receive reassuring services.

International bank card data theft

The OTP Group and its customers were affected by the international bank card data theft discovered in December 2011. We did not block the bank cards, but intensified security measures against abuse. The transactions and use of the affected cards have been monitored continuously and more intensively, in order to prevent any fraud. In the foresaid case, a few instances of card frauds were detected concerning the stolen bank card data, in which cases we indemnified the affected customers. The low ratio of frauds compared to turnover on an annual scale justifies the correctness of our strategy and our means.

Our method of assessing country and partner risk was changed to be stricter in 2010. The results are examined on a quarterly basis, and considered on lending. Funding to other banks (partners) has been considerably narrowed in the past period.

The Croatian OTP banka Hrvatska (OBH) laid its emphasis on stability, due to the rising unemployment, the growing public finance deficit and the absence of structural reforms, and with regard to the difficult macroeconomic situation, which brought risk management into focus. During the year, the bank was continuously increasing coverage of defaulted loans.



INFO POINT

- Key operating risks in 2011:
 - ➔ obstacles to using loan guarantees in Hungary,
 - ➔ IT problems arising from an unreliable electricity network in Russia and in Ukraine,
 - ➔ Attempts at internal frauds in Romania, Russia and Ukraine.
- OTP Bank had an order of magnitude fewer bank card frauds (0.0041%) to turnover compared to the European average published by MasterCard (0.0622%).
- We have set up a macro bubble prediction model out of 14 financial indices and others showing economic sustainability

OUR GOALS > 2012

Continue helping foreign exchange debtors in hardship.

Extend availability of the facility to fix exchange rates of FX mortgage loans for municipalities.

Set up Direct Points in all major branches.

Revamp Internet banking in Hungary. Develop the available services in Russia and Ukraine.

Set up an online "box for ideas" driven by subjects.

Set up a branch to meet the needs of people with physical disabilities, and installing accessible ATMs.

Publish investment advice brochure by the Croatian subsidiary.

Keep analysis of customer feedback and complaints from customers' point of view as an important consideration, in order to improve banking processes.

Make announcement more transparent and customer-friendly.

Develop the building society product aligned with customer needs.

Launch a new product related to the New Széchenyi Programme.

Implement the developments needed for the method to determine an advanced measurement approach.

Produce a business continuity plan for branches.

Launch the IT system developed to prevent and avoid financing terrorists and insider trading.

in order to be able to provide more accurate predictions of future events. The examination is carried out on a quarterly basis.

- A comprehensive audit by the HFSA has been performed in OTP Bank and a number of Hungarian subsidiaries on risk management. The audit was closed with no fines imposed; we will inform the Supervisory Authority about compliance with the six recommendations specified in the resolution.



RESPONSIBLE EMPLOYER

The OTP Group is a crucial employer also in other countries of the region. Our co-workers fulfil a decisive role, which is why our primary objective is to set up and retain an expert and dedicated staff.

Being a key employer in the region, we are responsible for our staff and for retaining jobs. The role of our employees is decisive and crucial to the profitability of the OTP Group, therefore it is our primary goal to formulate and retain a group of talented and committed employees. Responsibility for the employees represents the second pillar of our Corporate Social Responsibility strategy.



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

"It is important for customers to trust tellers, and to feel that their finances are safe with them. This effect is reinforced when the employees trust their bank, and the bank also expresses confidence in their staff. We can contribute our expertise and attention to customers to do the most to achieve this confidence, while the bank can earn the confidence of our employees by creating steady jobs and providing the necessary resources and expertise."

Awards

Most Reputable Employer

JSC OTP Bank was awarded this recognition by Head Hunter and Reputation Capital.

For the knowledge and satisfaction of employees, we focus on the following areas:

- **training** – improving professional knowledge and developing human competencies;
- **involvement of employees** – human-centred workplace culture bolstering cooperation and innovation;
- **fair remuneration and career opportunities**;
- **equal opportunities**; healthy work environment, conditions of efficient working⁹.

For our policies and comprehensive objectives related to employees, please visit our website.

www.otpbank.hu/CSR/hu/felelos_munkaltato

Outstanding results

Customer-centred communication built on customer typology

Branch managers' role and competencies revamped, evaluation of leadership performance for quality under the a LEADER project

OTP Magazine: improvement of the internal journal

Assessment of occupational health risks

⁹ Initiatives regarding efficient work conditions are presented in the chapter Responsible Service Provider.

2010 > OUR COMMITMENTS

2011 > OUR RESULTS

Launch a newsletter on the HR portal	✗ With the Independent Communications Division set up, the operation of internal communication has been reorganised in line with a new strategy, which does not include the newsletter.
Implement a stress management programme, subject to the results of a stress testing	✓ Specific programmes have been launched in line with the needs of the areas.
Continue with the career management programme, expand the rotation scheme	✓ Under the programme, group-level rotations have been implemented.
Launch a scholarship programme in the City Centre Regional Integrated Vocational Training Centre	✓ The programme has been launched.
Facilitate atypical forms of employment	➡ In the HR strategy, preparatory steps taken in 2011.
Use the OTP Magazine to develop internal CSR communication	✓ OTP Magazine has developed into a crucial and most popular forum of internal communication.
Radically improve internal communication	✓ Internal communication has made significant progress within OTP Bank for both professional and other information.

✓ Implemented

➡ Implementation in progress

✗ Not fulfilled



3.1 Responsible employment

The employee headcount reflected the changes in the market activity in 2011 as well.

Firming factoring activities¹⁰ and, mostly in Russia and in Ukraine, commercial lending, facilitated hiring a **remarkable number of new employees and agents**.

For a number of subsidiaries, the **economic situation** necessitated termination of branches and downsizing of staff. Similarly to the previous years, we sought to implement lay-offs in a responsible way, showing preference for early retirement or part-time employment, where possible.

The Ukrainian subsidiary that implemented the largest streamlining held redundancy-related training courses for the managers and the affected employees. The employees received a compensation package beyond the legal requirements, which included keeping their health insurances until the end of 2011, advice on job search, and – if positions were open in OTP Credit involved in consumer lending in the given region – jobs offered to them.



INFO POINT

- *Employee headcount of the OTP Group:*
 - over **49 000 people** (as of 31 Dec 2011), **28%** up in comparison with 2010,
 - the headcount of full-time employees increased by **17%** over 2010.
- *Employee headcount¹¹:*
 - was up **2%** in OTP Bank,
 - in the Hungarian group: increased by **7.6%**,
 - grew by **48.7%** in OAO OTP Bank,
 - in OTP Banka Slovensko, rose by **4.7%**,
 - was up **3.8%** in CKB Bank,
 - remained nearly unchanged in DSK Bank,
 - remained nearly unchanged in OTP banka Hrvatska,
 - diminished **2.7%** in OTP banka Srbija.
 - OTP Bank Romania saw a shrinkage of **3.4%**,
 - in Ukrainian JSC OTP Bank decreased by **13.1%**, and including the agents hired by OTP Credit, it was up **23%**.

¹⁰ In a considerable portion of cases, the employees are hired for a definite period and a specific project.

¹¹ Total employees: an aggregate of full-time employees and part-time employees above and below 60 hours per month.

3.2 Training and education

For high-standard and customer-oriented service and efficient operation of the organisation, we attach particular importance to the training delivered to our staff. **In addition to professional expertise, we also target skills development.**

- **Customer-oriented management culture** is in the focus of LEADER programme launched in 2011, which brought about the following.
 - › A **Branch Manager Manual** has been produced, which organised the various tasks (e.g. HR, report analyses, banking security) by branch type, and provides guidelines to their implementation.
 - › The **performance of each network manager** has been assessed with a new approach, focusing on business performance, professional standards, quality of leadership and competencies.
 - › Training has been organised for network managers to facilitate sharing best practices, built around analysing case studies. In 2012, we plan to support management development through a two-day training and elaboration of customised action plans and development plans. Branch managers have been involved in our mentorship programme, which functions successfully in the network.
- In order to reinforce **customer-centred communication**, a training programme has been launched for the customer relationship staff, focused on **customer service built on personality types**, building relationships and trust as its central elements. Our goal is to incorporate customer-oriented thinking as a crucial element of the corporate culture also in peer relationships within the bank, improving the efficiency of cooperation within the organisation.



- In cooperation with the banking practice branch of the **Downtown Regional Integrated Vocational Training Centre**, an internship and scholarship programme has been launched to sponsor students with high academic achievements. In addition to providing financial aid to students, we also aimed at employing the sponsored students in the bank and support them in gaining experience. A successful element that may be carried on was employment of students in the bank under an internship programme.



INFO POINT

- The OTP Group spent **HUF 917 million** on employee training.
- **30 000** registrations took place during the year for conferences, training courses, language and formal education.
- **89 000** applications for web-based courses and online tests in the course of one year.

3.3 Involvement of the staff, internal communication

Within the company group, OTP Magazine has been available to the staff of OTP Bank since January 2011, in addition to the exchange of experience among the functionalities and the internal communication channels that have worked out for multiple subsidiaries (e.g. newsletters, journals). **Its high rating attests to the fact that the online internal magazine is highly successful.**

OTP Magazine provides information to the staff on a number of subjects. The sub page "Knowledge Bank", for instance, familiarises primarily others than branch tellers with various topics in a playful form. Interviews with the Bank's management are also popular, which allow insight into the operations of a division or a subsidiary. The Magazine is the chief forum for disseminating information on the activities of corporate social responsibility, for raising awareness and gaining buy-in. The subordinated site on volunteering enjoys popularity, where reports and videos are also available on activities implemented under volunteering. (For details of volunteer programmes, see section 4.2.) The internal magazine also presents the civil organisations and programmes supported by the Bank.

Most companies in the OTP Group organise events for their employees and occasionally for their families, to offer informal time spent together, team building and the expression of co-worker recognition. Sports almost always constitute a part of such events. Monicomp Zrt., for instance, advertised bowling and pool competitions, OTP Fund Management's staff went rafting, while Ukrainian JSC OTP Bank organised a championship to the children of the staff.

We are happy to see that feedback suggests participation of the staff in joint events in large numbers, actively and willingly.

Give a little bit of you!

Participants in the programme on OTP Bank's Family Day had the opportunity to familiarise themselves with and try the various forms of volunteering: for example, there were possibilities to donate blood; to create beanbags and finger puppets for families raising children with disabilities in cooperation with Kézenfogva (Hand-in-Hand) Foundation; to create desktop pen holders out of cans, or wallets or business card holders out of milk boxes. The most enthusiastic and creative helpers were awarded individually and in teams alike.

Volunteer

In the course the year 2011, three companies carried out employee satisfaction surveys: Croatian OTP banka Hrvatska, Ukrainian JSC OTP Bank, and Merkantil Bank.



INFO POINT

- *Practically all of our employees are familiar with and have viewed OTP Magazine;*
- **5 000 to 6 000** logins, **80 000 to 90 000** pages viewed per month;
- **1 800** instances of completing the Securities quiz, **3 000** instances of completing the game on the Corporate Social Responsibility report.
- *The satisfaction of staff members changed only lightly on comparison with 2010.*
- *The results of Merkantil Bank are more balanced; the satisfaction of the staff is between **40** and **60%** in all areas.*
- *In case of the two foreign subsidiaries, the staff was satisfied mostly with the fields of internal communication and safety at work, and expected development mainly in the field of benefits.*
- *The work/life balance was measured by Merkantil Bank and the Ukrainian subsidiary, both displaying a **50%** satisfaction in the field.*
- *Training and opportunities of development was found adequate by slightly more than half of the staff.*

3.4 Staff recognition, careers

The Bank uses means of financial and moral motivations alike to retain well performing and talented staff member. The benefit policy of the bank group still attaches crucial weight to recognition driven by objective performance. In addition, acknowledgement of professional achievements and efforts made for the community, as well as offers of career opportunities also play a role.

In 2011, OTP Bank started reshaping the system of **moral recognition**, which emphasizes the values of corporate culture, innovation, cooperation and customer-centeredness.

In addition individual recognitions, the means of appreciating work communities are also enhanced. In order to provide career opportunities:

- Additional employees were involved in the rotation programme that also facilitated working abroad.
- In OTP Bank, development of a succession system for branch network management was initiated.
- For career starters, we appeared in publications, as well as in online and traditional job centres,
- We plan to overhaul the career site and extending our internship programme in 2012.



INFO POINT

The OTP Group employed **933** interns in 2011.

The branch showing the most responsibility for its employees 2011

Volunteer

In order to recognise branch communities holding together and helping one another, OTP Bank advertised an award for the branch that shows the most responsibility for employees in 2011.

The award was given to the branch in Zalaegerszeg, which helps its staff towards professional success and work/life balance through a number of volunteer initiatives in addition to exemplary application of the bank's practices.

"We who work here may feel lucky, as we are responsible for one another, and each team member knows that in order to proceed we need one another's hands and not one another's backs."
(chief branch advisor)

A few examples of the branch programme:

- "Heart of the Building" award, to recognise extremely enthusiastic and conscientious co-workers;
- helping inclusion of co-workers returning from child care leave through part-time jobs;
- receiving a significant number of interns from the local college year by year, some of whom subsequently join(ed) the branch staff;
- acting as mentor branches, assisting staff inclusion of various branches;
- providing attendance of training courses tailored to individual needs for professional progress, even with a possibility of permeability between business lines;
- contribution to the sporting activities of the staff with joint and regular exercises, and regular ophthalmological and cancer screening;
- participation in the sports days and in events of team building.

3.5 Equal opportunities, working environment

OTP Bank uses a medium-term human resources strategy adopted in 2010 to reinforce equal opportunities:

- Having joined a project aimed at developing a Work and Family Audit methodology endorsed by the Ministry of National Resources, we carried out a **Work and Family-Friendly Audit** in a branch.
- We developed a survey methodology for questionnaires for subordinates and managers in order to expand the potentials of **atypical employment**; the survey is to be carried out in 2012.
- A co-worker in HR obtained qualification as an equal opportunities desk officer.
- From 2012 on, we plan to adopt a rehabilitation supplement for employees with a changed ability to work.

We continue to encourage and advocate healthy lifestyle among the staff of the banking group. Healthcare provided beyond the legal requirements – typically including various health screenings – remain characteristic chiefly of Hungary, Romania and Bulgaria. In 2011, **occupational health and safety risks were assessed** for OTP Bank as a whole. The assessment did not reveal significant shortfalls. Most of the recommended actions (e.g. improved ventilation at certain premises, shading monitors) were implemented during the year, and further ones are being adopted.



INFO POINT

- The OTP Group employed **320** people with a changed ability to work in 2011, primarily with DSK Bank and JSC OTP Bank.
- At group level, **3 353** employees are on maternity leave, which represents a **20%** growth over 2010.
- Bank jobs are generally low risk in terms of health and safety, with the rate of risk being bearable in every field.

OUR GOALS > 2012

Continue implementing our medium-term HR strategy.

Overhaul the careers site, broaden the possibility of traineeship.

Adopt a rehabilitation supplement for employees with a changed ability to work.

Extend a typical facilities of employment.

Adopt a renewed system of moral recognition.

Provide customer relationship communication training for the affected staff.

Further develop the mentorship programme for branch managers and tellers tending to premium customers.

Generate management development programmes for the Bank's head office management.



4

SOCIAL INVESTMENTS, CORPORATE SOCIAL RESPONSIBILITY

OTP Bank's social responsibility includes encouraging valuable initiatives, motivating its staff to volunteer to help, and being ready to offer partnership to civilians who endorse noble causes, thus directing attention to social problems.



Péter Zoltán Nagy, Marketing Director
Marketing Department

"Being the market leader in Hungary, our financial institution is responsible for the society – or, I could even say, as an economically crucial company group in the Central and Eastern European region, it is our obligation. We are to set an example to be followed not only by people but also by other companies. We need to make decisions with this in mind, responsibly and consciously, because by standing up for a good cause, we may be able to direct attention to social problems."



Being a responsible financial service provider, the OTP Group considers it important to contribute to the success of the community through supporting sports, culture, responsible thinking and aiding the underprivileged, as much as we can afford.

Our objective is to provide actual and effective help through supporting programmes and causes that promote the interest and needs of the entire society. Our efforts are primarily focused on

- developing financial literacy, attitude-shaping;
- creating and preserving values; and
- creating opportunities and building communities.

