

## OTP Bank Plc.

### Relevant information of the consolidated and separate financial statements for the year ended 2019

According to paragraph 3:272 (3) of Act V., 2013 on the Civil Code, and with regard to the Annual General Meeting to be held on 30 April 2020 the Board of Directors of the OTP Bank Plc. releases the relevant information of the consolidated and separate financial statements prepared in accordance with International Financial Reporting Standards for the year ended 2019, and the report on relevant information of the Board of Directors and the Supervisory Board hereunder.

#### CONSOLIDATED STATEMENT OF FINANCIAL POSITION (in HUF mn)

	2019	2018
Cash, amounts due from banks and balances with the National Banks	1,784,378	1,547,272
Placements with other banks, net of loss allowance for placements	410,079	420,606
Financial assets at fair value through profit or loss Securities at fair value through other comprehensive income	251,990	181,356
	2,426,779	1,883,849
Loans at amortized cost	11,846,260	8,032,068
Loans mandatorily at fair value through profit or loss	32,802	34,525
Associates and other investments	20,822	17,591
Securities at amortized cost	1,968,072	1,740,520
Property and equipment	320,430	253,773
Intangible assets and goodwill	242,219	166,711
Right-of-use assets	52,950	-
Investment properties	41,560	38,115
Derivative financial assets designated as hedge accounting	7,463	15,201
Deferred tax assets	26,543	20,769
Other assets	227,349	237,932
Assets classified as held-for-sale	462,071	-
<b>TOTAL ASSETS</b>	<b><u>20,121,767</u></b>	<b><u>14,590,288</u></b>
Amounts due to banks, the National Governments, deposits from the National Banks and other banks	813,399	360,475
Financial liabilities at fair value through profit or loss	30,862	32,231
Deposits from customers	15,171,308	11,285,085
Liabilities from issued securities	393,167	417,966
Derivative financial liabilities held for trading	86,743	73,316
Derivative financial liabilities designated as hedge accounting	10,709	7,407
Deferred tax liabilities	29,195	6,865
Leasing liabilities	54,194	50
Other liabilities	628,468	498,807
Subordinated bonds and loans	249,938	81,429
Liabilities directly associated with assets classified as held-for-sale	362,496	-
<b>TOTAL LIABILITIES</b>	<b><u>17,830,479</u></b>	<b><u>12,763,631</u></b>
Share capital	28,000	28,000
Retained earnings and reserves	2,319,263	1,864,204
Treasury shares	(60,931)	(67,999)
Non-controlling interest	4,956	2,452
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b><u>2,291,288</u></b>	<b><u>1,826,657</u></b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b><u>20,121,767</u></b>	<b><u>14,590,288</u></b>

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
(in HUF mn)

	2019	2018
<b>CONTINUING OPERATIONS</b>		
Interest income calculated using the effective interest method	777,502	647,650
Income similar to interest income	<u>116,642</u>	<u>98,379</u>
<b>Interest incomes</b>	<b><u>894,144</u></b>	<b><u>746,029</u></b>
<b>Interest expenses</b>	<b><u>(197,095)</u></b>	<b><u>(132,644)</u></b>
<b>NET INTEREST INCOME</b>	<b>697,049</b>	<b>613,385</b>
Loss allowance on loans, placements	(49,120)	(22,616)
Release of loss allowance on securities at fair value through other comprehensive income and on securities at amortized cost	9	607
Provision for commitments and guarantees given	(7,995)	(6,481)
Impairment / (Release of impairment) of assets subject to operating lease and of investment properties	280	<u>(326)</u>
<b>NET INTEREST INCOME AFTER LOSS ALLOWANCE IMPAIRMENT AND PROVISIONS</b>	<b>640,223</b>	<b>584,569</b>
Income from fees and commissions	413,348	333,082
Expense from fees and commissions	<u>(72,903)</u>	<u>(58,946)</u>
<b>Net profit from fees and commissions</b>	<b>340,445</b>	<b>274,136</b>
Foreign exchange gains, net	40,518	40,352
Gains on securities, net	11,611	1,345
Gains on financial assets /liabilities measured at fair value through profit or loss	1,282	597
Dividend income	7,955	5,733
Other operating income	111,093	25,872
Other operating expense	<u>(44,758)</u>	<u>(19,173)</u>
<b>Net operating income</b>	<b>127,701</b>	<b>54,726</b>
Personnel expenses	(276,754)	(244,600)
Depreciation and amortization	(77,048)	(50,138)
Goodwill impairment	(4,887)	(5,962)
Other administrative expenses	<u>(282,528)</u>	<u>(259,823)</u>
<b>Other administrative expenses</b>	<b><u>(641,217)</u></b>	<b><u>(560,523)</u></b>
<b>PROFIT BEFORE INCOME TAX</b>	<b><u>467,152</u></b>	<b><u>352,908</u></b>
Income tax expense	<u>(49,902)</u>	<u>(34,000)</u>
<b>NET PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS</b>	<b><u>417,250</u></b>	<b><u>318,908</u></b>
From this, attributable to:		
Non-controlling interest	<u>341</u>	<u>97</u>
Owners of the company	<u>416,909</u>	<u>318,811</u>
<b>DISCONTINUED OPERATIONS</b>		
<b>LOSS FROM DISCONTINUED OPERATION</b>	<b><u>(4,668)</u></b>	<b><u>(586)</u></b>
<b>PROFIT FROM CONTINUING AND DISCONTINUED OPERATION</b>	<b><u>412,582</u></b>	<b><u>318,322</u></b>
<b>Consolidated earnings per share (in HUF)</b>		
<b>From continuing operations</b>		
Basic	<u>1,594</u>	<u>1,218</u>
Diluted	<u>1,593</u>	<u>1,217</u>
<b>From continuing and discontinued operations</b>		
Basic	<u>1,576</u>	<u>1,215</u>
Diluted	<u>1,575</u>	<u>1,215</u>

