

Information for Clients on MiFID

Pursuant to the provisions of the Markets in Financial Instruments (short name: MiFID) EU Directive, Act CXXXVIII of 2007 (hereinafter: Investment Firms Act) regulates the investment firms and commodity dealers, and the activities that may be performed by them. The purpose of the Directive is to develop uniform conditions and procedures, in the Member States of the European Union, in the area of investment services, which help ensure maximum protection for investors and high quality services to the clients. The European legislative background ensures the provision of detailed information on financial instruments, makes the operation of investment firms and the execution of the transactions transparent, thereby helping clients find their way in the labyrinth of the financial world.

With a view to complying with the aforementioned legislative provisions, **OTP Bank applies the following practices** since 2008:

Client rating categories

OTP Bank allocates its clients to three statutory client categories: Retail Client, Professional Client or Eligible Counterparty. This MiFID rating defines for OTP Bank, on a mandatory basis, the depth of the information it must provide to you prior to concluding a deal, as well as the type of information to be requested from you. Since certain investor protection requirements (such as e.g. the exhaustiveness of the information) are aligned with the special features of the individual client rating categories, the clients with Retail Client rating enjoy broader protection than the Professional Clients or the Eligible Counterparties.

The detailed rules applicable to the client rating under MiFID are included in Section A.II.6 of the prevailing [Investment Services Division Business Regulations](#) (hereinafter: Business Regulations).

Suitability and Appropriateness Tests

Pursuant to the law, the Bank may only – in addition to the fulfilment of other conditions – provide clients, classified as Retail Clients, with investment advice or perform portfolio management for them, if prior to executing the order it ascertains the client's risk-bearing capacity and knowledge of financial instruments, and explores the client's income position and investment purposes.

Accordingly, in order for us to be able in the future to recommend to you the most suitable product, you need to fill in a **Suitability Test**, based on which OTP Bank will allocate you to one of the following five risk categories, bearing which in mind, we shall compile a product portfolio that best suits your risk profile:

- Stable
- Conservative
- Balanced
- Dynamic
- Aggressive

If your order is for a complex or risky investment product and the deal was initiated by you, the bank will examine your knowledge and experience related to the respective complex product in the form of an **Appropriateness Test**. If we find that the product selected by you is not appropriate, we will call your attention to this effect on each occasion. Based on our warning, you will have the opportunity to revise your order; if you maintain your order even in the knowledge of our warning, the bank will execute your order.

The detailed rules of obtaining information prior to concluding a deal are included in Section A.II.7 of the prevailing [Business Regulations](#).

Deal execution

In line with the provisions of the Investment Firms Act, OTP Bank developed the Implementation Policy, which contains all rules that govern the execution of the clients' orders. The purpose of these is to ensure that the orders are executed for our clients in accordance with the criteria specified in

the Investment Firms Act (e.g. net price, cost, lead time, etc.) in the most favourable way. The Implementation Policy is included in Annex B to the prevailing [Business Regulations](#).

You will find the detailed Client Information on MiFID by clicking on the link below: [Information for Clients on MiFID](#)

Information prior to concluding a deal

Prior to concluding a deal, the Bank provides clients classified as Retail Clients with detailed information on the contract conditions and on the data related to the financial instrument and services being the subject matter of the contract. You will find the details on the information prescribed by the laws and the availability of those in the Announcement on Standard Prior Information.

You may also obtain more detailed information on certain treasury services sold by OTP Bank's Regional Treasury Department at the following contact points:

A catalogue entitled "Investment Folder" is available in all branches engaged in securities distribution, where you will find – also retrospectively – all important announcements, analyses, prospectuses and publications related to OTP Bank's financial instrument products and investment services.

If you do not wish to receive the information materials on each occasion in printed form, you may also view them on the bank's website (www.otpbank.hu/mifid) and on other internet websites. The detailed conditions of providing information prior to concluding a deal are included in Section A.II.5 of the prevailing Business Regulations.