OTP Group
Full year 2015 results

Conference call – 4 March 2016

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In 2015 the consolidated accounting after tax profit was HUF 63.2 billion. In 4Q the consolidated adjusted after tax profit dropped by 52% q-o-q, the annual consolidated adjusted after tax profit exceeded the previous year by 2%

	2014	2015	Y-o-Y	4Q 14	3Q 15	4Q 15	Q-o-Q	Y-o-Y
	in HUF billion				in HUF billion			
Consolidated after tax profit (accounting)	**-102.3**	**63.2**	**-162%**	**10.9**	**-3.7**	**26.7**	**-829%**	**144%**
Adjustments (total)	**-220.3**	**-57.1**	**-74%**	**0.7**	**-38.3**	**10.1**		
Dividends and net cash transfers (after tax)	0.2	0.1	-25%	0.1	0.1	0.0	-113%	-110%
Goodwill/investment impairment charges (after tax)	-5.0	6.7	-233%	6.6	0.0	1 4.0		-40%
Special banking tax (after tax)	-30.2	-29.4	-3%	0.0	-0.2	-0.3	30%	949%
Risk cost created in relation to the decision of the Hungarian Competition Authority (after tax)	0.0	-0.7		0.0	0.0	2 -0.7		
Effect of acquisitions (after tax)	4.1	1.6	-62%	0.0	0.0	0.0		
One-off impact of regulatory changes in relation to consumer contracts and the impact of the related methodological changes in Hungary (after tax)	-155.9	4.6	-103%	12.5	-6.5	3 7.6	-217%	-39%
Risk cost created toward Crimean exposures from 2Q 2014 (after tax)	-7.9	-0.2	-98%	0.3	-0.1	-0.2	57%	-150%
Risk cost created toward exposures to Donetsk and Luhansk from 3Q 2014 (after tax)	-25.5	-2.3	-91%	-18.7	0.3	-0.4	-210%	-98%
Revaluation of reverse mortgage portfolio of OTP Life Annuity (after tax)		-5.5			0.0	0.0		
Expected one-off impact of regulatory changes related to CHF consumer contracts in Croatia (after tax)		-6.3			-6.3	0.0	-100%	
One-off impact of regulatory changes related to FX consumer contracts in Serbia (after tax)		-0.2			-0.1	0.0	-98%	
Expected one-off impact of the CHF mortgage loan conversion programme in Romania (after tax)		-25.5			-25.5	0.0	-100%	
Consolidated adjusted after tax profit	**118.0**	**120.2**	**2%**	**10.2**	**34.6**	**16.6**	**-52%**	**62%**

1 In 4Q impairment was booked in relation to the Ukrainian investment under Hungarian Accounting Standards. Though under IFRS it had no direct effect either on the consolidated balance sheet or on the P&L, there was a related positive tax shield of altogether HUF 4 billion that added to the Group's IFRS accounting profit.

2 The Hungarian Competition Authority imposed a HUF 4 billion fine on the Banking Association in its January 2016 ruling. HUF 813 million provision was made in relation to the potential payment obligation at OTP Bank and its Hungarian subsidiaries (HUF 662 million after tax impact).

3 In 4Q the one-off impact of regulatory changes in relation to consumer contracts and the impact of the related methodological changes in Hungary had a HUF 7.6 billion positive impact (after tax). This amount is partly related to the release of provisions made earlier at Merkantil, at OTP Core and OTP Flat Lease. At OTP Core there was a change in the provisioning methodology regarding those exposures and induced by the change in the structure of the contracts triggered by the settlement and conversions. By the end of 2015 all the provisions made earlier as a result of the regulatory changes were released.

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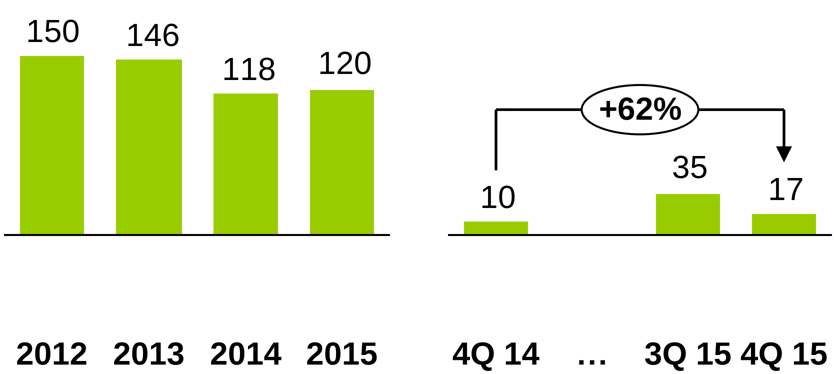
In 2015 the consolidated before tax profit without one-off items (+2%) was mostly shaped by y-o-y 13% lower net interest income and moderating risk costs (-20% y-o-y)