For the principles and supported programmes of our corporate social responsibility, see our website.

www.otpbank.hu/CSR

Outstanding results in 2011

OTP Self-provision Index

OTP Volunteering 50 programme

"Back to the Alma Mater" programme

World Savings Day

Retail research on responsible operation of companies

Coefficient tender

2010 > OUR COMMITMENTS

2011 > OUR RESULTS

Report on a continuous basis	✓ Implemented.
Supply CSR data on a continuous basis, improve the accuracy of CSR data reporting, broaden the range of data supplied	➔ Improvements have been made to the range and accuracy of the data supplied, but we target further improvement.
Strengthen CSR communication, hold another branch CSR competition	✓ The range of tender categories has been broadened, and the competition was held.
Extend, to suppliers, the standardised guidelines for communication of the Ethics Statement and the Corporate Social Responsibility Report	✓ The Ethics Statement now constitutes a part of supplier contracts. ✗ We have not communicates the report to the suppliers specifically.
Support the "Financial Navigator" program	✓ We have provided experts on financial opinions and articles in almost all topics raised.
Share practices of subsidiaries	✓ Sharing is performed at the subsidiary forum.
Continue and expand creative, individual partnerships	✓ We have implemented a number of innovative forms of support, and aimed for involvement as broad as possible.
Draw up and announce the OTP Volunteering 50 Program, for the implementation or support of 50 volunteering schemes	✓ More than 50 volunteer programmes have been implemented in 2011.
Advertise a new tender concerning the "BASICS" (ALAPOK) programme	➔ The "BASICS" programme has been completely overhauled, and the new concept will be applied from 2012 on.
Redesign of "Bankó" magazine	✓ "Bankó" customer magazine has been redesigned, and a number of thematic issued were published during the year.

✓ Implemented

➔ Implementation in progress

✗ Not fulfilled



László Wolf, Deputy CEO
Commercial Banking Division

"Being one of the largest financial service provider the region, OTP Bank pays particular attention to the social, economic and environmental impacts of its activity, to be aligned with the efforts of the founder of this reputable financial institution, András Fáy. Although operating the civil sector is no duty of a commercial bank, but a responsible credit institution ought to help the worthy in the fields of social life that are hard to finance."

4.1 Developing financial literacy

It is clearly underpinned by research carried out in the countries of the region that the financial literacy of the public and the level of financial culture are low, and – although the countries vary considerably – fall significantly short of those in the developed Western European countries. For this reason, the **OTP Group is committed to developing financial culture. We seek to take part in educating young people, students and the adult population in a number of ways, through independent programmes and in cooperation with other organisations.** Improvement of the financial culture is emphasized principally in the countries where the presence of companies in the OTP Group is dominant.



OTP Self-provision Index

The goal of the OTP Self-provision Index is to facilitate monitoring self-provision in Hungarian society on a 0 to 100 scale. In 2011, the Index was published on two occasions, both **scoring 36**.

The representative research was carried out by Ipsos Zrt. The index is comprised of 80 financial and non-financial elements: the financial elements cover economic activity, saving and the related plans, while non-financial elements map environmental activity and health protection.

Awareness and capability of self-provision are at a sorely low level. At the same time, a difference was observed between the two surveys – presumably also due to repeatedly surging signs of the crisis. The surveys reveal that almost two thirds of all households fail to have savings sufficient for three months, and more than half of them have no savings at all. Unfortunately, it is a fact that approximately one third of the Hungarian households actually cannot save up on account of their income situation, while another third does not save despite the fact that they could. 58 percent of all respondents keep financial calculations of their income and expenses, but only one month ahead.

The index published for the second time showed **increased appreciation of non-financial areas of self-provision, e.g. family or maintaining good health.** The **financial reserves of households** slightly **diminished, whereas the propensity to save rose.** The ratio of those who do not hold any form of self-provision grew from 41 percent to 47 percent, whereas the ratio of those intending to boost their prospective financial security through some form of financial product in the near future was up 4 percent.

On the basis of actual and planned financial savings, **preparation for unexpected situations** is attached key importance by the respondents. (28 percent and 25 percent of the households keep such reserves, respectively.) In the period between the two surveys, the ratio of those who had been saving up for a considerable time for a major expense dropped (from 36 to 28 percent).

Both surveys indicated that **three quarters of the population considered their financial future unpredictable. However, it was also revealed that its validity decreased parallel to the number of savings facilities used.**



- For years, OTP Bank has been handling the **World Savings Day** as a remarkable opportunity to raise attention and shape attitudes, and prepares a number of programmes for the event. In 2011, OTP Bank implemented a whole week of campaign with colourful programmes that reached various target groups. We used commercial advertising facilities to draw attention to the events aimed at developing financial culture; managers of the bank, as well as representatives of **OTP Fáy András Foundation**¹² spoke about financial literacy and the importance of self-provision on programmes with high rating.

- On the occasion of the World Savings Day, OTP banka Hrvatska invited six-year old first-grade pupils nationwide to visit their **branches on a study tour**. The thousands of pupils received a simple and easy-to-understand presentation on how banks worked, explaining the basic terms related to saving. The banks in the country issued information on the savings products they intended for the youth.

- OTP Bank was a chief sponsor of the conference held under the double title **Self-provision 2011 – “Eliminating illusions”**. At the conference, leaders of domestic banks attended a round-table discussion also featuring reputable scientists and experts.

- OTP Bank launched a programme called **“Back to the Alma Mater”**, whereby the senior and middle management of our bank visited their respective secondary schools to hold presentations on financial literacy. Until the year-end, 13 presentations were implemented, with 650 students attending. We are working on reaching also branch managers with the uniform and illustrative material developed for the presentations, in order to achieve broader involvement of our staff.

- **We have produced short films for financial education**, which present various subjects of responsible management of finances. The films are principally accessible at social media sites.

- We also involved students to open our new branch in Budapest. Prior to **opening the branch**, our staff had received school classes. The kids had an opportunity to



Financial literacy in Hungary

The purpose of the research carried out by OTP Fund Management was to map the financial culture of the adult population, pointing out the differences between generations. The research brought to light that money and financial products represented a crucial basis of security for households. On the other hand, the respondents in the survey believe that future is uncertain for a number of reasons: the crisis shook the stability of jobs, state pensions are less trusted, and the confidence in financial institutions also wavered. The respondents do not consider the financial culture and awareness of the population as adequate, which they believe family background and education are to blame.

The purposes of saving vary from generation to generation, with financial independence and financing of unexpected expenses labelled as important in every case. In addition, similarly important for young people are purchase of a home, providing for their children's future; for the middle aged, also children, as well as preparation for the years of retirement; for the elderly, the goal is to maintain independence. Although the respondent reckon also with particularly long-term goals, they typically plan their investments for a maximum of 5 years – part from a few exceptions, such as savings for children –, attaching importance to reconsidering the forms of investment from time to time.

¹² For information on our activities and current programmes, please visit the Foundation's website at www.otpfayalapitvany.hu 

familiarise themselves with tellers' work, to try banking devices, such as bill counters, and to have a peep into rooms closed for customers. Seeing the success of the programme, we also plan similar events in the future.

- OTP Bank' **Centre for Analysis** lays increasing emphasis on producing and communicating analyses available to the public. We publish daily and weekly analyses on the dynamics of major economic indexes, and the domestic macroeconomic processes are analysed and forecast through Macro Monitor. We participate in the production of the Private Portfolio on a quarterly basis. Further expansion of the activities of the **Centre for Analysis** is also planned by fully covering all the countries in the region.

- OTP Bank is an active participant in the **Financial Navigator programme of the National Bank of Hungary**. We provide an expert in all subjects that may be raised in financial opinions or articles. The publications of the HFSa are available in our branches on a continuous basis, reaching customers in tens of thousands of copies every year. In 2011, new leaflets were issued on self-provision, the Internet-based application of the HFSa and on consumer credits.

- As revealed by a national banking market survey, the **Bulgarian DSK Bank leads the way in developing financial awareness**. The bank uses multiple forms of disseminating information, and issues bank stances, participates in seminars, conferences and has appeared in the media on many occasions, beyond providing customers with brochures.

- The Russian OAO OTP Bank participates in a programme aimed at developing financial culture through the Association of Russian Banks.



Financial culture award



Our Russian subsidiary won a special prize called "Consumer Rights and Service Quality 2011" in this category from the Federal Supervisory Authority of Consumer Protection and Human Welfare.

You can count on us!



Among the branches displaying outstanding commitment to social responsibility, a special award was given to the group called "You can count on us" in the Southern Plains regional centre. The group's goals include financial education of secondary school leavers, familiarising them with the value of money, as well as the related activities and notions. The exemplary model project as implemented through a road show and competition on eight locations.

Teams of secondary school students were invited to enter the competition with a short presentation of the history of money. In addition to the contestants, their fans were also present at the competition – consequently, even more people had the opportunity to learn from what was said. After the presentations, the competition was continued with tests, quiz games and live board games. The best contestants received prizes.



4.2 Our corporate social responsibility programmes

Members of the OTP Group implement their support activities independently of one another, matching the local needs. A priority in our participation is to help disadvantaged social groups; community initiatives that contribute to deepening human relationships, as well as events that generate value for the entire society; and to support recognised sports events.

Our support focuses on:

- helping **disadvantaged** – primarily young – people,
- education,
- cultural and arts events and those of local communities, and
- the area of sports

OTP Group is committed to long-term cooperation, which is why we maintained a number of prior cases of cooperation. Due to the extended crisis, we considered it important to improve the living conditions of children in disadvantaged regions.

New cooperation was established principally in the area of sports, with a view to taking a leading role in supporting sports. We believe that sports are capable of bringing people, communities and nations closer together.

Coefficient



OTP Bank considers it important to **involve communities** in charity programmes.

For the first time in the Coefficient programme, we directly engaged the public in awarding support. Our professional partner NIOK (Non-profit Information and Training Centre) selected 30 out of the 120 applicant programmes, who were provided a facility on Facebook to present themselves. It is a good indicator of success that nearly 10,500 people submitted 11 thousand votes in two weeks, and over 600 persons volunteered for some of the programmes. Seeing the tight competition, we raised the number awardees and the reward amount. For more information, please visit our website. (www.otpbank.hu/CSR)



INFO POINT

- The OTP Group spent **HUF 2.2 billion** on donations in 2011 (**58%** of which was related to OTP Bank).
- The OTP Group used **HUF 1.1 billion** in sponsorship in 2011 (**69%** of which was related to OTP Bank).
- The OTP Group provided support worth over **HUF 60 million** as contribution in kind.



Volunteering

Volunteering is a tradition with most members of the OTP Group.

Our employees regularly participate in programmes launched for good causes – primarily helping children and the sick – or raise donations towards social and environmental goals.

In connection with the European Year of volunteering, OTP Bank made a commitment in 2011 to implement a minimum of 50 volunteer programmes. Initiatives were received from various fields:

- We **continued our proven practices**, such as donating blood, involving a number of office buildings, bank branches and regions.
- We **advertised an internal tender** on three occasions, which supported autonomous initiatives of volunteering teams. On selecting tenders to be awarded, crucial criteria included intensity of local activity, local partnership, degree of impact made on the community, alignment with OTP Bank's priorities for supporting, creativity and impact of the activity on our reputation. The tenders were assessed by a panel of seven members comprising the Bank's leaders plus two external experts. We grant permanent support to a number of valuable ideas. We are happy to have recurring applicants!
- We also **joined national and international programmes**, such as the one-day campaign aimed at eliminating illegal landfills, called "PickItUp!" (TeSzeddi!), as well as the Earth Hour initiative.

We thanked our employees for their involvement at a Volunteering Gala. In 2012, we plan to provide a facility for individual volunteering, too.



INFO POINT

- Over **20%** of OTP Bank's staff is involved in volunteer programmes.
- In OTP Bank, **808** blood donors gave blood on **1 421** occasions in 2011 (a **25%** rise over the previous year).
- In 2011, a total of **1 500** staff members took part in the OTP Volunteer programme, and helped approximately **3 700** persons.

Blood Donor-friendly Workplace



In 2011, the Hungarian Red Cross awarded OTP Bank with a prize for Blood Donor-friendly Workplace.

Corporate Social Responsibility Award 2011

Awards

OTP Bank awarded a prize to the branch that displayed outstanding commitment to Corporate Social Responsibility. The winner was our Siófok branch, which was also a recurring applicant in volunteering tenders announced during the year.

In the course of 2011, three tenders of the branch were awarded:

- multiple small gardens have been created in the yard of the local primary school in two stages, after work on workdays and during the weekend when planting was carried out, in cooperation with the parents' panel and with the school foundation;
- another tender was targeted at implementing a play corner at the children's ward of the local hospital, as well as collection of toys by the branch staff;
- similarly, presents and toys were collected for the residents of the children's home in Nagybajom, and a playground was created in the yard.

The department head of the branch visits the hospital in Siófok on a weekly basis in order to provide information to young mothers in groups of 6 to 7 on the available benefits and saving facilities; the branch staff provide financial education to parents and students in educational institutions.

Story-writing competition

Owing to the work carried out by a team of volunteers – in cooperation with Karcolat Literary and Art Talent Scout Association – a story-writing competition intended for the age group of 10 to 15 was implemented in 2010, which was a huge success: a total of 267 stories were submitted. The tender "Dream your own tale!" was followed by a drawing competition in 2011, and the best pieces were combined into a storybook.

500 copies of the published storybook have been sent to disadvantaged children through the International Children's Safety Service.



A few examples of the initiatives implemented by other members of the OTP Group in 2011:

- OTP Fund Management joined the ROMASTER programme of HBLF (Hungarian Business Leaders Forum), aimed at helping disadvantaged young Romani people with good school achievements to be admitted to tertiary education.
- In cooperation with the "Happy Child" charity fund, the Ukrainian JSC OTP Bank installed boxes for donations, and posters were displayed in branches to advertise the possibility of transferring donations.
- The Russian OAO OTP Bank organises fund raising for orphans and large families under the programme "The big family".
- The staff members of DSK Bank in Bulgaria have been raising funds regularly to patients suffering from serious illnesses that require expensive treatments.
- The Slovakian OTP banka Slovensko's employees participated in the volunteer programme called "Our Town" also in 2011: they helped not-for-profit organisations to make the environment more beautiful, secure and healthy.
- Seventy five staff members of OTP Bank Romania joined the waste collection campaign entitled "Let's do it, Romania!" in 2011.

Best Charity Programme

The programme won a prize from the Federation of Russian Banks in the category "Best Charity Programme".



Mitruță Pușcașu, Regional Sales Director in OTP Bank and the leader of volunteers

"Beyond the figures, reports, sales, etc. the human factor is crucial to our day-to-day work. Why? Because soul is closely related to reason, because we are compassionate with others in their pain and we are happy for others. We cannot be good banking experts without taking our share of local and regional projects. Passivity is not our cup of tea, which is why we collectively decided to stand up and act for our environment."

Helping the disadvantaged

Our support is focused on improving the life circumstances of the disadvantaged and people with disabilities. In the times of economic hardships, we tried even more to grab every opportunity to support those in need, seeking possibilities to extend cooperation and broaden the group of beneficiaries. For example

- OTP Bank offered the sum intended to be spent on partners' Christmas presents to the benefit of the **"Mobile Playground" programme** launched by the **Hungarian Maltese Charity Service;**
- a **dentist bus of the International Children's Safety Service** was sent to certain parts of Transylvania also in 2011;
- we ensured on multiple occasions that disadvantaged children can access sponsored events.



INFO POINT

- For more information on our policy regarding donations, see page 71 of the relevant report for the year 2010.
- During a series of health screenings held by the International Children's Safety Service, almost 1 200 children were examined.
- The Hungarian Maltese Charity Service used the donation to purchase five playbuses, which are expected to visit approximately 150 villages and towns in the microregion during the next one year.

Education

We are committed to improving the opportunities of the next generations, which prompted us to support education and learning. We attach high importance to aiding schools (e.g. through donating and collecting books) and individual students (e.g. through scholarships, career and advice and orientation) alike. We seek to implement and finance high-profile nationwide programmes. The parent company contributes to education principally through OTP Fáy András Foundation.

Causes 2011

The Bulgarian DSK Bank won a "Causes 2011" award for sponsoring SOS Children's Villages in Bulgaria. DSK Bank is a gold-level sponsor of children's villages.



