OTP Group
Full year 2013 results

Conference call – 7 March 2014

László Bencsik
Chief Financial and Strategic Officer

The accounting profit dropped by 48% in 2013, while the annual adjusted earnings decreased by 3% and profit without one-off items by 11%, respectively

	2012	2013	Y-o-Y	4Q 12	3Q 13	4Q 13	Q-o-Q	Y-o-Y
	in HUF billion				in HUF billion			
Consolidated after tax profit (accounting)	**122.6**	**64.1**	**-48%**	**26.1**	**10.9**	**1.4**	**-87%**	**-95%**
Adjustments (total)	**-27.4**	**-81.8**	**199%**	**-0.1**	**-31.3**	**-9.2**	**-71%**	
Dividends and net cash transfers (after tax)	-0.4	-0.4	4%	-0.2	-0.2	-0.2	21%	
Goodwill/investment impairment charges (after tax)	4.0	-29.4	-840%	0.0	-30.8	0.0	-100%	
Banking tax and one-timer extra payment of the financial transaction tax (after tax)	-29.2	-43.2	48%	0.1	-0.3	-0.3	-6%	-363%
Fine imposed by the Hungarian Competition Authority (after tax)	0.0	-3.2		0.0	0.0	-3.2		
Corporate tax impact of the transfer of general risk reserves to retained earnings	0.0	-5.5		0.0	0.0	-5.5		
Impact of early repayment of FX mortgage loans (after tax)	-1.8	0.0	-100%	0.0	0.0	0.0		
Consolidated adjusted after tax profit	**149.9**	**145.9**	**-3%**	**26.2**	**42.2**	**10.6**	**-75%**	**-60%**
Corporate tax	-42.2	-39.0	-8%	-13.2	-12.0	-3.8	-69%	-71%
O/w tax shield of subsudiary investments	*5.7*	*2.0*	*-64%*	*-2.0*	*0.5*	*1.4*	*194%*	*-173%*
Before tax profit	192.2	184.9	-4%	39.4	54.2	14.4	-73%	-63%
Total one-off items	-3.8	9.6	-355%	0.0	5.7	-0.4	-107%	
Revaluation result of FX swaps at OTP Core	-2.5	0.7	-128%	0.0	0.3	-0.3	-210%	
Gain on the repurchase of own capital instruments	1.4	6.1	331%	0.0	5.1	0.0	-99%	
Result of the Treasury share swap agreement	-2.7	2.8	-206%	0.0	0.3	-0.1	-136%	-440%
Before tax profit without one-off items	**196.0**	**175.3**	**-11%**	**39.4**	**48.6**	**14.8**	**-70%**	**-63%**

1 In 3Q 2013 HUF 37.2 billion goodwill was written off in relation to the Ukrainian subsidiary. Of that HUF 6.4 billion was recognised against equity and HUF 30.8 billion against the P&L. Furthermore, impairment charges were booked under HAS in relation to investments in the Serbian and Montenegrin subsidiaries, the IFRS results were affected only by the positive tax shield (in HUF billion: in 2Q 2012 4.0, in 2Q 2013 1.4).

2 Besides the special banking tax to be paid by Hungarian and Slovakian group-members, the one-timer extra payment of the Hungarian financial transaction tax was recognized in 2Q 2013 accounts, its after tax negative impact reached HUF 13.2 billion.

3 In 2013 the Group repurchased EUR 70.1 million from the Upper Tier2 Perpetual bonds. EUR 12.5 million was repurchased and cancelled from the Lower Tier 2 bond maturing in 2015.

Consolidated annual revenues grew by 2%, operating expenses by 6% and risk cost by 7%, respectively

CONSOLIDATED	2012	2013	Y-o-Y	12 4Q	3Q 13	4Q 13	Q-o-Q	Y-o-Y
	in HUF billion			in HUF billion				
Before tax profit without one-off items	**196.0**	**175.3**	**-11%**	**39.4**	**48.6**	**14.8**	**-70%**	**-63%**
Operating profit w/o one-off items	449.7	447.7	0%	109.6	114.6	106.4	-7%	-3%
Total income w/o one-off items	844.6	864.9	2%	214.9	218.3	213.9	-2%	0%
Net interest income w/o one-off items	650.3	653.1	0%	166.0	165.4	159.2	-4%	-4%
Net fees and commissions	151.6	166.9	10%	40.5	43.5	44.8	3%	11%
Other net non interest income without one-offs*	42.7	44.8	5%	8.3	9.3	9.8	5%	18%
Operating costs	-394.9	-417.2	6%	-105.2	-103.7	-107.5	4%	2%
Total risk costs	-253.7	-272.5	7%	-70.3	-66.0	-91.6	39%	30%

OTP CORE	2012	2013	Y-o-Y	4Q 12	3Q 13	4Q 13	Q-o-Q	Y-o-Y
	in HUF billion			in HUF billion				
Before tax profit without one-off items	**121.3**	**140.3**	**16%**	**29.1**	**35.6**	**32.9**	**-8%**	**13%**
Operating profit w/o one-off items	211.4	194.4	-8%	48.2	49.9	47.5	-5%	-2%
Total income w/o one-off items	394.2	384.6	-2%	96.2	96.9	95.5	-1%	-1%
Net interest income w/o one-off items	292.6	273.3	-7%	71.8	69.5	67.8	-2%	-6%
Net fees and commissions	85.8	91.5	7%	21.9	23.6	24.8	5%	13%
Other net non interest income without one-offs *	15.9	19.8	25%	2.5	3.8	3.0	-23%	17%
Operating costs	-182.9	-190.2	4%	-47.9	-47.0	-48.0	2%	0%
Total risk costs	-90.1	-54.1	-40%	-19.1	-14.2	-14.6	2%	-24%

* At OTP Core the gain on the Hungarian government bond portfolio in 2013 increased by HUF 6.1 billion y-o-y (2012: HUF 2.2 billion, 2013: HUF 8.3 billion), while gain in 4Q remained practically unchanged (3Q 2013: HUF 0.8 billion, 4Q 2013: HUF 0.9 billion).

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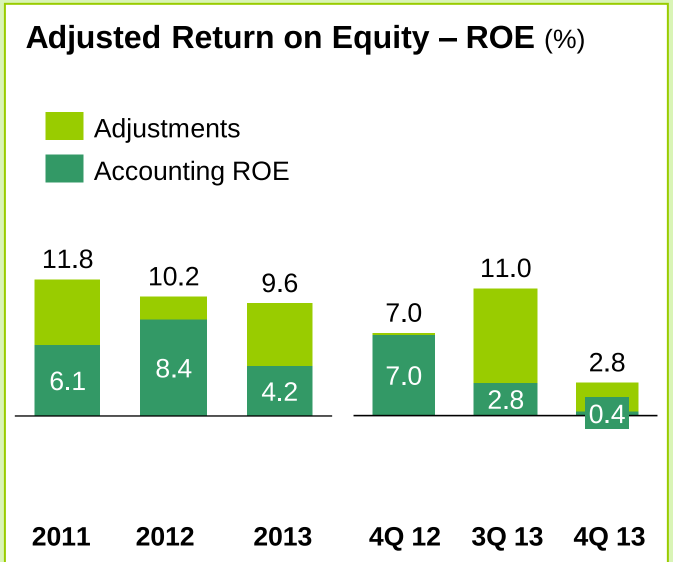
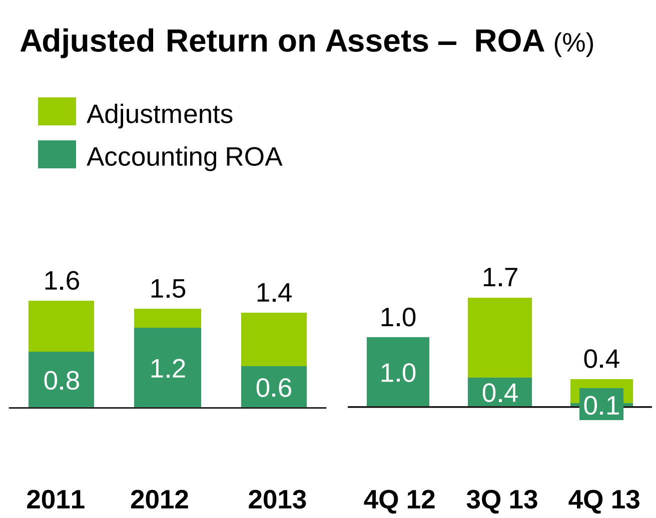
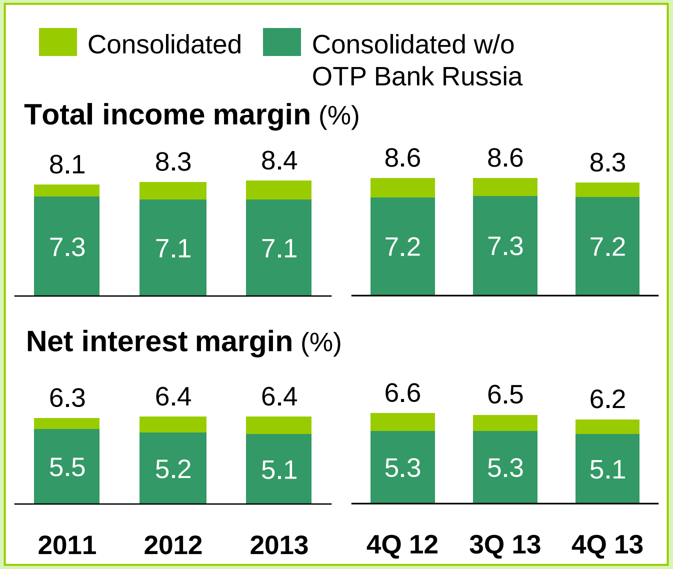
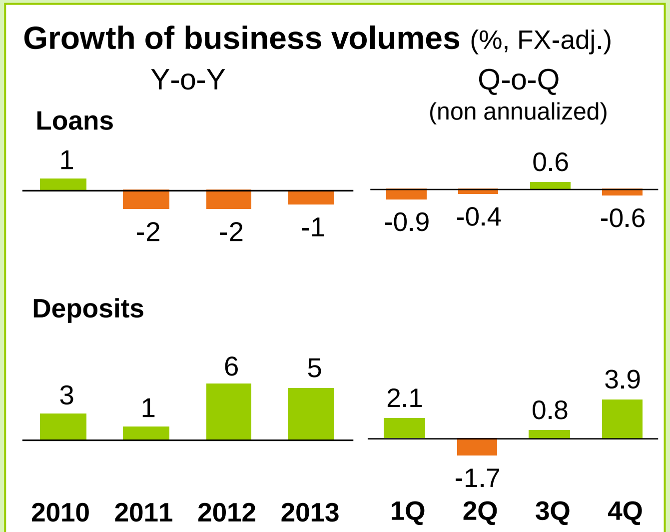
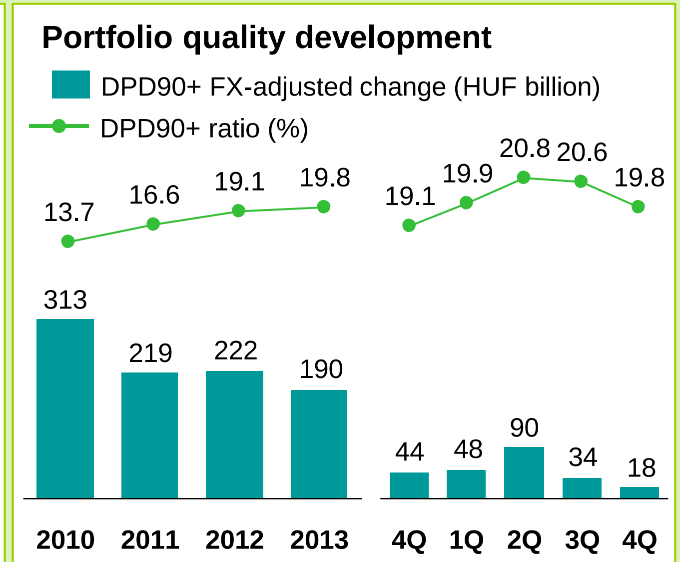
Consolidated income margins remained strong. The loan book slightly decreased y-o-y, while deposits increased by 5%. The portfolio deterioration slowed down especially in 4Q, high provisioning resulted in improving coverage rate

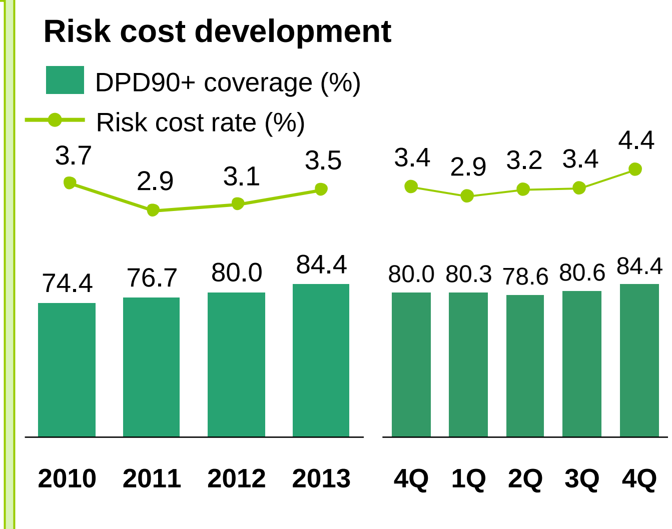












Miscellaneous

Changing provisioning methodology	• **OTP Bank Russia:** PD and recovery expectations have been set even more conservatively than before by applying a more forward looking approach. This methodology change resulted in a HUF 11.5 billion one-off increase in risk cost in 4Q. Furthermore net interest income suffered a one-off HUF 4.8 billion setback as accrued but not-paid interest receivables of loans with more than 360 days of delinquency were written-off. • **OTP Bank Serbia:** in 4Q the Bank assessed the collaterals and expected recovery of non performing corporate loans substantially more conservatively. The review generated a HUF 9.4 billion one-off increase in risk cost.
Expected DPD90+ in 1Q 2014	A Hungarian project financing loan with principal amount at HUF 34 billion is expected to reach 90 days of delinquency in 1Q 2014. Should this default event materialise, ceteris paribus it would lower the provision coverage ratio of OTP Core by 5.1 ppts to 80.1% and the consolidated provision coverage by 1.9 ppts to 82.5%.
Dividends	The dividend payout included in the preliminary financial statements is HUF 40.6 billion (up by 21% y-o-y), implying a per share dividend at cca. HUF 146* and a dividend yield of around 3.7%**.
OTP Bank Croatia	In February 2014 OTP Croatia successfully acquired Banco Popolare Croatia (‚BPC') which was a niche player focusing on consumer lending with a market share of 2.2% in that segment. BPC has 35 branches and more than 30 ATMs enabling the bank to provide financial services for 54 thousand clients with total assets at HRK 2.3 billion and total equity of HRK 0.3 billion The P/BV was 0.3.The acquisition enhances OTP's presence in Zagreb and northern and eastern Croatia resulting in a better scale of economy.

OTP Core	• **FX mortgage loans:** the Government postponed to make any decision before the Hungarian Supreme Court and Constitutional Court make their decisions:
	  ◦ In December 2013 the Hungarian Supreme Court postponed its decision concerning unilateral amendments to FX loan contracts by the lender under transparency criterion until the European Court of Justice reaches a preliminary ruling on the issue (C-26/13).
	  ◦ From November 2013 at the government's request the Hungarian Constitutional Court has been examining the constitutionality of foreign-currency loans and whether lawmakers can retroactively amend loan terms based on the presumed unfairness of certain clauses, including the clauses devolving exchange rate risk exclusively to the borrowers and exchange-rate margins banks used in calculating monthly instalments and unilateral increases of mortgage rates.
	• **Debt consolidation of municipalities:** as a last step the Central Government took over the remaining debt of local governments on 28 February 2014. By end-2013 OTP Core had HUF 211 billion exposure to municipalities out of that the exposure to the Hungarian State amounted to HUF 102 billion. As a result of the consolidation OTP will have cca. HUF 150 billion exposure almost fully to the Hungarian State.

Asset Quality Review	OTP Group does not fall under the authority of the Single Supervisory Mechanism, consequently is not directly supervised by the European Central Bank. However, the National Bank of Hungary decided on conducting an asset quality review using a similar methodology applied by ECB.

