

**Dear Clients,**

***Re.: Certain information regarding the European Market Infrastructure Regulation (Regulation 648/2012)***

With reference to European Market Infrastructure Regulation ("EMIR"), and especially the portfolio reconciliation requirements under Article 11 of EMIR that come into force on 15 September 2013, OTP Bank Nyrt ("OTP Bank") would like to draw the attention of its clients ("Clients") to certain provisions of EMIR and to outline certain measures that may help Clients to comply therewith.

**Client classification**

In order for OTP Bank to correctly apply certain provisions of EMIR in relation to transactions with Clients, including the portfolio reconciliation requirements, the mandatory clearing and collateralisation requirements of EMIR, OTP Bank have to obtain information regarding the classification of Clients under EMIR. OTP Bank requests all affected Clients to inform OTP Bank whether they are

- (i) a financial counterparty (an "FC");
- (ii) a non-financial counterparty below the clearing threshold (an "NFC-");
- (iii) a non-financial counterparty above the clearing threshold (an "NFC+") (NFC- and NFC+ are together "NFC");
- (iv) a fully exempt entity within Article 1(4) of EMIR;
- (v) or a partially exempt entity within Article 1(5) of EMIR.

Please be advised that the detailed explanation of these client categories can be found in the relevant provision of EMIR.

With respect to the EMIR-compliant reporting obligation towards to trade repositories please also inform us about your corporate sector as defined in Annex I. to 1247/2012 Commission Implementing Regulation, whether you are

- A=Assurance undertaking authorised in accordance with Directive 2002/83/EC;
- C=Credit institution authorised in accordance with Directive 2006/48/EC;
- F=Investment firm in accordance with Directive 2004/39/EC;
- I=Insurance undertaking authorised in accordance with Directive 73/239/EEC;
- L=Alternative investment fund managed by AIFMs authorised or registered in accordance with Directive 2011/61/EU;
- O=Institution for occupational retirement provision within the meaning of Article 6(a) of Directive 2003/41/EC;
- R=Reinsurance undertaking authorised in accordance with Directive 2005/68/EC;
- U=UCITS and its management company, authorised in accordance with Directive 2009/65/EC.

Due to the aforementioned compliance date you are kindly requested to send your response to the email address of [collateral.management@otpbank.hu](mailto:collateral.management@otpbank.hu) by close of business on 13 September 2013 and please indicate "EMIR" in the subject of your e-mail.

If a Client is established outside the EU, it should advise OTP Bank of what it believes its classification would be if it were established within the EU.

Please be aware that if OTP Bank is unable to determine a Client's classification under EMIR OTP Bank will establish the classification of that Client based on the available knowledge of its business.

If a Client of OTP Bank is an NFC OTP Bank believes that the appropriate way to inform OTP Bank of the Client's EMIR client category is via the ISDA 2013 EMIR NFC Representation Protocol (the "NFC Protocol").

Please be informed that OTP Bank is a financial counterparty ("FC"), a credit institution authorised in accordance with Directive 2006/48/EC, as defined by EMIR.

**Portfolio reconciliation and dispute resolution requirements**

Please be advised that in order to meet the portfolio reconciliation and dispute resolution requirements imposed by EMIR OTP Bank has adhered to the 2013 ISDA EMIR Portfolio Reconciliation, Dispute Resolution and Disclosure Protocol ("PROTREC Protocol") with the following elections: (i) status: Portfolio Data Sending Entity; (ii) Local Business Day: Budapest, Hungary; (iii) we may use Third Party Service Provider (triResolve QuickPort); (iv) contact details for Portfolio Data, Notice of discrepancy, and Dispute Notice: [collateral.management@otpbank.hu](mailto:collateral.management@otpbank.hu).

If a Client prefers not to adhere to either the NFC Protocol or the PROTREC Protocol but would like to enter into bilateral agreements with OTP Bank, please contact [collateral.management@otpbank.hu](mailto:collateral.management@otpbank.hu) with details of an appropriate contact at that Client's organisation. In your communication you are kindly requested to use the reference "EMIR" in the subject field.

For further information please refer to

- ESMA's EMIR pages at: <http://www.esma.europa.eu/page/European-Market-Infrastructure-Regulation-EMIR> , and
- European Commission's EMIR website at: [http://ec.europa.eu/internal\\_market/financial-markets/derivatives/](http://ec.europa.eu/internal_market/financial-markets/derivatives/)
- ISDA's protocol management pages at: <http://www2.isda.org/functional-areas/protocol-management/open-protocols/>

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