



Corporate Social Responsibility Report



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About the report



GRI 102-50, 102-52, 102-54, 102-56

This Report is OTP Bank Romania's Sustainability Report for the 2020 reporting period. The Report has been prepared in accordance with the GRI Standards: Core option1.

We issue our Sustainability Report annually. We have been conducting this CSR report since 2006, except for 2017.

GRI 102-46

Management approach in defining the content of the Report:

1. Information that may be of interest to stakeholders;
2. aspects deemed material by the management of OTP Bank;
3. information necessary for compliance with the GRI Standard (including compliance with the materiality principle).

GRI 102-47, 103-1

List of the material topics of OTP Bank Romania:

- Socioeconomic compliance
- Anti-corruption
- Economic performance
- Preventing anti-competitive behaviour
- Marketing and labelling
- Customer privacy
- Market presence
- Non-discrimination
- Public policy
- Indirect economic impacts
- Training and education
- Labour/management relations
- Occupational health and safety
- Security practices
- Product portfolio (sector-specific)
- Employment
- Local communities
- Diversity and equal opportunity
- Environmental compliance
- GHG emissions
- Energy



Both managers and external stakeholders have expressed that product responsibility and compliance are the most important sustainability fields for OBR (OTP Bank Romania), and that labour issues also have to play a key role. For external stakeholders human right issues proved to be very important and more significant than for managers. Managers evaluated economic topics higher than external stakeholders, for whom this is the least important from a sustainability point of view. The list of topics reinforces our strongest commitment towards responsibility within the core business and regarding our colleagues.

Besides achievements and results, we present challenges faced and the directions of potential development in order to give a balanced view on our performance. In the content of the report, the sustainability performance in relation to our core business is of priority. Information is to be presented in a clear and easily understandable way. The chapters of the report follow our main stakeholders: clients, employees, communities and environment. We highlight our efforts in order to enhance the financial awareness of the youth.

We encourage you to use our homepage (www.otpbank.ro) and our previous reports for a deeper insight.

We hope to provide a comprehensive picture of our CSR and sustainability activities and performance, and as we intend to improve further, we ask you to take the time to share your thoughts with us and send us feedback to marketing@otpbank.ro.

I. CEO`s welcome

The pandemic of novel coronavirus caught the world by surprise, causing fatal illness and economic hardship for individuals and companies alike.



Corporate social responsibility is for OTP Bank an integral part of running a successful company, which is why we have stepped up our efforts to make a difference while growing the business, our team and branch network. We were very aware that the actions we take during these difficult times will have a lasting impact, so we have made sure that our company would play a positive role in the lives of employees, customers and community.

Having this belief, we rethought CSR and, in 2020, our bank has demonstrated a strong connection to the principles of sustainability, with a focus on restarting the economy and supporting the community. First of all, although Covid-19 is a health enemy, the general lock-down and social distancing affected economy and individuals with variable ways.

For example, HoReCa, which is an important sector, has faced problems in this new context, while tourism or business travel is still limited due to the restrictions imposed by the new context. It is the responsibility of everyone: state institutions, banks and other stakeholders, to help the affected sectors survive.

One of the pillars with an essential role in restarting the economy was played by SME Invest, which I think has been a very good initiative. We have had a strong demand for SME Invest and I believe it was a successful combination of the Government's guarantee and the opening of the banks to provide financing. Our lending ceiling has been supplemented twice this year by FNGCIMM, given the success in allocating funding. Also, OTP Bank has sought and implemented individual and legal technical solutions to help customers with difficulty paying installments during this period. Furthermore, since 30 March 2020, debtors have had the option to request creditors to postpone their due loan payment obligations for a maximum period of 9 months. In total, within the government program and its own solution offered by OTP Bank, we received approximately 28,500 requests for deferral of rates from our customers (companies, individuals and SMEs), of which 27,700 were eligible and implemented. Next year, the opportunity to postpone the payment of installments remain open for those who did not apply in 2020 for the full postponement of nine months of the moratorium.

Those are just a few of the measures we have taken for our clients impacted financially by coronavirus while still continuing our investments into our infrastructure (people, digital and physical capabilities) in order to support our colleagues and serve our customers better.

Second of all, we ensured that CSR funds were allocated to priority areas and that resources were put to effective use. Through the Right to Education Foundation, we have continued to support financial education in a context in which banking products are increasingly varied and complex and the way we do banking is moving online. Being educated means enjoying financial security and we all needed security in these unpredictable times.

Health remains the most precious asset of everyone, especially in this difficult time we are going through. It is the reason why we have supported three hospitals in Romania by donating protective equipment, medical equipment and devices to help healthcare professionals fight for the lives of their patients. Through this contribution, we wanted to assert our support for the improvement of the conditions in the Romanian medical system.

Last, but definitely not least, I would like to turn my attention to my team, which has shown that it is prepared for changes and learned flexibility. At OTP Bank Romania we had a great advantage, namely last year we started a major transformation project, Apollo, with the aim to create an open company culture and act, operate agile. This gave us an advantage to move from office to home within days and not to lose the rhythm of the projects when working from home. We even managed to expand our team with another 200 new colleagues. So far, we maintained all our goals despite the significant changes around us. In 2021 we maintain an honest and transparent communication and the hybrid way of working because we can find a balance between work from home and work in the office.

That being said, I hope that our employees will continue to identify with the ideals and objectives of OTP Bank and that our clients have understood that we will support them even in difficult times. In conclusion, it is my strong belief that OTP Bank Romania has made decisions aligned with its principles and that this, especially in sensitive times like these, it shows that the bank's character and values are authentic.



Responsible Corporate Governance

The establishment and maintenance of a high-quality corporate governance system in accordance with domestic and international expectations are of crucial significance to OTP Bank.





Group and corporate governance
GRI 102-18

OTP Bank Romania employs matrix governance practices so that its governance can be based on standardised principles of OTP Group, but also takes local specificities into consideration. We distinguish between three main types of governance: shareholder (corporate law), group-level and professional governance functions. Governing bodies and local management play a key role in decisionmaking and execution, which combine central and local expertise. The detailed rules of group governance are defined in the Banking Group Governance Regulation. The highest decision-making bodies of group governance are the Bank's standing committees. Standing committees are set up within the competence of the Board of Directors. Other committees are set up on a mandatory basis pursuant to the Act on Credit Institutions and Financial Enterprises.

GRI 202 DMA, 405 DMA
Diversity

When OTP Bank delegates members to its management bodies (Board of Directors, Supervisory Board) or members of the Board of Directors and executive management (Management), it considers professional qualifications and experience, high-level human and management competencies, a varied educational background, wide-ranging business experience and professional reliability as essential factors; at the same time, OTP Bank is also strongly committed to taking efficient measures in corporate operations to ensure diversity, including the continuous improvement of the participation of women.

Sustainability Management

OTP Bank's Marketing and Communication Directorate is responsible for the operative management of OTP Bank's CSR/sustainability activity and is headed by the Director of Marketing and Communication. In addition, our bank has a designated responsible manager. The assessment of the implementation of the sustainability targets is performed by the Director of Marketing and Communication.

	Board of Directors		Management	
	Proportion of locals** (%)	Proportion of women (%)	Proportion of locals** (%)	Proportion of women (%)
OTP Bank Romania	60	40	60	40





Main areas of focus

1. Addressing the pandemic





GRI 102-44

Information about the spread of the COVID-19 virus has been circulating since the end of 2019, but probably many hoped that things would not evolve so quickly. OTP Bank preferred to be cautious. Like any large company, the bank has a Business Continuity Plan that it was activated as soon as the situation became sensitive. The priorities were clear, protecting the health of employees and ensuring business continuity. Starting with February, when the first cases of Coronavirus in Romania were confirmed, OTP Bank Romania gradually developed essential actions. Being such an atypical context, we dedicated a separate part of this document to summarize the impacts and the steps taken to address them.

At the level of OTP Bank Romania there is a Crisis Management Group, a team that meets in case of a crisis situation in the bank, with the attributions of making quick and efficient decisions in order to minimize losses.

The composition of the Crisis Management Group consists of the Members of the Management Board, including the President of the Bank acting as Head of the Crisis Management Group, and the permanent guests: the Executive Directors; Director of the Internal Audit Department; Director of the Legal Department; Director of Marketing and Communication; The Director of the Banking Security Department and the Director of the Risk Management Department together with the Manager of the Operational and Market Risk Department, who is also the Secretary of the Crisis Management Group.

The pandemic situation caused by COVID-19 has been and is being treated as a crisis situation that can have a negative impact on the bank's activity and for this reason the members of the Crisis Management Group meet regularly.

With the confirmation of the first case of SARS-CoV-2 in Romania, it was decided that the Crisis Management Group would meet at the level of OTP Bank Romania to manage the problems that may arise in the event of a global pandemic. The first meeting of the Crisis Management Group was on February 26, 2020, and the World Health Organization declared the global COVID-19 pandemic on March 11, 2020.

The members of the Crisis Management Group quickly and efficiently ordered a series of sanitary measures to consolidate and ensure the optimal protection both for the employees of

the organization and for its clients. Also, through the meetings of the Crisis Management Group, decisions were taken to prevent the spread of the virus by applying measures both among employees and among customers entering the bank's buildings.

Since the beginning of the pandemic, during the meetings of the Crisis Management Group, the measures adopted by the Romanian authorities (Romanian Government and the Public Health Directorate), worldwide, but also at the level of the OTP Bank Group have been constantly monitored and presented. Based on all this, the members of the group took and decided to apply several measures to combat the spread of the SARS-CoV-2 virus.

Impacts

How to arrange our meetings without personal contact? How to ensure information security and awareness in the workplace? How to prevent our co-workers that interact with customers from transmitting the disease to each other? How to stay agile in order to comply with all the rules overnight? These are just some of the questions that have arisen as a result of the pandemic context.

1.1. Preparing for the Coronavirus situation

Undoubtedly, the COVID-19 pandemic is a historic global event, with major risks to the economy. OTP Bank acted with agility: we were proactive, we implemented prevention measures at national level that help us control the spread of the virus in our workplaces, and our employees work from home, flexible hours or through rotation.

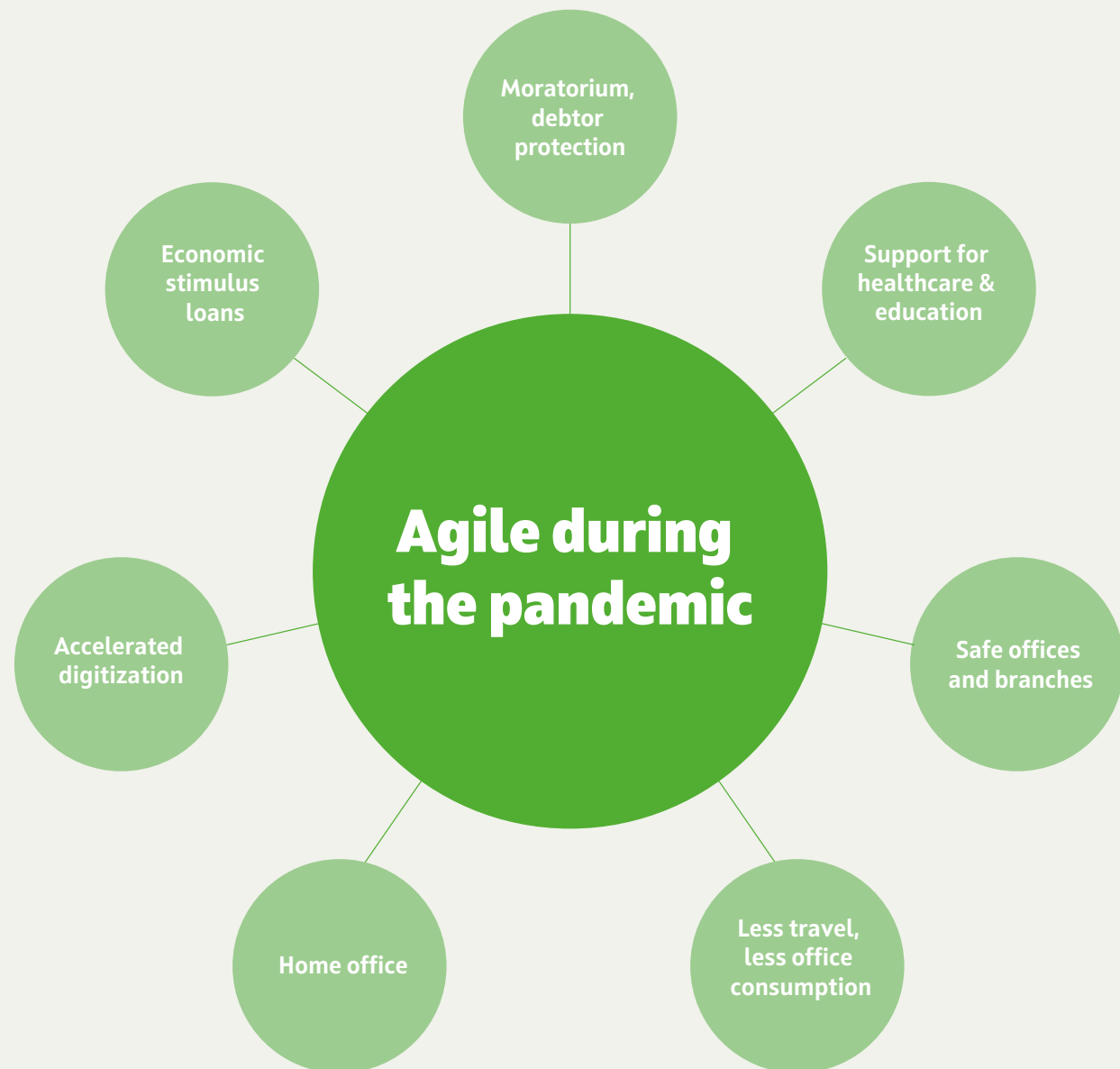
For the protection of the health of employees, we provided across OTP Bank Romania:

- **97%** of head office employees can work from home,
- **365.000** thousand masks,
- over **84.000** pairs of disposable gloves,
- **9967** litres of hand sanitisers,
- **400** litres of disinfectants,
- nearly **100** hand sanitiser dispensers,
- performed **900** Covid antyepes rapid tests and
- **600** PCR tests,
- purchased **393** prevention plexiglass barriers.