*Estimate based on number of shares eligible for dividend by end-2013.
** Assuming a share price at HUF 4.000.

Consolidated capital adequacy ratios improved further over the year, the Montenegrin and Serbian bank received capital injection through conversion of subordinated debt

OTP Group consolidated capital adequacy ratio (IFRS)

(Basel 2)	2009	2010	2011	2012	2013
Capital adequacy ratio	17.2%	17.5%	17.3%	19.7%	19.9%
Tier1 ratio	13.7%	14.0%	13.3%	16.0%	17.4%
Core Tier1 ratio	12.0%	12.5%	12.0%	14.7%	16.0%

1. The **consolidated Core Tier1** ratio has improved by 1.4 ppts since the end of 2012, which was explained partly by steadily profitable operation and partly by slightly shrinking risk-weighted assets due to the decline in the loan book.
2. The already implemented measures of the Central Bank of Russia with the intention to slow down the growth of the consumer lending market had negative impact on the **Russian** bank's capital adequacy ratio.
3. At the **Serbian** bank subordinated debt (LT2) of EUR 40 million was converted into ordinary shares in January 2013.
4. The **Montenegrin** bank obtained EUR 10 million subordinated capital in April, the conversion of the subdebt into ordinary shares was executed in 3Q. In November further EUR 7 million subdebt was provided for the subsidiary.

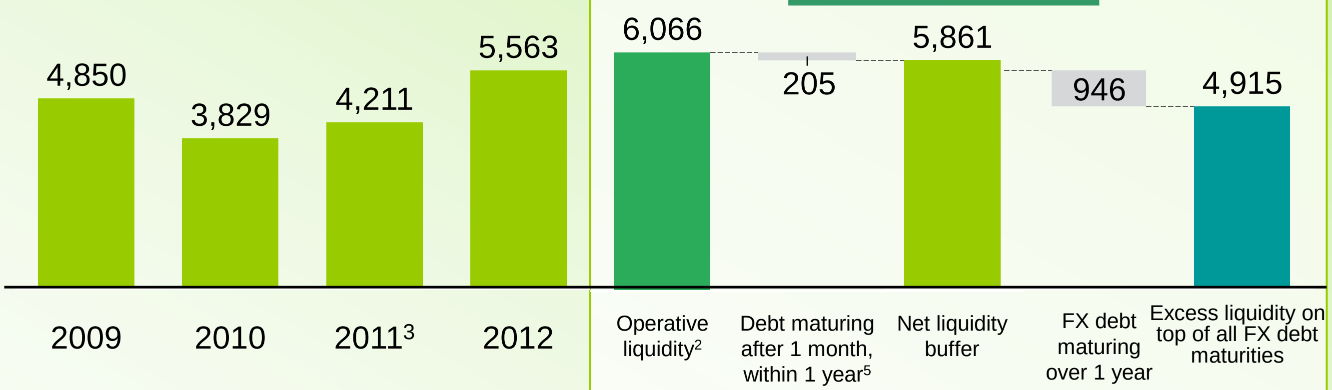
Capital adequacy ratios (under local regulation)

	2010	2011	2012	2013
OTP Group (IFRS)	**17.5%**	**17.3%**	**19.7%**	**19.9%**
Hungary	18.1%	17.9%	20.4%	22.8%
Russia	17.0%	16.2%	16.2%	14.2%
Ukraine	22.1%	21.3%	19.6%	20.6%
Bulgaria	23.7%	20.6%	18.9%	16.3%
Romania	14.0%	13.4%	15.6%	12.7%
Serbia	16.4%	18.1%	16.5%	37.8%
Croatia	15.0%	14.8%	16.0%	16.0%
Slovakia	11.1%	13.1%	12.8%	10.6%
Montenegro	13.9%	13.4%	12.4%	14.4%

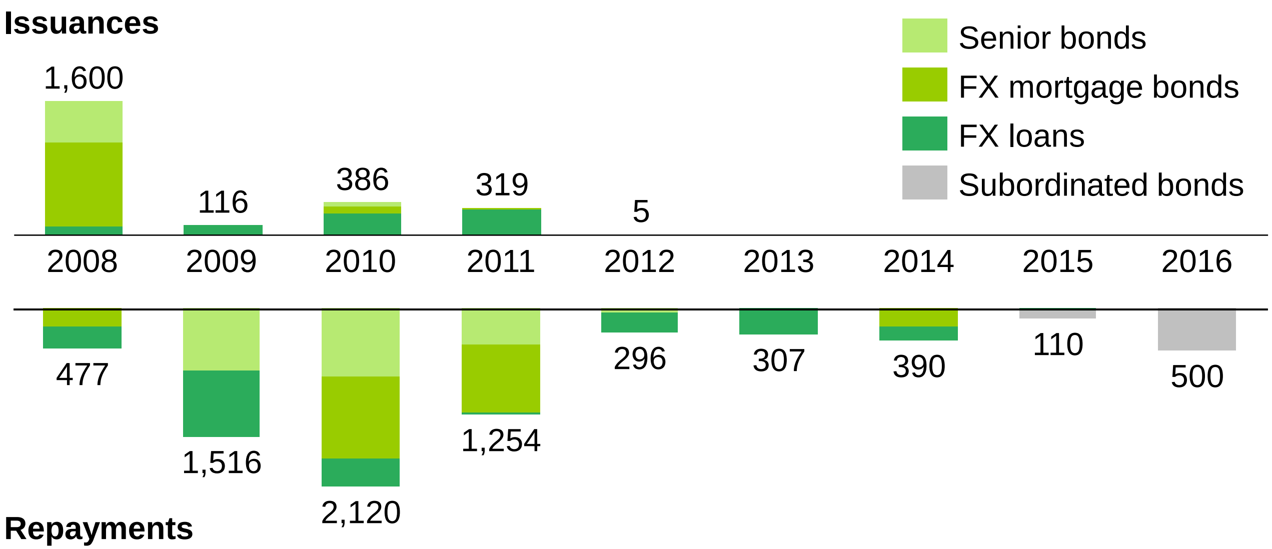
The Group's liquidity position remained very strong, swap roll-over needs for 2014 had been already renewed by end-2013

OTP Group net liquidity buffer[1]

(in EUR million, equivalent)



FX denominated wholesale funding transactions at OTP Core level[4] (in EUR mn)



Debt and capital market issuances in 2013:

- Shrinking Hungarian retail bond portfolio due to strong competition from local government bonds (4Q 2013 volume at HUF 70 billion or EUR 236 million).

Repaid debt and capital market instruments in 2013:

- On 17 May 2013 OTP Bank repaid EUR 300 million syndicated loan
- On 12 December 2013 OTP Bank repaid a HUF 5 billion subordinated loan
- On 18 November 2013 OTP Mortgage Bank repaid EUR 750 million covered bonds, out of which 3.5 million was external liability

OTP Bank did not participate in the LTRO programs of the European Central Bank.

[1] operating liquidity less debt maturing over one month, within one year
[2] liquid asset surplus within one month + repo value of government bonds, covered bonds, municipal bonds
[3] as at 22/02/2012 [4] wholesale funding transactions do not include intra-group holdings
[5] Does not include CHF 193 million exposure to EIB due to the over 100% colletarization of loans

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The declining pre-tax profit of OTP Group was due to setback in the performance of the Russian, Serbian and Croatian subsidiaries with the Bulgarian and Ukrainian subsidiaries posting stronger pre-tax profit

PROFIT BEFORE INCOME TAX – 2013 without one-off items (HUF billion)			2013 – Y-o-Y change (in HUF billion)	(%)	4Q 2013 – Q-o-Q change (in HUF billion)	(%)
OTP Group	100%	175	-21	-11%	-34	-70%
OTP CORE (Hungary)	80%	140	19	16%	-3	-8%
OBRU (Russia)	2%	3	-57	-94%	-12	
DSK (Bulgaria)	19%	34	6	23%	-1	-21%
OBU (Ukraine)	6%	11	8	312%	-1	-23%
OBH (Croatia)	2%	3	-2	-41%	-1	-70%
OBS (Slovakia)	1%	2	2	254%	0	-10%
OBR (Romania)	-2%	-4	2	32%	-3	-525%
CKB (Montenegro)	0%	1	5	121%	-1	-120%
OBSrb (Serbia)	-8%	-13	-8	-168%	-10	
Merkantil (Hungary)	1%	2	1	292%	0	2%

Contribution of foreign subsidiaries:

21%

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The Group's total income for 2013 increased by 2% y-o-y, reflecting the strong income generation dynamics of the Russian and Ukrainian subsidiary, while revenues at OTP Core declined further

	TOTAL INCOME – 2013 without one-off items (HUF billion	2013 Y-o-Y change (%)	4Q 2013 Q-o-Q change (%)	FX adjusted Y-o-Y change of loans (%)	FX adjusted Y-o-Y change of deposits (%)
OTP Group	865	2%	-2%	-1%	5%
OTP CORE (Hungary)	385	-2%	-1%	-7%	5%
OBRu (Russia)	207	7%	-10%	9%	2%
DSK (Bulgaria)	93	-3%	2%	-2%	6%
OBU (Ukraine)	73	13%	10%	0%	2%
OBH (Croatia)	23	1%	0%	6%	2%
OBS (Slovakia)	15	7%	15%	14%	9%
OBR (Romania)	20	3%	5%	3%	28%
CKB (Montenegro)	11	5%	-15%	9%	-9%
OBSrb (Serbia)	8	20%	-18%	0%	12%
Other*	31	28%	-6%		

Contribution of foreign subsidiaries:

52%

* Other group members and eliminations

The decline in 4Q net interest income was due to narrowing deposit margins at OTP Core and changing Russian provisioning methodology that resulted higher risk cost on accrued but non-paid interest revenues

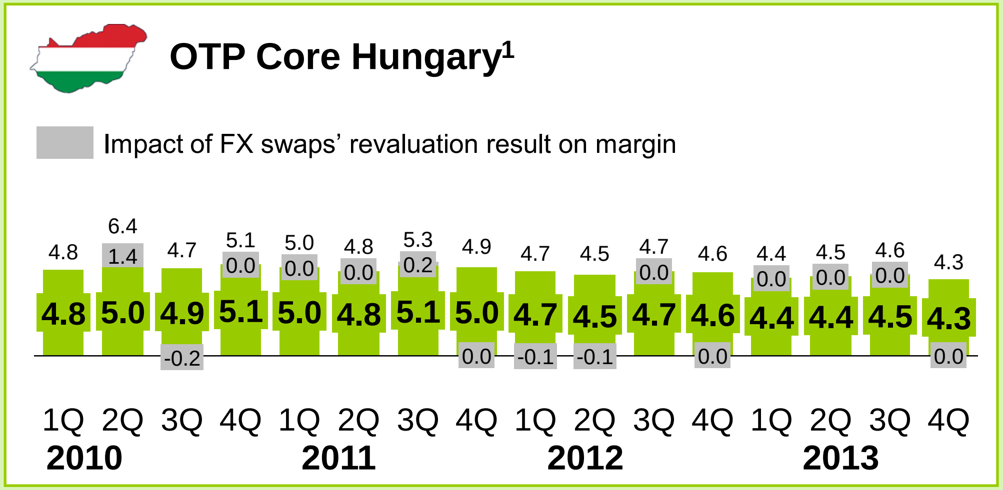
NET INTEREST INCOME– 2013 (HUF billion)	Share	2013	Y-o-Y (HUF bn)	Y-o-Y (%)	4Q 2013 (HUF billion)	Q-o-Q (HUF bn)	Q-o-Q (%)
OTP Group	100%	653	3	0%	159	-6	-4%
OTP CORE (Hungary)	42%	273	-19	-7%	68	-2 [1]	-2%
OBRU (Russia)	28%	184	14	8%	41	-4 [2]	-10%
DSK (Bulgaria)	11%	73	-2	-2%	18	0	2%
OBU (Ukraine)	8%	53	4	8%	14	1	5%
OBH (Croatia)	2%	16	0	-1%	4	0	4%
OBS (Slovakia)	2%	12	0	1%	3	0	8%
OBR (Romania)	2%	14	-2	-10%	3	0	5%
CKB (Montenegro)	1%	8	1	8%	2	0	-11%
OBSrb (Serbia)	1%	5	1	48%	1	0	12%
Merkantil (Hungary)	2%	15	-1	-5%	4	0	-1%

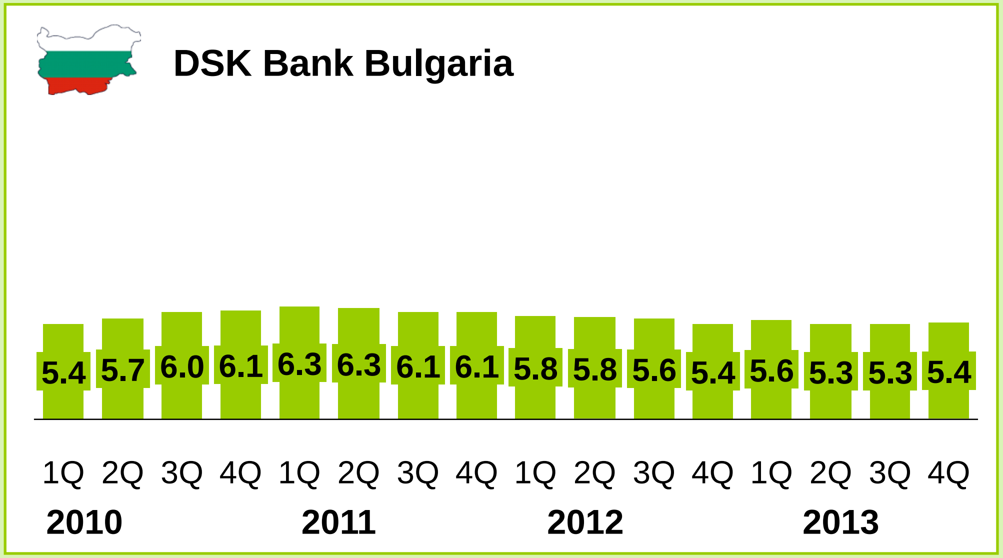
1. OTP Core's 4Q net interest income dropped by HUF 1.7 billion q-o-q. The erosion was mostly the result of the declining yield environment, deposit pricing was less efficient than in previous quarters.

2. At OTP Bank Russia out of the total quarterly decline of HUF 4.4 billion cca. HUF 4.8 billion was due to the one-off write-down of accrued but not-paid interest receivables of loans with more than 360 days of delinquency in the fourth quarter.

The quarterly erosion of OTP Core's net interest margin was mainly due to thinner deposit margins. Portfolio deterioration and change in provisioning methodology drove Russian margins lower in 4Q. DSK's margin is stable, in the Ukraine margins were boosted by strengthening consumer lending

Net interest margin (%)





[1] The full annual negative impact of the FX protection scheme was recognised in 1Q 2013 in the amount of HUF 2.2 billion. If OTP was to apply accrual accounting, OTP Core's net interest margin (1Q: 4.37%, 2Q: 4.44%, 3Q: 4.55%, 4Q: 4.29%) would have been at 4.48% 1Q, 4.40% in 2Q, 4.51 % in 3Q and 4.26% in 4Q 2013.

The consolidated net loan to deposit ratio sank below 90%

Loan to deposit ratio, % (31 December 2013)

- Net loan to deposit **
- Gross loan to deposit

100%

Change of net loan to deposit ratio, adjusted*

	Net loan to deposit **	Gross loan to deposit	Q-o-Q	Y-o-Y
OTP Group**	89%	109%	-4%p	-5%p
OTP CORE** (Hungary)	66%	79%	-6%p	-7%p
OBRU (Russia)	121%	150%	+4%p	+2%p
DSK (Bulgaria)	89%	108%	-3%p	-10%p
OBU (Ukraine)	200%	277%	+5%p	+1%p
OBR (Romania)	176%	203%	-8%p	-48%p
OBH (Croatia)	83%	90%	+2%p	+2%p
OBS (Slovakia)	95%	102%	+2%p	+5%p
OBSrb (Serbia)	125%	210%	-5%p	-41%p
CKB (Montenegro)	78%	113%	+3%p	+14%p

In case of OTP Core the quarterly decline in the indicator reflects mainly the significant deposit inflows registered both in the household and corporate segments in 4Q 2013. However, household deposits saw a yearly decline of 5%, as depositors turned to alternative forms of investments as base rate cuts sent bank deposit rates lower. On the asset side, mortgage loan volumes kept on eroding and the debt consolidation of local governments played a role, too. As part of the second round of municipal debt consolidation HUF 41.5 billion equivalent of municipal debt was repaid in June 2013.