The Oscar of corporate social responsibility

The Oscar of corporate social responsibility:
The prize of Capital magazine was awarded to OTP Bank Romania for their campaign "Right to Read".
(www.estedreptulmeu.ro/en/)





Model School Programme

OTP Fáy András Foundation launched a Model School Programme in Budai High School. The programme facilitates teaching the basics of **financial, economic, financial management, and aims at formulating an attitude characterised by awareness of the future and the environment.** We seek to maximise the number of programmes implemented in the school with support from and in cooperation with the Foundation or OTP Bank (e.g. career orientation programme, "Back to the Alma Mater", volunteering programmes), as well as posting stickers with "green advice" that has worked out for the bank in the school building. In addition, the first training course of the Foundation's renewed BASICS programme was also implemented at the school.



Uniface

In addition to being a sponsor, OTP Bank in 2011 was also an active participant in the virtual game intended for universities, called Uniface. The bank contributed venues, situations and questions to the game aimed at preparing students taking the admission exam for university life. In the game, the 3 200 registered young players familiarised themselves with the admission exam, the subjects, the tests and the exams, as well as other duties and obligations related to student life.

Cultural and arts programmes, local community initiatives

Also in 2011, the OTP Group gave preference to the funding of programmes reaching a board community and displaying artistic values. The events and institutions supported are diverse: they include contemporary programmes and programmes preserving folk traditions, as well as initiatives of music, film and theatrical arts, as well as painting. We consider it important to keep communities together, similarly to the initiatives to embellish the environment. We use our long-term cooperation to facilitate successful programmes becoming traditions.

Condominium Tender

The already traditional OTP Bank Condominium Tender generated exceptional attention also in 2011. The most popular category in the tender announced in the categories "Environmental Protection", "Building Communities" and "Improving the Quality of Life" was "Improving the Quality of Life".

"We are proud to have had the possibility to help residential communities and condominiums in the form of a tender for the third time this year. Concluding from prior experience, we can state that the culture of tender writing is continuously improving, which results in a rising standard of applications. This year, we received almost 1 400 applications in total, which is considerably more than expected; it is a great achievement, as it shows that an increasing number of people recognise the excellent potentials of tenders."

Dr. Ilona Mária Kádár, head of OTP Bank's business line in charge of condominiums.

The first 500 applicants received a one-year subscription to the technical journal Társasházi Házartás (Condominium household), and complimentary attendance at the conference of the National Association of Condominiums and Condominium Managers. For more details of the tender results, please visit our website. (<http://www.hazforum.hu/aktualis/jatszoter-felujitast-huzatfokozok-beepiteset-es-parkrekonstrukciot-tamogat-iden-az-otp-bank>)



Sports programmes

Sports are a traditional area of corporate social responsibility in the OTP Group. The members of the banking group support a number of recognised domestic and international events, mass sporting events and teams, besides being the namesake to some of them. We support sports that require physical and intellectual endurance, high levels of concentration and accurate teamwork. We consider it important to ensure that the future generations are kept on sports.

The OTP Group supports a number of reputable sporting events, leading clubs and federations, and the Bank is a major sponsor of Hungarian sports life. We contribute towards operating the sports, federations and clubs supported by us so that they have an opportunity for high quality work, and can make sports accessible and attractive to an increasing group of people. In addition, we also view sponsorship of sports as an investment into the future, which is why we support also the second lines in a number of sports.



OTP-MOL Bozsik-program



What we expect from resuming OTP-Mol's Bozsik Programme is that soon a higher number of young and talented footballers are released to the pitches through consciously planned and widely managed raising of a second line, and it will represent perceivable improvement also in the standard of domestic football. We consider it important to grant a possibility to talents irrespective of their age, gender, place of residence and social standing.



Retail CSR survey

By interviewing 1 000 persons, OTP Bank has conducted representative qualitative research on a population holding current accounts, as well as qualitative research among domestic CSR experts concerning their knowledge and expectations for CSR activities.

Respondents believe that companies' responsibility should be for employees and products, and the considerations of environmentally aware operations are attached lower priority. There were hardly any companies

spontaneously referred to by the respondents as being responsible; against this backdrop, it is even more meaningful that OTP Bank was the most frequently mentioned company – by virtue of supporting sports events.

The majority of the respondents are not satisfied with the current extent of responsibility of companies (they evaluated it at 53 percent on average). Their expectations for large corporations are higher, where the responsibility of companies in Hungarian ownership is considered more authentic in comparison with foreign companies. One quarter of the population can be deemed as receptive to the subject of CSR.

Concerning responsibility of banks, the opinions primarily imply lack of confidence and caution towards banks. Expectations of corporate responsibility are higher for this sector compared to other corporations. As a key area of corporate responsibility, responsible services, correct and sincere customer relations were mentioned, which also represent the foundations of authenticity. **Assessment of the general image of banks is concomitant to responsibility.**





OUR GOALS > 2012

Further expand programmes implemented in the Exemplary School, develop the concept.

Expand the programme "Back to the Alma Mater", send the curriculum to the branch managers.

Support and encourage volunteering.

Intensify involvement of communities in our support activities.

Key expectations set forth:

- sincere and comprehensible language usage;
- responsible communication – no facts are concealed for their own interest;
- self-restraint – in terms of income and commissions.

The products are viewed by households as a natural core service and not as an advantage. A number of positive products do not, or do not clearly have the bank's responsibility as a message (e.g. healthcare fund services, baby bonds), and the product cannot be termed as responsible if it breaches customers' interest.

The respondents view banks and their social responsibility through a very critical eye. The respondents would attach a positive evaluation to initiatives of financial education.

Customers typically consider their home banks as responsible, consequently, OTP Bank, on account of its number of customers, is believed to be the most responsible according to the entire population. The assessment of OTP Bank is more positive also in comparison with corporations and banks, which is principally rooted in stable, strong and traditional Hungarian values linked to the bank.





ENVIRONMENTALLY FRIENDLY OPERATION

In addition to our services, we act increasingly more year-by-year in order to reduce the adverse effects of our operations, searching for solutions that are more environmentally friendly, and we seek to apply them as broadly as possible.



The OTP Group is committed to environmental protection and to diminishing climate change. As a provider of banking services, the significance of our impacts and potentials resulting from operations is lower; however, we seek to reduce our impacts on a continuous basis.

Our environmental impacts and activities include the following areas:

- procurement;
- utilisation of resources (materials, tools, energy, water, travel);
- waste management; and
- the resulting carbon dioxide emission.

For our principles underlying our practice, see our website. Our direct impact and possibilities on the environment are principally related to our role as a responsible service provider and employer.

Our measures and activities in 2011 were fundamentally determined by an effort across the banking group to cut operating costs. For this reason, we restricted investments, and branch renovations were also halted in case of subsidiaries involved in rationalisation of subsidiaries.

Outstanding results in 2011

A new head office building for DSK Bank, Bulgaria

Use of LED lighting

New procurement directive

2010 > OUR COMMITMENTS

2011 > OUR RESULTS

Reduce carbon-dioxide emissions per-employee compared to the previous year.

✓ The per-employee carbon-dioxide emission has decreased by 5 percent at Group level.

Offer tips and advice to employees on how to reduce their carbon dioxide emissions outside the workplace, expand the range of tools for shaping employees' attitudes

✓ We have given tips to our employees in OTP Magazine.

Reduce the quantities of toner and ink cartridges used per employee

✓ A 9-percent decrease in OTP Bank.
✗ A 20-percent increase in the OTP Group.

Take further steps to sustain our "green" procurement principles at Group level, and extend the use of environmentally friendly materials

✗ Due to reduced expenses, no extension has taken place, but we apply the practices adopted earlier.

Further reduce paper use

✓ Use of office paper per person has decreased (9 percent) in OTP Bank, and (12 percent) in the OTP Group.

Further rationalise IT equipment, especially printers

✓ Rationalisation is complete.

Continue to make use of video conferencing suites

✓ Video conferencing rooms are used increasingly extensively, currently even to eliminate the need to travel within the country.

Additional steps to make the office buildings more environmentally friendly. Extend the selective waste collection scheme and the use of LED lighting

✓ We have installed 29 points to collect batteries on a national scale within OTP Bank, and the use of LED lighting also increased significantly.

Introduce ISO 14000 at OTP Bank's Supply and Investment Directorate

✗ Examination of our plan has led to the conclusion that compliance with professional requirements is ensured also by ISO 9001; consequently, we have abandoned our plan to adopt ISO 14000.

✓ Implemented

➡ Implementation in progress

✗ Not fulfilled

Energy saving

We continued implementing measures to save energy. These included:

- The new **head office building** of Bulgarian **DSK Bank** was implemented in 2011, where the "Green Concept" was used as the basis of design. Our efforts to find the environmentally most favourable solution were represented as early as on selecting materials, and we used state-of-the-art solutions of energy technology.
- The old central – monument – building of DSK Bank has also been renovated to add state-of-the-art solutions of heat insulation and air conditioning.
- Following complex preparatory works, we commenced external renovation of approximately 400 branches of OTP Bank in 2011. Lighting – including lighting on the façade, logos and poster holders in branches – fully relies on LED. This new and consistent image will be gradually adapted to the foreign subsidiaries of the OTP Group.
- In one of the largest head office buildings within the banking group, LED lights were installed in a part where the garage and staircase require continuous lighting, similarly to the ornamental lighting in the central hall of the regional centre in Nyíregyháza. We also plan to install LED lighting in our storage areas.
- The heating in the central archives in Páty was modernised in 2011 for more economical utilisation of energy, but our archive continues using geothermic energy.

Greenest Company

DSK Bank of Bulgaria was voted as the Greenest Company of 2010 at the first of a series of national competitions organised by b2b Media.



INFO POINT

- *Energy consumption of OTP Bank has diminished **6%** (this represents the annual energy supply of approximately 270 households)*
- ***2 518 MWh** energy was saved in OTP Bank as a result of central switch off of computers (it roughly equals the annual energy requirement of approximately 130 households in Hungary).*
- *Lighting technology was renewed in **131 branches** until the end of year.*

Video conferencing

The OTP Group increasingly exploits the potentials of video conferencing year by year. The infrastructure was implemented to the necessary extent: it is available in the head office buildings and major branches. Considering the flights and car journeys avoided in this way, we saved substantial amounts of carbon dioxide emission.



INFO POINT

- ***1 600¹³** international video conference calls for an aggregate duration of **850 hours** (105 working days).*
- *Emission of **950 tons** of carbon dioxide avoided (it corresponds to annual consumption of approximately **120 persons**).*

¹³ Group-level estimate based on accurate data of OTP Bank.



Procurement

The procurement directive renewed in 2011 sets **uniformisation and centralised procurement** as strategic goals at banking group level. Principles of investment include transparency, as well as expectation of **responsible and ethical conduct** on suppliers' side; taking account of life-cycle costs remains an expectation. Compliance with environmental legislation is monitored.

For business presents, OTP Group members lay particular emphasis on environmentally aware and ethical procurement, such as buying recycled products, ecological products or products produced by disadvantaged people.

Reasonable utilisation and handover of assets

In our procurements, we have sought **reusability and reparability** for years. These are also justified by reasons of the economy and the environment, as well as cost controls in place for years. Just as examples, let us mention that only the stamp pads are replaced on stamps, furniture is reupholstered, procurement of furniture is uniform, which facilitates cost-effective replacement in addition to a consistent image.

In 2011, we completed **rationalisation of IT devices** in OTP Bank. Redundant machines were practically fully scrapped and handed over. The company that provides safe destruction of the information stored restored the computers to operability, and sold them to users with lower needs.

Another part of scrapped devices have been offered for charity for years, typically to civil organisations.



INFO POINT

*At group level, approximately **4 000** computers, printers and monitors were scrapped, over **25%** of these were refurbished and donated for charity.*

Reducing paper use

We continuously aim at cutting down on paper use, which we implement through:

- reducing the number of documents to be printed;
- setting up network printers;
- ensuring availability of electronic bank account statements.



INFO POINT

In Hungary in 2011:

- ➔ *the ratio of letters for which no envelopes are needed sent to customers grew to **47.5%**;*
- ➔ ***320 000** retail customers in Hungary requested electronic account statements only (up **42%** over the previous year); as a result, **10%** of all customers does not receive paper-based account statements;*
- ➔ *Until 31 December 2011, **7 301** micro and small enterprises gave up their paper-based account statements, and switched to using our E-statement service package;*
- ➔ ***300** large corporations and municipal customers quit their paper-based statements;*
- ➔ *In order to rationalise retail deposit services, the quantity of papers to be handed over to customers decreased by **28%**.*





Selective waste collection

As regards selective waste collection, the collection of **PET bottles, paper waste and used toners** has partially been implemented by multiple companies of the OTP Group. The quantity of selectively collected waste has been continuously growing. We also plan to provide the opportunity of selective waste collection in the branches of OTP Bank.

In case of scrapped assets, we certainly provide for waste disposal in line with the relevant environmental requirements. In addition to donation mentioned above, ATM and POS terminals are returned to be handled by companies in possession of the adequate per its.

Spring cleaning

OTP Bank Romania launched an internal campaign for collecting electronic waste. The waste brought in by the staff (even from home) was collected on the bank's premises in Bucharest, then delivered to and recycled by a partner of the bank specialised in managing electronic waste.



INFO POINT

- **29** of OTP Bank's premises feature battery collection points; three instances of disposal during the year.
- in Hungary, we collected approximately **670 tons** of waste selectively in 2011.
- In Croatia, Slovenia and Serbia, we collected **107 tons** of paper waste selectively.

Travel

In 2011, the availability of vehicles was assessed at Group level, and uniform rules of procedure were set up for procurement.

In the field of **transportation**, OTP Bank took further steps towards rationalisation, whereby we brought in Monicomp Zrt. and made more extensive use of postal services in order to increase the extent and ratio of transportation within the banking group instead of placing external shipment orders. The route plans of our staff is coordinated by a dispatch system in order to minimise fuel consumption, and a performance evaluation system is in place to give incentive to our staff towards saving fuel when driving.

In 2011, new **bicycle storage facilities** were established as a part of branch renovation works. We plan to continue this practice, and also plan to furnish the surroundings of branches with new or revamped street furniture and pavements, emphasizing the embellishment of the environment and nearby parks in consultation with the competent local government.

OUR GOALS > 2012

In connection with branch renovation, extend the use of LED lighting.

Create a possibility of selective waste collection in the branches of OTP Bank.

Include the distribution of marketing materials in centrally organised transportation.

Landscaping in the surroundings of renovated branches.

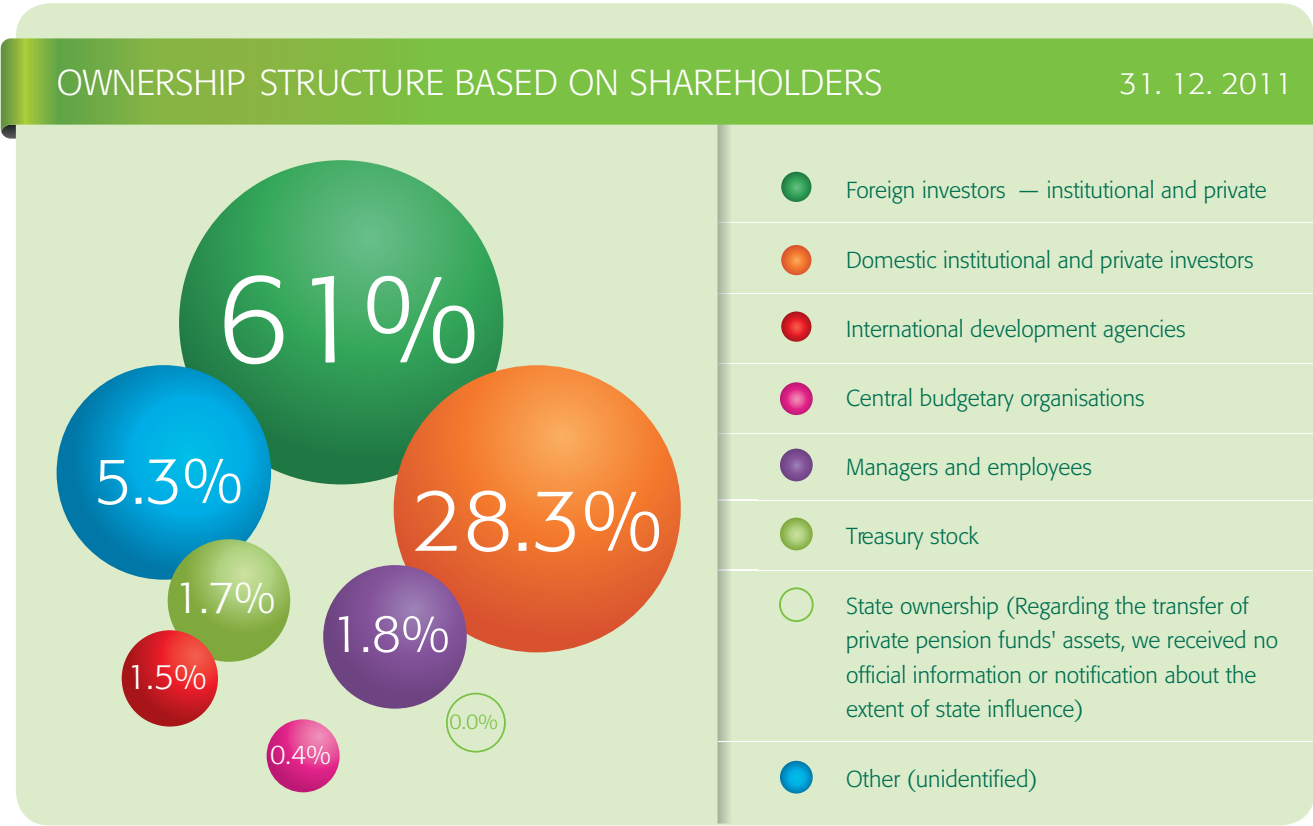


DATA

Measurability and tracking are an integral part of the OTP Group's corporate social responsibility; these represent the basis of constant development.