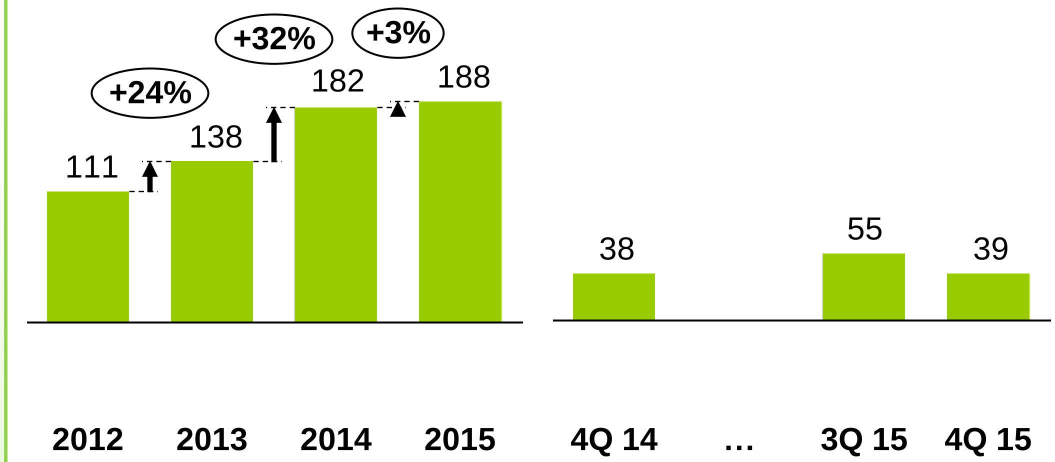
	2014	2015	Y-o-Y	4Q 14	3Q 15	4Q 15	Q-o-Q	Y-o-Y
	in HUF billion			in HUF billion				
Consolidated adjusted after tax profit	**118.0**	**120.2**	**2%**	**10.2**	**34.6**	**16.6**	**-52%**	**62%**
Corporate tax	-24.3	-25.8	6%	-2.1	-5.2	-7.3	40%	250%
O/w tax shield of subsidiary investments	*9.4*	*3.1*	*-67%*	*6.3*	*2.5*	*1.9*	*-23%*	*-69%*
Before tax profit	142.3	146.1	3%	12.3	39.9	23.9	-40%	94%
Total one-off items	2.6	4.2	63%	1.0	1.5	0.5	-70%	-52%
Revaluation result of FX swaps at OTP Core	-0.8	-0.7	-18%	0.9	-	-		
Gain on the repurchase of own capital instruments	0.0	0.0		0.0	0.0	0.0		
Result of the Treasury share swap agreement	3.4	4.9	44%	0.0	1.5	0.5	-70%	
Before tax profit without one-off items	**139.8**	**141.9**	**2%**	**11.4**	**38.3**	**23.5**	**-39%**	**107%**
Operating profit w/o one-off items	414.5	362.6	-13%	88.7	96.5	76.2	-21%	-14%
Total income w/o one-off items	826.1	754.9	-9%	195.1	191.4	182.8	-4%	-6%
Net interest income w/o one-off items	636.2	553.7	-13%	155.8	137.7	133.3	-3%	-14%
Net fees and commissions	169.6	167.3	-1%	44.5	42.6	43.4	2%	-2%
Other net non interest income without one-offs	20.3	34.0	67%	-5.2	11.1	6.1	-45%	-218%
Operating costs	-411.5	-392.3	-5%	-106.5	-94.9	-106.6	12%	0%
Total risk costs	-274.7	-220.7	-20%	-77.3	-58.2	-52.7	-9%	-32%

Diverging trends remained in place across the Group in 4Q 2015: the CEE operation remained profitable, whereas the Ukrainian and Russian operations suffered significant aggregated loss in 4Q