And we had a close and transparent communication with the employees:



103
weekly internal newsletters





1.2. Encouraging the use of the digital services

2020 was a special year, marked by Covid impact all over it. The most important challenge and achievement was to adjust the necessary flows and interactions as to accommodate less physical presence in the territorial units and more remote access of products and services for our customers. Thus, continuously starting with pandemic debut at the beginning of 2020, we adjusted our internal and external flows, as to maximize customer satisfaction in a context of minimum physical interaction.

The digitization process, an important pillar for OTP Bank Romania, has been accelerated due to the new context in which physical distance is recommended. Through a consistent team effort, supported by appropriate investments, we managed in just a few months to launch the new versions of OTPdirekt and SmartBank; the Octavian chatbot – the digital assistant for customers, which played an important role in the process of suspending installments; mobile Payments for Android and iOS. We have also implemented a new online onboarding procedure, so that new individual customers can

open a new account in a fully digital manner, adapted to the new normality imposed by the pandemic by reducing bureaucracy. The biggest achievement is that we have fulfilled our mission correctly, that of financing our customers and the local economy.

In order to promote the transactions through the digital services and the brand awareness, we developed a very successful "Zero Friday" campaign in November 2020. All the clients that registered exclusively in the dedicated online landing page and met the criteria of the campaign could benefit of: the

free of charge current accounts at the bank, Internet Banking for one user and Visa Business debit card, unlimited number of inter-banking payments in lei by Internet Banking and optionally, one POS terminal with special transaction fees.

1.3. Supporting customers in the challenging period

The year 2020 brought unexpected challenges and extraordinary circumstances for the business environment and the entire society, as we faced global pandemics caused by the COVID-19 virus. Therefore, the daily activities and ways of conducting the daily business activities suffered a major impact with many industries severely affected by the consequences of the pandemics.

OTP Bank Romania exceeded its pre-established objectives, by introducing innovative banking instruments, accelerating portfolio digitization, and expanding the branch network. In addition, the Bank has fulfilled its mission to finance customers and the local economy, providing support and security to customers, through the rapid implementation of the Government moratorium and participation in government financing programs.

Statutory loan payment moratorium

Length of the moratorium	% of users*
Up to 9 months (all phases combined)	4.7%

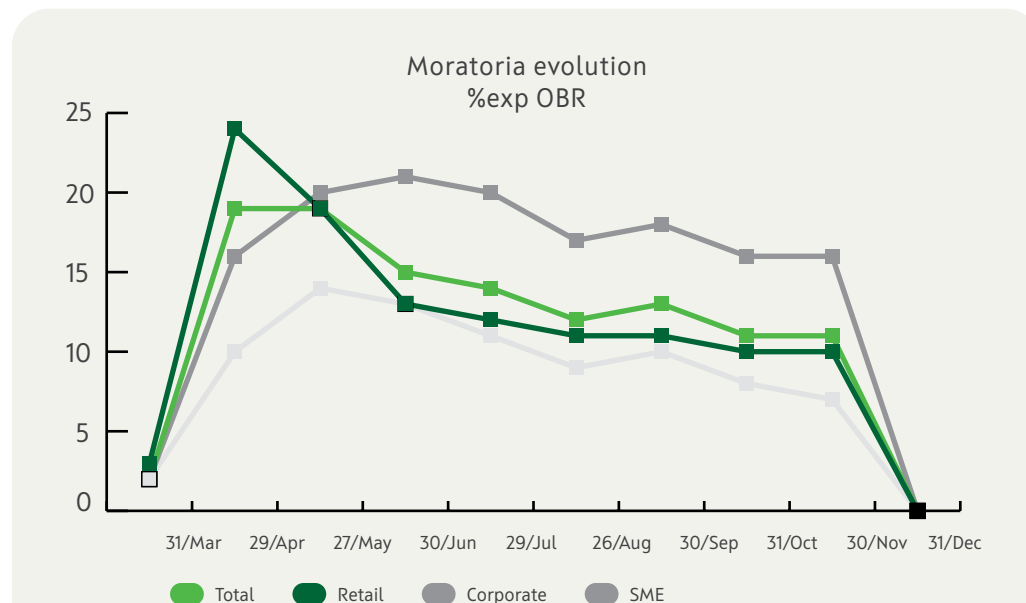
*Ratio of participation volume as of the end of December to total gross loans outstanding.



Moratorium

On lending side, OTP Bank Romania was among the first banks in the market offering own moratoria (grace period) to customers having due instalments during March-May 2020. Additional legislative and non-legislative moratoria were implemented during the whole year to sustain a good quality of the loan portfolio and meets customers adjusted needs within Covid context. Adjustments of lending criteria to secure qualitative new production were implemented, as well as adjusted mechanism for on-going loans within Covid context in order to secure customers experience and quality of existing portfolio (adjusted income transfers ITR discounts).

The degree of customer participation in moratoriums, both internal and public (GEO_37), for 2020 was as follows:



IMM Invest Program

As our SME clients were confronted with decreases of the sales, temporary activity suspensions or supply chain problems, affecting as well their repayment capabilities or plans for requesting new development loans, we have presented them important opportunities and tools in order to support them and at the same time conduct our operations in a responsible manner:

OTP became a solid partner of the IMM Invest Program, launched by the Romanian Government on the 17th of April 2020, having the initial allocated amount within the Program increased twice. We were one of the first banks that granted loans within the IMM Invest Program. We understood the emergency and the necessity of standing by the Romanian entrepreneurs and we adjusted our products (the credit line and the investment loan) and internal flows in order to become a part of this ambitious Program. We have created a dedicated section on OTP Bank Romania's website for this Program, including a dedicated application form in order to facilitate the access to funding for the companies affected by the COVID-19 pandemics and the necessary health restrictions imposed.

1.4. Supporting employees in the challenging period

In order to help our co-workers cope with the situation, we stepped up community-building activities and activities aimed at supporting mental balance.

In order to ensure the safety and health of employees in carrying out current activities, OTP Bank Romania has implemented a number of measures at the organization level, in order to ensure the safety and health of employees in carrying out current activities, such as:

- a** Protective materials have been distributed to all colleagues who are working from the workplace organized by the employer during the state of emergency, such as: protective masks, disinfectant solution for hands and surgical gloves. These materials are especially dedicated to colleagues who work with cash and come into direct contact with the bank's customers. We also aim to ensure the addition of stocks of protective materials (within their availability on the market), as long as the situation at national level requires such a measure;
- b** Protective panels have been installed in the territorial units for the colleagues who come into direct contact with the bank's customers. The area dedicated to customers for customers has been marked with signs on the floor to guide them towards respecting the 1.5 m safety distance. Also, disinfectant mats have been placed at the entrance to each unit;

- c** Disinfection actions are carried out on workspaces within all OTP Bank locations (territorial units and headquarters locations), as well as appropriate cleaning and hygiene services;
- d** Epidemiological triage is also carried out at the entrance to the territorial units, by measuring the temperature of bank employees and clients;
- e** Electronic information materials regarding prevention measures against SARS-Cov-2 are constantly communicated to all employees of the bank, recommending that if they have symptoms specific to colds, viruses or flu, they should contact their family doctor as a matter of urgency.
- f** As an additional measure for reducing the risk of spreading SARS-Cov-2 virus, the bank acquired quick tests that has been distributed to all territorial units, which employees must use at the beginning of each week, before coming to work.

The total amount spent with SARS-Cov-2 in 2020 is 2.146.295 Euro and includes: Covid tests, protective masks, space disinfection, protective gloves, head sets, hand sanitizer, surface sanitizer, Guarding & Protection, plexiglass for branches, digital thermometers, Dell Latitude 5500 notebook, deliver expired and new cards via couriers, front-office staff extraordinary allowance, disinfection carpet, import tax, customers telverde, data transmission, maintenance, web camera, courier, development tasks for Certsig, IBM QRadar Licence si software subs.



Management involvement

Since the beginning of the pandemic, the management has adopted a continuous communication with the entire OTP team, from all over the country. The biggest fear is from the uncertainty, so the management tried to communicate more than usual. Of course, nowadays, communication is mainly on-line. We organized the regular quarterly leadership meeting on zoom and extended the circle of attendees significantly up to 200. But also created new forums, like on-line town hall meetings and eg. „breakfast with CEO“ where colleagues from different teams can chat with the leaders early in the morning. All these serve the purpose to be transparent and keep everyone informed. To avoid gossips we regularly report to all employees, how is the pandemic situation developing in the bank, how many colleagues are affected. Also, we tried to keep the normal rhythm and former habits if possible. Major milestones are celebrated now on zoom, but a bottle of champagne delivered to everyone in advance by a courier to open it and then cheer together.

Transparent communication

The activity of internal communication is an essential pillar in such situations. We considered it important to be prompt, clear, to keep the employees up to date with the evolution of the situation and the decisions taken at the organizational level. During this period, there was no concept of "excessive communication" for us.

Internal communication in the context of pandemic:



7

Executive communications with focus on priorities in COVID-19 pandemic context



16

Dedicated communications for Crisis Management Group measures



Nearly **20**

internal messages detailing additional measures adopted at national level & prevention measures



5

internal messages regarding COVID-19 cases registered within OTP Bank



5

blog articles on CEO`s internal blog



1

dedicated survey in branches for a better understanding of concerns and expectations



3

Back to Business online guides with prevention measures & recommendations



1700

Back to Business kits with branded chocolate with "thank you" and "welcome back" messages for each employee.



OTP Connect

We continued the HR digital transformation by launching in December an online platform where we can communicate and interact more easily. OTP Connect is the space where we can share results, provide open feedback and stay connected to the information relevant to each of us.

403 DMA, 403-6

One-on one support, processing, stress management

The management of OTP Bank understood from the beginning that the related effects of this pandemic are very complex. Changing your daily routine, limiting social interaction, adjusting to a remote job, and caring for family members can lead to stress and anxiety.

Therefore, we offer free access to the services of a psychotherapist, with experience in the management of psycho-emotional crisis situations, remote workshops dedicated to managers who help them manage teams in challenging situations, individual coaching sessions for company leaders.



1.5. Supporting Health Institutions

OTP Bank believes that, during the pandemic, the manifestations of goodwill and solidarity for those in the health system must prevail.

From the beginning of the lockdown, OTP Bank was among the first banks in Romania that wanted to support the healthcare system and the doctors at the forefront in

the fight against the new Coronavirus. This is the reason why OTP Bank Romania directed the total amount of 600,000 lei to three hospital institutions in the country, in the context generated by the COVID-19 pandemic and in accordance with the announced social responsibility measures. The beneficiaries were: Sf. Gheorghe County Emergency Hospital "Dr. Fogolyan Kristof ",

Miercurea Ciuc County Emergency Hospital, as well as" Sf. Maria "Children's Emergency Hospital in Iași. The donation was directed to purchase the equipment and materials vital for fighting the virus.

The initiative was in line with the bank`s long-term commitment with the community.