6.1 OTP Group facts & figures

Ownership data



SHAREHOLDERS (WITH SHAREHOLDING OVER 5%),			31. 12. 2011
Shareholders	Shareholding	Share of votes	
Megdet, Timur and Ruszlan Rahimkulov	8.98%	9.13%	
Hungarian Oil and Gas Company (MOL)	8.57%	8.72%	
Groupama Group	8.31%	8.45%	
Lazard Asset Management	5.78%	5.88%	



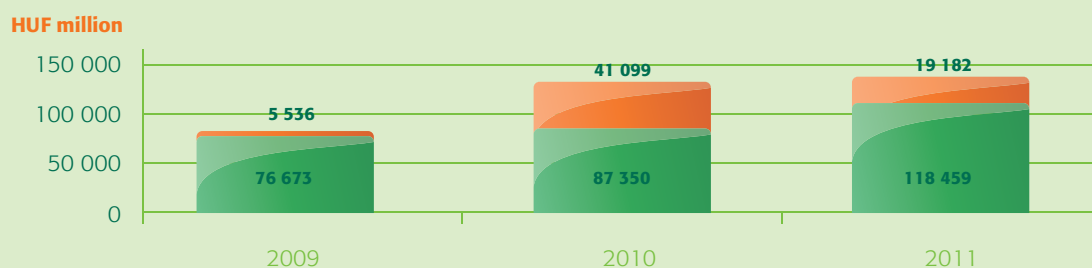
Economic performance data

ECONOMIC VALUE GENERATED AND DISTRIBUTED > 2011

(based on consolidated, audited IFRS statement of income, HUF million)

		OTP CORE	OTP GROUP
I. Direct economic value generated	= 1	434 647	831 138
1. Net sales revenue	Interest revenue + non-interest revenue (with net fees) (adjusted)	434 647	831 138
II. Economic value distributed	= 2+3+4+5	179 118	388 480
2. Operating costs + payments to capital investors	Operating costs- personnel expenses – depreciation and amortisation – Taxes deductible from the corporate tax base	59 735	157 462
3. Employee wages and benefits	Personnel expenses	76 574	169 097
4. Taxes paid	Total tax liabilities (less contributions on wages)	40 682	59 682
5. Community investments	Donations	2 127	2 239
III. Retained earnings	= 1-(2+3+4+5)	255 529	442 658

TAX LIABILITIES OF THE OTP GROUP



- Total further taxes (related to personnel expenses, taxes on profit/loss, corporate tax)
- Special banking tax

SUBSIDIES, ALLOWANCES

2009	OTP Bank	OTP Group*
Tax allowance (HUF)	1 170 million	1 170 million
R&D grants (HUF)	1 351 million	1 354 million
Total subsidies and allowances	2 521 million	2 524 million
2010		
Tax allowance (HUF)	987 million	1 029 million
R&D grants (HUF)	1 079 million	1 092 million
Total subsidies and allowances	2 066 million	2 121 million
2011		
Tax allowance (HUF)	3 718 million	4 718 million
R&D grants (HUF)	1 240 million	1 240 million
Total subsidies and allowances	4 958 million	5 958 million

* In addition to OTP Bank, OTP Mortgage Bank also received subsidies.

*Note: from the second half of 2011 on, a corporate tax allowance can be applied on funding spectator team sports; in addition, the total tax allowances include those resulting from funding to films and performing arts.
This change explains the considerable increase in the tax allowances used in comparison with last year.*



6.2 Data on responsible services

Ratio of overdue loans:

Merkantil Bank: ratio within 90 days: 7.9%, principal: 8.2%, over 90 days: 23.6, principal: 17.8%
For subsidiary banks, the ratio of restructured DPD 90+ loans in the past year was the following.

- Merkantil Bank: down from 11.2% to 8.7% ▼
- OBU: up from 28.2% to 39.8% ▲
- OBRU: up from 83.3% to 90.9% ▲
- OBS: 0%
- OBH: 0%
- OBSE: 0%
- CKB: 0%
- DSK: up from 6.4% to 48.4% ▲
- OBR: up from 2.1% to 2.6% ▲
- OTP Group: up from 9.4% to 18.7%. ▲

OEP instrument support (Merkantil Bank):

HUF 149 million disbursed in total to 94 applicants,.
In addition to the subsidised product, Merkantil Bank provides minor allowances to applicants.

Managed assets of responsible investment funds

The managed assets of OTP Climate Change (Klímváltozás) 130/30 Fund amounted to HUF 1.007 billion as at the end of 2011 (2010: HUF 1.4 billion, 2009: HUF 1.3 billion)

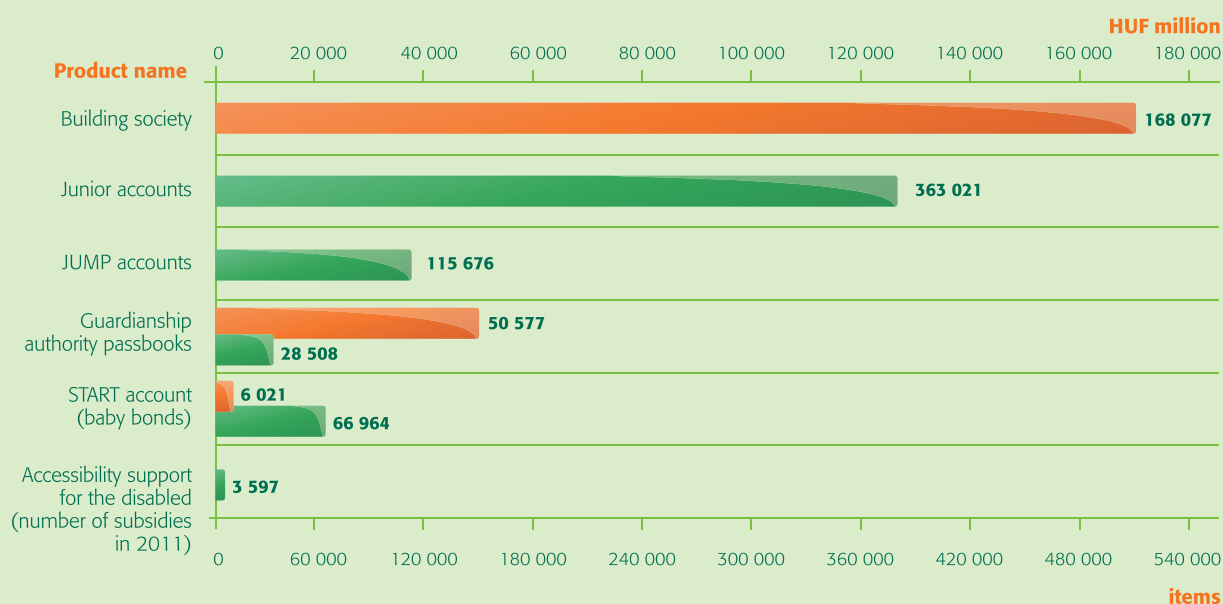
The managed assets of OTP Green Energy Fund were worth HUF 400 million (2010: HUF 600 million)

In the second half of the year, the uncertain environment brought about by a returning crisis in the capital markets had an adverse effect on even responsible investment funds. In our opinion, the present investment culture in Hungary and in the region can only slightly recognise investments that lay particular emphasis on responsible corporate operation; consequently, no material boost of such funds is expected.



SPECIAL RETAIL PRODUCT FEATURES, OTP BANK

31. 12. 2011



● Portfolio (cumulated, items)* ● Portfolio (HUF million)

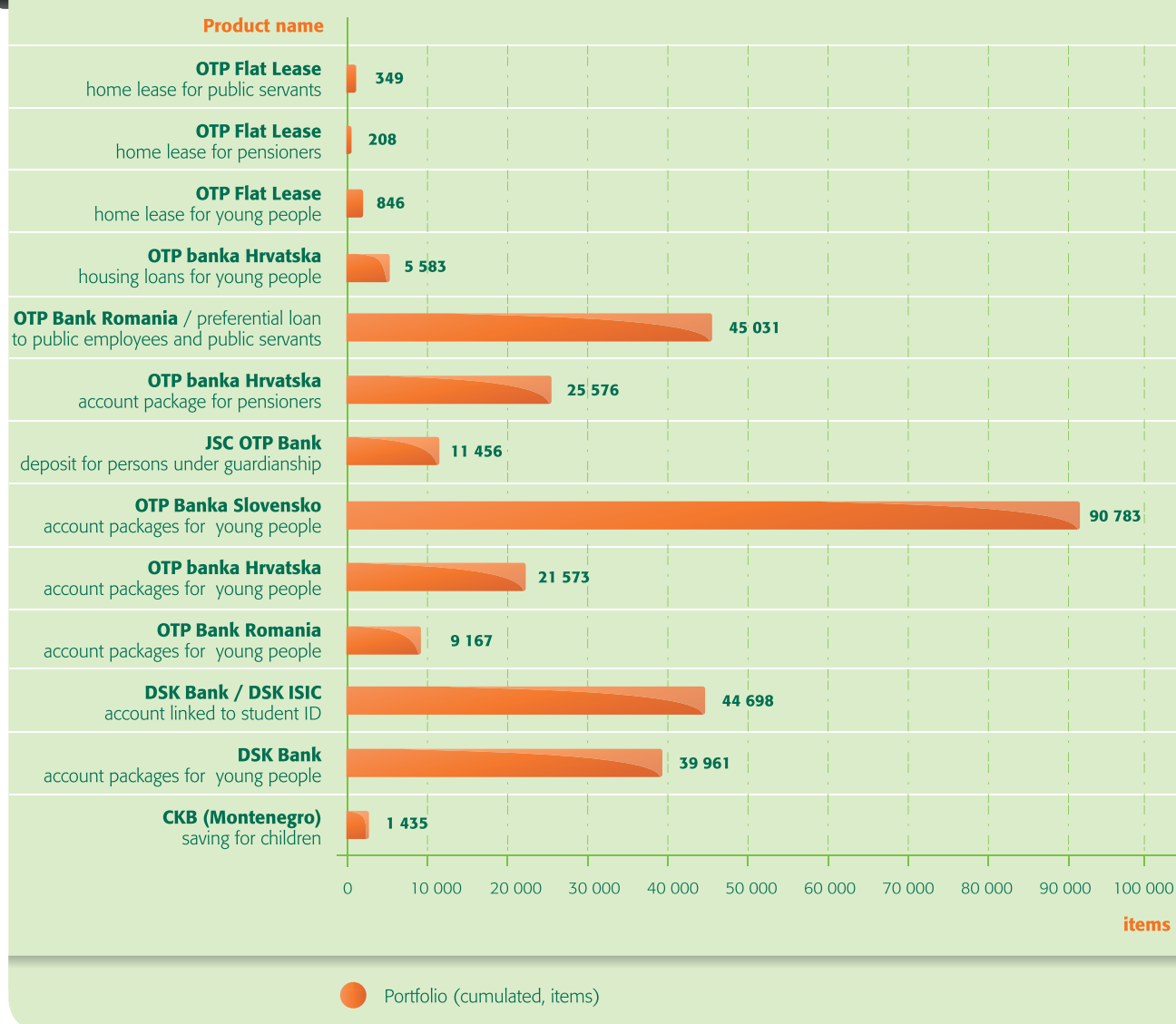
*Except for support to facilitate accessibility, which is not cumulated: the data includes support for 2011 only





FEATURES OF SPECIAL RETAIL PRODUCTS, OTP GROUP

31. 12. 2011



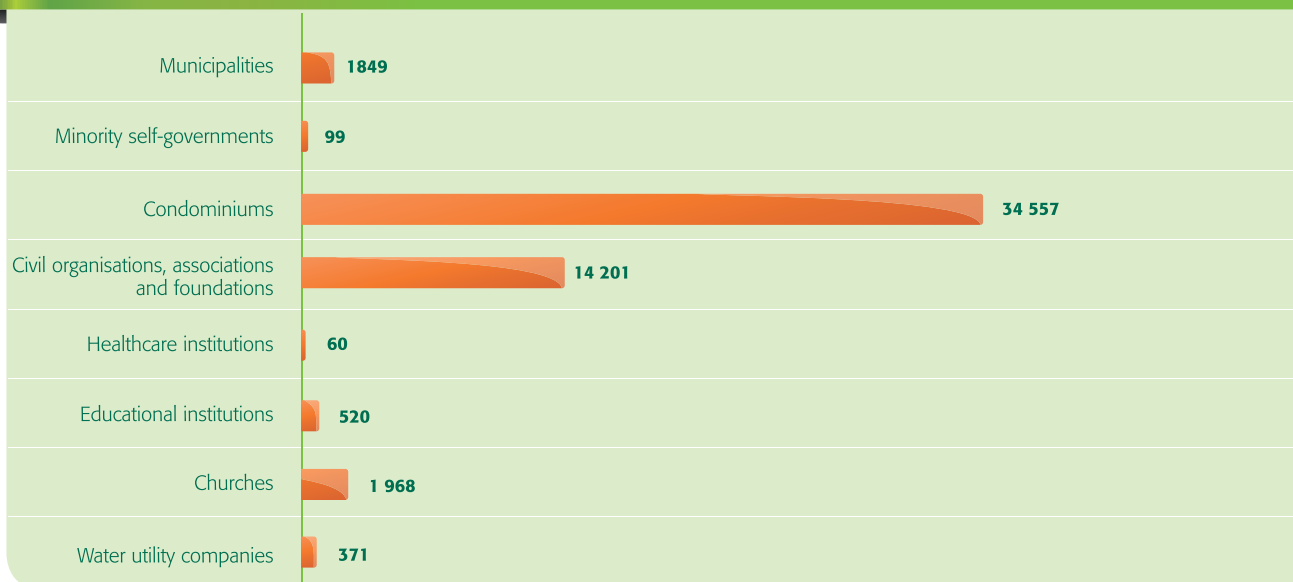
• Typically, approximately 10 to 15 percent of all retail customers of individual banks within the OTP Group are below 26 years of age.

• In individual members of the OTP Group, the ratio of pensioners as customers is considerable: over 30 percent in the Bulgarian DSK Bank, almost 10 percent in the Montenegrin CKB Bank, whereas in the Ukrainian JSC OTP Bank¹⁵.