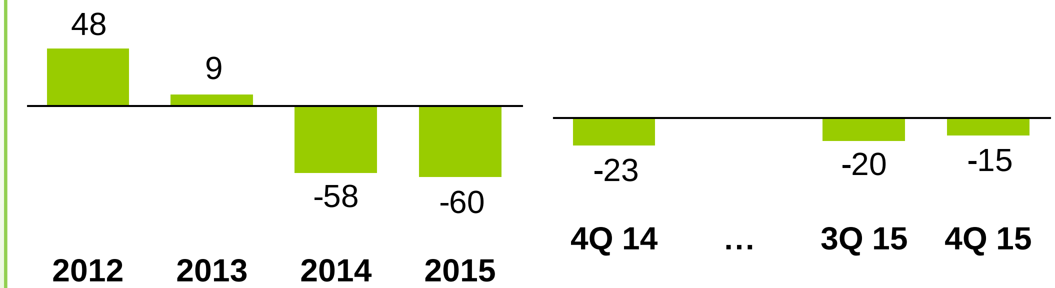
Consolidated adjusted after tax profit
(in HUF billion)



Adjusted after tax results in the CEE countries[1]
(in HUF billion)



Adjusted after tax results in Russia and Ukraine
(including Touch Bank, in HUF billion)



[1] Total result of CEE operations does not include the result of Corporate Centre, foreign asset management companies, other Hungarian and foreign subsidiaries and eliminations. Their aggregated results amounted to HUF -8.8 bn in 2012, -0.9 bn in 2013; -6.8 bn in 2014, -3.1 bn in 2015, -5.3 bn in 4Q 2014, -0.1 bn in 3Q 2015 and -4.7 bn in 4Q 2015, respectively.

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The profit of the CEE operation for 2015 improved by 3% y-o-y. The aggregated result of Russia and Ukraine continued to be a drag on the overall Group performance, their 2015 losses declined by 4% y-o-y excluding Touch Bank's 2015 loss

	2014	2015	Y-o-Y	4Q 14	3Q 15	4Q 15	Q-o-Q	Y-o-Y
	in HUF billion			in HUF billion				
Consolidated adjusted after tax profit	**118.0**	**120.2**	**2%**	**10.2**	**34.6**	**16.6**	**-52%**	**62%**
CEE operation (adjusted)	**182.5**	**188.4**	**3%**	**38.5**	**55.4**	**38.6**	**-30%**	**0%**
OTP Core (Hungary)	137.4	123.4	-10%	35.5	36.3	27.9	-23%	-21%
DSK (Bulgaria)	39.2	52.5	34%	5.7	14.1	10.7	-25%	86%
OBR (Romania)	0.8	1.5	94%	-1.6	1.4	-1.0	-174%	-38%
OBH (Croatia)	0.1	3.0		-0.4	1.1	0.5	-53%	-246%
OBS (Slovakia)	0.0	0.9		-0.7	0.4	-0.2	-146%	-72%
OBSrb (Serbia)	0.1	-0.4	-864%	0.0	0.1	-0.8	-653%	
CKB (Montenegro)	0.4	0.9	132%	-0.9	0.7	-0.3	-143%	-67%
Leasing (HUN, RO, BG, CR)	-1.6	1.8	-213%	-2.0	0.5	0.2	-63%	-110%
OTP Fund Management (Hungary)	6.1	4.8	-22%	2.8	0.8	1.6	93%	-43%
Russian and Ukrainian operation (adjusted)	**-57.7**	**-60.3**	**4%**	**-22.9**	**-19.8**	**-15.3**	**-23%**	**-34%**
OBRU (Russia)	-14.5	-15.1	4%	-1.8	-1.2	0.0	-98%	-99%
Touch Bank (Russia)		-4.8			-1.0	-2.1	102%	
OBU (Ukraine)	-43.2	-40.3	-7%	-21.1	-17.5	-13.2	-25%	-38%
Corporate Centre	-1.2	-4.3	**254%**	0.0	-1.4	-1.6	**18%**	

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Status of the Hungarian settlement and conversion process and CHF denominated retail loans at other Group members