Significant y-o-y improvement took place in Romania and Serbia delivering the fastest deposit increase y-o-y across the Group.

* Changes are adjusted for the effect of FX-rate movements

** In case of the ratio of the Group and OTP Core the applied formula is „net loan / (deposit + retail bond)"

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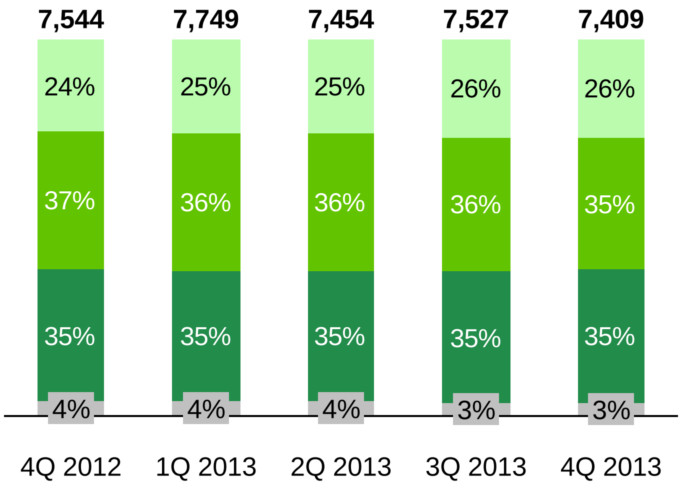
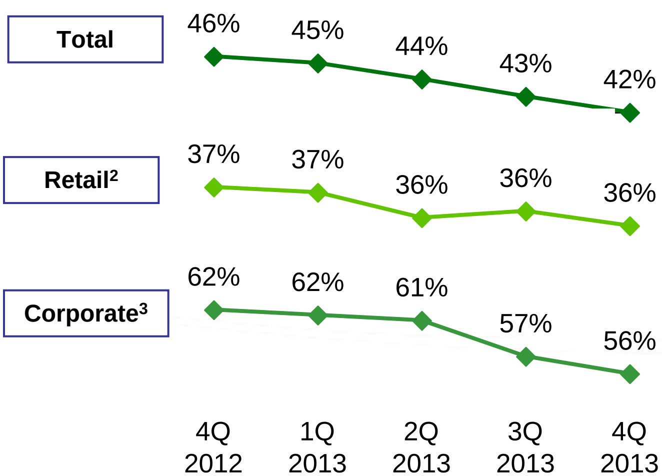
In 2013 OTP Core's loan volumes to Hungarian companies expanded by 8%. Consumer loans increased at every foreign subsidiaries y-o-y; the Russian dynamic was influenced by loan sales and write-offs in 4Q 2013

Breakdown of consolidated gross loan book (in HUF billion)



Share of FX loans in the consolidated gross loan portfolio



Q-o-Q loan volume changes in 4Q 2013, adjusted for FX-effect

	Cons.	Core (Hungary)	Merk (Hungary)	OBRu (Russia)	DSK (Bulgaria)	OBU (Ukraine)	OBR (Romania)	OBH (Croatia)	OBS (Slovakia)	OBSr (Serbia)	CKB (Monte-negro)
Total	-1%	-2%	-2%	-1%	0%	4%	2%	1%	5%	1%	-2%
Consumer	-1%	-5%		-2%[5]	-1%	23%	15%	1%	45%	3%	5%
Mortgage	-2%	-3%		-6%	-1%	-4%	-1%	0%	5%	0%	-2%
Corporate[1]	1%	-1% / +4%[4]	1%	39%	1%	3%	3%	2%	0%	0%	-3%
Car-financing	-6%		-2%	-12%		-1%		-17%	-10%		

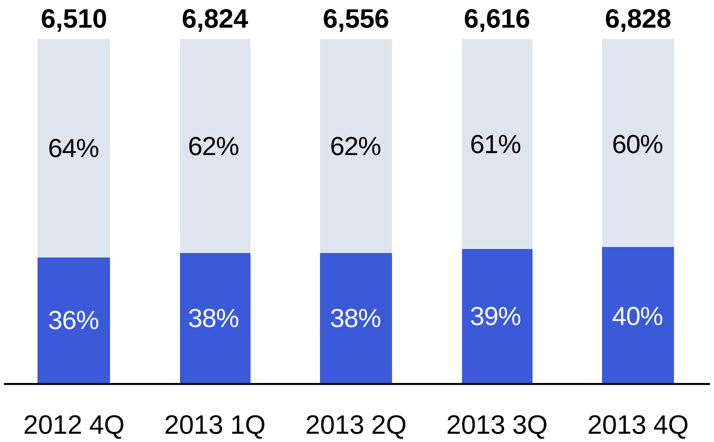
Y-o-Y loan volume changes in 4Q 2013, adjusted for FX-effect

	Cons.	Core (Hungary)	Merk (Hungary)	OBRu (Russia)	DSK (Bulgaria)	OBU (Ukraine)	OBR (Romania)	OBH (Croatia)	OBS (Slovakia)	OBSr (Serbia)	CKB (Monte-negro)
Total	-1%	-7%	-4%	9%	-2%	0%	3%	6%	14%	0%	9%
Consumer	9%	-5%		10%[5]	1%	126%	98%	2%	175%	26%	20%
Mortgage	-7%	-9%		-21%	-3%	-14%	-5%	0%	14%	1%	-6%
Corporate[1]	0%	-4% / +8%[4]	55%	26%	-7%	-6%	0%	15%	4%	-6%	12%
Car-financing	-17%		-16%	-45%		3%		-51%	-21%		

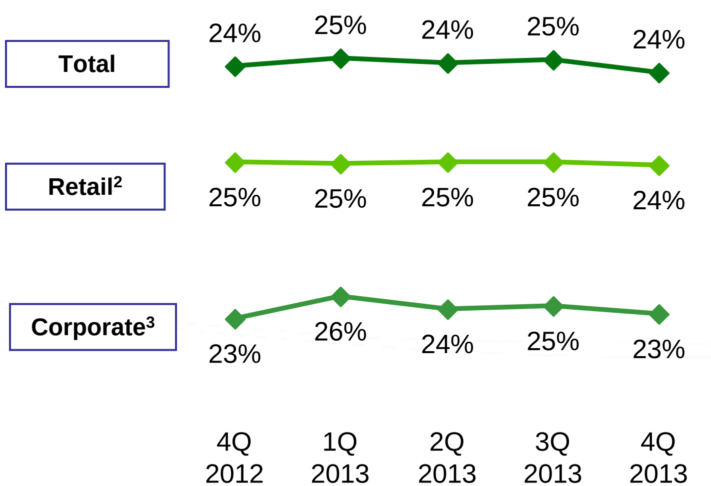
[1] Including loans to micro- and small enterprises, medium and large companies and local governments. [2] Including loans to households and to micro- and small enterprises. [3] Including loans to medium- and large companies and local governments. [4] OTP Bank's loans to Hungarian companies: the estimate for volume change is based on the balance sheet data provision to the central bank, calculated from the „Loans to non-financial and other-financials companies" line, adjusted for FX-effect. [5] Without sold or written-off DPD90+ loans consumer loans would have grown by 6% q-o-q and 21% y-o.y. Loans sold or written-off amounted to RUB 10.8 billion in 2013 and to 9.3 billion in 4Q, respectively.

The 5% expansion of consolidated deposits y-o-y reflects mainly the successful corporate deposit collection. OTP Core's household deposits showed a setback of 5% y-o-y as alternative investment forms became more appealing

Breakdown of consolidated customer deposits (in HUF billion)



Proportion of FX deposits in the consolidated deposit portfolio



Q-o-Q deposit volume changes in 4Q 2013, adjusted for FX-effect

	Cons.	Core (Hungary)	OBRu (Russia)	DSK (Bulgaria)	OBU (Ukraine)	OBR (Romania)	OBH (Croatia)	OBS (Slovakia)	OBSr (Serbia)	CKB (Montenegro)
Total	4%	7%	-1%	3%	2%	6%	-2%	3%	-9%	-7%
Retail	3%	4%	1%	4%	-2%	1%	0%	5%	2%	-3%
Corporate[1]	5%	9%	-5%	-3%	7%	11%	-12%	0%	-24%	-15%

Y-o-Y deposit volume changes in 4Q 2013, adjusted for FX-effect

	Cons.	Core (Hungary)	OBRu (Russia)	DSK (Bulgaria)	OBU (Ukraine)	OBR (Romania)	OBH (Croatia)	OBS (Slovakia)	OBSr (Serbia)	CKB (Montenegro)
Total	5%	5%	2%	6%	2%	28%	2%	9%	12%	-9%
Retail	0%	-5%	3%	5%	-7%	17%	2%	10%	19%	-5%
Corporate[1]	15%	18%	0%	11%	15%	41%	5%	7%	2%	-19%

[1] including SME, LME and municipality deposits as well
[2] including households' deposits and SME deposits
[3] including LME and municipality deposits as well

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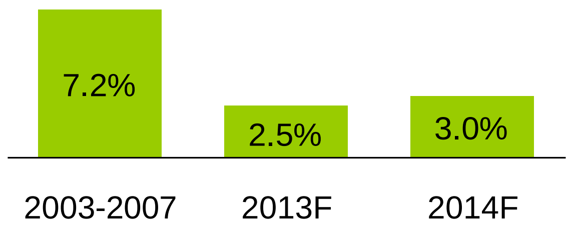
Hungary

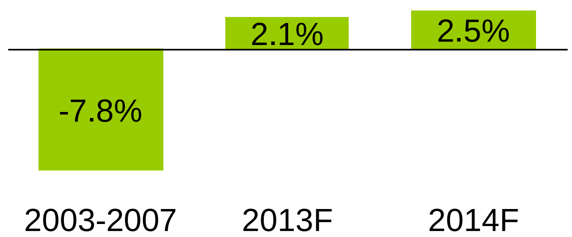
Balance indicators improved further. Economic growth may reach 2% in 2014, fuelled by strengthening household consumption, better export performance and central government investments. The pick-up of private investments is still to come

Balance

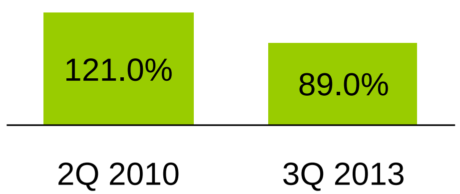
Budget deficit



Current account balance

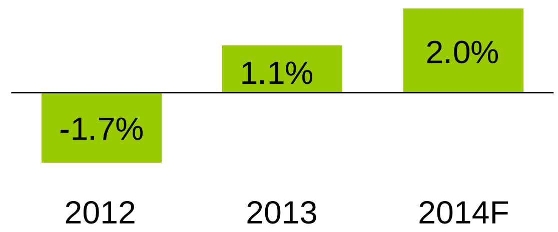


Gross external debt (in percent of GDP)

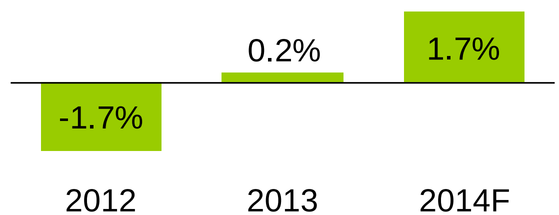


Growth

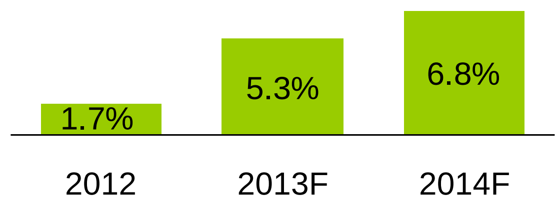
Real GDP



Household consumption

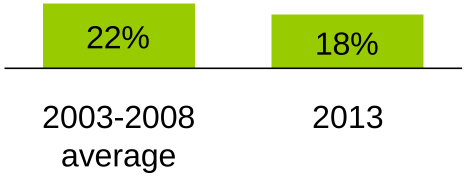


Export growth

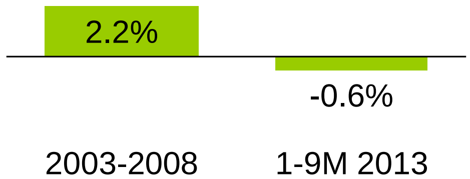


Investments

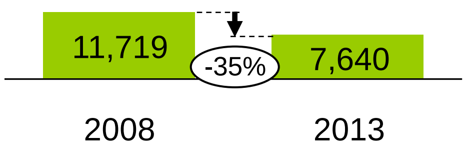
Investments to GDP



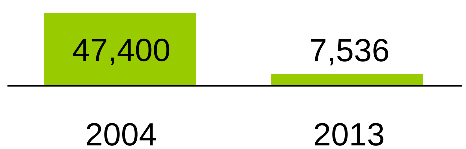
Net corporate FDI
(in % of GDP, w/o the banking sector)



Credit institutions loans to Hungarian companies* (in HUF billion, FX adjusted)



Housing construction permits



Source: Central Statistical Office, National Bank of Hungary, forecasts: OTP Research

* The estimate for volume changes is based on the supervisory balance sheet data provision to the central bank, calculated from the „Loans to non-financial and other-financials companies" line, calculated at fixed FX rates as of 31/12/2012.

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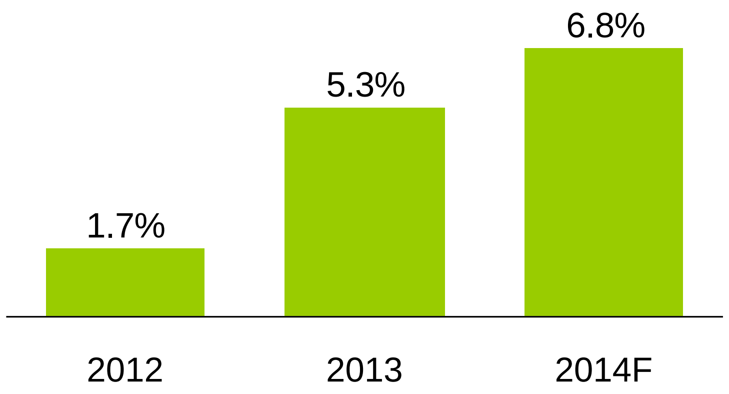
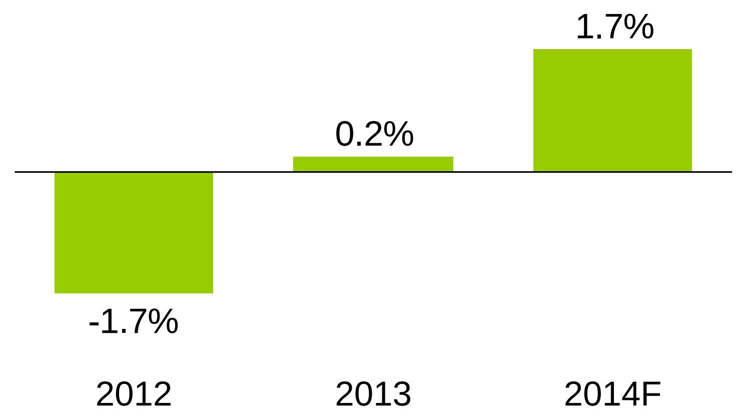
Hungary

Better export performance due to the strengthening external demand; turnaround in household consumption supported by rising real wages, revival of investment activity driven by public investments

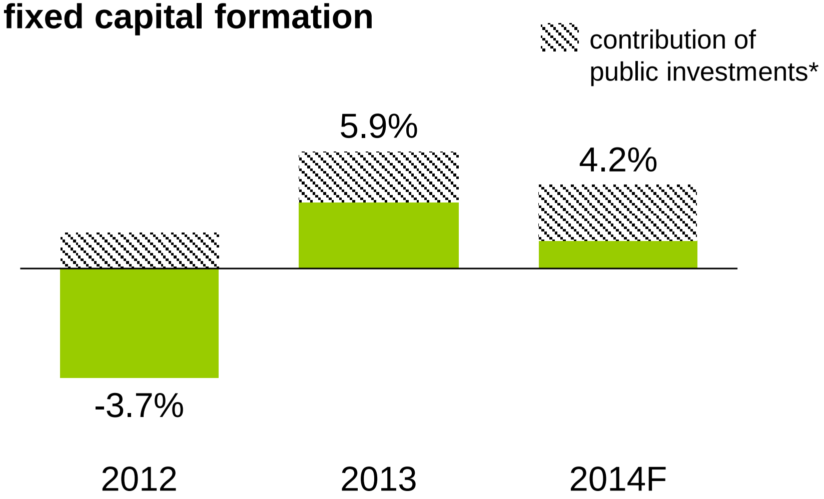
Export



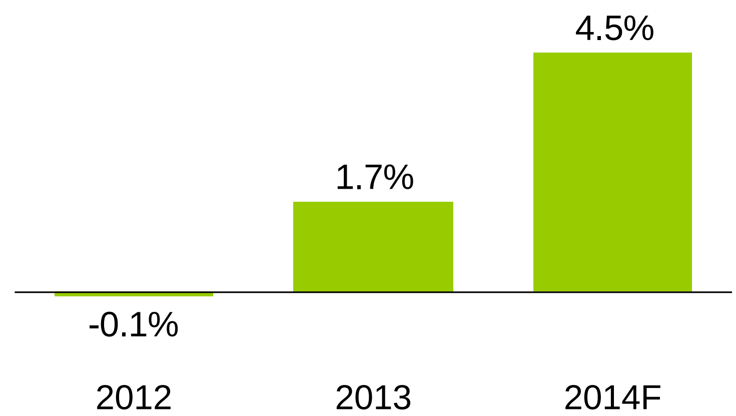
Household consumption



Gross fixed capital formation



Gross real wages



Source: OTP Research Centre

* As for the public investments' contribution, for 2012 fact figures, for 2013 and 2014 estimates are displayed.