Main areas of focus

2. Focus on customers





GRI 417 DMA

Commitment

Providing the opportunity for managing money in a simple-to-access, quick, secure and responsible way

Approach

We provide convenient and accessible banking aligned with personal needs and offer our services at the highest standard of quality, which includes the provision of clear information as well as recommending products with the financial interests of customers in mind.

Activity

- Extensive availability online and in person
- Advisory attitude in serving customers
- Clear information and awareness raising
- Responsible marketing and sales
- Accessibility

The role of online services and cashless payment options has clearly gained a new significance in 2020. Our goal is to take advantage of our customers' increased openness to digital solutions. During the year we upgraded our existing services in numerous areas, as well as our back-office processes to make them even more easy-to-use, quick and safe.

Agile Operation

In 2019, OTP Bank Romania adopted a transformational view of the way it was working and new practices from Agile methodologies. Through the Apollo growth program, we addressed the business efficiency and the sales processes while initiating the visualization aspect of the bank. We wanted to be more present and closer to our online clients to create a better customer experience.

Now OTP Bank is a much more agile and flexible enterprise, fueled by a spirit of collaboration, creating new products at speed and seamlessly attracting and onboarding new clients through its state-of-the-art customer journey.

The Apollo program for transformation and organic growth was adapted to the new market conditions. Apollo continued to deliver important milestones in 2020, that sustain the organic growth of the market share, changing the way we interact with clients, while focusing more on their satisfaction.

The Apollo program was restructured in 6 streams:

- 1** Operational Excellence: The stream delivered an online onboarding platform where individuals can open a current account and a debit card 100% remotely. The stream continued to optimize workflows and customer experience in our locations. The stream also focuses on the reduction/elimination of non-sales activities in the agencies, improvement of core Bank processes, reduction of paper use and digital onboarding of legal entities;
- 2** Implementation of a new customer service model in agencies and a new agency design model: aims to define a customer service model in units and improve sales productivity. Focused on training, coaching and tools for performance management, the stream covered more than half of the branches' staff in 2020, as OTP Bank Romania continued to invest in the branches, opened a new cashless branch in Pipera, Bucharest, and refurbished several other locations;
- 3** Implementation of CRM solutions: The stream aims to implement lead management campaigns through CRM modules; in 2020 we finalised all the requirements and selected the optimal implementation solution;
- 4** Implementation of online personal loans: The developments for the online cash loan advanced at a very good pace and the stream implemented a series of improvements for the branch flow when granting a cash loan;
- 5** Improvement of the mortgage processes and products: Improving the supply of real estate loans and introducing new products in this category; the stream delivered in 2020 important flow improvements that will help increase the clients' satisfaction and reduce the operational work.
- 6** Omni-channel: The stream focused on enhancing the remote relationship with clients by creating a digital strategy with the aim to improve instruments such as internet and mobile banking and to create new remote communication channels such as video banking.

At the same time, the Bank continued the implementation of its portfolio projects, in order to address business development and process optimization, as well as compliance of its activities and services to the current legislation. In this sense, the projects carried out in 2020 covered most of the business and operational areas of the Bank, as they were aligned with the Bank's strategy.

The main projects for business development and optimization of processes carried out during 2020 were:

- Continuing the development and implementation of the Business Process Management (BPM) platform, with the main objective of streamlining of business processes;
- Continuing the implementation of the Data Warehouse project to ensure all the data and information requirements necessary to carry out daily operational activities and to facilitate the business decision making;
- Implementation of a Communication channels management module, addressing the need for a better administration and management of the clients' interaction with the Bank through written communication channels;
- Human Resources Management Solutions Improvement Program which aims to improve the efficiency of HR specific services.

2.1 Customer`s service

Remote access channels

We have assigned priority to expanding the functions of electronic channels and promoting their use for years. In 2020, as well, we revamped numerous platforms and launched several campaigns with a view to promoting digital services, and assisted our customers in using the services in a targeted fashion.

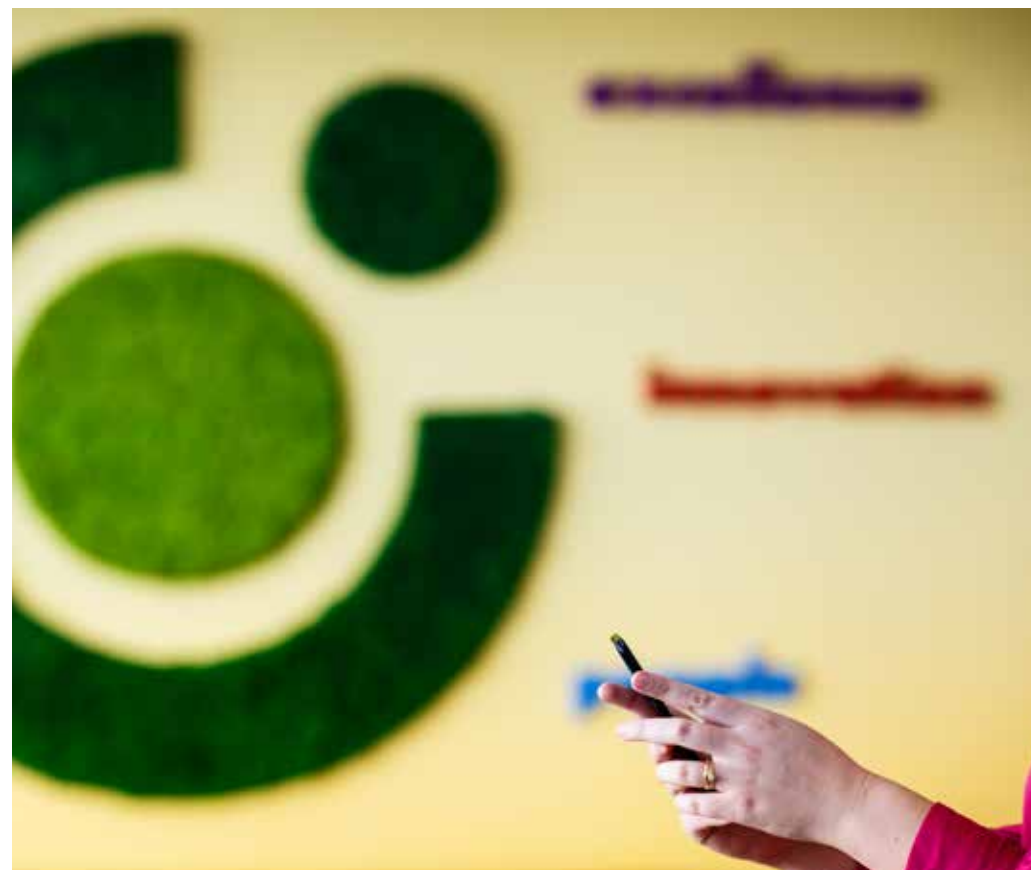
Mobile payments

The owned app for Mobile Payments – OTPay - offered for Friends & Family in December 2019 was launched to the whole Mastercard card portfolio users, with Android devices. Introduction of Mobile Payments triggered the increase of card usage via mobile devices due to faster, more secure and convenient payments.

New versions for the OTPdirekt service and the SmartBank app

OTP Bank Romania took a new step in the strategy of digitizing the services offered on the local market by launching a new version for the OTPdirekt service and for the SmartBank application, having the role to provide instant and diversified services for their more than 120,000 users.

The evolution of the internet banking service offered by OTP Bank and the new digital tools aim to provide customers with an easy and safe user experience, given that the degree of use of online banking services and the number of



transactions made in this way increases from month to month.

The new version of the internet banking service OTPdirekt now has an optimized design, and the options in the application have been simplified, to reduce the number of steps to complete transactions. With the introduction of intuitive menus, new features appear, such as:

- Automatic savings in various bank products, such as savings accounts, investment funds or deposits.
- Possibility to subscribe in new investment funds.

- The option to send the statements by e-mail to addresses entered directly from the application.

- A new, easier way to reset your password directly through the bank's website, which no longer involves calling the call centre service.

At the same time, the SmartBank app, available for both Android and iOS users, has a new intuitive design, now offers a new transaction authorization module and is more customer-oriented through the dedicated chat section, which helps customers enter in contact with the bank faster and easier.

OTPdirekt – Internet Banking (transactions and information)

Available 24 hours out of 24, 7 days a week, the Internet Banking service brings all the information about the customer's accounts to the distance of a click. The commissions for payments can be up to two times smaller than those in OTP Bank Romania's territorial units, while the account balance interrogation and the account statement are free of charge. The following functions are available through the Internet Banking service:

- check the account's balance;
- check transaction history;
- transfers in RON or foreign currencies to beneficiaries to accounts, be it Romania or foreign;
- standing orders;
- foreign exchanges;
- transfers between the same customer's accounts;
- opening/viewing/closing deposits;
- account balance generated in files that can be printed, sent directly to an e-mail address or saved on the user's computer;
- special payments model for utility bills; detailed information about loans, insurance policies information, incoming and outgoing debit instruments) and collateral deposits (through Electronic RM menu);
- importing domestic or foreign payments from a file (e.g. inter-banking payments, payments representing treasury rates and taxes, transfers to beneficiaries who have accounts opened at OTP Bank Romania etc.);
- creating models of domestic payments;
- models of foreign currency payments;
- sending and receiving messages to/

- from the Bank;
- modifying card limits, online payment activation, report lost/stolen card;
- personal financial tool - MyMentor; settings budgets and new goals, transaction categorization;
- account opening;
- self-reset and unblocking for the access code to internet banking;
- SMS Alerts and Push Notification configuration;
- Money Magnet: transferring money from other banks to OTP Bank Romania accounts, using debit cards issued by other banks in Romania;
- Subscription and redemption of investment funds;
- Nearest ATMs or branches by client location.

OTPdirekt – SmartBank (transactions and information)

A secured application downloadable from Google Play or Apple Store that allows clients to access information about their financial situation and to make transactions via a smartphone. The following functions are available:

- check the account's balance;
- check transaction history;
- transfers in RON, transfers between own accounts;
- foreign payments;
- foreign exchanges;
- create deposits;
- closing deposits;
- cards information menu;
- changing card limits, enabling virtual payments, biometric, card lock;
- loans information menu;
- Money Magnet: online transfer of money from other banks to OTP Bank

- Romania accounts, using debit cards issued by other banks in Romania;
- SMS Alerts and Push Notification configuration;
- My Mentor: list of transaction, categorization;
- ATM and branch locator of OTP Bank Romania;

- foreign exchange rates;
- Bank contact;
- received messages from the Bank;
- quick access with fingerprint/face ID;
- languages: Romanian/English/Hungarian.



OTPdirekt – Contact Center (transactions and information)

With OTPdirekt - Contact Center, one phone call is enough to find out any information regarding OTP Bank Romania or to order transactions and operations on your accounts. The Bank representatives can be reached free of charge in all networks, by calling 0800.88.22.88. Contact Center can be contacted also from international networks and through local networks at operator's costs, by dialing +4021.308.57.10. The Contact Center can be reached from Monday to Friday, starting from 08:30 until 21:00 (local Romanian time).

Besides general information regarding OTP Bank RomaniaPr, through OTPdirekt – Contact Center, customers can find out anything they want about the Bank's financial products and services, about the exchange rates, standard commissions, and many others. If a customer already has an OTP Bank account, then he can choose:

- to obtain specific information (private) regarding his financial status (accounts, deposits, credits, taxes, commissions, special offers etc.);

4. OTPdirekt – SMS/PUSH Alerts (information only)

OTPdirekt – SMS/PUSH Alerts refers to sending alerts in the form of SMS to the mobile telephone numbers indicated by the client, according to the contract signed with OTP Bank Romania, or in the form of a PUSH message to the smartphone with the SmartBank application installed.



143,921

The number of OTPdirekt – Internet Banking and Contact Center users, on December 31, 2020



122,851

private individuals



21,070

legal entities:



122,851

The number of OTPdirekt – SMS Alerts contracts, on December 31, 2020



124,447

private individuals



10,948

legal entities:



16,182,006

The number of SMSs messages sent to the clients during 2020



212,931

The number of calls to the Contact Center received in 2020



3,086,406

The number of transactions through OTPdirekt - Internet Banking, while through OTPdirekt – Contact Center was the number was 3, (by the end of 2020.)



61,330

clients used the SmartBank application during 2020.



The transaction volume through OTPdirekt was of:

Contact Center: **EUR 2,167**

Internet Banking: **EUR 10,353,995,525**



Ocativian Chatbot – technology works for the benefit of the consumer.