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
(in HUF mn)

	2019	2018
<b>NET PROFIT FOR THE PERIOD</b>	<b>412,582</b>	<b>318,322</b>
<b>Items that may be reclassified subsequently to profit or loss:</b>		
Fair value adjustment of securities at fair value through other comprehensive income	26,164	(32,289)
Derivative financial instruments designated as cash flow hedge	11	(9)
Net investment hedge in foreign operations	(2,526)	(3,253)
Foreign currency translation difference	79,440	10,007
Deferred tax related to items that may be reclassified subsequently to profit or loss	(2,915)	2,829
<b>Items that will not be reclassified subsequently to profit or loss:</b>		
Fair value changes of equity instruments at fair value through other comprehensive income	7,619	10,176
Deferred tax related to equity instruments at fair value through other comprehensive income	(644)	(1,039)
Change of actuarial costs related to employee benefits	(161)	(65)
<b>Subtotal</b>	<b><u>106,988</u></b>	<b><u>(13,643)</u></b>
<b>NET COMPREHENSIVE INCOME</b>	<b><u>519,570</u></b>	<b><u>304,679</u></b>
<b>From this, attributable to:</b>		
Non-controlling interest	768	(134)
Owners of the company	<u>518,802</u>	<u>304,813</u>

**SEPARATE STATEMENT OF FINANCIAL POSITION**  
(in HUF mn)

	<b>2019</b>	<b>2018</b>
Cash, amounts due from banks and balances with the National Bank of Hungary	289,686	360,855
Placements with other banks, net of allowance for placement losses	1,560,142	1,074,840
Repo receivables	45,539	14,139
Financial assets at fair value through profit or loss	172,229	155,042
Securities at fair value through other comprehensive income	1,485,977	1,451,905
Loans at amortised cost	3,285,338	2,571,979
Loans mandatorily measured at fair value through profit or loss	29,731	32,745
Investments in subsidiaries, associates and other investments	1,542,538	1,177,573
Securities at amortised cost	1,447,224	1,431,789
Property and equipment	77,754	70,442
Intangible assets	53,282	39,883
Right-of-use assets	13,607	-
Investment properties	2,381	2,333
Deferred tax assets	-	1,241
Derivative financial assets designated as hedge accounting	16,677	12,221
Other assets	<u>116,699</u>	<u>109,201</u>
<b>TOTAL ASSETS</b>	<b><u>10,138,804</u></b>	<b><u>8,506,188</u></b>
Amounts due to banks and deposits from the National Bank of Hungary and other banks	738,054	458,182
Repo liabilities	462,621	279,854
Deposits from customers	6,573,550	5,741,498
Leasing liabilities	13,660	-
Liabilities from issued securities	43,284	46,694
Financial liabilities at fair value through profit or loss	28,861	32,231
Derivative financial liabilities designated as held for trading	83,088	82,838
Derivative financial liabilities designated as hedge accounting	10,023	6,925
Deferred tax liabilities	5,875	-
Other liabilities	246,676	236,570
Subordinated bonds and loans	<u>279,394</u>	<u>110,454</u>
<b>TOTAL LIABILITIES</b>	<b><u>8,485,086</u></b>	<b><u>6,995,246</u></b>
Share capital	28,000	28,000
Retained earnings and reserves	1,628,354	1,484,906
Treasury shares	<u>(2,636)</u>	<u>(1,964)</u>
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b><u>1,653,718</u></b>	<b><u>1,510,942</u></b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b><u>10,138,804</u></b>	<b><u>8,506,188</u></b>