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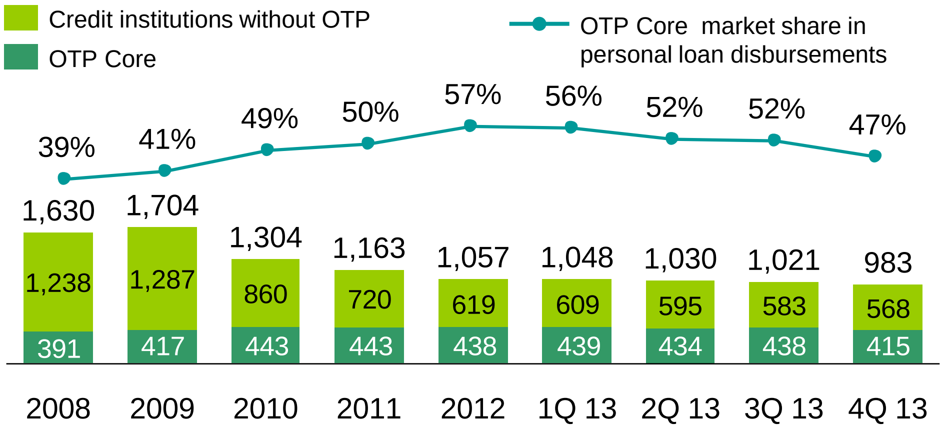
OTP' s market share is steadily high both in new retail loan flows and in the stock of household savings. Mortgage loan applications advanced by 8% in 2013

Hungary

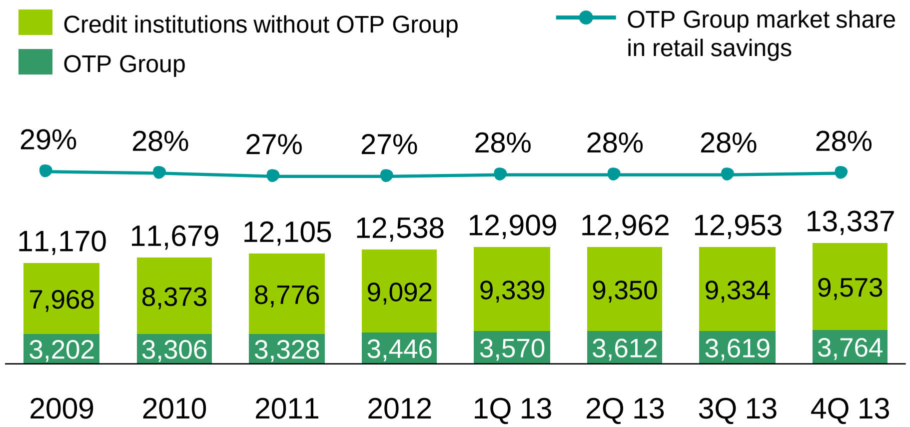
Consumer loan volumes

(in HUF billion, without home equity and car-financing loans)



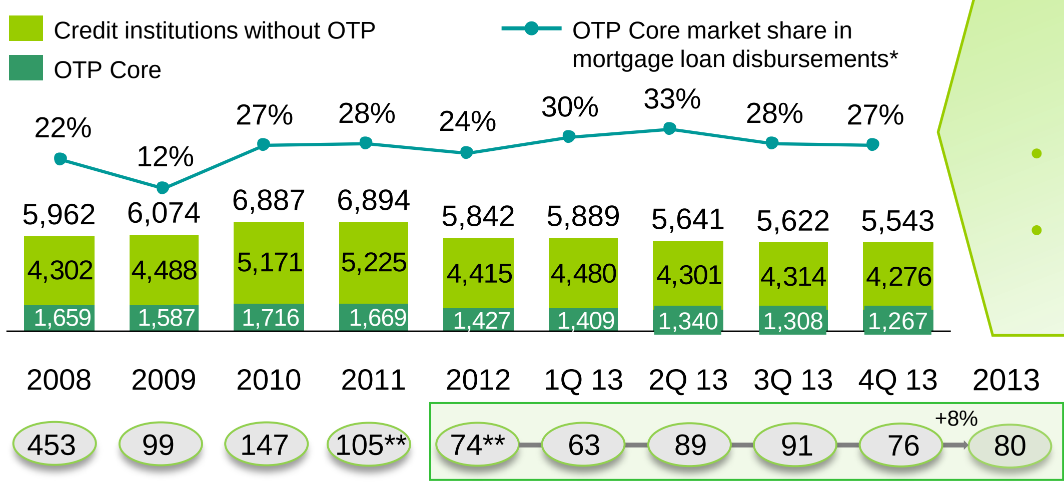
Retail savings of Hungarian credit institutions

(in HUF billion)



Mortgage loan volumes

(in HUF billion, housing and home equity loans)



Annualised mortgage loan applications at OTP Core (in HUF billion)

- Since January 2013 conditions of state-subsidised housing loans have become more favourable: state subsidy remains fixed in the first 5 years, maximum loan size was risen (new home: 15, used home: HUF 10 million), maximum value of used home to-be-bought was raised (HUF 20 million).
- In the first five years, customers can have an all-in mortgage rate of around 6-7%.
- Applications for state-subsidised housing loans were at HUF 24.2 billion in 2013 that is 43% of total housing loan applications and 30% of total mortgage loan applications.

Source: National Bank of Hungary statistics

* After the suspension of Swiss franc lending at OTP Core the ratio is calculated from market statistics excluding CHF mortgages.

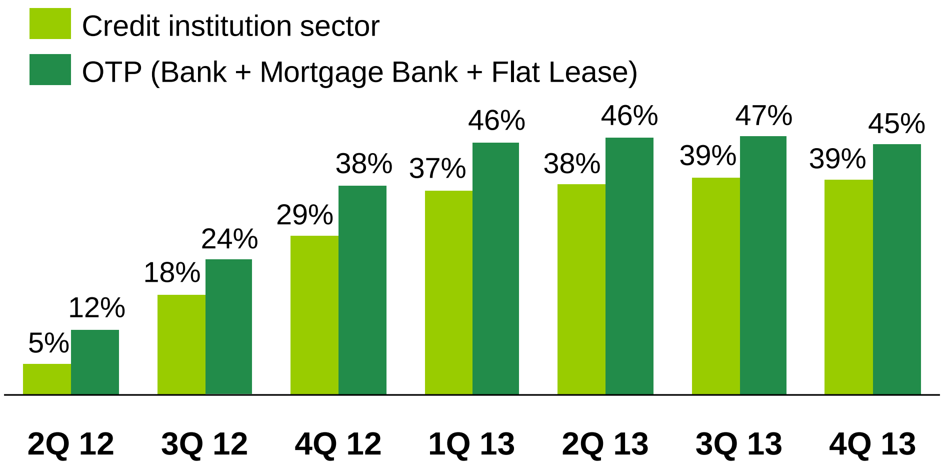
** Without applications for refinancing forint loans under the early repayment programme of FX mortgage loans.

Hungary

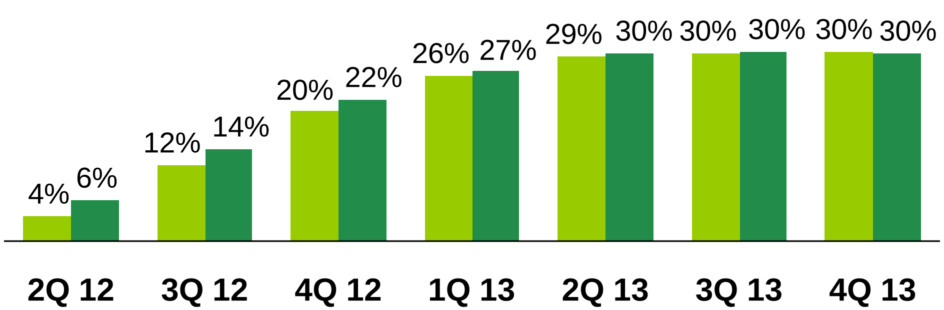
The fixed exchange rate scheme provides considerable benefits to almost half of the eligible FX mortgage borrowers in terms of loan volumes. In November 2013 defaulted borrowers as well as borrowers having big-ticket loans gained eligibility

PARTICIPATION IN THE FX PROTECTION SCHEME

…as a share of performing FX mortgage volumes*



…as a share of number of eligible loan contracts**



Fixed exchange rate scheme

- From November 2013 borrowers in more than 90 days of delay or participating in other financial relief programme of the banks or having a principal of over HUF 20 million equivalent at the initiation of the contract gained eligibility.
- As a result of the scheme, on sector level the total annual instalments of FX borrowers declined by cca. HUF 48 billion[1], representing a 28% decrease in the total annual burden of participating clients. Out of interest payments due in the next 12 months, HUF 34 billion is going to be forgiven to clients.
  This is going to be borne jointly by the Government and the banks.
- In case of a typical Swiss franc denominated loan carrying market conditions with a principal of HUF 9 million and remaining maturity of 15 years, the client's total annual burden is reduced by HUF 305 thousand[2]. Out of this reduction, the forgiven interest payment amounts to HUF 207 thousand in the first year.

National Asset Management Company

- The Company purchases the property offered by the eligible client with the Bank's consent. The borrower will become a tenant in his home, and the foreclosure process will be suspended by the Bank.
- The purchase price depends on the location of the real estate and is set at 55% of the market price included in the loan contract if the property is located either in Budapest or in big cities, 50% in case of other towns and 35% in case of villages.
- The Company plans to buy 25 thousand estates by 2014.
- By the end of 2013 altogether 15,000 applications were accepted.

[1] Assuming unchanged loan conditions and stable FX rates (CHFHUF at 254.9, EURHUF at 311.1 and 100JPYHUF at 221.5).
[2] Assuming unchanged loan conditions and stable FX rates (CHFHUF at 254.9).

Source: National Bank of Hungary statistics
* Loan volumes in the FX protection scheme as a share of FX mortgage loans as of 31 December 2013.
** Number of loan contracts in the FX protection scheme as a share of OTP's number of FX mortgage loan contracts in February 2012 and as a share of the sector's FX mortgage loan contracts in March 2013.

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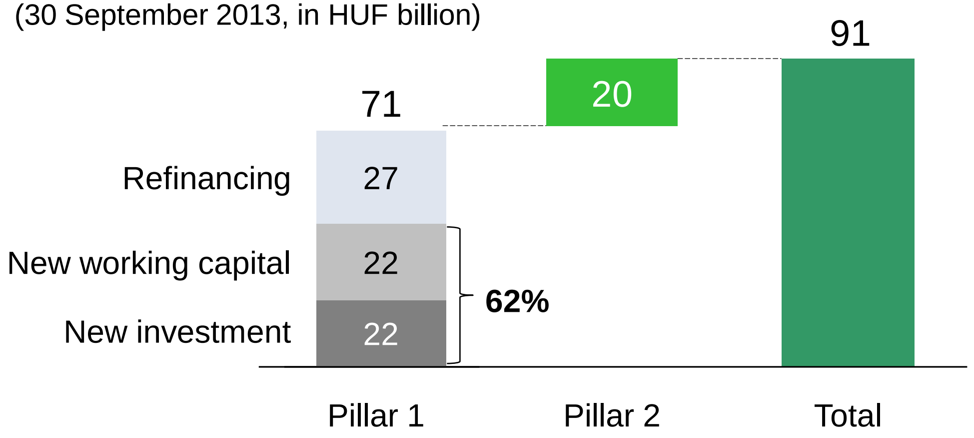
Hungary

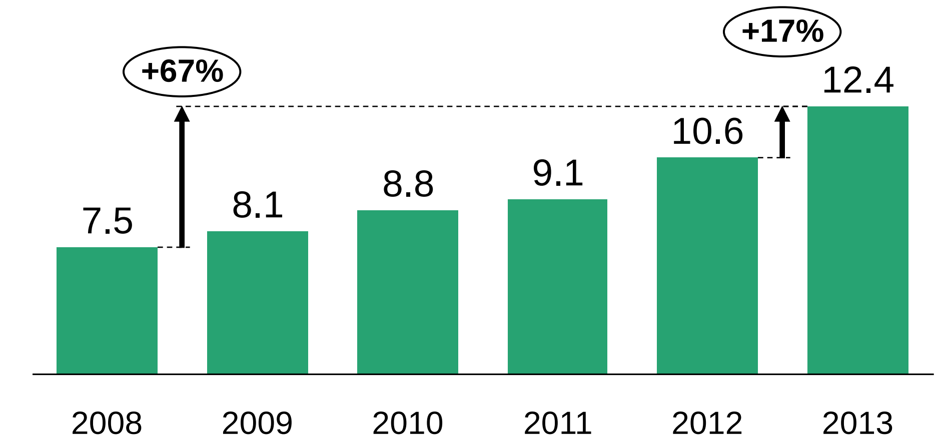
The central bank's Funding for Growth Scheme gave new impetus to lending to Hungarian companies. In the first phase OTP Group concluded contracts in the total amount of HUF 91 billion; in the second phase a gradual upswing is expected

Amount of signed loan contracts by OTP Group under the first phase of Funding for Growth Scheme

(30 September 2013, in HUF billion)

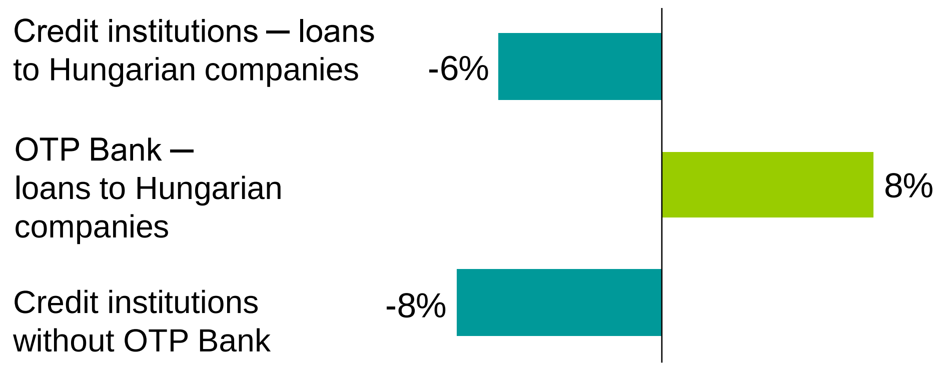


OTP Group's** market share in loans to Hungarian companies (%)



Corporate lending in Hungary* in 2013

(FX-adjusted y-o-y change)



Second phase of Funding for Growth Scheme

(1 October 2013 – 31 December 2014)

- Total allocated funds: HUF 500 billion, which can be extended to HUF 2,000 billion based on the decision of the Monetary Council
- Pillar 1: for new forint loans – 90% of overall amount,
  Pillar 2: for refinancing forint and FX loans – 10% of overall amount
- The total allocation isn't divided among banks, but they can draw funding in order of loan contracts' arrival
- The National Bank ensures funding for banks with 0% rate, the small and medium enterprises can obtain loans at maximum 2.5% interest rate with max. 10 years duration.
- From 1 January 2014 the range of both the possible use of loan proceeds and eligible companies have been extended. Simultaneously, the upper limit of funding available for each borrowers has been increased from HUF 3 to 10 billion.