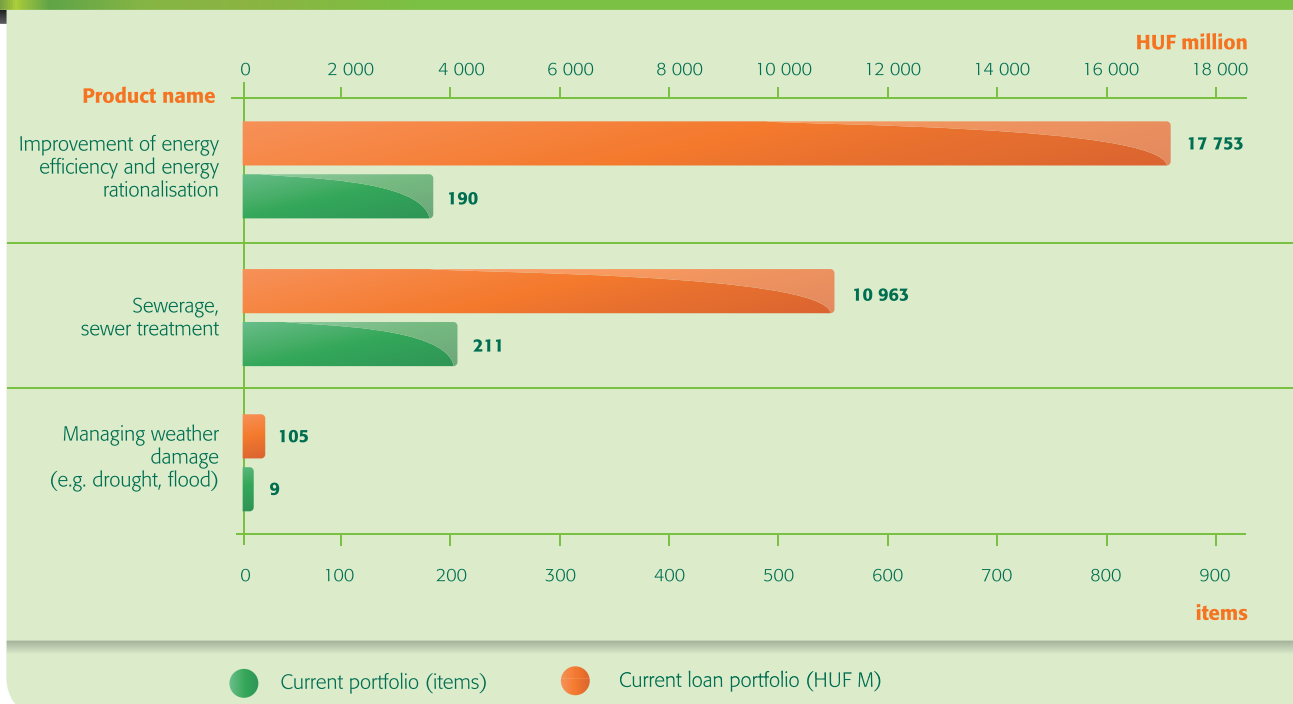
¹⁵ Not all member companies register customers in these social groups.

NUMBER OF SPECIAL CORPORATE AND MUNICIPAL CUSTOMERS, OTP BANK

31. 12. 2011



FEATURES OF SPECIAL ENVIRONMENTAL LOAN PRODUCTS, OTP BANK 31. 12. 2011

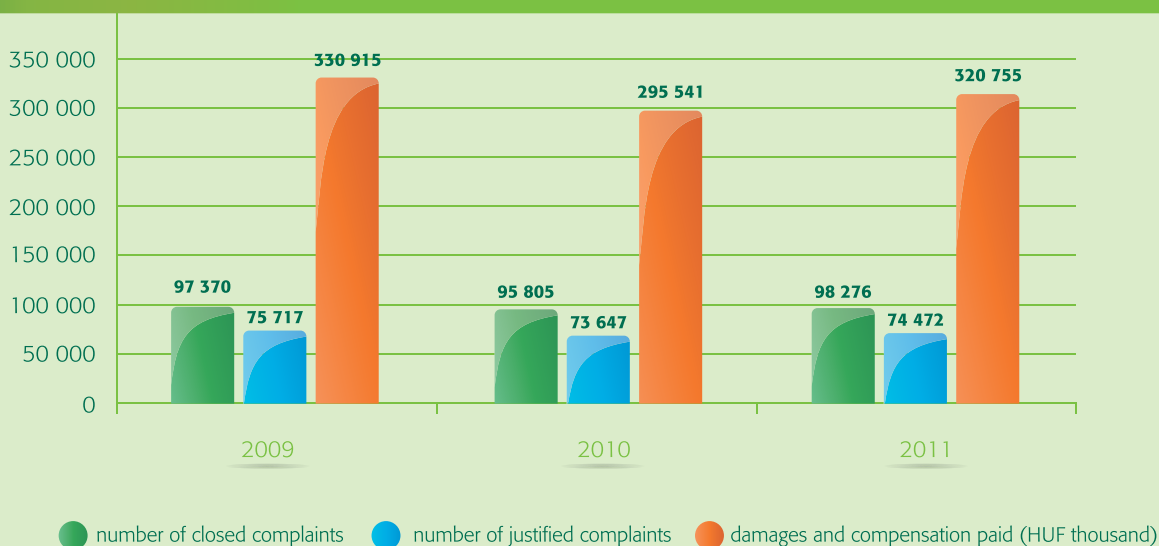


FEATURES OF SPECIAL CORPORATE / MUNICIPAL LOAN PRODUCTS, OTP BANK

31. 12. 2011



CUSTOMER COMPLAINTS, OTP BANK



CUSTOMER COMPLAINTS

2009	OTP Bank	OTP Csoport
Damages and compensation paid (HUF)	331 million	n/a
Amount of damages per justified complaint (HUF)	4 400	n/a
2010		
Damages and compensation paid (HUF)	296 million	398 million
Amount of damages per justified complaint (HUF)	4 000	5 300
2011		
Damages and compensation paid (HUF)	321 million	659 million
Amount of damages per justified complaint (HUF)	4 300	8 500

BREACHES OF CUSTOMER PRIVACY > 2011

Breaches	OTP Bank	OTP Csoport
Complaints received from external parties, with justification certified by the organisation	0	148
Complaints received from regulatory authorities	0	350
Data leaked	0	1
Data stolen	0	156
Data lost	0	93

OTP BANK

AUTHORITY AND OTHER LEGAL PROCEEDINGS CLOSED IN 2011

	Number of proceedings closed	Fines paid (HUF M)	Concluded with fines (cases)	Concluded with non-monetary sanctions (cases)	Concluded through conflict management procedure (cases)	Concluded with acquittal (cases)
due to breach of rules of competition	4	110	2	0	0	0
due to breach of rules of customer protection	72	6	36	35	0	0
due to breach of rules of equal opportunities	0	0	0	0	0	0
proceeding by the supervisory authority	7	0.5	1	3	0	2
due to breach of rules of taxation	8	0.2	8	0	0	0
other proceeding potentially resulting in fines imposed	68	5	9	4	30	24
Total	159	122	56	42	30	26

OTP GROUP

AUTHORITY AND OTHER LEGAL PROCEEDINGS CLOSED IN 2011

	Number of proceedings closed	Fines paid (HUF M)	Concluded with fines (cases)	Concluded with non-monetary sanctions (cases)	Concluded through conflict management procedure (cases)	Concluded with acquittal (cases)
due to breach of rules of competition	8	110	3	0	0	1
due to breach of rules of customer protection	125	10.6	50	35	0	26
due to breach of rules of equal opportunities	0	0	0	0	0	0
proceeding by the supervisory authority	14	837	1	3	0	9
due to breach of rules of taxation	10	186.5	10	0	0	0
other proceeding potentially resulting in fines imposed	73	6.2	13	4	30	25
Total	230	188.3	77	42	30	61

The table excludes data on OTP Bank Romania, OTP banka Hrvatska and JSC OTP Bank. For the data regarding the year 2010, see page 24 of the Corporate Social Responsibility Report for 2010. For the data regarding the year 2009, see page 64-65 of the Corporate Social Responsibility Report for 2009.

Proceedings under competition law:

- In the procedure repeated due to the amount of fine imposed in a procedure instituted because of bank card commercials in 2006, the Competition Authority (GVH) imposed a fine of HUF 100 million.
- The Authority challenged the free management of OTP basic account, and fined OTP Bank HUF 10 million.
- On one occasion, the Competition Authority imposed a fine of HUF 137 000 on OAO OTP Bank for a breach of the act on commercials, which was paid in 2012.
- At the OTP Group level, the companies concerned went to court in four out of the eight cases.
- At the end of 2011, one proceeding of competition law was in progress against the OTP Group.

6.3 Employee data

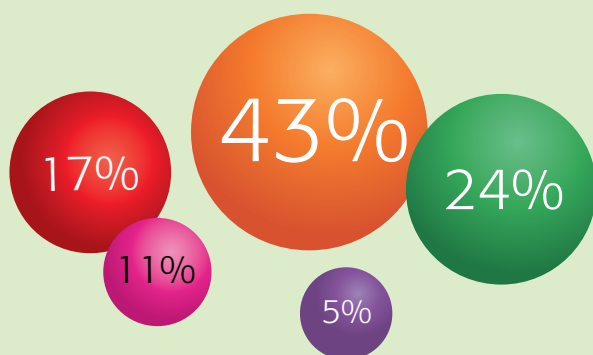
EMPLOYEE HEADCOUNT DATA (PERSONS, 31 DECEMBER 2011)	OTP Bank			OTP Group		
	2009	2010	2011	2009	2010	2011
Full-time employees	6 586	6 575	6 873	27 996	27 612	32 394
Part-time employees above 60 hours of work per month	1 166	1 175	1 039	1 665	1 520	1 336
Total statistical headcount	7 752	7 750	7 912	29 661	29 132	33 730
Part-time employees below 60 hours of work per month	68	50	45	6 264	9 160	15 623
Total number of employees	7 820	7 800	7 957	35 925	38 292	49 353
Ratio of women	77%	77%	75%	74%	74%	74%
Ratio of men	23%	23%	25%	26%	26%	26%
Ratio of employees with a contract concluded for a definite term	6%	6%	8%	9%*	5%	39%**

* We corrected the data presented in the report for 2009, as the previous data was incorrect due to inaccurate data gathering.

** Primarily due to the definite term of employment of the 17 000 employees of OAO OTP Bank in Russia (principally agents).

DISTRIBUTION OF DEPARTED EMPLOYEES BY AGE, OTP GROUP

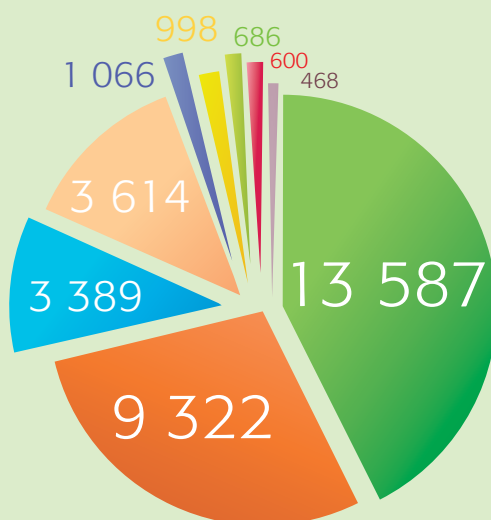
31. 12. 2011



- below 25 years
- 25-35 years
- 35-45 years
- 45-55 years
- above 55 years

DISTRIBUTION OF EMPLOYEE HEADCOUNT BY COUNTRY

(31. 12. 2011, STATISTICAL HEADCOUNT, PERSONS)



- Russia
- Hungary
- Ukraine
- Bulgaria
- Romania
- Croatia
- Serbia
- Slovakia
- Montenegro

DISTRIBUTION OF EMPLOYEES BY GENDER AND COUNTRY

31. 12. 2011

Ratio of women	73%	n/a	73%	79%	72%	76%	70%	71%	56%
Ratio of men	27%	n/a	27%	21%	28%	24%	30%	29%	44%
	Hungary	Russia	Ukraine	Bulgaria	Romania	Croatia	Serbia	Slovakia	Montenegro

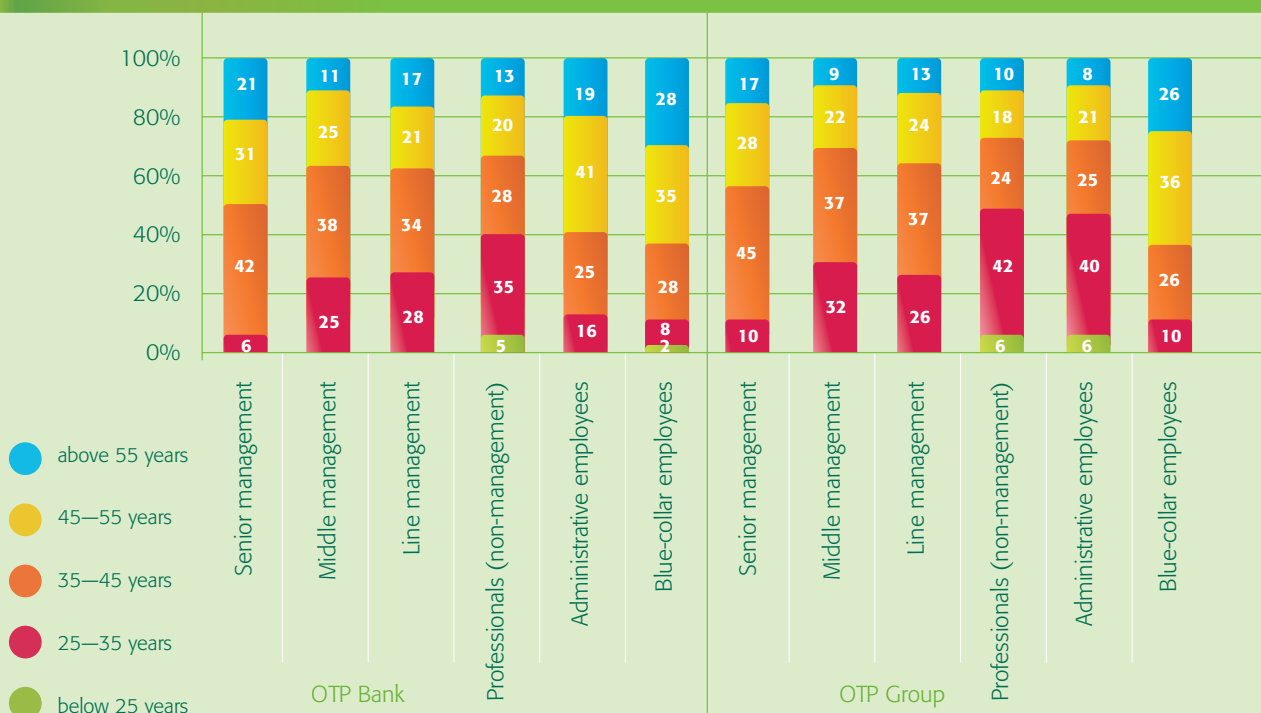
DISTRIBUTION OF EMPLOYEE CATEGORIES BY GENDER

31. 12. 2011



DISTRIBUTION OF EMPLOYEE CATEGORIES BY AGE

31. 12. 2011

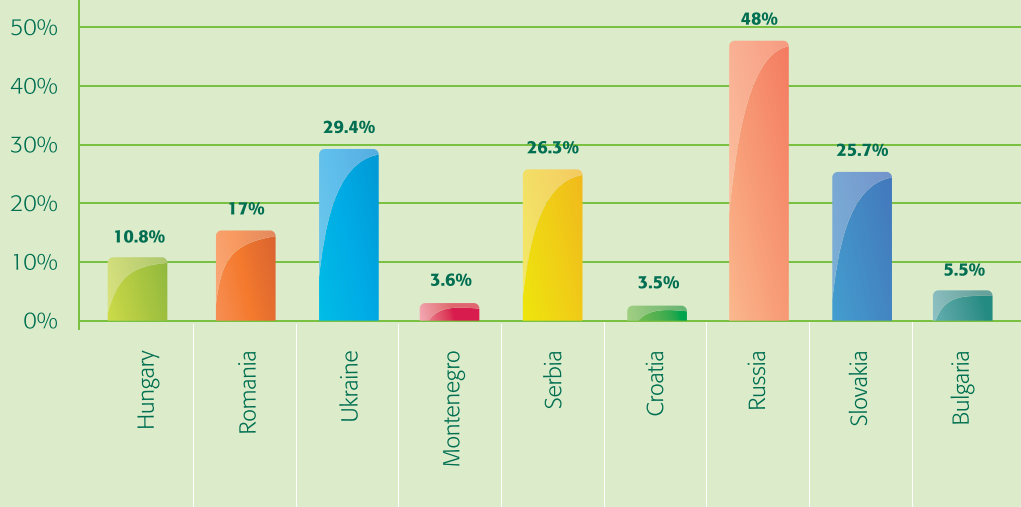


The ten permanent committees of OTP Bank comprise a total of 104 members, 95 percent of which are men and 5 percent women; The majority, 35 percent of the members are between 35 and 44 years of age, 2 percent are below 34, and almost 30 percent are in the categories between 45 and 54 and above 55 years of age.