In May 2020, OTP Bank Romania has launched a new support and communication instrument for its customers, the Octavian chatbot, which offers personalized information in the current context, but also guidance for those who want to opt for the rate suspension measure. By accessing www.otpbank.ro, customers can, therefore, quickly have information about OTPDirekt or OTPay digital products, about branches and agencies, or benefit from advice for completing the rate deferral form.

Le Zero

In September 2020, OTP Bank Romania has continued the digital development strategy of its portfolio by launching a 100% digital channel for contracting OTP Bank products. The first product available through this channel is the LeZero Package, which comprises a current account in lei, a Mastercard debit card, Internet and Mobile Banking with zero costs for the user, if the necessary conditions for contracting this package are met.

The LeZero Package can be requested and obtained now 100% online, from the comfort of your own office or home, being a modern solution, adapted to the current context in which physical distance is essential.

The benefits of the LeZero package:

- ZERO commission on current accounts.
- ZERO costs for the debit card, i.e. without the card issuance fee or the administration fees.
- ZERO costs for unlimited cash withdrawals from any ATM in Romania.
- ZERO costs for 2 (two) cash withdrawals, per month, from any ATM abroad.
- ZERO administration costs with the applications included in OTPdirekt.
- ZERO commission for processing unlimited payments in lei through OTPdirekt, both intra and interbank payments with any bank in Romania.
- ZERO costs with SMS Control Account and Control Card alerts.

The launch of the digital channel for the purchase of OTP Bank products represents an important stage of the Apollo strategy, through which the bank aims to develop its presence on the local market.

Zero Friday

In November, for the first time, OTP Bank Romania launched the Zero Friday 2020 Campaign as a replica of Black Friday. Both individuals and entrepreneurs could benefit of zero costs for the entire validity of the contracts signed during the campaign. All customers who registered on the dedicated website and met the conditions of the campaign received internet bank access, a deposit card and an unlimited number of credit transfers through the internet bank; in addition, they had an option to apply

for a POS terminal with preferential transactions fees.

The results of this campaign exceeded our expectations. Thus, more than 3,200 individuals applied in the Zero Friday campaign, and we had over 2,600 account opening requests from legal entities.

We marked an important moment in the bank's history, taking another important step towards the goal of doubling the market share and transforming it into the first banking option.





In-branch services

In 2020 the number of customers served in branches was reduced by the pandemic, but we implemented or commenced preparations for numerous future-oriented developments.

While we find it a positive development that a great deal of cash transactions have moved to the digital space, we are convinced – and experience confirms – that branches will continue to play a role when it comes to complex financial decisions that necessitate the professional expertise, advice and support of our branch employees.

In 2020, the queue management system was introduced in 6 branches, in order to guarantee more convenient and efficient service and more precise measurements in the future.

In a pilot system, in three branches, customers are greeted by hosts/hostesses in line with the already operational practice at the parent bank. By providing basic information to customers and teaching the use of digital channels, hosts/ hostesses facilitate smoother administrative processes.

Water fountains are available in 90% of the Romanian branches.

New branch concept

OTP Bank opened a new branch concept in Bucharest, which follows the bank goal of accelerated growth. Located in Pipera, an area active in terms of developing businesses, the branch is designed to respond individually to customer needs. For OTP Bank, this project is a pilot through which we test two main concepts. The first refers to the cashless branch, ie without cashiers, an exclusively electronic concept, and the second considers the role of the advisor whose mission is to provide

customers with assistance and trust in the digital environment. Depending on the results of this pilot, we will adapt our branches as efficiently as possible to the needs of our customers.

Although, in recent years, a significant percentage of branches in Europe have closed and continue to close, we believe that the online mix, digital with physical presence, reflected in the direct interaction between our employees and customers, is still very important. The expansion of the branch network is part of the strategy OTP Bank Romania has for the near future.



GRI 413 DMA, FS13
Disadvantaged regions

	Branch	ATM
Number of access points (% – as a percentage of the total)	42 (44%)	42 (28%)
Number of new access points (as a % of all new ones)	0 (-)	0 (-)
Number of terminated access points (as a % of total terminated)	0 (-)	0 (-)
Number of terminated access points (as a % of total terminated)	27%	+282%


2.2. Accessible customer service

In line with our objective formulated in our accessibility strategy, we seek to provide equal access for persons living with disability through services adapted to their special needs.

In 2020, we served customers primarily relying on our previously introduced and applied accessible assets.

Physical accessibility is provided in all branches in Romania, with four exceptions.

There is a tactile push button on all branch ticket dispensers to enable our visually impaired customers to signal their arrival. A tactile strip helps locate the push button and navigation is assisted with Braille signs.



98%

of OTP Bank Romania`s branches are physically accessible





Empathic marketing campaigns

At the beginning of the pandemic, OTP Bank Romania had a brand campaign with an emotional spot with the main message: "The courage to plan will return to us".

Also, in another spot through which we show that we support the Romanian

business, promoting the SME Invest program, we convey that entrepreneurs have the power to reinvent themselves even in a context that requires distance.

And last but not least, OTP Bank Romania had a personal loan campaign built around the message "Rethink", the best plan being to be happy today.

2.2. Responsible marketing communication, clear and objective information

GRI 417 DMA

OTP Bank Romania, part of OTP Group, is engaged in responsible and correct marketing communication. A key criterion for designing a standardized image for our advertising is to ensure clear visibility and simple, easy-to-understand language of important information for our customers. In order to ensure the proper provision of information, from the design of services to their introduction, we continuously monitor our compliance with consumer protection and other legal criteria.

Embracing human dignity and diversity in ads GRI 102-12

OTP Group joined the initiative of the Advertising Self-Regulatory Board and,

as part of advertising self-regulation, pledged to contribute to positive cultural changes through the power of marketing communication and through the responsible presentation of human diversity in ads, and to act transparently in the implementation – and measuring the achievement – of these goals.

Plain language

In 2020, OTP Group revised the internal manual on the bank's Tone of Voice that is intended to regulate our communication style and drew up Group-level guidelines. Our websites, customer information documents, marketing materials, e-mails and letter templates, as well as our system messages are all prepared in accordance with the requirements of plain language in communication.



2.3 Improvements to complaint management

OTP Bank Romania changed its complaints handling process, as a result of which it can now offer an adequate solution to the conversion of CHF loans. Moreover, the bank introduced the circulation of regular reminders to branch employees for the timely registration of complaints. Due to this activity we prevent delays in registering complaints and thus answer them in legal time.

OTP Bank Romania also enhanced its complaints handling IT system for better classification.

We centralised complaints causes and propose measures in order to prevent similar complaints. For example: trainings and additional employees for customer service complaints or technical development proposals in OTPdirekt.



Complaints reasons	% of total complaints received
Credit bureau reporting	21%
Customer service (behaviour, answer time, waiting time, knowledge)	15%
Fees and commissions	15%
Loan interest rate, loans payment postponements, payments solutions	11%



Main areas of focus

3. Improving Financial Literacy



The Right to Education Foundation

GRI 203, 413 DMA

Improving financial literacy has been the most prominent, most influential corporate social responsibility of OTP Bank Romania for years. We have fostered the expansion of the population's knowledge with numerous tools as indeed financial knowledge and financial awareness need to be improved.

OTP Bank Romania aims to contribute to the development of responsible and healthy financial behavior both among the young generation and among adults, the Right to Education Foundation being the institution that coordinates and implements the financial education activities of the bank.

Financial education for pupils and students

The target group of the financial education program for pupils and students consists of children and youngsters from all over the country who are between 10 and 19 years old. In addition to financial education courses, our course agenda also includes career guidance courses for pupils and students between the ages of 13 and 19.



875

face-to-face trainings



374

students online courses

In 2020, our trainers arrived before the onset of the COVID-19 pandemic, in 5 cities in the country, to take financial education courses. 875 students benefited from face-to-face training until March 2020. Starting with March 2020, with the onset of the COVID-19 pandemic, the Foundation has adopted the method of delivering online courses. A number of 374 pupils and students enrolled and participated in the Foundation's live online courses.



Financial Fitness

The financial education program Financial Fitness has consolidated its important position in the portfolio of educational programs of The Right to Education Foundation, not only because it is aimed at adults, but especially because it has the role of contributing, concretely, to the acquisition of a responsible financial attitude.

The financial fitness sessions were attended by 571 participants, 225 of them being colleagues from the OTP Group. The financial fitness trainings took place online for most of last year, and in this new context, the participants' interest was mainly centred around the ideas and principles of responsible management of financial resources, an attitude all the more necessary in a difficult period.



571

participants at Financial Fitness

The Project "Iarna pe ulița urbană (Winter on urban streets)" 2020

During the pilot edition of the internal program "Iarna pe ulița urbană (Winter on urban streets)", held during the winter holidays (January 6-10, 2020), OTP Bank Romania employees were able to enrol their children, aged between 6 and 14, in interactive activities prepared with the support of the Right to Education Foundation in OK Center.

The initiative is a continuation of the success of the "Urban Summer" program and brought together 139 children (of which 33 are unique entries), with a daily average of 28 children, with an average age of 9 years. A number of 22 parents were the beneficiaries of this pilot program.

During the week spent in OK Center, the children participated in various activities, depending on the age range, from creative workshops to financial education courses.

OK Center

In 2020, until the beginning of the pandemic, OK Center hosted a total of 220 events, of which 72% were events dedicated to education, with a number of 3.080 participants. Also, 51 events organized by OTP Bank Romania were hosted, attended by a significant number of bank employees.



220
events



3.080
participants



The Foundation's strategy starting with 2020

With the new strategic direction, from 2020, as the main CSR project of OTP Bank Romania, the Foundation focuses on the creation of educational content. At the end of 2020, a renaming/rebranding program of the Foundation was launched, to highlight the connection with its founding member. In this context and in close connection with the new strategy, the new vision, mission and the new set of values of the Foundation were established. The new vision of the Foundation is: "We are a reliable partner, promoter of modern

learning, adapted to the needs of active generations. We consistently contribute to the transformation of education in Romania by creating valuable content and authentic learning experiences". At the same time, in the spirit of the new strategy, the Foundation initiated the conclusion of strategic partnerships with one of the Trade Union Federations of teachers at the national level and started two projects for creating educational content and delivering training of trainers to teachers of the Federation, the themes being "Digital Education" and "Emotional Intelligence".

Volunteering activities

In 2020, the Foundation launched internal volunteer initiatives with other foundations and charities that support the education of disadvantaged children in poor communities or social care systems, through campaigns to donate school supplies, books and clothing



Main areas of focus

4. Expert financial services committed to sustainability



4.1 Maximize customer satisfaction with minimum physical interaction

2020 was a special year, marked by Covid impact all over it. The most important challenge and achievement was to adjust the necessary flows and interactions as to accommodate less physical presence in the territorial units and more remote access of products and services for our customers. Thus, continuously starting with pandemic debut at the beginning of 2020, we adjusted our internal and external flows, as to maximize customer satisfaction in a context of minimum physical interaction.



On lending side, OBR was among the first banks in the market offering own moratoria (grace period) to customers having due instalments during March-May 2020. Additional legislative and non-legislative moratoria were implemented during the whole year to sustain a good quality of the loan portfolio and meets customers adjusted needs within Covid context.

Adjustments of lending criteria to secure qualitative new production were implemented, as well as adjusted mechanism for on-going loans within Covid context in order to secure customers experience and quality of existing portfolio (adjusted income transfers ITR discounts). In the new context of Covid, the customer's requests for alternative workflows increased. Thus, in order to perform various operations remotely even without holding Internet Banking solutions (like: opening

deposits, issuing insurances, modifying lending criteria, etc), we adjusted the internal flows in order to offer such solutions for our customers.

4.2 Households and residential communities

Young people

Besides financial education, OTP Bank pays special attention to young people even through its products.

The Junior account is a savings product in the form of a current account with an increased and differentiated interest on tranches, addressing clients of minors or individuals between 18 and 25 years old, with or without residence / citizenship in Romania. The product offers customers both the possibility of obtaining higher interest

levels compared to those offered for the current account, and the performance of certain types of banking operations based on financial limits established in advance by the legal representative of the account holder, depending on age.

Depending on the age categories, the Junior Account is divided into three types: Junior Start (between 0 and 14 years old), Junior Plus (between 14 and 18 years old) and Junior Max (between 18 and 25 years old).

Access to real estate, modernization GRI 203-2

OTP Bank Romania plays an important role in the housing goals of the population primarily through mortgage loans. In addition to our own products, we serve our customers by taking an active part in state-subsidised schemes. We provide

predictable loans that are aligned with the debt service capacities of our customers.