* The estimate for volume changes is based on the balance sheet data provision to the National Bank of Hungary, calculated from the „Loans to non-financial and other-financials companies" line, adjusted for FX-effect. ** Aggregated market share of OTP Bank, OTP Mortgage Bank, OTP Building Society and Merkantil Bank, based on the balance sheet data provision to the central bank, calculated from the „Loans to non-financial-, other-financial-, additional- and non-profit- institutions serving households" line

Hungary

In the wake of mixed policies applied by Hungarian authorities, OTP Core's market positions have strengthened, while its revenue margin eroded

Policies of the Hungarian government and National Bank…

+

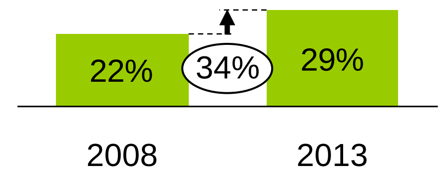
- Fixed exchange rate scheme for FX mortgage borrowers / 50% cost covered by the budget
- National Asset Management Company buying collaterals of distressed non-performing mortgages
- Subsidised forint mortgage loans / 2.1-3.7%-points subsidy for 5 years
- Debt consolidation of municipalities / all the volumes without any haircut
- Funding for SME Growth Scheme I / HUF 750 billion at 2.5% interest rate
- Funding for SME Growth Scheme II (from Oct 2013) / up to HUF 2,000 billion till end-2014

−

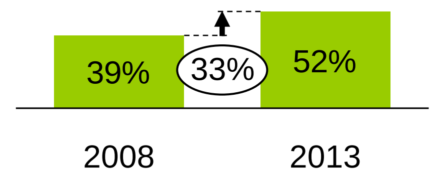
- Special banking tax since 2010 / ~53 bps on end-2009 adjusted assets
- 2011 early repayment of FX mortgage loans at off-market rates / ~28% discount on principal
- Financial transaction tax / ~HUF 133 billion form the banking sector in 2013, ~HUF 166 billion annually thereafter from the sector*
- One-off financial transaction tax applicable to 2013 only / HUF 68 billion from the banking sector*
- Servicing FX housing loans at mid exchange rates
- Capping interchange fees from 2014
- Introducing free of charge cash withdrawals for private individuals from 2014

OTP's market share in…

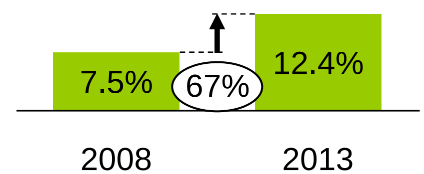
…mortgage loan sales



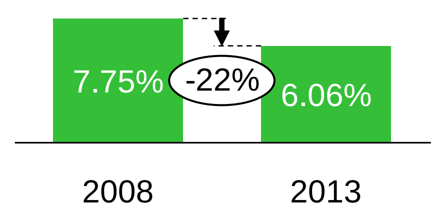
…cash loan sales



… loans to Hungarian companies



Total revenue margin of OTP Core



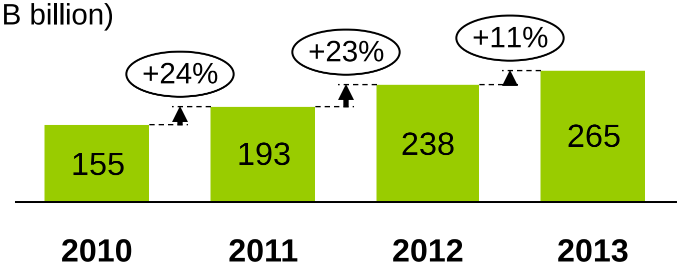
* Forecasts by OTP Research

After whooping growth rates in 2011 and 2012 consumer segment slowed down, while OTP started to decelerate in 2012

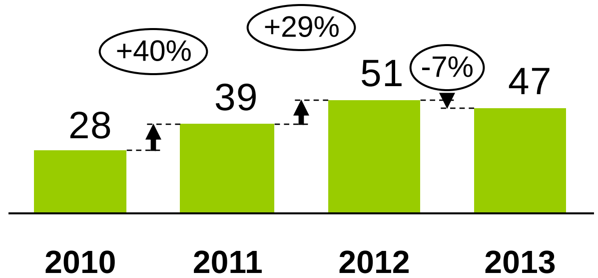
Consumer loan market segment*

Market position of OTP Bank Russia

POS loan market
(RUB billion)

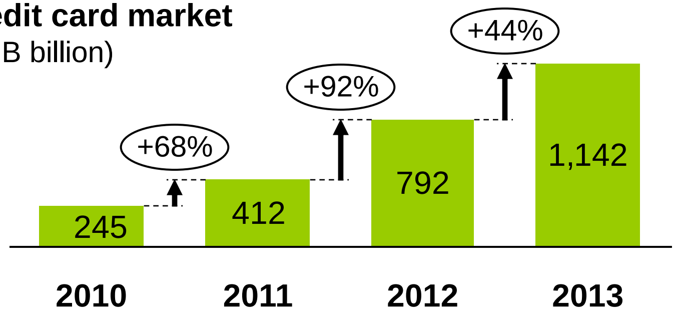


POS loan volumes of OTP Russia

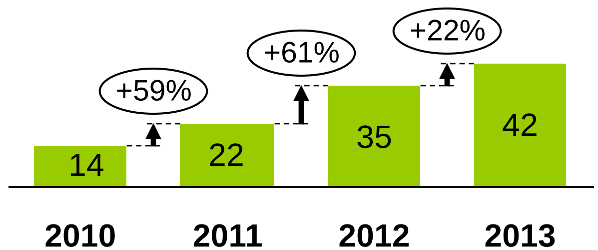


- Sales force:
  5,506 own sales points**
  26,832 external sales points***
- #2 in the market
- 2013 market share: 17.8%

Credit card market
(RUB billion)

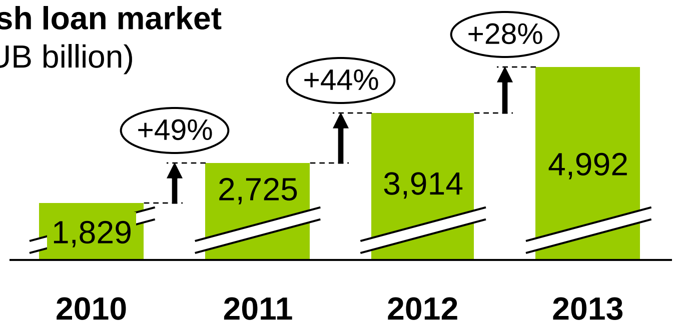


Credit card loan volumes of OTP Russia

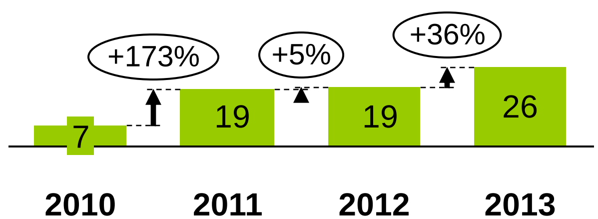


- Cross-sales to POS clients
- #7 in the market
- 2013 market share: 3.7%

Cash loan market
(RUB billion)



Cash loan volumes of OTP Russia
(including quick cash loans)



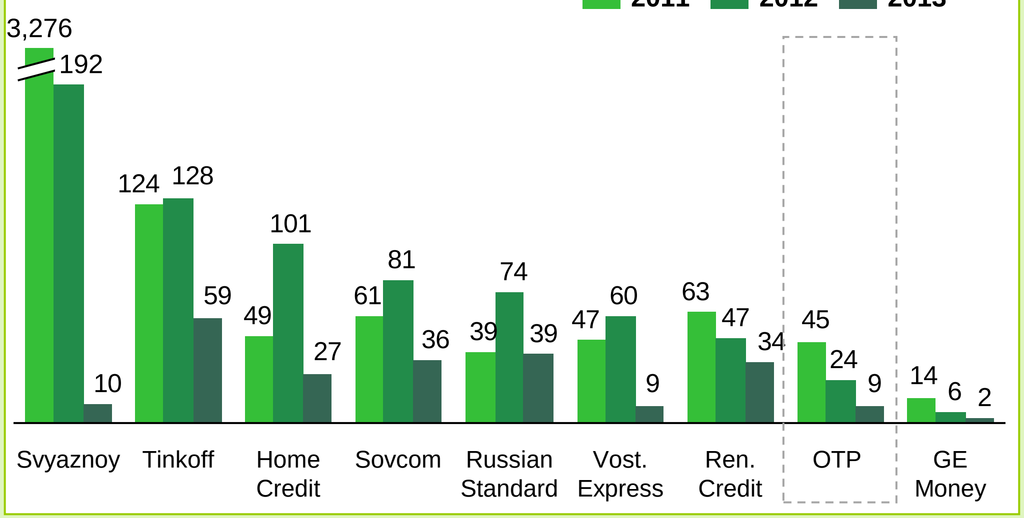
- Available in 200 branches
- #29 in the market
- 2013 market share: 0.5%

* Source: Frank Research Group
** Bank employees working with Federal or other networks.
*** Employees of commercial organizations.

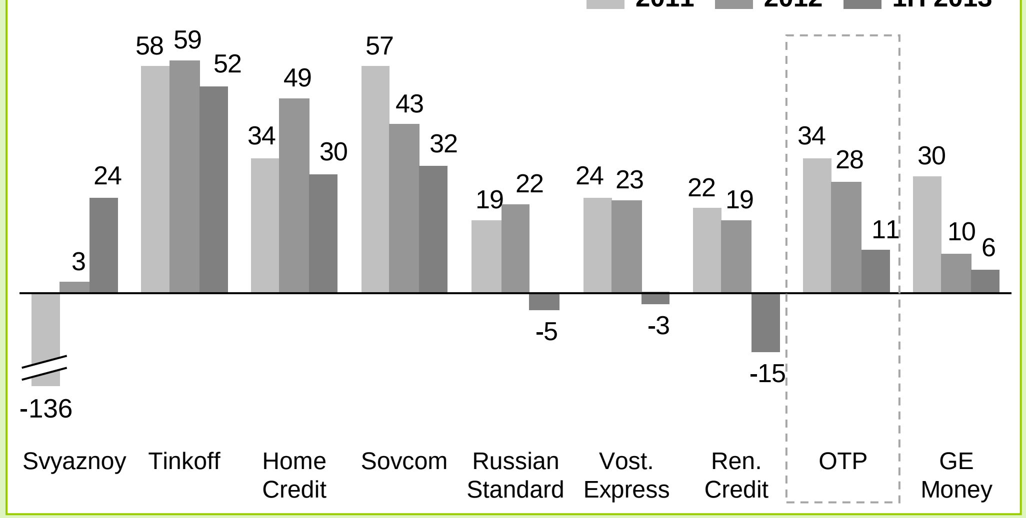
Russia

Rapid retail loan growth resulted in a material increase of risk costs across the Russian market

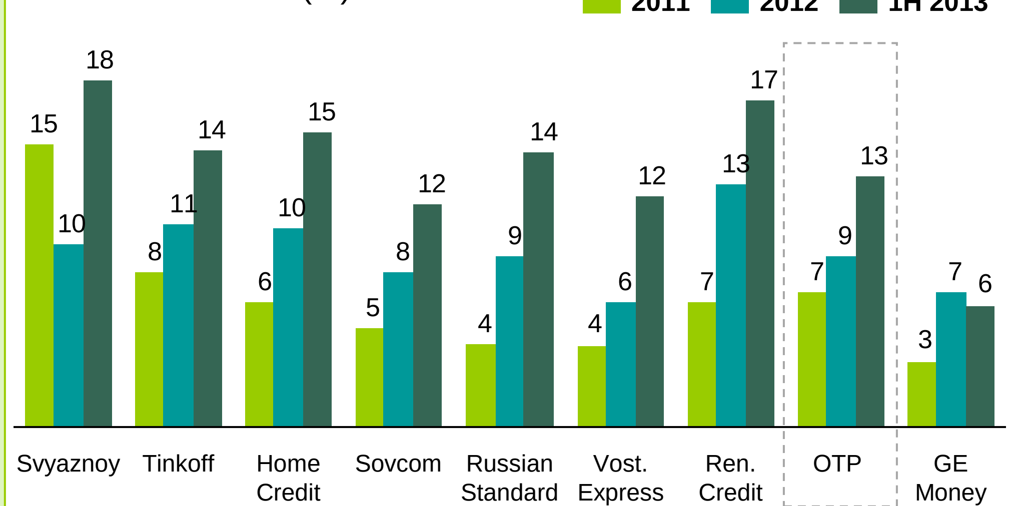
Retail loan growth* (%, Y-o-Y)



Return on Equity** (%)



Risk Cost Rate*** (%)



Credit Card ranking*

	2009	2013
Sberbank	7	1
Russian Standard	1	2
Tinkoff CS	11	3
VTB24	2	4
Alfa-Bank	6	5
Home Credit	3	6
OTP Bank	**5**	**7**

* Source: Frank Research. ** Source: company publications. IFRS. Data as of 1H 2013 for Svyaznoy Bank, Renaissance Credit, GE Money Bank and Tinkoff CS are under RAS, for other banks under IFRS.
*** Source: Moody's Research. IFRS. Data as of 1H 2013 for Svyaznoy Bank, Renaissance Credit and GE Money Bank are under RAS, for other banks under IFRS

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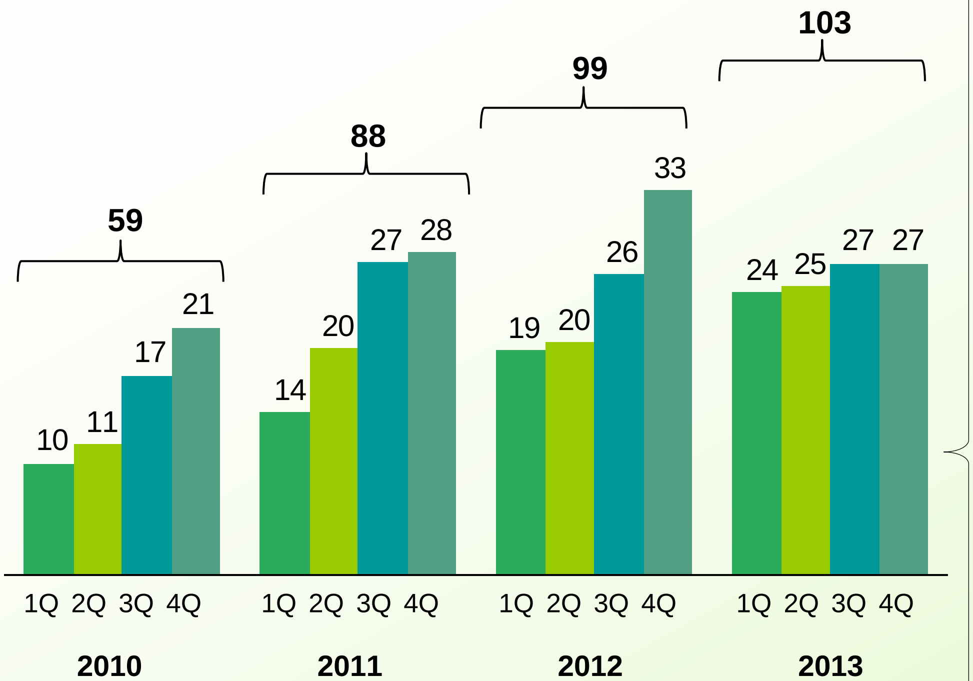
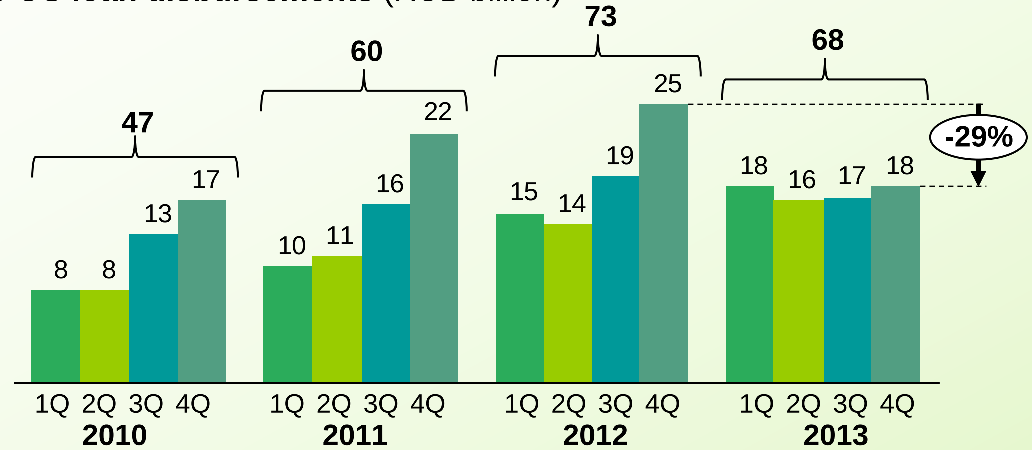
Russia