**SEPARATE STATEMENT OF PROFIT OR LOSS**  
(in HUF mn)

	<b>2019</b>	<b>2018</b>
Interest income calculated using the effective interest method	239,395	214,821
Income similar to interest income	83,111	75,912
<b>Total Interest Income</b>	<b>322,506</b>	<b>290,733</b>
<b>Total Interest Expense</b>	<b>(119,384)</b>	<b>(83,778)</b>
<b>NET INTEREST INCOME</b>	<b><u>203,122</u></b>	<b><u>206,955</u></b>
Loss allowance on loan, placement and repo receivables losses	(33,728)	(7,822)
Release of loss allowance on securities at fair value through other comprehensive income and on securities at amortised cost	401	362
Provision for loan commitments and financial guarantees given	<u>(5,794)</u>	<u>(2,518)</u>
<b>Risk cost total</b>	<b><u>(39,121)</u></b>	<b><u>(9,978)</u></b>
<b>NET INTEREST INCOME AFTER RISK COST</b>	<b><u>164,001</u></b>	<b><u>196,977</u></b>
Income from fees and commissions	238,995	212,556
Expenses from fees and commissions	<u>(35,591)</u>	<u>(34,339)</u>
<b>Net profit from fees and commissions</b>	<b><u>203,404</u></b>	<b><u>178,217</u></b>
Foreign exchange gains	13,247	9,510
Gains on securities, net	8,188	1,960
Gains on financial instruments at fair value through profit or loss	1,890	625
Gains on derivative instruments, net	4,715	3,706
Dividend income	78,887	68,481
Other operating income	7,505	5,179
Net other operating income / (expenses)	<u>26,515</u>	<u>(2,867)</u>
<b>Net operating income</b>	<b><u>140,947</u></b>	<b><u>86,594</u></b>
Personnel expenses	(115,035)	(104,819)
Depreciation and amortization	(29,925)	(21,232)
Other administrative expenses	<u>(160,198)</u>	<u>(151,104)</u>
<b>Other administrative expenses</b>	<b><u>(305,158)</u></b>	<b><u>(277,155)</u></b>
<b>PROFIT BEFORE INCOME TAX</b>	<b>203,194</b>	<b>184,633</b>
Income tax expense	<u>(9,840)</u>	<u>(11,191)</u>
<b>NET PROFIT FOR THE PERIOD</b>	<b><u>193,354</u></b>	<b><u>173,442</u></b>
Earnings per share (in HUF)		
Basic	<u>691</u>	<u>621</u>
Diluted	<u>691</u>	<u>621</u>

**SEPARATE STATEMENT OF COMPREHENSIVE INCOME**  
(in HUF mn)

	2019	2018
<b>NET PROFIT FOR THE PERIOD</b>	<b><u>193,354</u></b>	<b><u>173,442</u></b>
<b>Items that may be reclassified subsequently to profit or loss:</b>		
Fair value adjustment of debt instruments at fair value through other comprehensive income	16,732	(35,709)
Gains on separated currency spread of financial instruments designated as hedging instrument	367	445
Gains on derivative financial instruments designated as cash flow hedge	2,086	949
Deferred tax (9%) related to items that may be reclassified subsequently to profit or loss	(1,553)	3,347
<b>Items that will not be reclassified to profit or loss:</b>		
Fair value adjustment of equity instruments at fair value through other comprehensive income	3,867	6,396
Deferred tax (9%) related to equity instruments at fair value through other comprehensive income	<u>(348)</u>	<u>(576)</u>
<b>Total</b>	<b><u>21,151</u></b>	<b><u>(25,148)</u></b>
<b>NET COMPREHENSIVE INCOME</b>	<b><u>214,505</u></b>	<b><u>148,294</u></b>

Regarding to the executive circular sent by the Hungarian National Bank to the OTP Bank Plc. in respect with the measures to mitigate the negative effects on the financial intermediary system caused by the coronavirus, the Board of Directors of OTP Bank Plc. in connection with the approval of the consolidated and separate annual financial statements prepared based upon the International Financial Reporting Standards proposes the Annual General Meeting to determine the parent company's statement of financial position for the year ended 2019 with total assets of HUF 10,138,804 million and with net profit for the period of HUF 193,354 million. The net profit for the period is allocated as follows: the general reserve must be increased by HUF 19,335 million, and the remaining amount must be set to the retained earnings. After the termination of the ordered State of Danger, the Board of Directors will consider the possibility of paying a dividend advance.

The written documents of the General Meeting shall be available for inspection by the shareholders from 26 of March 2020 at the Budapest Branch Office of OTP Bank (H-1051 Budapest V. Deák Ferenc u. 7-9.) and on the website of the Budapest Stock Exchange ([www.bet.hu](http://www.bet.hu)), on the website operated by the National Bank of Hungary ([www.kozzetetelek.hu](http://www.kozzetetelek.hu)) and of the Bank ([www.otpbank.hu](http://www.otpbank.hu)).

**Board of Directors of OTP Bank Plc.**