Noua Casă program

As a universal bank, we have the responsibility to provide our customers with a complete range of banking products and services, and the Noua Casă program is an essential one. In a still sensitive economic context, in partnership with National Credit Guarantee Fund for SMEs (FNGCIMM), OTP Bank Romania supports through this program the purchase of new homes by offering optimal lending conditions. The bank grants loans for the purchase of housing offering a variable interest rate of 2% + IRCC (Consumer Credit Reference Index), without analysis or administration fees.



4.3. Micro, small and medium-sized business customers

Launch of the Micro Department

OTP Bank Romania has established its Micro Department, through which it provides dedicated financing and consulting services for small companies, with a turnover of up to one million euros per year.

OTP Bank Romania has established its Micro Department, through which it provides dedicated financing and consulting services for small companies, with a turnover of up to one million euros per year.

Through the new specialized direction, OTP Bank aims to support the business environment and liberal professions with banking products and solutions adapted to the specific needs and size of this type of entrepreneurial companies, which usually do not have sufficient own resources to support the proper development of the business, and which are also the most affected in times of economic downturn nation-wide.

The services of the Micro Department for companies with businesses of up to one million euros, which represent the largest share of more than 1 million active companies in Romania, are available through the OTP Bank branch network, and entrepreneurs are advised by specialized personnel dedicated to building optimal

financial packages for development and investment.

Opportunities and tools for our SME clients

In 2020, the SME business line (including Micro) recorded an increase with 12% of the total loans volume and with 20% of number of active clients, maintaining at the same time the complex approach of the cross-sell/ up-sell methods.

39% out of the total revenues generated by the transactional activity of the Bank's clients, was generated by the SMEs (including Micro clients), confirming the strategic importance of this segment.

The year 2020 brought unexpected challenges and extraordinary circumstances for the business environment and the entire society, as we faced global pandemics caused by the COVID-19 virus. Therefore, the daily activities and ways of conducting the daily business activities suffered a major impact with many industries severely affected by the consequences of the pandemics.

As our SME and Micro clients were confronted with decreases of the sales, temporary activity suspensions or supply chain problems, affecting their repayment capabilities as well or plans for requesting new development loans, we have presented them with important opportunities and tools in order to support them and at the same time conduct our operations in a responsible manner:

- **OTP became a solid partner of the IMM Invest Program**, launched by the Romanian Government on the 17th of April 2020, having the initial allocated

amount within the Program increased twice. We were one of the first banks that granted loans within the IMM Invest Program. We understood the emergency and the necessity of standing by the Romanian entrepreneurs and we adjusted our products (the credit line and the investment loan) and internal flows to become a part of this ambitious Program. We have created a dedicated section on OTP Bank Romania's website for this Program, including a dedicated application form in order to facilitate the access to funding for the companies affected by the COVID-19 pandemics and the necessary health restrictions imposed.

- To sustain the business environment and mainly the businesses affected by the pandemics, **we have implemented the solutions for postponing the reimbursements of instalments, interests and lending related fees according to the Government Emergency Order no. 37/2020**. We have developed a fast and simple flow for the approval of the requests submitted by the clients within the OTPlus application, to ensure the proper monitoring of the mechanisms implemented and the efficient processing of the requests. We provided the clients the possibility to apply for the legal mechanism on several different channels (website, branches etc). Other solutions for postponing the due payments for the clients that did not meet the requirements of the GEO no. 37/2020 were accommodated as well, according to the European legislation in force.
- We continued our efforts for implementing innovative developments and therefore, starting with 20th of February 2020, it became possible to retrieve financial data from ANAF automatically, based on the protocol

concluded between the Romanian Banking Association and ANAF (The National Agency for Fiscal Administration). **The development improves considerably the lending flow and increases the efficiency of processing the loan applications.** It is no longer necessary to manually input the data from the clients' term sheet but based on the agreement signed by the clients' representatives, the interrogation of the ANAF database is done automatically and the financial data are retrieved and imported in the processes conducted by the CRPJ lending application (including internal rating calculation). In addition, to simplify the lending flow and decrease the processing time for the standard and semi-standard lending applications, a first step in the automated consultation of CRC database was taken, by implementing the automated mapping of the CRC interrogations results without being necessary to manually input the data.

- In addition, starting with March 2020, we implemented the **automation of the Credit Bureau interrogation process for all the participants involved in the lending process** (associates, shareholders, administrators, guarantors), through the CRPJ platform, without being necessary the manually interrogation.
- Moreover, starting with November 2020, **the process of CRC interrogation for the loans** processed through the CRPJ application became fully automated, by the implementation of a dedicated robot. The automated flow is implemented for the SME and Micro clients as well as for the private individuals acting as guarantors, based on the consultation agreements provided by the involved parties.
- Moreover, in order to accommodate the

daily operational needs of the SME and Micro customers, on the 1st of April 2020 **we launched the Calculat and Relaxat packages of banking products and services**, contributing with a diverse offer, adapted to the ever-evolving needs of our customers. The packages are offering multiple benefits, adapted to the different transactional needs, consisting of free of charge current accounts, Internet Banking and Visa debit cards, free of charge online payments in lei or in foreign currencies, discounts for using debit instruments, the Direct Debit Service etc., depending on the selected package.

- In order to improve the **customer service quality and increase the efficiency of the opening of the business relationship phase**, we have improved the current account opening flow for legal entities and private entrepreneurs as well as the share capital account opening flow starting with September 2020. The main improvements of the current account opening flow consist in the simplification of the current account and packages of banking products and services contracts, the automatic retrieval of the majority of the data requested in the contracts from the OTPlus flow-based application and their automated completion in the contractual documents.
- In order to reduce the timeframe related to opening **the share capital accounts**, the flow was fully integrated at the level of the territorial units/Regional Centers, maintaining at the same time the "four eyes principle". Therefore, the share capital accounts are opened within a single visit of the clients to the territorial units and the contracts are automatically generated from the OTPlus application.
- In October 2020, **OTP Bank Romania become a partner bank by concluding**

the Convention with the Ministry for Economy, Energy and Business Environment for the support measures instituted by the GEO no.130/2020 regarding the grants from external non-reimbursable funds, within the Operational Competitive Program 2014-2020, within the context of the crisis caused by COVID-19. Therefore, we have opened accounts and distributed the funds for the eligible companies and private entrepreneurs according to the conditions of the program.

- In order to promote the transactions through the digital services and the brand awareness, we developed a **very successful "Zero Friday" campaign** in November 2020. All the clients that registered exclusively in the dedicated online landing page and met the criteria of the campaign could benefit of the free of charge current accounts at the bank, Internet Banking for one user and Visa Business debit card, unlimited number of inter-banking payments in lei by Internet Banking and optionally, one POS terminal with special transaction fees.





GRI 203-2 Double SAPS

Besides the specific projects of the SME and Micro client category and measures taken to support the businesses through the difficult economic and social period, we continued to place **the agriculture at the center of the OTP Bank Romania preoccupations. In this respect, we recalibrated the Loan for double pre-financing of the APIA SAPS subsidies and the Loan for pre-financing the APIA subsidies** in order to accommodate the latest legal and conventional provisions, but also to increase the efficiency of the lending flow. **The loan for double pre-financing of the APIA SAPS subsidies** is still unique on the banking market and represented a real support for the Agri businesses.

By continuing to offer a complete range of solution through simple and efficient financing products, as well as by specialty consultancy, OTP Bank Romania registered an increase with **46% of the volume of Agri new loans**, granted in 2020 compared to the previous year.

4.4 Large Corporate projects

2020 was a year full of challenges in all areas, starting with the business activity of Corporate Banking, that had to be adapted to the Covid-19 situation, in order not to disrupt the reaching of goals assumed for short and medium term, to the business activity of our clients that were also faced with an unknown situation , resulting in the need for a deeper collaboration between partners and action plans to be drawn and adjusted depending on the overall evolution of the economy.

OTP Bank Romania continued the Growth program called **Apollo**. The Apollo program is **the most revolutionary change** made within OTP Bank Romania; thus, it requires an **adaptive way of working** for all employees and a **major change of projects implementation** framework. It is a change of paradigm for the organization, with **focus on customers** (internal and external) and the **experiences** created in relation with our Bank.

Within the Apollo program, the Corporate Stream (Corporate Organic Growth) focuses on:

- increasing sales volumes;
- increasing the number of active clients by doubling the figures until end of 2024;
- offering the client a centric and dedicated tailor-made approach (products & services).

Some of the most notable achievements in 2020 are:

- **Access the syndicated/club loans market** as we implemented a full, digitized solution for syndication loans in order to offer corporate clients services at the highest level of quality;
- **A decrease of TTY and TTC** was achieved through the automation and digitization of certain parts of the lending process;
- **Pricing flow** for credit and non-credit products was designed and is under developments and testing phase. New CRM functions were implemented that, allow optimization of the commercial activity

and easier-to-do follow-up, analysis, action plans for improvements (Opportunity & activity management);

- **Corporate Career Path Concept** was implemented with the aim of increase the level of know-how (specialized training), apply a nice experience for the new colleagues who joined corporate team, provide a predictable career path;
- Developments were started for a dedicated module in order to administrate the most difficult product from operational perspectives - PNs discounting ceiling product, with the aim to reduce operational time and decrease TTC and offer a better experience to the clients.
- Our main goal is to sustain the medium and large companies. In these respect we are permanently acting in **developing the existing relationships with the guarantee and state institutions in order to facilitate the access of the clients to financing:**
- We extended the relationship with **EXIMBANK** in order to grant loans secured



- with state guarantees issued by EXIMBANK, to those medium and large clients affected by the pandemic, that faced difficulties related to lack of liquidity and collaterals;
- We participated in the **IMM INVEST Romania program**, with intention to support the entrepreneurial environment, facilitating SMEs' access to financing, to ensure them the necessary liquidity to continue economic activity, by accessing loans for investments and/or working capital, guaranteed by FNGCMM (Romanian SME Guarantee Fund). OTP Bank Romania registered a strong demand for IMM Invest, a successful combination between the guarantee offered by the Government and the opening of the bank to offer financing tools in this respect;
 - We implemented several measures, addressing the need of the clients, both through the **moratorium provided by the state** through the Government Ordinance no. 37/2020, that allows the postponement of debts for a limited period. For the clients not eligible for the state program, we offered similar facilities through an internal moratorium.
 - Given the current pandemic context, OTP Bank Romania initiated and developed projects to increase the protection of employees and customers and to avoid congestion in OTP Bank Romania units.

Therefore:

- We have developed a new product from the cash management area: **Cash Sweeping - Standing Order** through which the legal entities clients make recurring payment orders without physically presenting themselves in OTP Bank Romania branches and without initiating them manually from Internet Banking;
- We have **extended the cash collection**

service so that the legal entities clients can also hand over debit instruments, not only the cash without physically presenting themselves in OTP Bank Romania branches;

- We have **extended the partnership with specialized cash collection companies** so that they empty the equipment without the need for this operation to be performed by the bank's employees;
- We have **externalized the entire ATMs network** from territorial units.

- A dedicated flow was implemented at Bank level, valid only during the emergency state, in order to support the clients who have individual accounts opened at OTP Bank Romania and also have activities as entities without legal personality and want to benefit from the provisions of the Government Emergency Ordinance no. 32/2020 regarding the technical unemployment allowance.
- **The Zero Friday campaign for legal entities**, with attractive offer in terms of current account commissions, had very good results on the Corporate side also.
- The digital abilities were boosted by extending the use of the electronic signature and encouraging the usage of the internet banking platform through its multiple functionalities.

Overall approach was a client centricity/ making things happen even in difficult times, being able to service complex requirements from home, with close collaboration between sales force, branch network, support departments, treasury team, local subsidiaries of the group, all concentrated in fulfilling a great work in channelling with the market needs and demand outflows in terms of liquidity.



4.5 Agro Sector Customers

Agri-business sector is a strategic one for our Bank, sector that also was faced with important challenges as:

- Supply chain disruptions;
- Slowdowns in raw material procurement;
- Borrowing cost has increased;
- Transport restrictions and quarantine measures limited farmer's access to markets;
- Some food commodity prices are increasing;
- Less available hard collateral.

That is why we are also continuously acting for:

- improving the conventions signed with the Guarantee Fund for Rural Credit in order to sustain the access of all agri-business clients to loans secured with guarantees instruments issued by this fund;
- improving the existing conventions and signing new conventions with the Agency for Intervention and Payment in Agriculture for collection the EU subsidies of all agri clients of the Bank and prefinancing of these.