DISTRIBUTION OF DEPARTED EMPLOYEES BY COUNTRY

31. 12. 2011

OTP Group



The rates of employee turnover vary considerably in the different companies of the OTP Group, which is explained by sectoral characteristics:

- a generally higher employee turnover in the banking sector in Slovakia, Romania and Serbia;
- the significant number of agents in Russia.

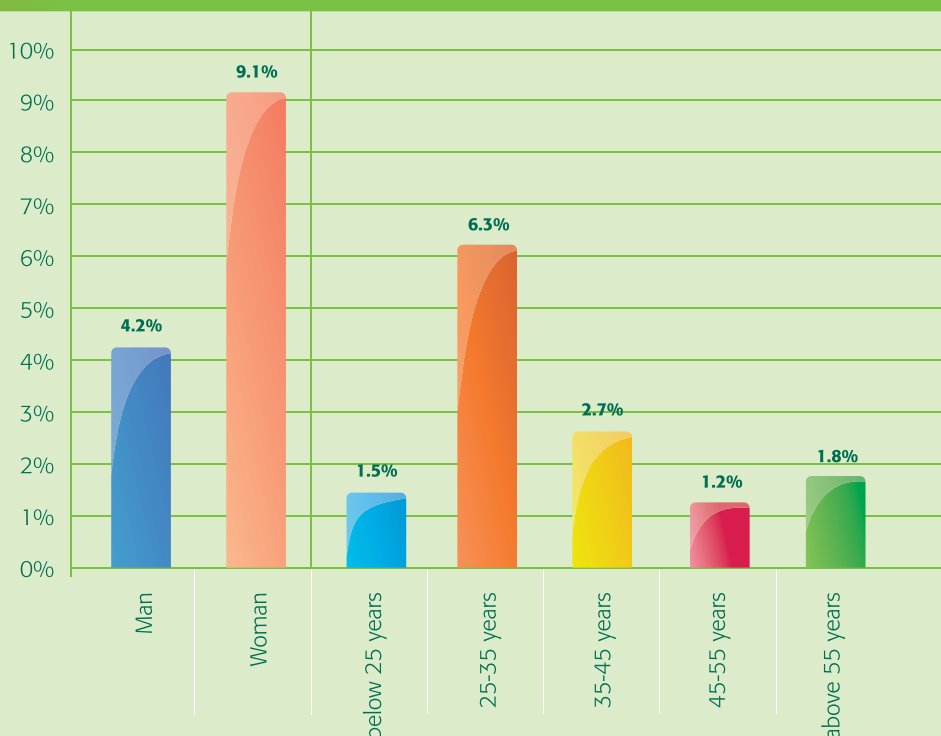
The change in the ratio of departing employees – in comparison with the previous year – were strongly influenced by the general microeconomic environment and restructuring in the organisation, which is why the employee turnover decreased considerably in Montenegro, and increased in Romania, Ukraine and Serbia, at least in part.

DISTRIBUTION OF DEPARTED EMPLOYEES BY GENDER AND AGE

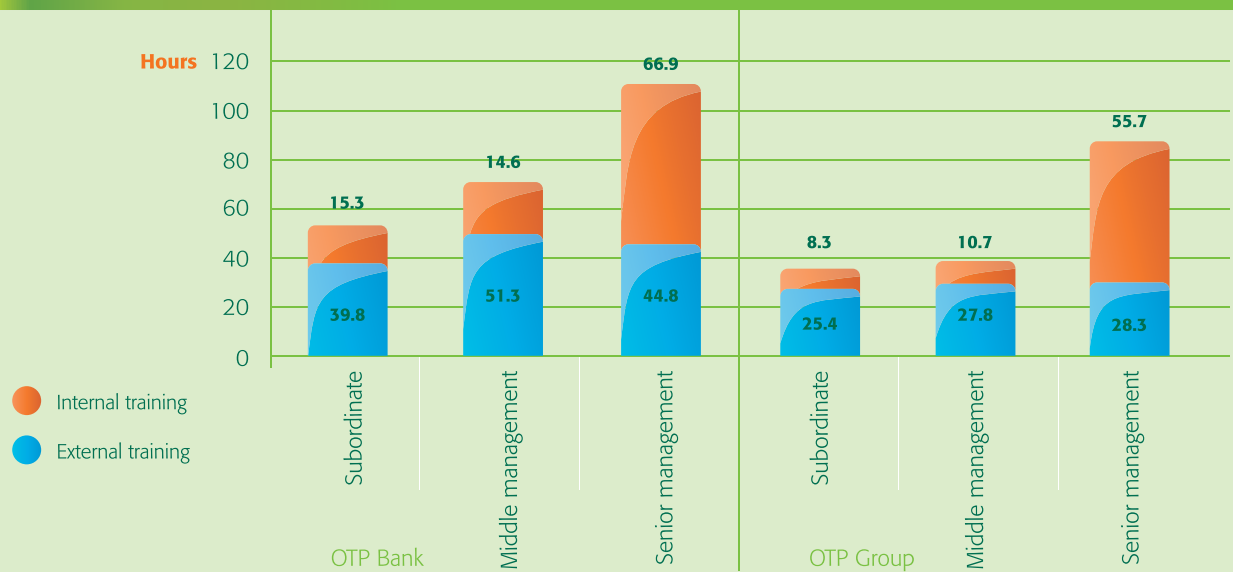
31. 12. 2011

Each category compared to the total employee headcount

OTP Group



TRAINING HOURS PER PERSON PER YEAR IN 2011



In 2010, the number of training hours per person saw an outstanding rise. It is principally a result of the one-off training courses delivered to network tellers (training related to projects, consumer protection training, training related to new services launched). In 2011, no training projects affecting the entire network were initiated.



EDUCATIONAL PROGRAMES IN 2011

Programmes aimed at skills development and life-long learning in 2011	OTP Bank	OTP Group
Blnternal training	Available	Typically available
External training or financial support for training	Available	Typically available
Time off for study with guaranteed retention of position	Available	Typically available
Pre-retirement planning for those close to retirement	Not available	Typically not available
Further training for those who would like to continue working after retirement	Not available	Typically available
Severance pay	Available	Typically available
Age of employee taken into consideration if the organisation provides severance pay	No	Typically so
Length of service taken into consideration if the organisation provides severance pay	Yes	Typically so
Job search assistance for dismissed employees	Not available	Typically not available
Assistance in the transition to a work-free life	Available	Typically not available

Weighted average of employees.
 Typically not available: available with less than 50 percent of the Group members.
 Partly so: available with 51 to 70 percent of the Group members.
 Typically available: available with 71 to 99 percent of the Group members.



ABSENTEEISM DUE TO ILLNESS, ACCIDENTS

	OTP Bank			OTP Group		
	2009	2010	2011	2009	2010	2011
Absenteeism due to illness (days)	81 034	70 666	54 962	411 993	424 569	537 647
Rate of absenteeism	4.38%	3.92%	3.02%	10.89%	12.11%	7.16%
Number of accidents	16	11	35	32	37	61
Rate of accidents	0.001%	0.007%	0.002%	0.0010%	0.004%	0.001%
Number of days lost due to accidents at work	523	455	376	555	490	1 314
Ratio of days lost	0.028%	0.005%	0.021%	0.016%	0.014%	0.018%

Accident statistics are recorded in line with the methods required by law.

SUPPORT PROVIDED IN CONNECTION WITH SERIOUS ILLNESSES, 2011

	Employees		Employees' family members		Members of the local community	
	OTP Bank	OTP Group	OTP Bank	OTP Group	OTP Bank	OTP Group
Education/training regarding the prevention or treatment of a specific disease	Available	Typically not available	Not available	Typically not available	Not available	Typically not available
Sickness-related counselling	Available	Typically not available	Available	Typically not available	Not available	Typically not available
Activities aimed at preventing or curbing the spread of disease	Available	Typically available	Available	Typically not available	Not available	Typically not available
Treatment	Available	Typically available	Not available	Typically not available	Not available	Typically not available

Weighted average of employees.

Typically not available: available with less than 50 percent of the Group members.

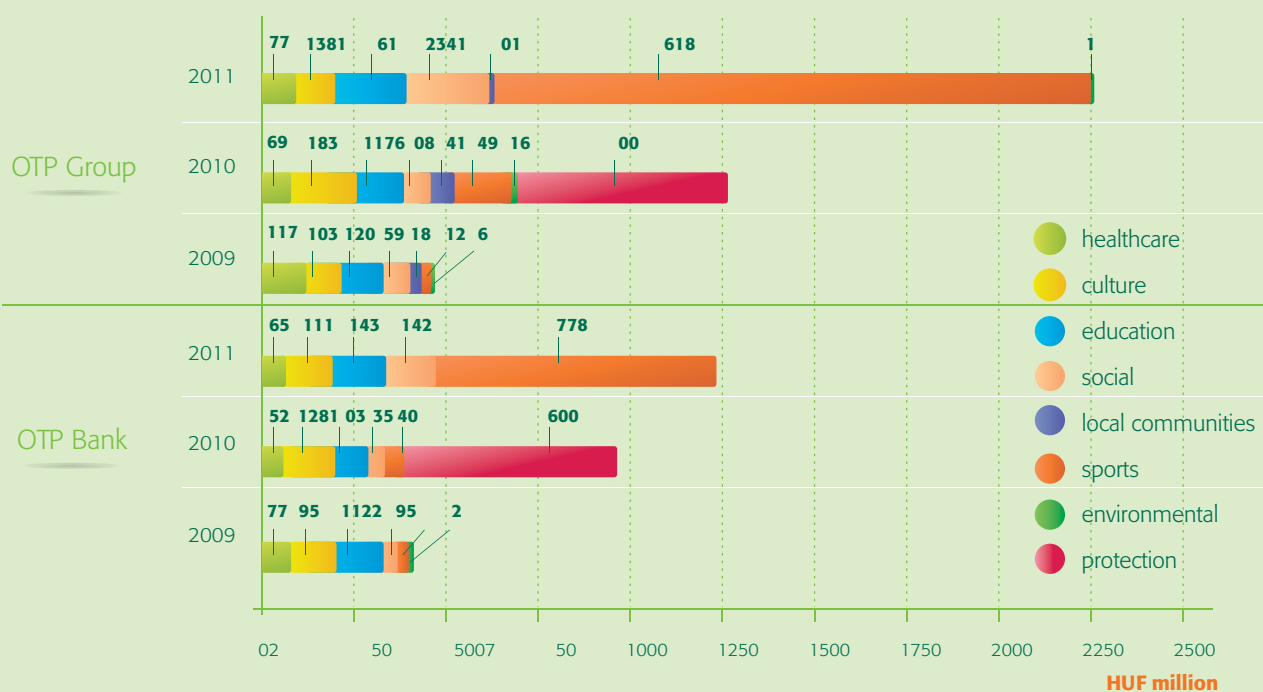
Typically available: available with 71 to 99 percent of the Group members.

No employees are highly exposed to the risk of certain occupational illnesses.

ABSENTEEISM DUE TO ILLNESS, ACCIDENTS (2011)									
	OTP Group, Hungary	Bulgaria*	Montenegro	Croatia	Romania	Slovakia	Serbia	Russia	Ukraine
Absenteeism due to illness (days)	63 434	310 240	8 867	16 633	29 489	3 546	15 132	50 412	39 894
Rate of absenteeism	3.03%	37.35%	8.35%	7.15%	11.62%	2.59%	9.17%	11.62%	4.65%
Number of accidents	38	4	n/a	10	1	0	3	5	0
Rate of accidents	0.002%	0	n/a	0.004%	0	0	0.002%	0	0
Number of days lost due to accidents at work	454	260	n/a	246	n. d.	0	244	110	0
Ratio of days lost	0.021%	0.031%	n/a	0.106%	n. d.	0	0.148%	0.004%	0
<p>A staff member of OAO OTP Bank in Russia died in a car accident during a business trip.</p> <p>* Includes days of long-term illness (e.g. child care) and unpaid days holidays.</p>									

6.4 Data on corporate social responsibility

DONATIONS BY OTP BANK AND THE OTP GROUP



6.5 Data on environmentally friendly operation

TYPICAL DATA OF MATERIALS USED AND PROCURED BY THE OTP GROUP	OTP Bank			OTP Group		
	2009	2010	2011	2009	2010	2011
Number of branches	405	403	397	1 653	1 589	1 469
Ratio of branches renovated during the year to the total number of branches	5%	5%	4%	4%	3%	3%
Number of computers	≈ 13-14 000	≈ 9 000	≈ 9 000	n/a	n/a	n/a
Replacement period	4 years on average					
Number of ATMs	1 995	1 995	2 028	4 083	4 107	4 013
Number of POS terminals	34 270	39 231	42 122	51 506	57 650	58 813
Weight of ink and toner cartridges used (kg)	5 095	4 350	4 057	24 979*	26 527*	36 566*
Weight of CDs and DVDs used (kg)	103	116	97	289*	338*	504*
Weight of office paper used (t)	1 003	1 038	960	2 839**	3 173**	3 248**
Weight of paper used for filing and packaging (t)	27	29	17	112**	1 131**	124**
Weight of paper used indirectly (t)***	725	670	752	1 755**	2 436**	2 765**
* estimate: data extrapolated pro rata from actual data, approximate reliability is 80 percent ** regarding paper use by the OTP Group, the reliability of data is lower *** e.g. marketing publications, letters mailed by subcontractors						

Use of recycled materials:

- 3.2 percent and 6.2 percent of the paper used by the OTP Group and by OTP Bank is recycled, respectively.
- OTP Bank uses approximately 70 percent remanufactured toners.



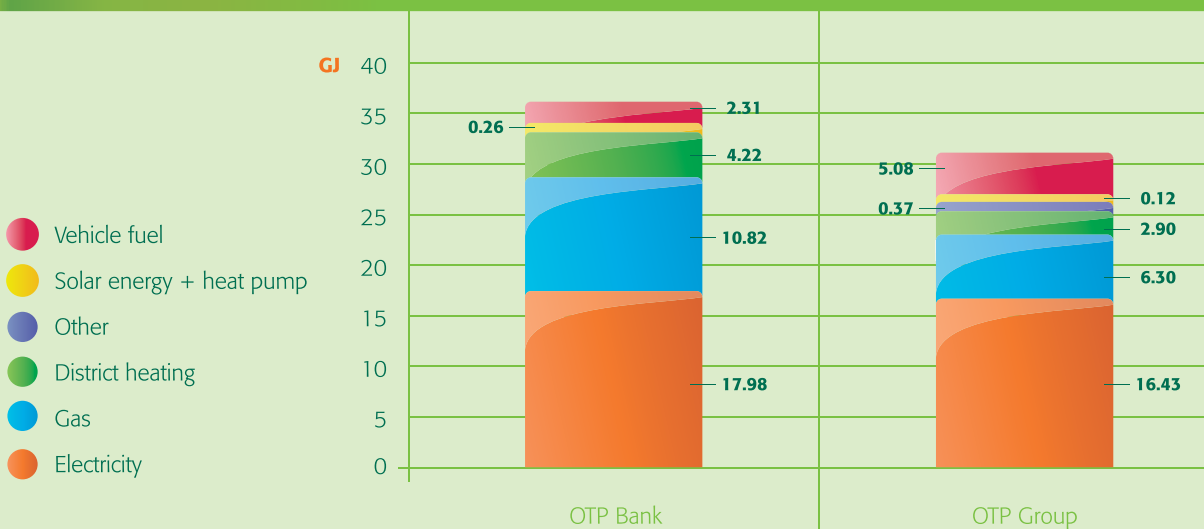
ENERGY CONSUMPTION (GJ)	OTP Bank			OTP Group		
	2009	2010	2011	2009	2010	2011
Electricity	154 440	149 508	141 253	504 336	483 050	533 802
Gas	96 277	90 113	85 041	239 441	222 125	204 678
District heating	31 752	29 000	33 171	76 959	110 163	95 717
Solar energy	1 840	1 950	1 950	1 840	1 950	1950
Heat pump	—	772	1 170	—	772	1170
Other	—	—	—	245	12 602*	10 887
Vehicle fuel	23 260	27 260*	18 173	96 681*	136 107*	165 139
Total energy consumption	307 569	298 603*	280 758	919 502*	966 769*	1 013 343
Total consumption per person	38.56	38.4*	35.59	30.89*	32.43*	31.2

* Subsequent adjustment was applied after reporting, because one of the subsidiaries subsequently corrected their data.
Other energy consumption includes gasoline heating in DSK Bank in Bulgaria.