Growth in consumer loan sales slowed further in 2013, with POS loans disbursements and volume change of credit card loans in 4Q being below 4Q 2012 levels

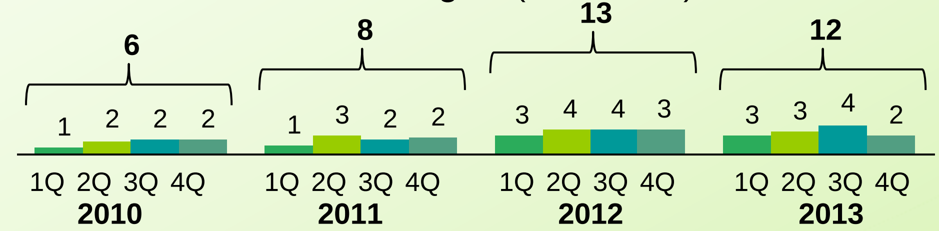
Consumer loan disbursements (RUB billion)



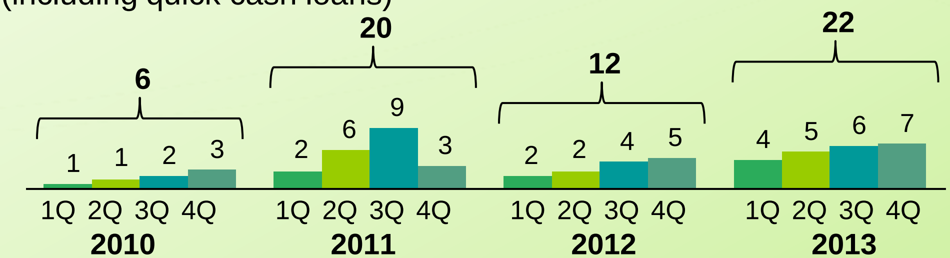
POS loan disbursements (RUB billion)



Credit card loan volume changes* (RUB billion)



Cash loan disbursements (RUB billion)
(including quick cash loans)



* Credit card loans q-o-q volume changes adjusted for sale and write-off of loans

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Provision coverage rates increased in all 3 product segments, assuming stable coverage risk cost rates would have declined for POS loans and credit cards q-o-q

Risk cost rates and provision coverage at OTP Bank Russia (%)

Risk cost rate assuming no change in provision coverage from 3Q to 4Q*

POS loans

	2010	2011	2012 1Q	2012 2Q	2012 3Q	2012 4Q	2012	2013 1Q	2013 2Q	2013 3Q	2013 4Q	2013
Risk cost rate	7.9%	7.7%	10.7%	13.0%	11.0%	6.2%	9.1%	12.5%	14.5%	15.9%	18.5% / 13.2%	15.6%
DPD90+ coverage	90.9%	108.3%	113.3%	106.9%	102.2%	97.0%	97.0%	99.6%	98.4%	100.5%	106.6%	106.6%

Credit cards

	2010	2011	2012 1Q	2012 2Q	2012 3Q	2012 4Q	2012	2013 1Q	2013 2Q	2013 3Q	2013 4Q	2013
Risk cost rate	6.8%	10.3%	6.3%	12.2%	10.5%	12.3%	10.5%	16.7%	16.0%	14.1%	19.8% / 10.0%	17.4%
DPD90+ coverage	86.4%	86.9%	89.3%	91.4%	88.1%	89.8%	89.8%	94.5%	95.2%	97.5%	108.3%	108.3%

Cash loans

	2010	2011	2012 1Q	2012 2Q	2012 3Q	2012 4Q	2012	2013 1Q	2013 2Q	2013 3Q	2013 4Q	2013
Risk cost rate	-4.8%	3.7%	6.2%	8.2%	8.2%	6.1%	6.8%	11.2%	12.2%	12.3%	16.8% / 12.8%	13.2%
DPD90+ coverage	94.1%	92.9%	97.0%	102.4%	104.6%	102.9%	102.9%	106.6%	105.7%	107.3%	116.5%	116.5%

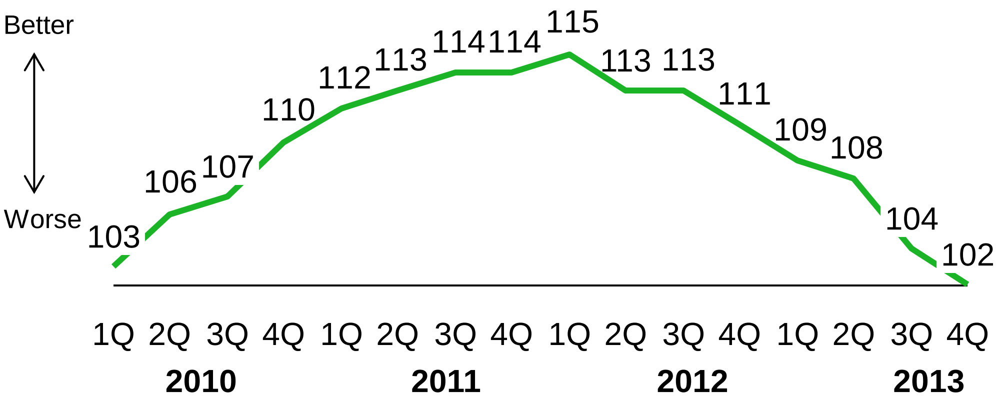
* The effects of non-performing loan sale/write-off in 4Q 2013 was also elminինated

OTP Bank Russia

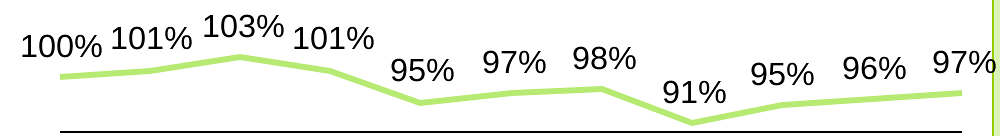
Improving soft collection efficiency was in the focus of the Collection Project, hard collection project was launched in 4Q 2013

FICO Credit Health Index of the Russian market

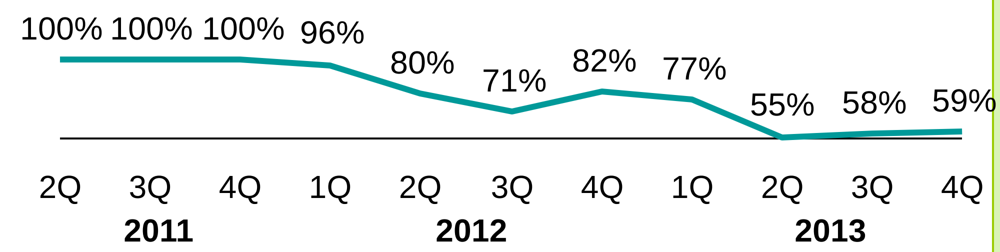
Based on consumer loans' and credit cards' 60 days deliquency reported to National Bureau of Credit Histories



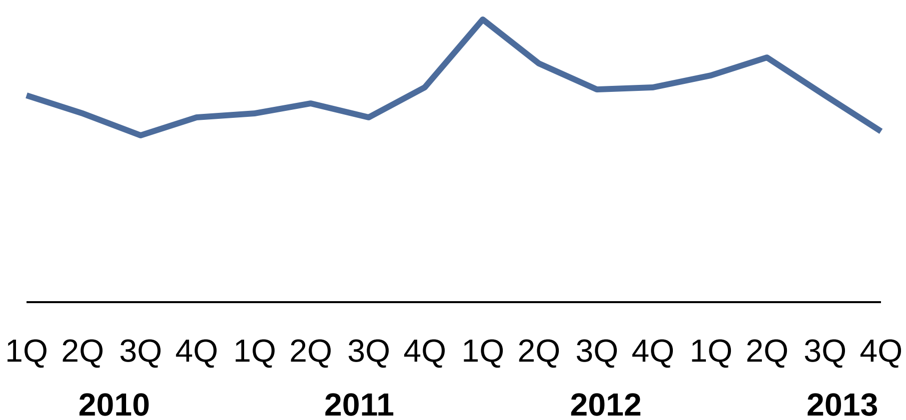
Consumer loan's soft collection efficiency[1] 2Q 2011=100% at OTP Bank Russia



Consumer loan's hard collection efficiency[2] 2Q 2011=100%



7+day First Payment Delinquence (FPD 7+) of POS loans at OTP Bank Russia



Measures taken to improve collection performance

Soft collection was in the focus of the project in 4Q 2013

- Soft collection staff model developed
- Most of low balance loans were insourced in 4Q 2013
- Additional motivation for collectors with special prize, web interface for staff tracking introduced
- Skip tracing staff increased by 138%
- Development of pre-collection engine is in progress
- Staffing the new Call Centre in Omsk done, operations stabilized
- Soft collection dashboard reporting implemented

Hard collection project launched

- Internal hard collection: segmentation and collection strategy done
- GPS tracking pilot introduced
- Forgiveness campaign developed (to be realized in 1Q 2014)
- Restructuring pilot is introduced
- Retail legal collection pilot is in progress

Source: FICO, OTP Bank Russia

[1] Measured as 1 minus the multiplication of one-bucket migration rates of deliquency buckets 1-3.

[2] Measured as 1 minus the multiplication of one-bucket migration rates of deliquency buckets 4-13.

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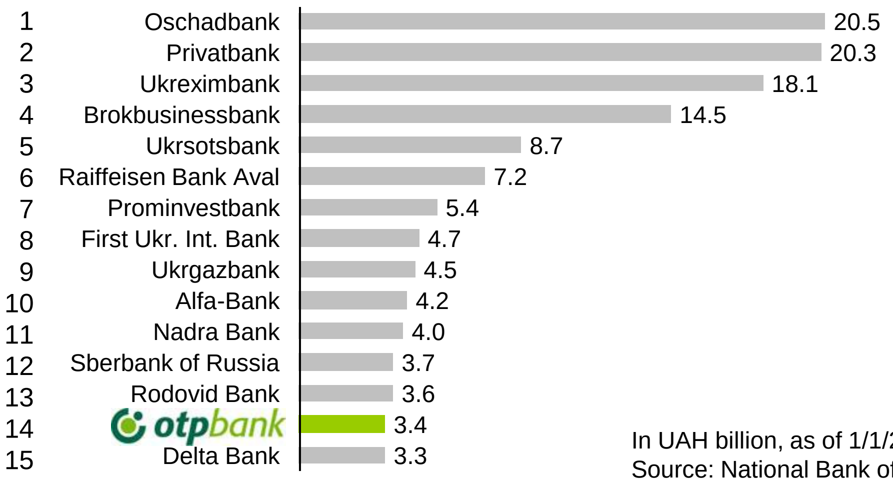
OTP Bank Ukraine

OTP Bank Ukraine ranks 14th among Ukrainian banks by shareholders' equity, its share is 7.3% in the performing loans and 3.5% in deposits within the Group, liquidity situation is stable

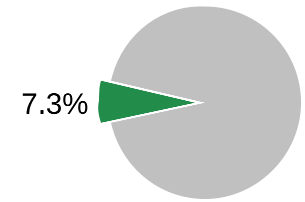
Ranking of Ukrainian banks by shareholders' equity



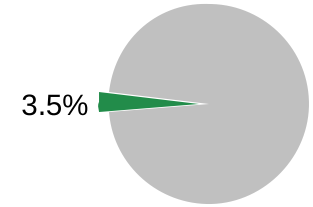
In UAH billion, as of 1/1/2014.
Source: National Bank of Ukraine

OTP Ukraine's share within consolidated loans and deposits

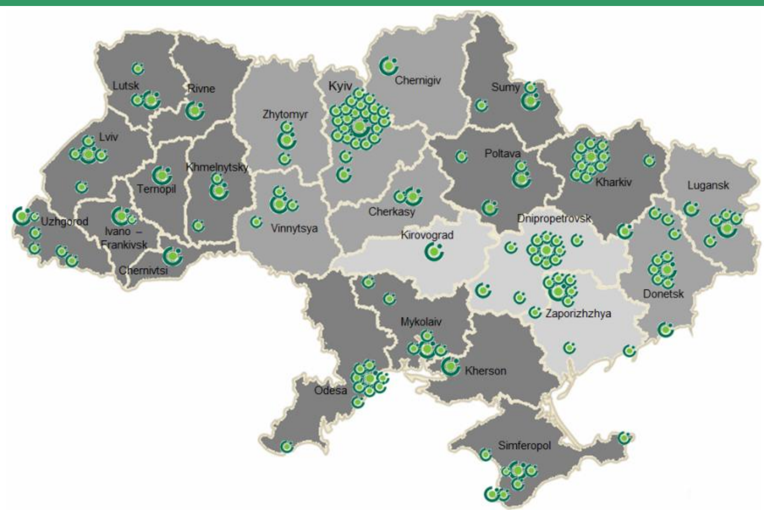
Share of the Ukrainian bank's performing loans (DPD0-90) within the Group



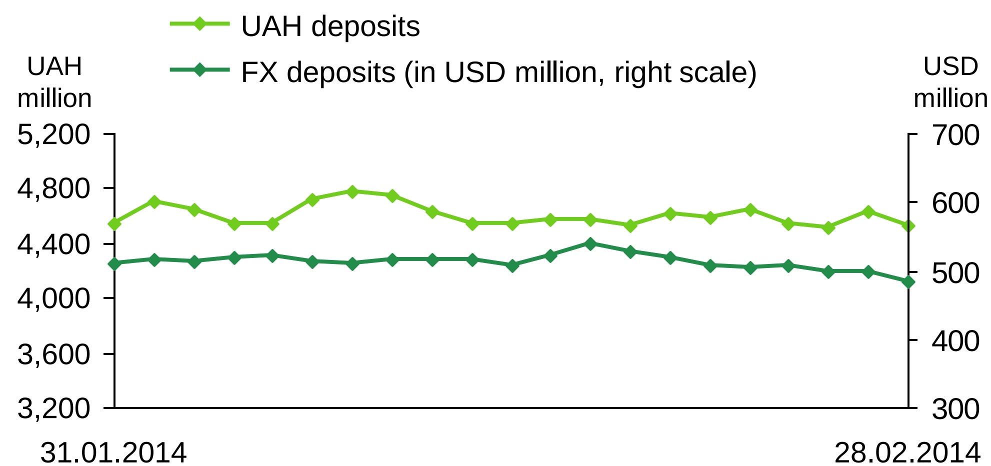
Share of the Ukrainian bank's customer deposits within the Group