Nevertheless, several important new financings were granted to important players on the market, in order to support their investment strategy and current working capital needs:

- Syndicated loan for an important group in Agro sector (15 mio. EUR)
- Co-financing a project with EU funds for another important player in Agro sector from Moldova (processing and distribution of poultry meat), 28 MRON

GRI 102-6, FS6, FN-CB-410a.1*

Micro and small enterprises	% of total complaints received
Agriculture, forestry, fishing	19%
Manufacturing	12%
Electricity, gas, steam and air conditioning supply	4%
Water supply; sewerage, waste management and remediation activities	1%
Construction	14%
Wholesale and retail trade; repair of motor vehicles and motorcycles	27%
Transportation and storage	3%
Accommodation and food service activities	6%
Information and communication	1%
Financial and insurance activities	2%
Real estate activities	5%
Professional, scientific and technical activities	3%
Administrative and support service activities	3%
Human health and social work activities	1%

The tables contain the data of only those sectors whose share is above 0.5%. Because of that and because of rounding, not all columns add up to 100%. We do not identify potentially significant environmental and social impacts by sector. Industrial classification is according to UN (ISIC) classification. Company sizing complied with the relevant legal categorisation.

*Exposure calculations are not based on Schedule RC-C and Schedule RC-I, and the classification is not in line with the NAICS classification.

Medium and large enterprises	% of total complaints received
Agriculture, forestry, fishing	10%
Manufacturing	16%
Electricity, gas, steam and air conditioning supply	7%
Water supply; sewerage, waste management and remediation activities	1%
Construction	11%
Wholesale and retail trade; repair of motor vehicles and motorcycles	22%
Transportation and storage	3%
Accommodation and food service activities	3%
Financial and insurance activities	5%
Real estate activities	15%
Professional, scientific and technical activities	2%
Administrative and support service activities	2%



Main areas of focus

5. Ethical business
behavior and security



Commitment

Strengthening confidence in the reliability and integrity of the banking system, ethical and safe operation.

Approach

We fulfil our role as financial intermediary in a way that ensures that the money and data of our customers are safe and secure throughout; we take care not to contribute to objectives breaching the law or the values upheld in society.

Activity

- Full compliance with laws and regulations
- A consumer protection activity focusing on preventing the violation of customer interests
- Strict, conservative risk management
- Reliable, continually improving security systems, protection

GRI 205, 206, 307, 406, 410, 417, 418, 419 DMA

We are convinced that compliant and ethical operations and transparency are important values; they help improve our competitiveness, preserve our reputation and increase our recognition both.

We consider security fundamental both for the OTP Bank Romania's stability and for the protection of our customers. The coronavirus pandemic further underpinned the importance of IT and cybersecurity.

5.1 Compliance Function

The Compliance Directorate's objective is to ensure the Bank's compliance with legal and regulatory framework, standards of professional ethics and conduct, as well as develop a compliance culture within the institution.

Reorganization of the Compliance Directorate

In January 2020, the Compliance Directorate was reorganized in 5 departments: 3 (three) departments in KYC & AML/CFT area, 1 (one) in general compliance area and 1 (one) in data protection area), split in 13 compartments.

The reorganization's main purpose **was to better address the Bank's compliance needs with a clearer definition and more appropriate segregation of specific compliance activities**, in general compliance (including investment services), data protection and know-your-customer areas, in order to prevent money laundering and combat terrorist financing (KYC/AML/CFT).

Compliance fundamental principles as well as the main direction of activity within compliance area are highlighted within **Compliance Policy of OTP Bank Romania S.A.** and the **Compliance Strategy. These principles** aim to establish, facilitate and support the Bank's proper, legal, safe and prudent operation, through strategic objectives based on industry best practices. Based on the Compliance Policy, including personal data protection aspects, the Bank has developed regulations and established the necessary tools for policy implementation, considering the Bank's activity and size complexity, as well as the applicable national, european and



international regulations, aligned with OTP Bank Nyrt's own policy.

Regarding personal data protection, it is specifically stipulated that the non-observance of **Personal Data Privacy Policy** may affect the subjects' rights, as well as lead to significant financial and reputational losses for OTP Bank Romania S.A. and to possible disciplinary consequences for responsible Bank employees.

GRI 418 DMA Data protection

In compliance with statutory requirements, the protection of the confidential data of customers and of the OTP Bank is

a priority for us. The bank applies the most modern solutions continuously for data processing and data security and in order to prevent data leaks. At OTP Bank Romania, dedicated data protection officers and data owners are responsible for ensuring compliance with the data protection requirements (e.g. supervising personal data processing, principle of data minimisation, the processing of high-risk data).

GRI 102-16, 205 DMA, 205-2, 406 DMA, 406-1, 415 DMA, FN-CB-510A.2 Code of Ethics

The Code of Ethics of OTP Bank Romania S.A. contains provisions related to the fight against corruption and the practice of



bribery; the Code is posted on the Bank's website. The Bank management have adopted the principle of zero tolerance towards corruption and bribery, taking a definite stance against all forms of corruption and giving full support to the fight against corruption, part of the Code of Ethics - also published on the Bank website. Also, the Bank sales representatives adhere, by signing a specific statement, to the OTP Bank Romania Code of Ethics.

In addition, the bank's agreements concluded with agents contain a specific provision on proceedings in case of violation of the Code of Ethics values/provisions. Since 2020 the Bank adopted Anti-Corruption Policy (also posted on Bank's website) as part of Compliance Policy and their provisions are applied

in conjunction with the provisions of the Bank's Code of Ethics.

All the bank's employees and Board Members signed a statement on the Code of Ethics acceptance. All the Bank's customers are informed about the Bank's values and principles included within the Code of Ethics by publishing it on the Bank's website.

Prevention of conflicts of interests

To prevent **conflicts of interests**, the Bank has implemented mechanisms for early identification, monitoring and management of situations that may trigger potential conflicts of interests, analyzing the areas with such risk potential - personal recruitment, family relationships,

participation in companies, involvement in associations/federations/foundations, involvement as suppliers or intermediaries, additional legal employment relationships, political positions etc. - as well as through procedures that lead to information flow barriers and responsibility segregation for the employees.

Considering the investment services provided by the Bank, the Policy on conflict in the activity of investment services was developed in 2020.

This includes special provisions regarding the identification and management of situations that may lead to conflicts of interest regarding the investment services provided by the bank, particularly the role of ensuring that the clients' interests in providing these services are not affected by employees' interests, the Bank or third parties. The policy also considers conflicts of interest that may constitute market

abuse, prohibitions on insider dealing, insider dealing, unauthorized disclosure of insider trading and market manipulation.

OTP Bank Romania S.A. developed and implemented mechanisms and systems to contribute to the compliance with legal provisions and internal regulations incidental to the field of **combating money laundering and terrorist financing** and to ensure a KYC process adapted to the business model, that allows the identification of customers associated risks and the appropriate KYC measures.

- to ensure an effective know-your-customer process, the Bank implemented the risk-based approach, applying customer due diligence correlated with the ML/FT risk associated to customers, both in terms of their characteristics and in terms of purchased products and services.
- In this respect, the bank displays



enhanced due diligence towards the categories of customers with higher degree of risk from a ML/FT risk perspective, categories identified according to the risk factors defined within the internal regulatory framework.

In order to comply with specific legislation and applicable regulations in the AML/CFT field and that of international sanctions, OTP Bank Romania S.A. implemented procedures adapted to the business model adopted by the Bank, correlated with the risk strategy and the business strategy, approved by the Bank's management, and intended to be a real support for ML/FT risk management.

All Bank staff is involved in the process of preventing and combating money laundering, according to the approved authority limits and as per the attributions established within the Bank's Internal Organizational Rules.

Thus, the responsibilities regarding customer due diligence and ML/FT risk assessment associated to customers, transactions and the entire activity reside with all bank staff, as per the established limits, structured according to the three lines of defense principles.

In this respect, Compliance Directorate provides advice to both territorial units and Head Office entities, in order to identify the ML/FT risk elements, and with respect to the observance of international sanctioning regimes imposed, all with the purpose of: unitary implementation of provisions applicable in the field; limiting reputational and/or financial impact generated by compliance/reputational/operational risks to which the

Bank may be exposed. With regard to personnel recruitment strategy, at OTP Bank Romania S.A., specific standards within the internal regulations are set for hiring staff with responsibilities in the KYC/AML/CFT area, standards that ensure an adequate selection process versus specific requirements related to compliance function.

The observance of sanctioning regimes imposed at international level is a permanent concern for the Bank, considering the global political and economic context, while compliance with trade embargoes and economic sanctions is also a priority.

Aspects regarding international sanctions are important as they may increase the level of risk associated with Bank activity in

relationship to customers. At OTP Bank Romania S.A. level, enforcing commercial embargoes and economic sanctions represents a priority. For this purpose, policies, norms, procedures and workflows regulating the activity and specific attributions of the employees are issued and implemented, as the activity is supported by the implemented IT solutions.

By using them, the bank ensures continuous updating of information regarding the persons and entities upon which international sanctions have been imposed at international level - periodical adequate checks are performed to ensure compliance with such latest sanctions.

The Compliance Directorate elaborates, according to the personnel training

strategy, approved by the bank's management, training programs for ensuring the training of persons with responsibilities in the application of the measures set out within the KYC norms, so as to ensure that they know the legal requirements, the mandatory responsibilities according to the KYC internal norms, the risks to which the institution is exposed according to its own risk assessment. Such programs aim to raise awareness of the consequences of employees' non-fulfillment of the responsibilities and their implications for the institution and the persons concerned, in the case of risk manifesting, and that they have the capacity to recognize suspicious indicators to operations, that may be related to money laundering or terrorist financing.



5.2. Enhancement of risk management systems

ESG risks

OTP Bank Romania's mid term objective is to develop a comprehensive ESG risk management framework able to ensure alignment with the definitions and requirements of EBA and ECB, local integration the parent bank's strategy for green financing and ESG risk management and increased understanding and capability to quantify ESG risks in order to set limits (at the level of business line, economic sector or product) that adequately reflect the appetite for ESG risks.

The bank's corporate lending policy regulates the sectoral concentration limits and provides guidance for our lending activities to different economic sectors. The policy is reviewed annually.

In 2021, the bank will implement a new methodology primarily for the assessment of environmental risks at initiation of exposures to corporate clients and over the life of the exposure.

Economic activities whose nature and impact are incompatible with the values set at the level of the OTP Group in terms of providing responsible financial services and promoting sustainable development will be excluded from financing on the basis of a defined list.

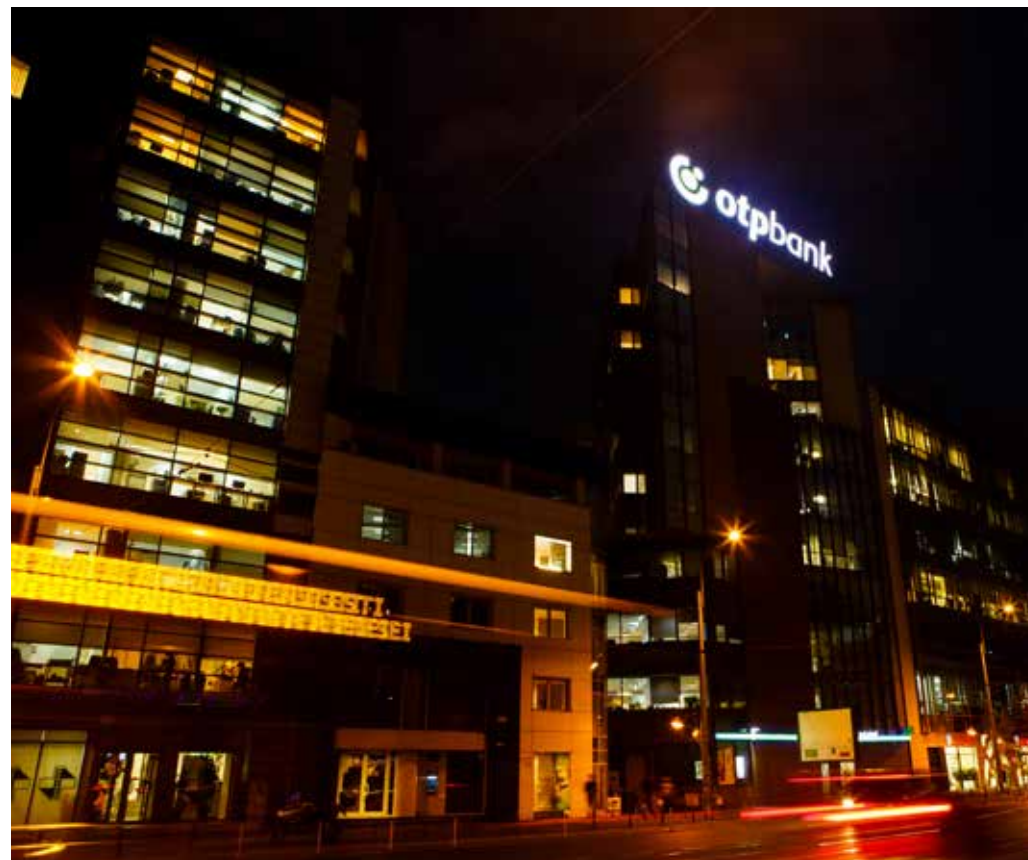
Also in 2021, based on the Green Program Directorate's guidance from OTPH Group, will be initiated the process for the development and implementation of the Bank's ESG Risk Management Strategy.