ENERGY CONSUMPTION PER PERSON > 2011



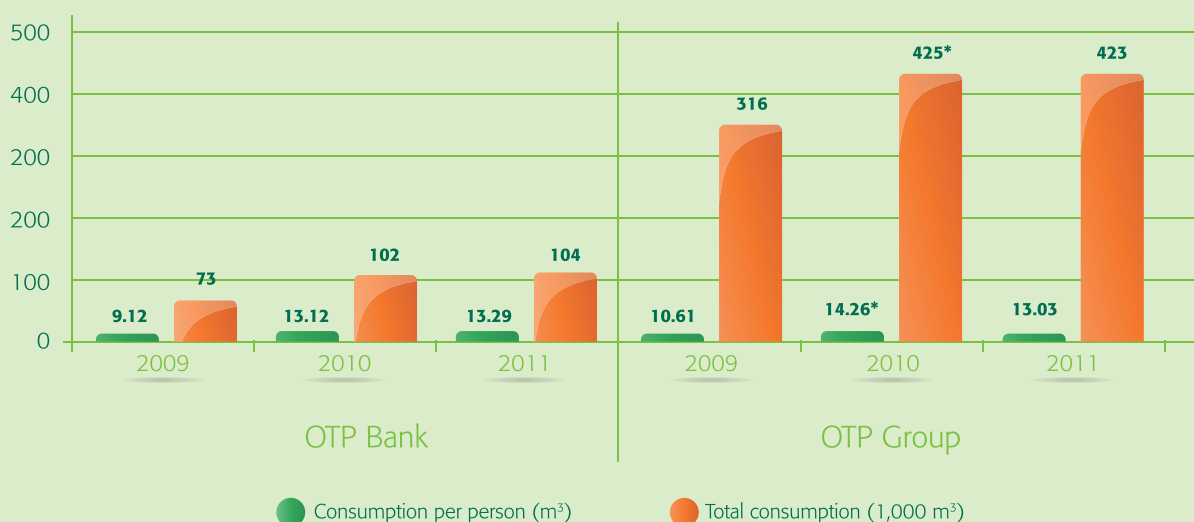
TOTAL CO₂ EMISSION OF THE OTP GROUP (T)

		OTP Bank			OTP Group		
		2009	2010	2011	2009*	2010	2011
Direct	emitted by vehicles	1 684	1 987	1 322	6 515*	9 789	11 109
	flight-related	719	595	634	1 348	1 486	1 397
Indirect	from electricity	4 719	4 568	4 316	15 410	14 760	16 310
	from the use of natural gas	4 684	4 384	4 137	11 649	10 807	9 958
	use of district heating	1 603	1 465	1 675	3 886	5 563	4 834
	generated from the use of paper	1 054	1 042	1 037	2 582	2 956	3 682
Total		14 463	14 041	13 121	41 391*	45 361	47 290
Per person		1.82	1.81	1.67	1.39*	1.52	1.46

* Subsequent adjustment was applied after reporting, because one of the subsidiaries subsequently corrected their data.

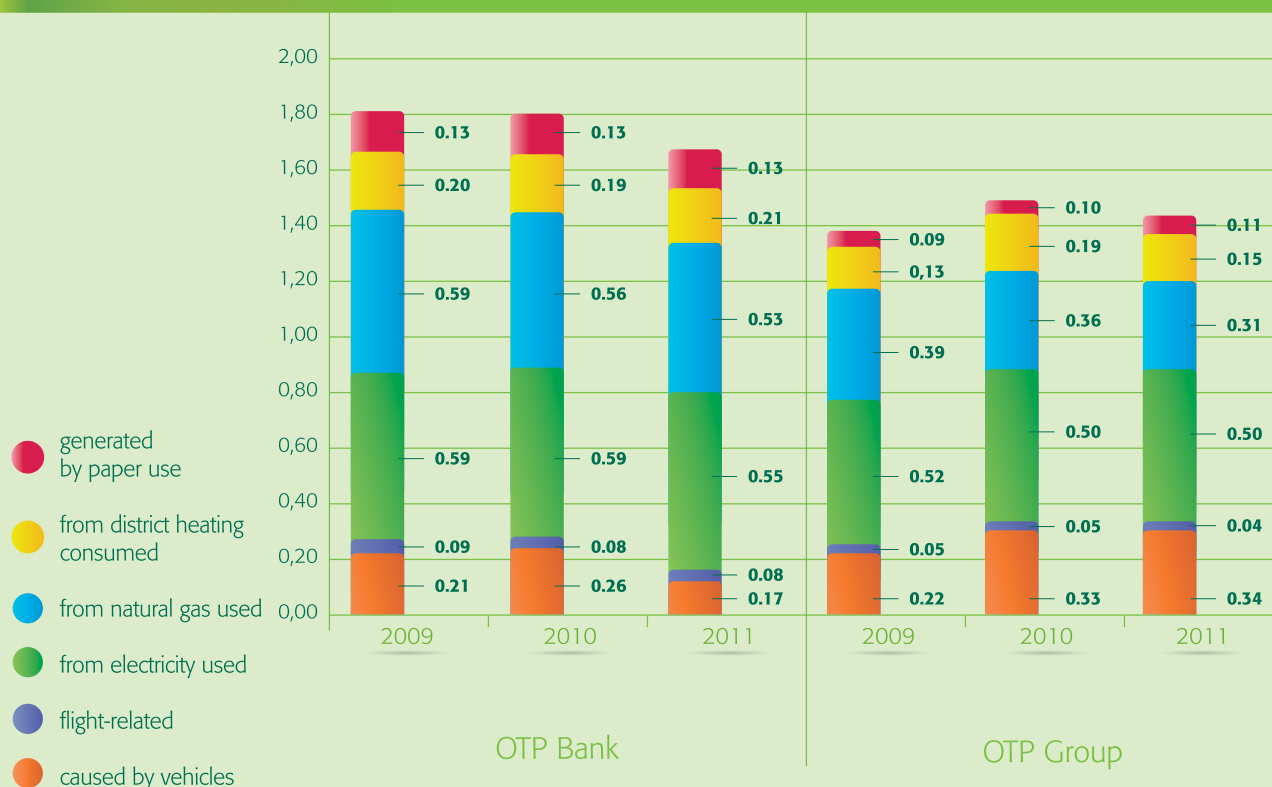
The table contains the key identified items of carbon-dioxide emission. The values are calculated on the basis of the relevant legal requirements, industrial estimates and official data on emission.

WATER CONSUMPTION BY THE OTP GROUP



* Subsequent adjustment was applied after reporting, because one of the subsidiaries subsequently corrected their data.

DISTRIBUTION OF CO₂ EMISSION PER PERSON



WEIGHT OF WASTE GENERATED

	OTP Bank			OTP Group		
	2009	2010	2011	2009	2010	2011
Communal waste (t)	2 252	2 562	2 712	n. a.	n. a.	n. a.
Weight of communal waste per employee (kg)	291	328	345	n. a.	n. a.	n. a.
Selectively collected paper waste (t)	579*	518	404	711	616	877**
Selectively collected PET bottles (kg)	1 370	4 707	11 046	1 888	5 013	11 442
Selectively collected hazardous waste (kg)	1 759***	239	432	14 584	1 409	24 257

* The data for 2009 are partly based on estimates.

** The significant increase is due to Monicomp Zrt. (219 tons) and DSK Bank (139 tons).

*** Data for 2009 are not comparable to those for 2010 and 2011. The data for 2010 include electronic data storage devices because they are not classified as hazardous waste.



GRI INDEX

GRI is the most widely used CSR reporting system. We have been using GRI's guidelines for the sixth year, promoting transparency and comparability of our results with those of other companies.



APPLICATION LEVEL CHECK IN LINE WITH THE GRI G3 GUIDELINE

Application level / disclosure criteria	C	C+	B	B+	A	A+
Profile disclosures	1.1; 2.1–2.10; 3.1–3.8; 3.10–3.12; 4.1–4.4; 4.14–4.15	report externally assured	report on all criteria	report externally assured	report on all criteria	report externally assured
Management approach	not required		report on all indicator category		report on all indicator category	
Performance indicators	report on a minimum of 10 indicators, including at least one from each of: social, economic and environmental		report on a minimum of 20 indicators, including at least one from each category.		all core indicators	

INDICATORS

Indicator number	Description of indicator	Source	Notes
1.1	Statement from the most senior decision-maker of the organization concerning the importance of sustainability to the organisation and its strategy	5	
1.2	Description of key impacts, risks, and opportunities.	5, 15–19, 33, 41, 55, 61, website	www.otpbank.hu/CSR/hu/fenntarthatosag
Organisational profile			
2.1	Name of the organization.	website	https://www.otpbank.hu/portal/hu/Impresszum
2.2	Primary brands, products, and/or services.	website	https://www.otpbank.hu/portal/hu/fooldal
2.3	Operational structure of the organization, including main divisions	website	https://www.otpbank.hu/portal/en/IR_Corporate_Governance . The following organisational units providing central governance have a key role in responsible operation of OTP Bank: <ul style="list-style-type: none">• Bank Security Directorate;• Investor Relations and Capital Market Operations Department;• Compliance Directorate;• Procurement and Investment Directorate (also duties related to environmental protection and health and safety at work);

- Human Resource Management Directorate (also coordinating tasks related to training);
 - Real Estate, Small Enterprises and Agricultural Division;
 - IT and Banking Division
 - Legal Directorate;
 - Commercial Banking Division;
 - Human Resource Management Directorate;
 - Marketing Directorate;
 - Country-, Partner and Operating Risks Independent Department;
 - Retail Banking Division;
 - Strategic Planning and Controlling Directorate.
- The other members of the OTP Group members apply differing organisational structures, but the above functions are provided for at such companies too.

2.4	Location of organization's headquarters	website	https://www.otpbank.hu/portal/hu/Impresszum
2.5	Number of countries where the organization operates	12	
2.6	Nature of ownership and legal form	website	https://www.otpbank.hu/portal/en/Aboutus/History
2.7	Markets served, geographic breakdown, sectors served	12, Annual Report	For more information, see the Annual Report. https://www.otpbank.hu/portal/en/IR_Reports
2.8	Scale of the reporting organization	12, 64, website	For a detailed description of services, see the website and the websites of our subsidiaries.
2.9	Significant changes in the organisation during the reporting period	website	For information on the changes – governance, subscribed, overall capitalisation – see the Annual Report. https://www.otpbank.hu/portal/en/IR_Reports
2.10	Awards received in the reporting period	12	

Report parameters

3.1	Reporting period defined	9	
3.2	Date of most recent previous report.		We released our latest Corporate Social Responsibility Report for the year 2010.
3.3	Reporting cycle defined		Annual cycle.
3.4	Contact point for questions regarding the report or its contents.		csr@otpbank.hu
3.5	Process for defining report content	9	
3.6	Boundary of the report		The report contains information pertaining to the most important members of the OTP Group, namely OTP Bank, all its foreign subsidiary banks, and the following subsidiaries in Hungary: OTP Mortgage Bank, OTP Building Society, OTP Factoring, OTP Flat Lease, Merkantil Group, OTP Life Annuity, OTP Private Pension Fund, OTP Voluntary Pension Fund, OTP Health Fund, OTP Fund Services, OTP Real Estate, OTP Real Estate Fund Management, OTP Fund Management, OTP Hungaro-Projekt, OTP Travel, Monicomp.

			The report does not include the data of companies with revenue of less than HUF 100 million.
3.7	State any specific limitations on the scope or boundary of the report		No such limitations apply, but we continually add to the range of information to be included in the report.
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	3.6	
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report.	at the relevant parts	
3.10	Reasons for any re-statements of information provided in earlier reports.		We avoid re-stating information and data; the Corporate Social Responsibility Reports for prior years are available.
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.		Monicomp was added to the subsidiaries.
3.12	Table identifying the location of the Standard Disclosures in the report.	87–95	The table is also used for disclosure.
3.13	Policy and current practice with regard to seeking external assurance for the report.		The report was assured by KÖVET Association.
Governance, commitments, engagement			
4.1	Governance structure of the organization	website, 75	https://www.otpbank.hu/portal/en/IR_Corporate_Governance – Board of Directors, Supervisory Board, Executive Board and Management, Corporate Governance Report 29.04.2011. The functioning of OTP Bank is assisted by permanent committees that are bodies of the bank that make decisions, prepare decisions and provide consultation. Permanent committees can be set up within the scope of authority of the Executive Board and Management. Management Committee, Management Coordination Committee, Subsidiary Integration and Direction Committee, Asset-Liability Commission, Credit and Limit Committee, Product Development, Sales and Pricing Committee, Group Operational Risk Management Committee, Investment Committee, Work-out Committee, Information Technology Control Committee,
4.2	Indicate whether the Chair of the highest governance body is also an executive officer	website, 75	
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members	website, 75	
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	website	https://www.otpbank.hu/portal/en/IR_Corporate_Governance – Act IV of 2006 on Business Entities, Corporate Governance Report 29.04.2011
4.5	Linkage between compensation for members of the highest governance body, and the organization's performance	website	https://www.otpbank.hu/portal/en/IR_Corporate_Governance Corporate Governance Report 29.04.2011

4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.		The Bank's employees must declare that they have familiarised themselves with the rules pertaining to conflict of interest.
4.7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity		No such strict criteria are set, it is primarily economic experience and qualifications that are required.
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation		<p>Code of Ethics: Valid in respect of the entire Bank Group; application of the Code is compulsory for our employees, and training has been provided to support its assimilation by staff.</p> <p>Organisational and Operational Regulation: Each member of the Bank Group has its own Organisational and Operational regulations; however, the fundamental principles re consistent at group level. All employees are obliged to familiarise themselves with and apply the Regulations.</p> <p>Group Management Regulations: Regulates the principles and practices of corporate governance at group level, in order to ensure efficient operation and clearly defined fields of responsibility.</p> <p>Collective Bargaining Agreement: The companies in the Bank Group conclude separate collective bargaining agreements; however, not every company has a trade union and a collective bargaining agreement. All employees are party to the Collective Bargaining Agreement if one is in effect at the given member company, regardless of whether the employee is a union member.</p> <p>Environmental Protection Regulations: The Environmental Protection Regulations define the frameworks for environmental protection activities at the parent company.</p> <p>Its purpose, beyond compliance with the minimum statutory requirements, is to foster a commitment to environmental protection and incorporate environmental factors into business operations.</p> <p>Donation policy: sets out the guiding principles of OTP Bank's donation and sponsorship activity, specifying the areas to be supported and the related expectations.</p>
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles	website	No change in comparison with the previous year, Corporate Governance Report 29.04.2011 https://www.otpbank.hu/portal/en/IR_Corporate_Governance
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance	website	Corporate Governance Report 29.04.2011 https://www.otpbank.hu/portal/en/IR_Corporate_Governance The OTP Bank Group is operated in line with a governance model that best suits the Group's characteristics, i.e. country responsibility/ functionality matrix system. Regarding the nature of governance, three types are distinguished:

- Owner governance: basically, it is direct enforcement of interest: it means exercising the ownership rights of the parent company provided by law. The parent bank enforces its ownership rights through the general assembly, as well as through subsidiary bodies and chairpersons of such bodies.
- Functional governance: aggregate activities whereby the supporting / operating / servicing functionalities of the parent bank transfer knowledge, experience or provide services to the relevant functionalities of subsidiaries, and directly control their operation. Functional governance is aimed at putting the proven methods and processes used by parent bank functionalities into practice with the subsidiaries. the key components of governance include use of centrally defined standards and assurance of compliant operations, continuous reporting and professional relationships, as well as central decision-making in specified cases.

