

These documents in English language to the person concerned shall be for information purposes only. OTP Bank Plc shall fulfil its obligations imposed by the legal regulations or requirement of supervisory authority by the documents in Hungarian language.

In the event of any discrepancy between the English language and Hungarian language versions, the Hungarian language version shall prevail.

### **Information on the EU Regulation on OTC derivatives, central counterparties and trade repositories (European Market Infrastructure Regulation: EMIR)**

OTP Bank Plc. hereby informs its clients that *Regulation (EU) 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories (hereinafter referred to as EMIR)* has entered into force. EMIR is directly applicable in all Member States of the European Union.

The key objective of EMIR is to improve the functioning of OTC derivatives markets in the European Union, and it intends to achieve this objective by introducing the central clearing obligation for OTC derivative transactions and by reporting OTC derivatives to trade repositories with a view to enhancing transparency.

The EMIR requirements apply to both financial and non-financial counterparties (irrespective of their type and size). The addressees of this information are those corporate clients of OTP Bank Plc. that make OTC derivative transactions and, for the purpose of EMIR, do not qualify as financial counterparties.

EMIR prescribes the following main obligations for counterparties concluding OTC derivative transactions:

- In respect of certain classes of OTC derivative products (commodity, credit, foreign exchange, equity, interest rate, other), EMIR prescribes a central clearing obligation (i.e. the obligation to use the services of a settlement institution positioned between the seller and the buyer, which guarantees the fulfilment).
- All concluded derivative transactions must be reported to a central repository.
- Risk mitigating measures must be applied in the case of derivative transactions that are not subject to the central clearing obligation.
- In the case of non-financial counterparties, the requirements pertaining to the central clearing obligation and certain risk mitigating measures are applicable above the threshold specified in the regulation, in accordance with the provisions thereof.

The obligations of central clearing and reporting to the repository will be mandatory as of the licensing of the clearing institution and the repository in accordance with EMIR and/or from the commencement of their activity, i.e. presumably from early 2014. Of the risk mitigating methods, the obligation related to the reporting of EMIR thresholds to the supervisory authority became binding on 15 March 2013, while others, e.g. the portfolio reconciliation obligation and the requirements pertaining to the settlement of the relevant disputes, became mandatory on 15 September 2013.

In order to foster the uniform practical application of EMIR, the European Commission and the European Securities and Markets Authority (ESMA) continuously issue opinions and guidelines. Please note that both the Magyar Nemzeti Bank (MNB) and ESMA regularly publish information, notices and background materials on their websites to facilitate the understanding of the regulation. For further information, please visit:

- [http://ec.europa.eu/internal\\_market/financial-markets/derivatives](http://ec.europa.eu/internal_market/financial-markets/derivatives)
- <https://www.esma.europa.eu/page/European-Market-Infrastructure-Regulation-EMIR>

#### **Notices and disclaimers**

This information does not qualify as a legal opinion or legal advice. It contains a general and non-exhaustive description of the relevant EU acts in accordance with the text promulgated before 1 June 2013. OTP Bank Plc. makes efforts to include the relevant rules in this information in accordance with the EU acts in force, but it takes no responsibility for this. You are strongly advised to peruse the relevant EU acts in force and the official interpretation thereof before the transactions affecting you. We recommend that in each case, in order to understand the specific legal consequences of the transaction affecting you, you should consult your legal advisor before using OTP Bank Plc.'s investment services or auxiliary services (hereinafter jointly: investment services). The relevant websites of the Commission of the European Union and ESMA may contain further important legal information related to

investment services, and you are strongly advised to peruse it before each transaction. Please be advised that you should not base your investment decisions solely on this information. To the degree permitted by the binding laws and regulations, OTP Bank Plc. disclaims responsibility for damages arising from any failure to comply with the provisions hereof.

Before using OTP Bank Plc.'s investment services, please peruse this information, OTP Bank Plc.'s Standard Preliminary Information Notice and the documents referred to therein, to ensure that you make an informed investment decision in possession of the information related to investment services, the related transactions and financial instruments. Should you have any questions with regard to the content of this information, or if you cannot access any of the documents or information mentioned herein, please contact our competent branch, where our staff will be pleased to help you. This information does not constitute a tax or investment advice, investment analysis, investment recommendation, offer, advertisement or promotion related to a specific financial instrument and transaction.

Thank you for your cooperation.

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