Credit Risk

The replacement of the front end of the Bank's retail lending system is a milestone

of the Bank's Organic Growth Project. This plan is in line with the OTPH Group strategy, namely, to create a modern, data- and system-driven retail lending process in all subsidiaries by developing a front-end and loan assessment workflow system and using an advanced decision engine.

Although the Covid 19 pandemic slowed down the pace of program implementation, in the last two years the Bank implemented the online on boarding for private individual customers, also the online lending flow - intended for new customers and an automatized lending flow operating at branch level. These developments will continue in 2022 by extending the digital channels functionalities.



Testing Resilience

In order to strengthen its security posture in the face of increasingly sophisticated adversaries, OTP Bank Romania conducted a red team engagement.

Dubbed „NinjaCat”, the exercise emulated how well motivated and highly skilled threat actors could compromise the bank's information assets, while the bank's IT Security Department mitigated the threat in real time and without any prior warning of attack.

The attackers benefited from insider assistance and proceeded from an „assumed breach” starting point where they were given partial access in the

bank's network by assuming an insider threat scenario. The Red Team goal was to act like the adversary, to discover ways to break into the bank and subsequently report on their actions so that the bank may strengthen its defences. Unlike a penetration test, a red team exercise considers the target's entire IT ecosystem and uses multiple attack vectors in a manner similar to an advanced persistent threat (APT).

The parties involved:

- A white team charged with coordinating the exercise, mitigating all associated risks and acting as a liaison between the bank and the red team. The white team also included 2 insiders, both OTP Bank employees, with different levels of access to the bank's network.
- A red team, the external party contracted to perform targeted attacks on the bank's information assets following a set of mutually agreed rules of engagement.
- A blue team, the IT Security Department's Incident Responders tasked with mitigating the attack.

The engagement profile

The red team attempted to fulfil a range of objectives including data exfiltration, code execution on the bank's systems, user compromise via phishing techniques, and meaningful interaction with the bank's test payment systems, all within a time span of 3 weeks.

All the objectives fell within the agreed scope and could be fulfilled by any means at the attacker's disposal.

The result of the engagement was that the Blue Team has managed to discover the Red Team actions and they managed to stop the attacks from producing major damage.

Insider Threat

Following an „assumed breach“ scenario, the red team used two insiders in order to facilitate malicious payload execution. The insiders were in direct communication with the attackers and followed their instructions. Their existence or identities were unknown to the defenders. The red team also sent several emails with malicious content over a period of one hour to high value targets, whose identities were provided by the bank's liaising team.

Social Engineering: Phishing campaign & Rogue USBs

Due to pandemic related constrains, the White Team helped creating rogue USBs as instructed by the red team, in order to gain an alternative access to workstations as initial point of entry. The Red Team created a malicious payload, which would run from a USB stick. The USB sticks were then distributed stealthily throughout the organization in order to test the users' behaviour upon discovery.

Malware Deployment

The attackers used a technique called "domain fronting" and used content distribution networks (CDNs) to hide their real attack infrastructure. This was difficult to detect because CDNs are also used for legitimate purposes. Both higher-sophistication "evasive" infection mechanisms and lower-sophistication "direct execution" ones were tested during the exercise to carry out a wide variety of activities, including host, network or domain reconnaissance, credentials collection and persistence. The attackers attempted to pair these mechanisms with covert techniques to connect with their command and control infrastructure. The goal was to maintain



communication with compromised devices following initial exploitation.

Incident Response

The Blue Team employed the security solutions at their disposal to full effect and as a result, the attackers failed to fulfil their objectives: no meaningful access and persistence, interaction with systems,

communications with the C2 infrastructure nor malware deployment were achieved. Continuous security awareness training resulted in the reporting of 97% of all phishing emails sent during the campaign by the bank's employees. The principal takeaway was that, under „NinjaCat“, the bank's IT Security Department observed and responded to

an APT-like threat at large within its IT ecosystem. By witnessing the attackers' tactics, techniques and procedures as they happened, and by implementing post-exercise recommendation sets provided by the red team, the incident responders were able to consolidate security controls and adapt playbooks to real-world threats.



Main areas of focus

6. Responsible employer



Commitment

Employment that provides a great employee experience and a decent and fair standard of living, fostering the well-being and growth of the individual

Approach

We believe that our employees are our greatest assets; therefore, it is natural for us to strive for ethical employment and equal opportunities. We wish to be an attractive workplace for our talented and committed employees.

Activity

- Fair employment and working conditions;
- Equal access to growth opportunities and rewards;
- Opportunities for growth and experience for the employees of the future;
- An inspiring and attractive workplace atmosphere, where a work/life balance

GRI 405 DMA, 405-1, 205-2 Extensive recruitment program

OTP Bank Romania is now part of a process of accelerated organic growth, which includes an extensive recruitment program, focused on increasing the sales force. Last year alone we hired about 200 new colleagues, and we are looking to continue hiring. We reached and implemented most of the points in our development strategy, which we will continue to do in 2021.

Overall approach was a client centricity / making things happen even in difficult times, being able to service complex requirements from home, mostly through on-line meetings, face-to-face meetings implemented gradually, function of the evolution of the pandemic and state alert situation, with close collaboration between sales force, branch network, support departments, treasury team, local subsidiaries of the group, all concentrated in fulfilling a great work in channeling with the market needs and demand outflows in terms of liquidity.

Staffing

The headcount of OBR increased, compared to the previous years.

Total employees



Employee statistics
GRI 102-8

Employment (2020, OTP Bank)	Average employee headcount	Male	xxxxxxxx
Full time employees	1.516	510	1.084
Total part-time headcount	30	12	21
Total headcount	1.546	522	1.105

Workforce breakdown by position (2020, OTP Bank Romania) (active employees, persons, 31.12)

Categories by position	Age group			Gender		Total	of these disabled employees	of these local
	under 30*	30-49 yrs*	above 50 yrs*	Male*	Female*			
Senior management (person) CEO & Deputy CEOs	0	3	2	3	2	5	N/A	N/A
Middle management (person)	0	35	4	22	17	39	N/A	
Subordinates (person)	307	1.116	160	497	1.086	1.583	N/A	
	Persons							
Head offices (person)	1.067							
Network (person)	560							
Number of trainees within the year (persons)	126							

GRI 401 DMA, 401-1
Employee turnover, 2020

New employees and employ turnover (2020, OTP Bank Romania)

Employees by age and gender	Age group			Gender		Total
	under 30	30-49 yrs	above 50 yrs	Male	Female	
Employees leaving (prs)	54	149	22	73	152	225
New employees (prs)	135	279	19	140	293	433
Employees according to organisational structure	Head offices	Network	Total			
Employees leaving (prs)	137	88	225			
New employees (prs)	276	157	433			

GRI 401-3

Return to work and retaining employees after parental leave

	Female	Male
Number of employees who took parental leave	53	1
Number of employees returning to work after parental leave	48	2

Trainings, severance package (2020 OTP Bank Romania)

Amount of trainings (all trainings which are not school system or professional qualification related)

by categories	Hours of trainings
Senior managers (CEO & Deputy CEOs)	485
Middle managers	2.881
Subordinates	46.747
By gender	
Male	16.516
Female	33.598
Total	50.114
Training cost - thousand RON	5.574



**GRI 405 DMA, 405-1, 205-2
Extensive recruitment program**

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from home, mostly through on-line meetings, face-to-face meetings implemented gradually, function of the evolution of the pandemic and state alert situation, with close collaboration between sales force, branch network, support departments, treasury team, local subsidiaries of the group, all concentrated in fulfilling a great work in channeling with the market needs and demand outflows in terms of liquidity.

Programs for the employee adjustment and well-being in the era of COVID-19

We have implemented several programs

which targeted the entire organization, and which focused on better handling the situation generated by COVID Pandemic. Here is a detailed overview of the initiatives:

- **Leaders Offering Support**, a program dedicated to managers and directors in front office. The program consisted of two workshops, Building Emotional Resilience and Leaders Offering Support as well as individual coaching sessions for those in need.
- **Leading Teams in Challenging Times**, a program dedicated to managers and directors in head office. The program

consisted of two workshops, Building Emotional Resilience and Leading Teams in Challenging Times as well as individual coaching sessions for those in need.

- **Individual psychotherapy** sessions for all those who needed, and a series of workshops held by a psychotherapist. The main topics addressed were relationship management with and between children, in the work from home situation, couple relationship in the work from home situation, burnout and the need for control, fears associated with the current context and anxiety and depression - reactions of the current context.
- **Wellbeing while working from home**, a series of workshops dedicated to physical health. During the workshops, the trainer shared simple tips that our colleagues were able to put into practice during the pandemic. They also benefited from advice on healthy eating, as well as myths and realities about the current pandemic situation.
- **Self-management while working from home** - these interactive workshops helped our colleagues to develop and acquire skills to manage the current situation, to be as flexible and productive as possible even from home.
- **Decision Making, Stress and Recovery in Times of Crisis** - this program is aimed at all those who wanted to better understand and manage how they think, feel and react in times of stress and crisis, but also how they can help others. The workshops shared the latest findings in neuroscience and psychology in a practical and up-to-date presentation, as well as tips on how to best manage ourselves and our emotions during this global pandemic.

Work-life balance

As regards work-life balance, without a doubt, the greatest step of 2020 was to establish the conditions for home office and signed additional deed with telework clauses for our colleagues. We also had part-time contracts. As anti-Covid-19 measures, we used flexible working hours, being an important solution regarding the limitation of social contacts and to avoid the use of public transport during peak hours. At the same time, in order to increase the degree of protection of colleagues in the territorial units and to limit the social contact, a temporary work system was introduced by weekly rotation in some units, agreed at the level of each team together with the direct managers, without affecting the employees' rights or salaries.

The measure had to be implemented extremely fast, but it not only ensured business continuity and safe work performance, but also allowed for the completion of household duties. Even as the coronavirus pandemic eases, we would like to keep open the option of home office work at all member companies, ensuring the optimal balance between home office and office work.

Diversity Action Plan

The senior management approved an action plan to support the implementation of the equal opportunity for men and women principle. The plan includes numerous measures; for example, dedicated equal opportunity training, workshops, educational and awareness raising events for the prevention and handling of discrimination and abuse (including mobbing, humiliation, sexual abuse). The statutory requirements were

also integrated into all relevant internal regulations and policies (e.g. remuneration policy, collective bargaining agreement, recruitment and selection policy).

Equal Opportunities

We have an action plan approved by the Management Board of OBR on implementing the principle of equal opportunities between women and men. This plan includes a series of measures (eg. Specialized training on equal opportunities and treatment between women and men, workshops, actions of education and awareness of the norm on preventing and combating discrimination, harassment at the workplace (including bullying or mobbing), or sexual harassment) and also Internal regulations in which the legal

provisions are integrated as:

- Internal norm regarding the prevention and combating discrimination and harassment at the workplace and removing any form of dignity violation;
- Collective labor contract 2019-2021;
- Remuneration policy OTP Bank Romania S.A.;
- Recruitment and selection policy OTP Bank Romania S.A.;
- Procedure regarding the middle management positions of some activities of significant impact;
- Procedure regarding the training and development of the staff within OTP Bank Romania S.A.;
- Performance measurement and appraisal policy.

For example, according to the collective labor contract all our employees benefit from various aids, regardless of sex, age or disability.

According to our internal regulations any direct or indirect discrimination against an employee, based on criteria of sex, sexual orientation, genetic characteristics, age, nationality, race, color, ethnicity, language, religion, political choice, social status, disability, situation or family responsibility, to influence equal opportunities or treatment in matters of work and profession, is prohibited. The Bank shall not refuse the employment or retention of persons with disabilities, in cases where they are medically fit to perform the duties of the existing posts.



**Engagement of employees
GRI 402 DMA**

We enhance our internal communication practices continuously to ensure that our employees have timely access to relevant information. We are committed to honest communication, and welcome feedback.

The focus of internal communication during the year was obviously the coronavirus pandemic; to support and provide employees with information.