Business governance: A key component of the governance system, this term typically describes the management of retail banking and sales, and corporate banking operations. It entails adapting best practices across the Group, promoting operation at the expected professional standard, and professional support to group members. The nature of support may within a broad range. In addition to knowledge transfer, continuous performance monitoring is also an element in the f business governance toolkit.

4.11	Addressing the precautionary principle within the organisation	32–33	Precaution within the core activity
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses		The Code of Conduct (Hungary) represents provision of ethical banking services, whereby compliance with the social norms is facilitated.
4.13	Memberships in associations and/or national/ international advocacy organizations	website	www.otpbank.hu/CSR/hu/fenntarthatosag
4.14	List of stakeholder groups engaged by the organization	website	www.otpbank.hu/CSR/hu/fenntarthatosag
4.15	Basis for identification and selection of stakeholders with whom to engage	website	www.otpbank.hu/CSR/hu/fenntarthatosag
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	website	www.otpbank.hu/CSR/hu/fenntarthatosag
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	website	www.otpbank.hu/CSR/hu/fenntarthatosag
ECONOMIC PERFORMANCE INDICATORS		11, 17–19, annual report, website	https://www.otpbank.hu/portal/en/IR_Annual_Reports

Economic performance

EC1	Direct economic value generated and distributed	64	
EC4	Significant financial assistance received from Government.	65	
Market presence			
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	websites of Group members	<p>No change in comparison with the previous year. https://www.otpbank.hu/portal/hu/IR_Tarsasagiranyitas; https://www.otpbank.hu/portal/hu/OTPCsoport</p> <p>The OTP Group does not have a comprehensive policy and procedure for ensuring that local applicants enjoy preference when hiring staff; however, the majority of applicants for positions are typically local residents. Locals also tend to predominate the employees of OTP Bank's foreign subsidiaries. At the majority of the subsidiary banks the chief executive is local, and locals are also in majority in the Board of Directors. The proportion of Hungarians sitting in the Supervisory Boards is higher. The composition of the executive bodies depends on local characteristics.</p>
ENVIRONMENTAL PERFORMANCE INDICATORS		56-58, website	The indicators have been designed primarily to suit the characteristics of manufacturing companies, and therefore the definitions and requirements are not always relevant to the OTP Group.
Materials			
EN1	Percentage of materials used that are recycled input materials.	60, 81	
EN2	Percentage of materials used that are recycled input materials.	81	Partial compliance with the requirements of GRI.
Energy			
EN3	Direct energy consumption by primary energy source.	82-83	
EN4	Indirect energy consumption by primary source.	82-83	
EN5	Energy saved due to conservation and efficiency improvements.	59	Partial compliance with the requirements of GRI.
Water			
EN8	Total water withdrawal by source.	84	All water is withdrawn from the communal network.
Emissions, effluents and waste			
EN16	Total direct and indirect greenhouse gas emissions by weight.	58-60, 84-85	
EN21	Total water discharge by quality and destination.		Water is discharged to the communal network, in quantities equal to consumption (page 73).

LABOUR PRACTICES AND DECENT WORK INDICATORS
35, website
www.otpbank.hu/CSR/hu/felelos_munkaltato
Employment

LA1	Total workforce by employment type, employment contract, and region	73–75	Partial compliance with the requirements of GRI.
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	76	Partial compliance with the requirements of GRI.
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.		In terms of eligibility for benefits we do not discriminate based on the number of hours worked or the type of employment contract. There are no benefits that cannot be granted to temporary or part-time workers. Wages and fringe benefits of employees and the principles applicable to defining the amounts are laid down in regulations within the Bank. Members of the OTP Group provide various benefits to their employees, depending on the potentials of the relevant country. Where available, member companies typically contribute towards employees' savings in health funds and pension funds.

Labour/management relations

LA4	Percentage of employees covered by collective bargaining agreements.		With the members of the OTP Group where a collective bargaining agreement is in force, all employees are contracting parties to the collective bargaining agreement. The OTP Group continues to assure the advocacy of its employees in accordance with the laws and statutory requirements. A Collective Bargaining Agreement is in place with the parent company, with CKB Bank, with DSK Bank, with OTP Bank Romania, with OTP Banka Slovensko, with OTP banka Srbija and, among Hungarian subsidiaries, with OTP Life Annuity and OTP Mortgage Bank. In OTP banka Hrvatska, no Collective Bargaining Agreement is in place, employee advocacy is ensured in a way similar to a trade union.
-----	--	--	---

Occupational health and safety

LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender.	73, 78–79	Partial compliance with the requirements of GRI.
LA8	Education, training, counselling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases	79	
LA10	Average hours of training per year per employee by employee category and by gender.	77	Partial compliance with the requirements of GRI.

Training and education

LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	38, 77	
------	---	--------	--

LA13	Composition of governance bodies and breakdown of employees per employee category according to age group, minority group, and other indicators of diversity	75, website	https://www.otpbank.hu/portal/en/IR_Corporate_Governance We do not record minority identity due to legal requirements. Partial compliance with the requirements of GRI.
Diversity and equal opportunity			
LA14	Ratio of basic salary of women to men by employee category		There is no difference between male and female employees in terms of basic salary in employment categories. For group members under the effect of the Collective Bargaining Agreement, the employee wages are regulated in the Collective Bargaining Agreement. Remuneration for working overtime is calculated in line with the legal requirements. Partial compliance with the requirements of GRI.
HUMAN RIGHT PERFORMANCE INDICATORS		25; website	
Non-discrimination			
HR4	Total number of incidents of discrimination and corrective actions taken	website	No such case
HR6	Risk of child labour, and measures taken to eliminate it	website	The OTP Group does not use forced labour and child labour.
HR7	Risk of forced and compulsory labour, and measures taken to eliminate it	website	
HR11	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms	website	No such case.
SOCIAL PERFORMANCE INDICATORS		website	
Anti-competitive behaviour			
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country	website	The OTP Group provides no support to such organisations and persons.
SO7	Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices and their outcomes	72–73	
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	72	
SO9	Operations with significant potential or actual negative impacts on local communities		No such activity in the banking group.
PRODUCT RESPONSIBILITY INDICATORS		15–16, website	www.otpbank.hu/CSR/hu/felelos_szolgaltato
Product and service labelling			
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	20–23	

Consumer privacy

PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	71
-----	---	----

Compliance

PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	72
-----	--	----

SECTOR SUPPLEMENT INDICATORS FOR THE FINANCIAL SECTOR

FS3	Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions		On disbursing loans, the OTP Group examines compliance with the environmental legal requirements in every case, typically with the involvement of an external expert, and is also in compliance with the relevant expectations of international institutions (e.g. EBRD, EIB). (The latter expectations typically set conditions that are not stricter than the Hungarian legal requirements.)
FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose	25–30, 67–68, 70	Partial compliance with the requirements of GRI.
FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose	30–31, 66, 69	Partial compliance with the requirements of GRI.
FS13	Access points in low-populated or economically disadvantaged areas by type	website	https://www.otpbank.hu/static/portal/sw/flash/fiokkereso_map/fiokmap.html (For the branch network of our foreign subsidiaries, see their own websites.) We maintain no dedicated statistics; members of the OTP Group hold leading positions in the countries of the region regarding access point (bank branches, ATMs) density. Partial compliance with the requirements of GRI.
FS14	Initiatives to improve access to financial services for disadvantaged people	25	On adapting branches to accessibility, we act in line with the legal requirements, and implement an accessibility plan for each new branch and branch renovation. A branch in Győr also provides for administration in a sign language.
FS15	Policies for the fair design and sale of financial products and services		The performance of branch tellers is evaluated in line with identical principles at Group level – in harmony with customer interest. Partial compliance with the requirements of GRI.
FS16	Initiatives to enhance financial literacy by type of beneficiary	45–47	



Head office:
OTP Bank Plc.
H-1051 Budapest, Nádor u. 16.

Feedback is welcome!

We consider it important to find out your opinion for developing the sustainability performance of the bank;
please share your view via the e-mail address csr@otpbank.hu.

KÖVET Association for Sustainable Economies (KÖVET) was commissioned by OTP Bank to verify OTP Group's 2011 Corporate Responsibility Report (Report). KÖVET made a commitment as an expert, third-party and non-profit organization to verify the company report and evaluate OTP Bank's sustainability performance based on that report and several interviews with employees of the company, as well as the involvement of external stakeholders.

Verification of the Corporate Responsibility Report of OTP Group

Methods and tools for verification

- random check of reported data,
- interviews with employees of the company,
- an assessment of the report content in terms of the most important economic, environmental and social performance indicators contained in the GRI Guidelines* (on the basis of the GRI G3.1 version published March, 2011),
- recommendations made by KÖVET and other stakeholders (June 12, 2012 – Report Evaluation Forum).

Report Evaluation Forum

Twenty-nine representatives from stakeholder organizations (clients, authorities, suppliers, civil and professional organizations) were invited to attend the Report Evaluation Forum; thirteen of them participated actively.**

KÖVET publicly verifies that OTP Bank provided an opportunity for its national stakeholders to express their opinions about the report before publishing took place. Changes were made in the 2011 Corporate Responsibility Report, or will be made in the next report, based on the proposals received. KÖVET accepted OTP justifications about unrealistic proposals.

Opinion

OTP Bank's Corporate Responsibility Report has been published for the sixth time and has undergone structural changes. The new structure incorporates the previous stakeholder recommendations and has become easier to read and more straightforward. It is also expanded through inclusion of more reported data at the Group level. KÖVET recognises and appreciates that OTP's renewed CSR strategy served as a basis for the new structure of the Report. KÖVET can state that OTP Group's 2011 Corporate Responsibility Report is of a high standard from professional, content and outlook points of view.

KÖVET verifies that the data collection procedures of the Group are reliable and that data analyzed during the data verification process and the interviews are credible. Based on the detailed indicators described within the document, the report satisfies the B+ level of the GRI G3.1 Guideline.

Recommendations for OTP Bank to improve the report

- strive to present a more extensive and integrated overview of data from affiliates;
- transmit the content of the report more effectively to stakeholders.

Evaluation of OTP Bank's sustainability performance

OTP Bank is a prominent part of the Hungarian and Central European economy and therefore its responsibility to its stakeholders is correspondingly high. Public CSR research in 2011 highlighted the fact that based on stakeholders' expectations, provision of responsible basic banking services should be the pillar of the CSR activities of banks. OTP Bank faced several challenges in 2011 (e.g. government-mandated introduction of a one-off final repayment scheme for mortgages) that it tried to comply with.

The CSR research identified responsibility to employees as being the second most important area. Therefore, as a responsible employer with more than 49 thousand employees, OTP Bank has to endeavour to ensure equal opportunities at the workplace, a good work/private life balance and to extensively utilize atypical employment models.

In the European Year of Volunteering, OTP Bank committed to implementing at least 50 volunteering projects. The program (which involved about 1500 employees), was a great success. OTP's internally-developed system for selecting and implementing these types of projects is also outstanding. OTP's improvement in the protection of the environment is praiseworthy (a decrease in per capita carbon dioxide emissions was recorded). Employees of the Bank achieved success in installing and using a video conferencing system, and in per capita reductions in office paper use in 2011.

Despite the fact that it has specified fields for donations, OTP Bank's sponsoring practice is still not transparent due to the lack of a tendering system. OTP Bank's deep involvement in sound initiatives concerning developing financial literacy (e.g. the "Back to the Alma Mater" project) is praiseworthy.


Through becoming acquainted with the performance of OTP Bank, we evaluated the company's own sustainability and its role in sustainable development using KÖVET's sustainability ranking scheme***. We evaluate OTP Bank as being 'public spirited' from economic and social points of view, and 'appropriate' from an environmental point of view.


Main recommendations for further improvement

OTP Bank's sustainability performance can be improved if the company ...

- develops a discount structure for loans denominated in HUF, not just for those who borrow in foreign currencies;
- develops CSR guidelines and policies valid for the whole Group;
- extends the opportunity for regional centers to become involved in donating, and establishes a transparent and open tendering system;
- continues to develop the services they provide for disabled clients and promotes the employment of disabled people and the use of atypical employment models;
- achieves further successes in environmental protection activities (e.g. reducing paper consumption related to promotional activities, organising eco-driving training events);
- develops a methodology for evaluating the indirect impacts of banking products, as well as introduces measures suitable for analysing the social and environmental effects of products and services;
- establishes an anonymous reporting system for issues of ethical concern and provides training to employees about it;
- continues to integrate ISO26000 standards into organisational operations;
- continues to play an active role in developing financial literacy.

By implementing the suggestions listed above, OTP Bank can step forward on the road to sustainable development.


BODROGHELYI Csaba
Executive Director


LONTAYNÉ GULYÁS Mónika
Project Manager

Budapest, June 29th 2012

KÖVET verifies the sustainability – economic, environmental and social – performance of OTP Bank as follows

Sustainability Ranking of Organizations	score	Local Economic Role	Environmental Impacts	Social Responsibility
Sustaining	22-25	Economically exemplary, altruistic, growth is not its aim. Implements programs with long-term perspective (>10 years) and rate of return. Its closure would be a loss for the local community.	Tends to eliminate local environmental damages. Its activity and products establish values and improve conditions of the local environment.	Leaders and owners live near to the activity. Socially pioneering, a "jackpot" for all workers and stakeholders (not only financially), extraordinary help to the local community.
Public-spirited	18-21	Has local control. Economically exemplary, viable in the long term (through generations), with excellent products and a beneficial role on the market. Economically strengthens the local community.	Environmentally outstanding, "over-fulfills" requirements, the utilized technology, products and transportation are environmentally friendly. Its raw material is transported only from within the continent it is based on.	Socially outstanding, its activity and products are beneficial for all stakeholders, significant efforts for the local community.
Compliant	13-17	Economically average, but only a few owners and customers make a profit, not a completely alien body in the local community.	Environmentally appropriate, fulfills requirements. Cost efficiency is the biggest motivation for economizing with resources, more expensive solutions are kept in the background. There are projects for general improvement.	Socially acceptable, makes significant efforts to do good for people, but its situation (basic activity, size) raises question marks.
Self-interested	8-12	Economically viable in the short term, but its activity is unjust, creates faceless products, disproportionately few people make profit.	Environmentally irresponsible, activity and products unnecessarily burden the natural environment and human health.	Socially irresponsible, impairs workers and customers, contributes to social conflicts and injustice.
Destructive	4-7	Economically not acceptable, or completely non-viable, destroys the local economy or illegal activity.	Environmentally hazardous and illegal, severely detrimental to human health and natural ecosystems.	Socially not acceptable, exploitive, its activity and products are destructive for people and it is seen as a trouble maker. Leaving would be a relief to the community.

* Global Reporting Initiative (GRI - Initiative for standardisation of sustainability reports)

** Participants of the Report Evaluation Forum: János Bacher (GfK Hungária Piackutató Intézet), dr. Katalin Ács (Budai Középiskola), dr. Lívia Dömölki (Országos Fogyasztóvédelmi Egyesület), dr. Zsuzsa Pápay Herbert (private client), Gábor Fekete (Pénzügyi Alapítvány), Zsuzsanna Győri (Kodolányi János Főiskola), Péter Kozma (Banki Hitel Károsultjainak Egyesülete), Judit Németh (mtd Tanácsadó Kft.), Piroksa Osváth (Magyar Bankszövetség), Gergely Radácsi (CEU Business School), Balázs Selmecci (Fogyasztóvédő és -Érdekvédelem Alapítvány - in written form), Zsuzsanna Szvetelszky (ELTE), Tibor Závecz (Ipsos Zrt. - in written form), Zsófia Galambosné Dudás (KÖVET), Mónika Lontayné Gulyás (KÖVET)

*** Further information: sustainability ranking of organizations, www.kovet.hu

Publisher: OTP Bank Plc.

Responsible editor: Marketing Directorate

Chief editor: Zoltán Péter Nagy

Consultant: RTG Corporate Responsibility Consulting Ltd.

Photography: MTI Photo

Graphic Design: Uzume Consulting Ltd.

Production: Green Print Ltd.

This publication was printed on recycled Cyclus Offset and Cyclus Print paper