Branch network of OTP Bank Ukraine



Daily development of customer deposits



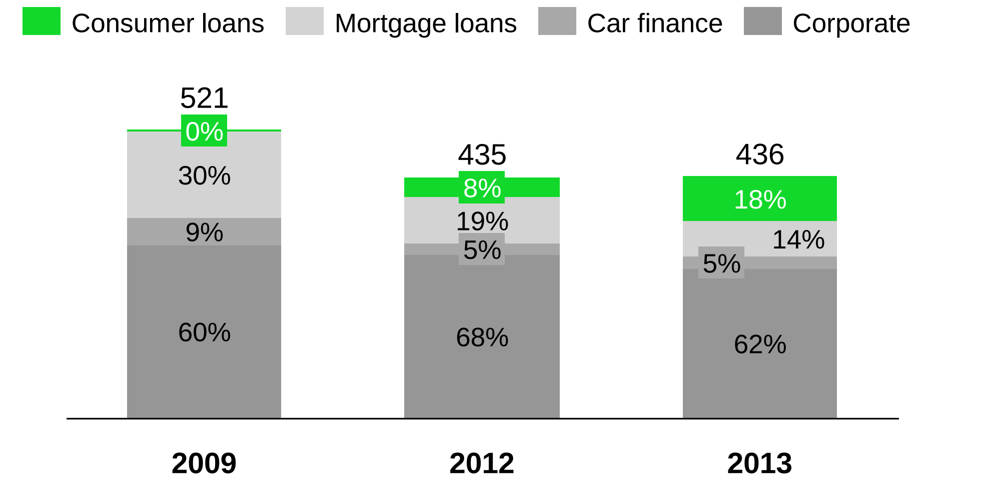
Profitability improved substantially, the share of FX mortgage loans is falling, while that of consumer loans is increasing, intragroup funding has been reduced and portfolio deterioration slowed down

OTP Bank Ukraine

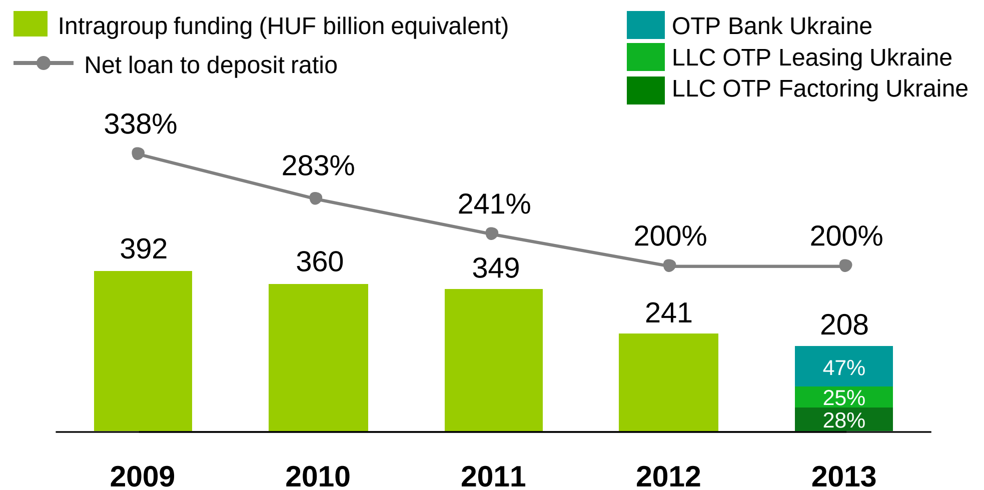
Income statement of OTP Bank Ukraine

in HUF billion	2009	2012	2013	Y-o-Y
Profit after tax	**-43.6**	**0.5**	**6.7**	
Profit before tax	-44.6	2.7	11.2	312%
Operating profit	51.0	33.5	40.3	20%
Total income	74.9	64.5	72.8	13%
Net interest income	62.8	49.6	53.4	8%
Net fees	7.4	12.6	17.0	35%
Other non-interest income	4.7	2.3	2.4	5%
Operating costs	-23.9	-31.0	-32.5	5%
Total risk cost	-95.7	-30.8	-29.1	-5%

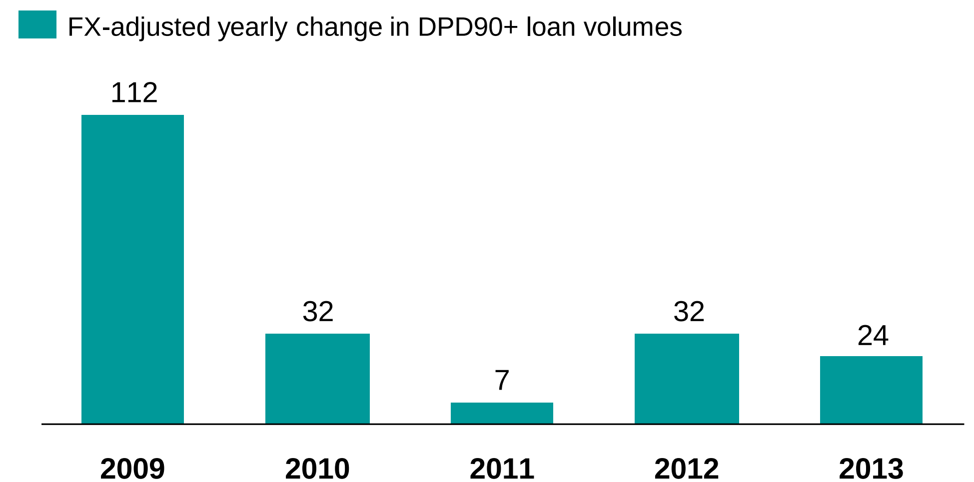
Composition of performing loan volumes (in HUF billion)



Intragroup funding and net loan to deposit ratio



FX-adjusted change in DPD90+ loan volumes (in HUF billion)



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Operating cost growth y-o-y was mainly driven by the stronger Russian business activity

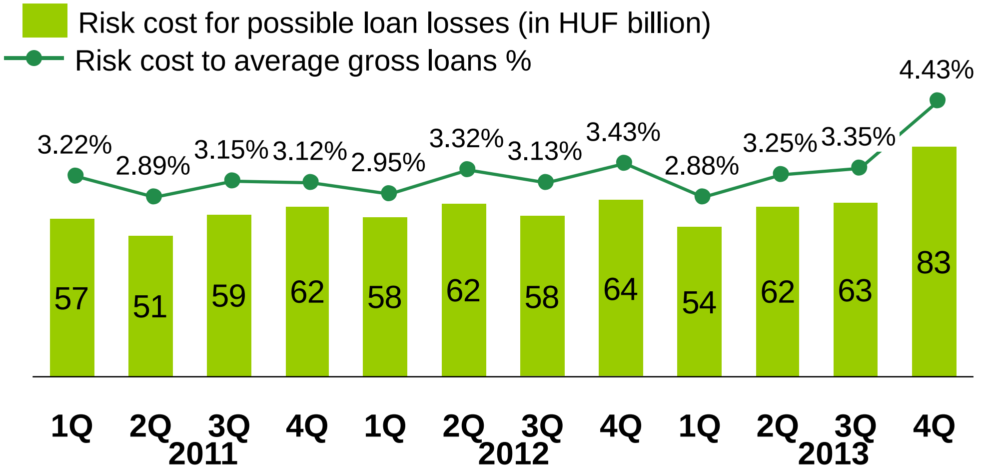
OPERATING COSTS – 2013 (HUF billion)	Share	2013	Y-o-Y (HUF bn)	Y-o-Y (%)	4Q 2013 (HUF billion)	Q-o-Q (HUF bn)	Q-o-Q (%)
OTP Group	100%	417	22	6%	107	4	4%
OTP CORE (Hungary)	46%	190	7	4% (1)	48	1	2% (1)
OBRU (Russia)	20%	83	12	16% (2)	21	-1	-3% (2)
DSK (Bulgaria)	9%	38	1	3%	11	1	13%
OBU (Ukraine)	8%	33	2	5%	9	1	6%
OBH (Croatia)	4%	15	1	5%	4	0	-2%
OBS (Slovakia)	3%	11	0	3%	3	0	9%
OBR (Romania)	3%	13	0	-1%	3	0	10%
CKB (Montenegro)	2%	7	0	-3%	2	0	3%
OBSrb (Serbia)	2%	7	-1	-11%	2	0	-6%
Merkantil (Hungary)	1%	6	0	2%	2	0	8%

1 Annual operating costs of OTP Core expanded by 4%, mainly driven by higher personnel expenses due to the technical effect of changing the management compensation scheme in line with CRD3 since 2010. In 4Q 2013 costs were up q-o-q as a result of seasonality in marketing and advisory expenses.

2 Operating cost growth was in line with the strong business activity y-o-y, as consumer loans grew by 21% y-o-y (adjusted for sales/write-offs), and reflected also the cost of newly opened 54 branches and the advisory expenses related to the transformation project since 2Q 2013.
In 4Q costs decreased due to lower personnel expenses.

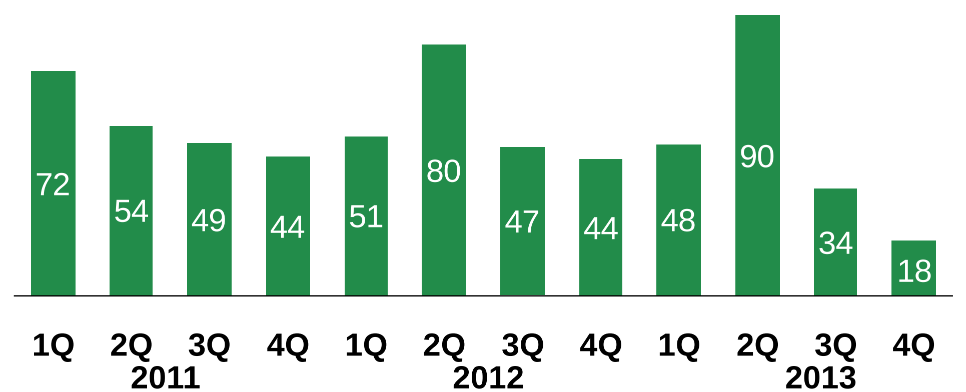
In 4Q 2013 the pace of portfolio deterioration slowed further, the ratio of 90+ days overdue loans decreased to 19.8%, due to high provisioning the DPD90+ coverage improved by 3.8 ppts q-o-q

Consolidated risk cost for possible loan losses and its ratio to average gross loans

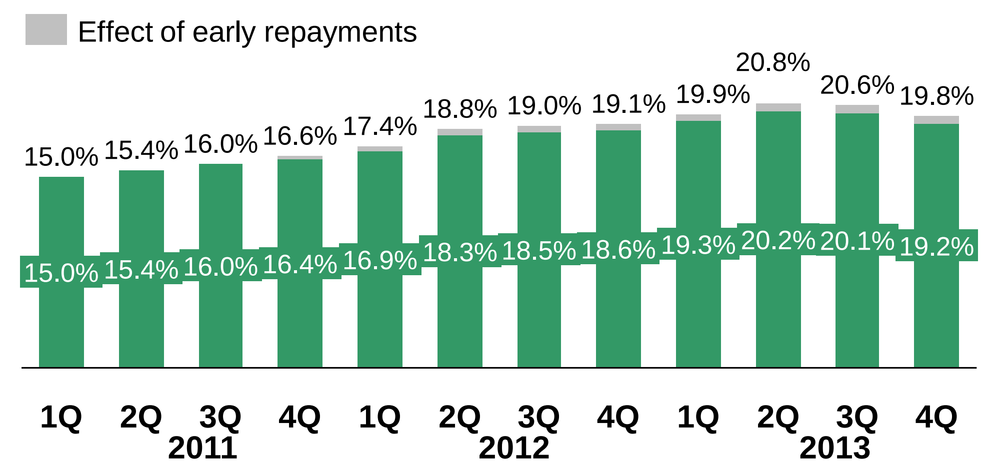


Quarterly change in DPD90+ loan volumes

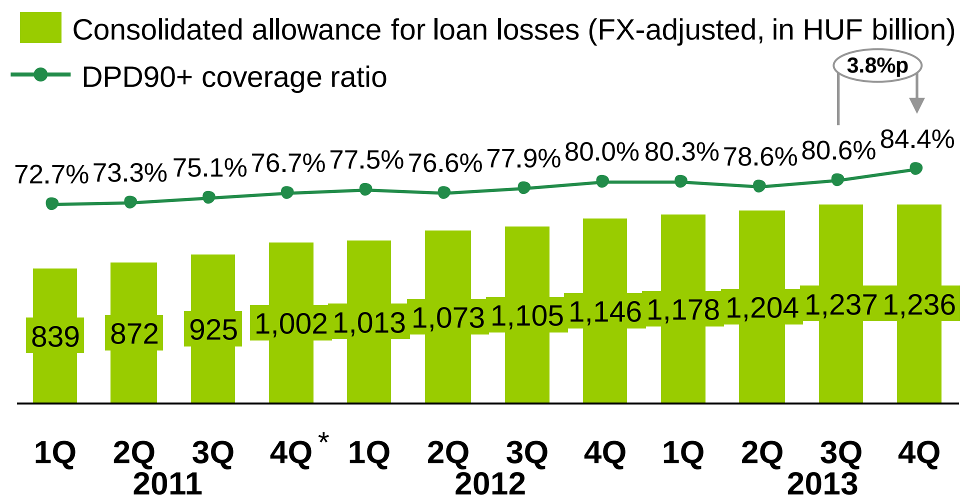
(consolidated, FX-adjusted, in HUF billion)



Ratio of consolidated DPD90+ loans to total loans (%)



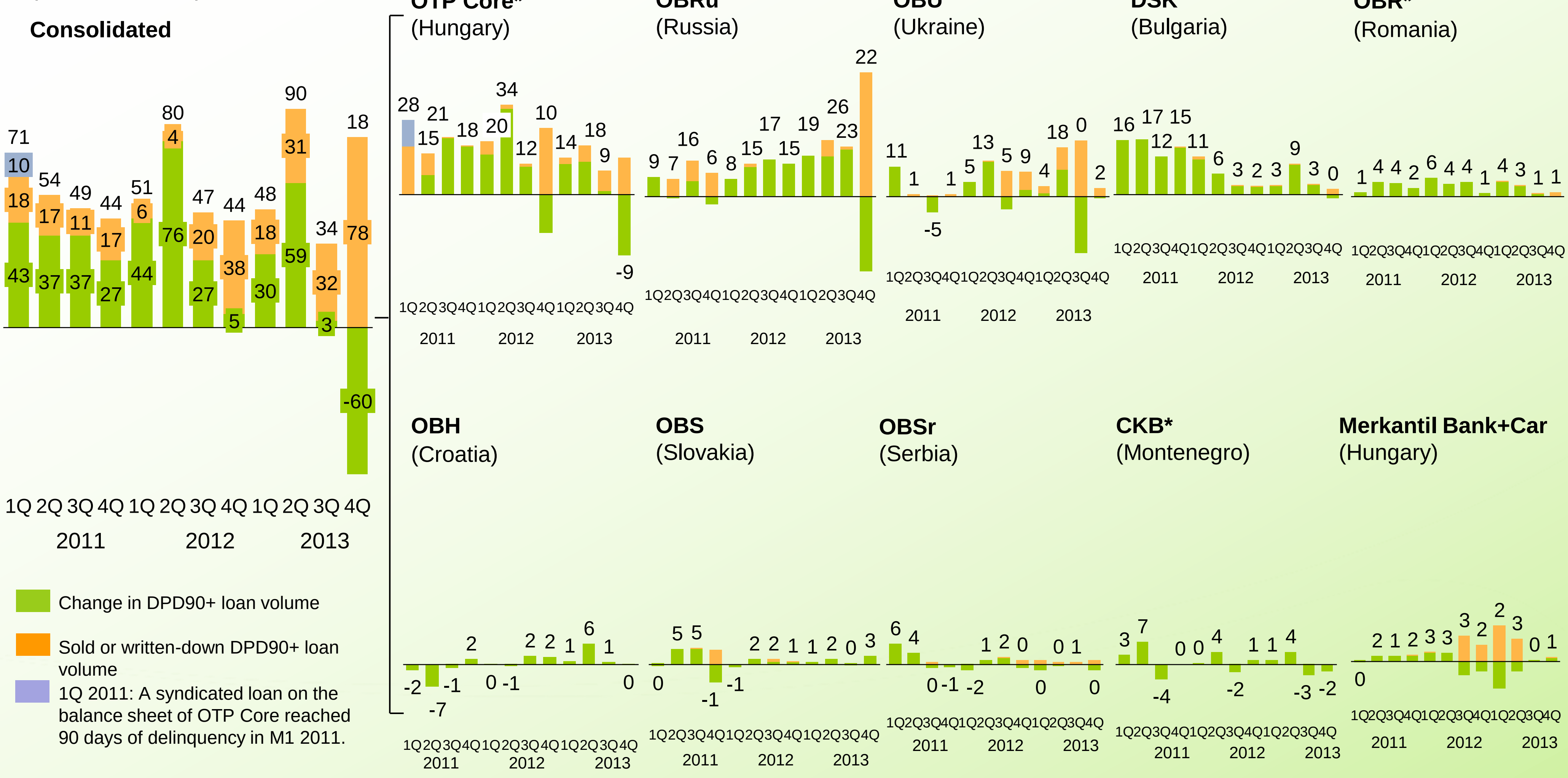
Consolidated provision coverage ratio



* Without HUF 36.5 billion provisions accrued for the FX mortgage loan prepayment at end-2011

In 4Q the slow-down in portfolio deterioration was mainly related to Hungary, partially due to income realized on sales of collaterals to the National Asset Management Company. The worsening of the Russian portfolio remained strong

FX-adjusted quarterly change in DPD90+ loan volumes
(in HUF billion)



* DPD90+ loan formation statistics of both OTP Core and CKB were adjusted for the effect of a portfolio swap between the two companies in 1Q 2011. From legal aspects the portfolio swap was necessary because of the enforceability of the collaterals behind non-performing loans. Similarly, the statistics have been adjusted with the corporate portfolio took over from OTP Romania by OTP Core in 4Q 2011, and from OTP Core by OTP Ukraine in 1Q 2012.