We have launched a dedicated internal communication platform named

OTP Connect in order to facilitate a better collaboration between colleagues, connection and transparent communication. The platform is user friendly, highly intuitive, it offers possibility of instant feedback, recognition through badges, chat box, likes of posts, events.

Also, we developed and offered support for several surveys and internal online events in order to better understand the needs of the colleagues, expectations etc (Employee Engagement Survey, Together in Apollo, Surveys on employee onboarding, new hire surveys, Hobby Café Program).



**Employee satisfaction measurement
GRI 102-43, 102-44, 401 DMA, 402 DMA**

OTP Bank Romania`s employees showed the highest rate of satisfaction with workplace safety (85%). They were also highly satisfied with the communication

with management. According to them, remuneration and recognition need improvement primarily. The bank introduced also a satisfaction survey for new hires, and in relation to the entry process.

Employee satisfaction (2020, OTP Bank Romania)

Our company conducted an employee satisfaction survey during the reporting period*

**Rate of satisfaction
(%, two decimal places)**

Work Safety	85%
Relationship with Manager	76%
Empowerment / Autonomy	59%
Wellbeing	52%
Rewards & Recognition	40%

**GRI 403 DMA, 403-6
Healthcare services**

We provide our employees with healthcare services over and above what is required by law, including health insurance. In addition, we expanded the scope of the services available under the health insurance policy (e.g. teledoctor consultation).





Main areas of focus

7. Environmental protection



Energy
GRI 302 DMA, 302-1

OTP Bank Romania's energy consumption decreased from year to year to 8234,78 GJ in total in 2020. The reduction is due to new equipment used in branches and reduction of heating through HVAC. Our branches have now modern equipment with high quality and efficiency, new HVAC installed in branches uses ecological refrigerants with a minor impact on the environment. We are also using LED lighting in our new branches to reduce electrical consumption and we will adapt all the other spaces of OTP to LED lighting to improve our impact over the environment.



Electricity
977 MWh



Natural gas*
8.234,78 GJ

Travel
GRI 302 DMA, 305 DMA

The number of business trips and the size of the vehicle fleet are determined by the needs of the business. Travel rationalisation and the use of videoconferencing is common practice. Bank-level total mileage decreased in 2020, mainly because of the Covid-19 pandemic. As part of the efforts expended against the pandemic, we provided support for the use of personal vehicles to and from the workplace.

Travelling by air

Operating and managing the bank necessarily requires air travel as well. Due to the coronavirus pandemic, the volume of such travel declined significantly year-on-year. At OTP Bank Romania, there were 188 internal and external business flights, compared to 237 in 2019.



188

Number of flights

Video conferencing

We use more and more conferencing devices and equipment; moreover, communication via applications without any specific device has become a daily practice, which we did not measure. Due to the pandemic, video conference calls from office buildings decreased.

Paper

OTP Bank has been striving for years to reduce its paper use and increase the use of recycled paper. The pandemic obviously reinforced digitalisation and working from home also reduced the volume of printing. At the same time, statutory requirements still demand paper-based administration in many cases.

Waste collection

Waste collection remained unchanged in most respects in 2020. We collect and manage hazardous waste and paper containing business secrets selectively, in compliance with the relevant legal requirements. OTP Bank Romania collects all paper, metal, glass and plastic selectively.



6.800kg
Paper



2.800kg
PET bottles*





Main areas of focus

8. Local Community



GRI 413 DMA

Impact: OTP Bank Romania is an organic part of the local community.

Contribution: In line with our values, we play an active role in the progress of the local community and in supporting those faced with difficulties.

In delivering our financial services, our aim is to help customers achieve their goals. During our support activity, as well, our priority is providing assistance; it is natural to us to contribute to the progress and development of local communities.

We are committed to giving a chance to those in need and in trouble. It is particularly true during this extraordinary time of the coronavirus pandemic when support was needed in even more places. For several years, the focal points of our sponsorship have been consistently the following:

- developing financial literacy (see Chapter 3);
- helping the disadvantaged and those in need;
- sponsoring culture and the arts and sports.

GRI 413 DMA

Sustainable development

For OTP Bank Romania, Corporate Social Responsibility is a business philosophy integrated into the business strategy and influences the decisions taken in many aspects of the company's life. The Bank is part of the society and understands the social and environmental impact it has on the communities to which it belongs.



All sustainable development actions and interactions with partners aim to generate positive effects in the economy and society, meeting the present needs without compromising the ability of future generations to satisfy their own needs. Sustainable development implies economic

growth, together with the protection of society and environmental quality.

OTP Bank Romania supports consistent education because it is the most efficient method of development and provides the tools needed for change towards

sustainability. Raising awareness of the importance of education is a fundamental pillar without which the company cannot guarantee the survival or success of a business.

The most important projects of 2020

Supporting the health system to fight against the pandemic

OTP Bank Romania has acted in solidarity and quickly in order to fight against the spread of the COVID-19 pandemic, since its beginning. Because the resources of the hospitals are quite limited and because the Bank understood the challenges and efforts of the doctors, the bank decided that it is essential to support the medical system. For this purpose, the bank directed the total amount of RON 600,000 to three hospital institutions: the County Emergency Hospital "Dr. Fogolyan Kristof" Sf. Gheorghe, Miercurea Ciuc County Emergency Hospital and the Children's Emergency Hospital "Sf. Maria" from Iasi. The donation was directed to purchase equipment and materials vital to fighting the virus.

OTP Sport program

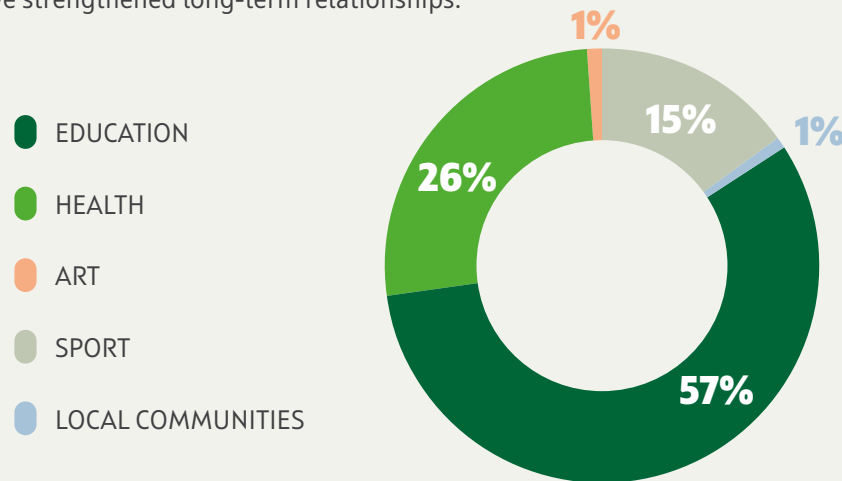
OTP Bank Romania continued the sponsorship initiatives developed and implemented under the umbrella of the OTP Sport Program, through which we promote sports organizations, competitions and leisure activities that involve physical and mental endurance, concentration, tactical skills and teamwork.

Sponsorship activity

In 2020, OTP Bank Romania sponsored the activities of 10 associations or institutions in various fields: education (57%), health (26%), sports (15%), local community (1%) and art (1%).

Distribution of the budget by type of sponsorship:

The three most important areas of sponsorship were education, health and sports, where we strengthened long-term relationships.



The main organizations and projects supported in 2020 were:

- **The Right to Education Foundation:** support for maintenance, the daily activity of the foundation and OK Center;
- **"ING Service a Közösségért" Association:** support for the medical activity carried out within the County Emergency Hospital "Dr. Fogolyan Kristof" Sfântu Gheorghe and of the Miercurea Ciuc County Emergency Hospital, in order to purchase protective equipment against COVID-19;
- **Sepsi O.S.K Sports Club Association:** support for the Sepsi OSK football team, in order to participate in the 1st Football League of Romania.



Volunteering

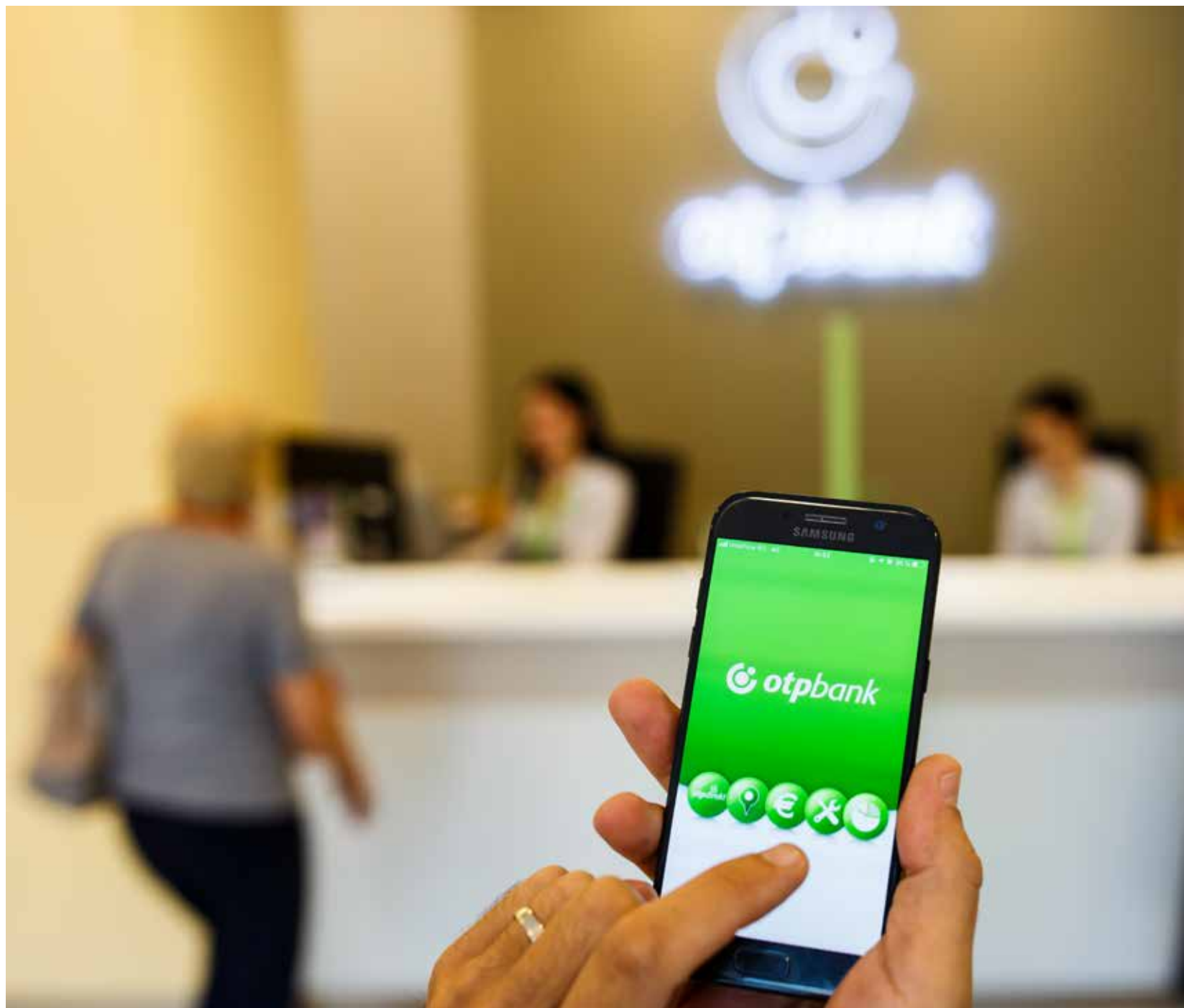
According to OBR Collective Labour Contract, the employees benefit from 2 days per year for volunteering, based on the documents justifying the undertaking of some volunteer actions.

OTP Bank volunteers, together with colleagues from the Right to Education Foundation, got involved in the "Letters for Santa Claus" campaign, in which they prepared gifts for children from disadvantaged areas, located in the therapy centers in Suceava, Fălticeni and Popești Leordeni. Volunteers collected over 200 gifts for the campaign organized by the FARA Foundation.

Sponsorship policy and goals for 2021

Our plans are to continue:

- together with the OTP Bank Romania Foundation to organize quarterly volunteering campaigns, with the aim to involve colleagues within the bank in the Foundation's social issues projects, mainly focusing on children's education from disadvantaged areas;
- the sponsorship initiatives developed and implemented under the umbrella of the OTP Sport Program, through which we promote sports organizations, competitions and leisure activities that involve physical and mental endurance, concentration, tactical skills and teamwork;
- to support through sponsorships organizations that help women in difficult situations;
- CSR/sustainability KPIs: Annual preparation of the local CSR report.



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