The DPD90+ ratio decreased on a quarterly basis in case of the 4 biggest group members and coverage ratio edged up, too

Risk cost for possible loan losses / Average gross customer loans*, %

	1Q 2012	2Q 2012	3Q 2012	4Q 2012	1Q 2013	2Q 2013	3Q 2013	4Q 2013	2012	2013
OTP Core Hungary	3.0	2.8	2.5	2.0	1.5	1.7	1.6	1.4	2.6	1.6
OTP Bank Russia	6.8	9.9	9.0	7.2	12.1	13.2	13.5	17.1	7.6	14.5
DSK Bank Bulgaria	1.5	3.2	2.4	3.8	1.5	0.6	2.5	2.5	2.6	1.8
OTP Bank Ukraine	4.7	3.8	4.6	4.0	3.2	4.6	3.7	4.5	4.1	4.1

DPD90+ loans / Gross customer loans, %

	1Q 2012	2Q 2012	3Q 2012	4Q 2012	1Q 2013	2Q 2013	3Q 2013	4Q 2013
OTP Core Hungary	13.7	14.8	15.1	15.1	15.8	16.5	16.7	16.2
OTP Core Hungary (incl. effect of early repayments)	14.6	15.8	16.1	16.1	16.9	17.6	17.9	17.4
OTP Bank Russia	12.4	14.8	16.4	16.6	18.7	20.6	22.3	18.1
DSK Bank Bulgaria	17.4	18.0	18.2	18.4	19.0	19.9	20.2	20.1
OTP Bank Ukraine	31.3	34.4	35.4	36.4	37.3	38.9	35.9	34.6

Effect of early repayments

DPD90+ loans / Gross customer loans, %

	1Q 2012	2Q 2012	3Q 2012	4Q 2012	1Q 2013	2Q 2013	3Q 2013	4Q 2013
OTP Core Hungary	80	78	81	82	82	81	81	85
OTP Bank Russia	94	95	93	92	96	96	99	107
DSK Bank Bulgaria	76	78	81	85	86	83	85	88
OTP Bank Ukraine	82	79	79	79	79	75	78	80

* Risk cost ratios were adjusted for the revaluation result of FX-denominated provisions.

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In Russia the decline in DPD90+ ratios was related to sales/write-offs of non-performing loans, in Hungary recoveries from mortgages played an important role, portfolio quality stabilised both in Bulgaria and in the Ukraine in 2H 2013

DPD90+ ratio (%)

OTP Core* (Hungary)	4Q 12	1Q 13	2Q 13	3Q 13	4Q 13	Q-o-Q (%-point)
Total	**16.1**	**16.9**	**17.6**	**17.9**	**17.4**	***-0.5***
Total*	**15.1**	**15.8**	**16.5**	**16.7**	**16.2**	***-0.5***
Retail	19.3	20.6	21.3	22.1	21.8	*-0.2*
*Retail***	17.3	18.5	19.1	19.7	19.6	-0.2
Mortgage	17.6	19.2	19.9	20.8	20.3	*-0.5*
*Mortgage***	15.5	16.8	17.5	18.2	17.7	-0.5
Consumer	25.4	26.0	26.4	26.4	27.1	*0.7*
MSE***	14.0	14.2	14.3	13.0	12.3	*-0.7*
Corporate	13.5	13.1	13.7	13.1	12.1	*-0.9*
Municipal	0.6	0.6	0.5	0.6	0.5	*-0.1*

DPD90+ ratio (%)

OTP Bank Russia	4Q 12	1Q 13	2Q 13	3Q 13	4Q 13	Q-o-Q (%-point)
Total	**16.6**	**18.7**	**20.6**	**22.3**	**18.1**	***-4.2***
Mortgage	12.0	12.7	13.4	14.3	14.4	*0.1*
Consumer	17.0	19.1	21.2	23.1	18.8	*-4.3*
Credit card	22.1	23.7	25.8	26.5	19.8	*-6.7*
POS loan	15.4	18.1	20.2	23.7	20.9	*-2.9*
Personal loan	12.0	13.5	15.1	16.1	13.6	*-2.5*

DPD90+ ratio (%)

DSK Bank (Bulgaria)	4Q 12	1Q 13	2Q 13	3Q 13	4Q 13	Q-o-Q (%-point)
Total	**18.4**	**19.0**	**19.9**	**20.2**	**20.1**	***-0.1***
Mortgage	21.7	22.0	22.8	22.9	23.1	*0.1*
Consumer	15.7	16.0	16.2	16.3	16.5	*0.2*
MSE***	41.2	42.7	42.1	41.8	40.7	*-1.1*
Corporate	11.1	12.4	15.2	16.4	15.5	*-0.8*

DPD90+ ratio (%)

OTP Bank Ukraine	4Q 12	1Q 13	2Q 13	3Q 13	4Q 13	Q-o-Q (%-point)
Total	**36.4**	**37.3**	**38.9**	**35.9**	**34.6**	***-1.3***
Mortgage	52.8	54.7	55.8	56.9	58.1	*1.2*
Consumer	11.0	8.9	7.9	8.9	9.4	*0.5*
SME****	64.0	67.3	68.9	69.8	70.4	*0.6*
Corporate	22.6	23.4	27.5	21.8	21.2	*-0.7*
Car-financing	43.7	44.6	40.3	39.2	38.3	*-0.8*

* From 4Q 2013 the following methodological change was implemented retroactively: the product information of exposures purchased by OTP Factoring from non-group member companies was clarified. Accordingly, these non-performing loan volumes are classified into the business lines of OTP Core. ** Without the effect of early repayment of FX mortgages *** Micro and small enterprises; **** Small and medium enterprises

Restructured retail volumes declined further on group level, representing 2.0% of total retail loans by end-2013

Revised definition of retail restructured loans:

- In comparison with the original terms and conditions, more favourable conditions are given to clients for a definite period of time or the maturity is prolonged.
- The exposure is not classified as restructured anymore, if:
  - the restructuring period with more favourable conditions is over and the client is servicing his loan according to the original terms for more than 12 months, and/or
  - the client is servicing his contract according to the prolonged conditions for more than 12 months.
- Hungarian FX mortgage loans in the fixed exchange rate scheme are not included in the restructured category .
- Loans once restructured but currently with delinquency of more than 90 days are not included, either.

Restructured retail loans with less than 90 days of delinquency

	Old methodology		New methodology									
	4Q 2012		4Q 2012		1Q 2013		2Q 2013		3Q 2013		4Q 2013	
	HUF mn	*%**	*HUF mn*	*%***	*HUF mn*	*%***	*HUF mn*	*%***	*HUF mn*	*%***	*HUF mn*	*%***
OTP Core (Hungary)	36,410	1.8%	39,814	1.9%	36,065	1.8%	33,406	1.7%	36,231	1.8%	35,377	1.9%
OBRu (Russia)			80	0.0%	86	0.0%	65	0.0%	67	0.0%	41	0.0%
DSK (Bulgaria)	48,150	5.9%	21,010	2.6%	20,459	2.4%	19,643	2.4%	21,050	2.5%	19,870	2.4%
OBU (Ukraine)	41,164	18.9%	6,157	2.4%	6,665	2.5%	6,386	2.4%	6,499	2.4%	6,263	2.3%
OBR (Romania)	23,215	9.1%	41,104	16.1%	36,828	13.9%	32,595	12.7%	28,457	10.7%	27,584	10.3%
OBH (Croatia)			872	0.4%	915	0.4%	875	0.4%	1,054	0.5%	992	0.5%
OBS (Slovakia)			726	0.5%	644	0.4%	510	0.3%	364	0.2%	191	0.1%
OBSr (Serbia)			478	1.7%	701	2.3%	254	0.8%	632	2.0%	617	1.9%
CKB (Montenegro)			1,490	2.7%	1,131	1.9%	911	1.6%	712	1.2%	639	1.1%
Merkantil (Hungary)			7,573	3.4%	6,499	3.1%	5,378	2.8%	4,379	2.2%	3,695	2.0%
Other leasing*** (Hungary)			65	0.2%	52	0.2%	28	0.1%	11	0.0%	101	0.4%
TOTAL	**148,939**	**3.2%**	**119,369**	**2.4%**	**110,044**	**2.2%**	**100,052**	**2.1%**	**99,456**	**2.0%**	**95,370**	**2.0%**

* Share out of retail portfolio (without SME)
** Share out of retail + car-financing portfolio (without SME)
*** OTP Flat Lease

Forecast for OTP Group 2014 FY performance without Russia and the Ukraine

Across the Group the management expects economic growth, improving operating environment and a pick up in banking activity. In that context:

- **FX-adjusted gross loan volumes start increasing with the net interest margin remaining stable**
- **The stabilization of the portfolio quality continues and risk costs are anticipated to decline**
- **Downside risk in case FX mortgage solution in Hungary puts additional burden on the banking sector**
- **Upside risk: through successful M&A's OTP Bank may further strengthen its market share and benefit from cost synergies**

Ukrainian expectations

Given the current crisis there is a likelihood of extreme developments.

Base-case scenario: formation of a government with strong political support and legitimacy, UAH/USD stabilizing below 10, fiscal and economic consolidation. Accordingly the Ukrainian subsidiary is expected to remain profitable.

Overly negative scenario: long-lasting political crisis with constant uncertainty about debt financing, severe set-back of GDP, massive devaluation of UAH. Accordingly the Ukrainian subsidiary's operation will turn into loss making.

Russian expectations

Base-case scenario: gradually improving risk cost rate in each quarters, stabilizing portfolio quality from 2Q 2014, within consumer lending POS loan flows will drop by 20-30% y-o-y; gradual shift towards universal banking with launching online banking, enhancing cross sale activity and starting lending to SME-clients already having accounts with the bank. Accordingly the profit contribution from the Russian subsidiary is expected to improve.

In 2014 economic growth is expected to remain moderate in most countries of the region, but continues to exceed EU average with export remaining the key driver behind growth

REAL GDP GROWTH

	2011	2012	2013F	2014F
Hungary	1.6%	-1.7%	1.1%	2.0%
Ukraine	5.2%	0.2%	0.0%	0.9%
Russia	4.3%	3.4%	1.3%	2.0%
Bulgaria	1.8%	0.8%	0.6%	1.7%
Romania	2.3%	0.4%	3.3%	2.4%
Croatia	-0.2%	-1.9%	-0.7%	0.4%
Slovakia	3.0%	1.8%	0.9%	2.0%
Serbia	1.6%	-1.7%	2.2%	1.0%
Montenegro	3.2%	-2.5%	2.1%	2.0%

EXPORT GROWTH

	2011	2012	2013F	2014F
Hungary	6.3%	1.7%	5.3%	6.8%
Ukraine	4.3%	-7.7%	-11%	-2.0%
Russia	0.3%	1.4%	1.6%	2.5%
Bulgaria	12.3%	-0.4%	6.7%	4.9%
Romania	10.9%	-3.1%	5.4%	6.3%
Croatia	1.7%	0.9%	-1.5%	2.8%
Slovakia	12.7%	9.9%	4.1%	5.0%
Serbia	13.9%	3.8%	13.2%	5.9%
Montenegro	37.5%	-1.2%	5.1%	3.0%

UNEMPLOYMENT

	2011	2012	2013F	2014F
Hungary	10.9%	10.9%	10.2%	10.0%
Ukraine	8.5%	7.5%	7.3%	8.0%
Russia	6.6%	5.5%	5.5%	6.0%
Bulgaria	11.3%	12.3%	12.9%	12.6%
Romania	7.4%	7.0%	7.5%	7.5%
Croatia	17.9%	19.1%	20.3%	19.7%
Slovakia	13.7%	14.0%	14.2%	13.9%
Serbia	23.0%	24.0%	22.3%	22.0%
Montenegro	15.9%	18.7%	18.3%	18.0%

BUDGET BALANCE*

	2011	2012	2013F	2014F
Hungary	4.3%	-2.0%	-2.5%	-3.0%
Ukraine	-2.7%	-3.3%	-4.5%	-4.0%
Russia	1.5%	0.4%	-0.8%	-1.0%
Bulgaria	-2.0%	-0.8%	-1.9%	-1.9%
Romania	-5.6%	-2.9%	-2.9%	-2.8%
Croatia	-7.8%	-5.0%	-5.3%	-6.2%
Slovakia	-5.1%	-4.6%	-3.0%	-3.1%
Serbia	-5.0%	-6.4%	-4.9%	-5.5%
Montenegro	-6.5%	-4.7%	-4.0%	-3.0%

CURRENT ACCOUNT BALANCE

	2011	2012	2013F	2014F
Hungary	0.8%	1.6%	2.1%	2.5%
Ukraine	-6.3%	-8.5%	-8.9%	-5.0%
Russia	5.2%	4.0%	1.5%	1.0%
Bulgaria	0.1%	-1.3%	2.6%	1.5%
Romania	-4.5%	-4.4%	-0.6%	-1.5%
Croatia	-0.9%	0.0%	1.2%	0.7%
Slovakia	-3.8%	2.2%	3.8%	4.2%
Serbia	-9.2%	-11%	-4.9%	-4.7%
Montenegro	-19%	-18%	-16%	-16%

INFLATION

	2011	2012	2013F	2014F
Hungary	3.9%	5.7%	1.7%	0.7%
Ukraine	8.0%	0.6%	-0.3%	5.5%
Russia	8.5%	5.1%	6.8%	6.0%
Bulgaria	4.2%	3.0%	0.9%	0.4%
Romania	5.8%	3.3%	4.0%	2.2%
Croatia	2.3%	3.4%	2.2%	2.4%
Slovakia	3.9%	3.6%	1.4%	1.5%
Serbia	11.2%	7.3%	7.8%	4.2%
Montenegro	3.1%	4.2%	2.2%	2.6%

Source: OTP Research

* For EU members deficit under the Maastricht criteria

Forward looking statements

This presentation contains certain forward-looking statements with respect to the financial condition, results of operations, and businesses of OTP Bank. These statements and forecasts involve risk and uncertainty because they relate to events and depend upon circumstances that will occur in the future. There are a number of factors which could cause actual results or developments to differ materially from those expressed or implied by these forward looking statements and forecasts. The statements have been made with reference to forecast price changes, economic conditions and the current regulatory environment. Nothing in this announcement should be construed as a guaranteed profit forecast.

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Investor Relations and Debt & Capital Markets

Tel: + 36 1 473 5460; + 36 1 473 5457

Fax: + 36 1 473 5951

E-mail: investor.relations@otpbank.hu

www.otpbank.hu