Hungary	**The settlement and the conversion of FX-denominated mortgages, car loans and consumer credits was completed** with all affected clients **by end-2015**. The **total P&L impact** was around **HUF -151 billion (after tax)** booked on consolidated level as adjustment item; the **on-going annual impact** is estimated to be **close to HUF 10 billion** through lower net interest income. At OTP Core the **FX-adjusted gross loan volumes dropped by 13% y-o-y**, within that **mortgage volumes declined by 19%** y-o-y, partly explained by the settlement. As the last step, **by 1 December 2015 the conversion of all FX car and consumer loans has been completed.** The applied FX rates were the prevailing ones on 19 August 2015. Pursuant to the law customers enjoyed a benefit which equalled to the difference between the FX rates applied for converting the FX mortgage loans (256.5 HUF/CHF, 309.0 HUF/EUR) and the official FX rate quoted by the central bank on 19 August 2015. This difference was born jointly by the banks and the State. **By 4Q all the provisions made earlier as a result of the regulatory changes were released.** Furthermore, at OTP Core there was a change in the provisioning methodology regarding those exposures and induced by the change in the structure of the contracts triggered by the settlement and conversions: accordingly the volume of provisions for loan losses increased and simultaneously other provisions decreased.
Romania	The **CHF mortgage loan conversion programme started on 9 December 2015**. By the end of January 2016 more than 10,000 eligible clients were notified about the bank's offer. Out of those around 80% showed interest towards the scheme, and 3% turned down the conversion offer. According to recent experiences the originally expected conversion ratio seems to be achievable. The conversions *de facto* have been started on 25 January. **The expected annual on-going negative effect of the Programme** through lower net interest income is around **HUF 3 billion**, however it is expected to be partially off-set by lower annual risk costs.
Croatia	Based on the amendments to the Act on Credit institutions and Customer Lending approved by the Croatian Parliament **on 30 September** 2015 **the Croatian subsidiary** of OTP Bank **announced a conversion programme (from CHF into EUR)** for its retail CHF borrowers. Due to amendments to the technical details the *de facto* **conversion was postponed to 1Q 2016.**
Ukraine	In early July 2015 the Ukrainian Parliament approved an Act on the **conversion of retail FX mortgages into UAH**, however the President did not sign the Act and it did not become effective. At the end of January 2016 the Parliament voted on the presidential veto, as a result the Act was taken off the agenda. In early September 2015 another draft legislation was published aiming at providing relief to FX denominated residential mortgage holders. The draft was prepared by the central bank with the involvement and agreement of the local commercial banks. Since the actual version of the draft is currently under discussion, it has not been submitted to the Parliament yet.

Further regulatory changes having potential impact on profitability

Hungary	**Banking tax:** **in December 2015 the Parliament amended the Act on the banking tax**. Accordingly, for 2016 the banking tax rate is going to be 0.24% The tax base will be the adjusted total assets in 2009. The Act abolished certain planned concessions, such as the potential bank tax refund of maximum HUF 5 billion on sector-level for those banks that suffered losses in Ukraine, and also the maximum HUF 10 billion sector-level bank tax break related to corporate loan growth. **As a result, in 2016 the Hungarian members of OTP Group will be paying HUF 16.1 billion in banking tax (HUF 13.2 billion after tax**) against HUF 34.9 billion paid in 2015 (HUF 28.6 billion after tax). **Contributions into different funds:** effective from 1 January 2016 the rate of the annual **contribution** paid **into the Deposit Protection Fund** (OBA) was **raised** to 0.175% (2015: 0.14%). Also, the rate of the normal **contribution** payable **into the Investor Protection Fund** (Beva) was **increased** to 0.175% versus 0.045% in 2015. Simultaneously, the compensation threshold changed to EUR 100,000 from the previous EUR 20,000 level. Finally, the **contribution due into the Resolution Fund was also raised**. As a result **in 2016 OTP Core** is expected to contribute **in total around HUF 10 billion** into those funds versus HUF 6.6 billion paid in 2015. **Quaestor Act:** on 17 November 2015 the Constitutional Court ruled that certain paragraphs of the **Act on the indemnification of Quaestor victims** were unconstitutional. As a result, a new Act was approved by the Parliament and it came into force on 1 January 2016. The compensation will be handled technically by a newly established Fund which can take a bridge loan from the central bank. The bridge loan will be serviced from the **Beva-members' contributions**; however the annual contribution can't exceed HUF 7 billion. The contributions **will reduce the nominal tax obligations** (banking tax, corporate tax, contribution tax or financial transaction tax) on sub-consolidated level in the year of the payment. The first payments are due in March 2017. **OTP Bank's share at the moment is not calculable.** **Decision of the Hungarian Competition Authority:** the **Competition Authority imposed a HUF 4 billion fine** on the Banking Association in its January 2016 ruling. According to HCA's reasoning the Banking Association operated a banking database in a way that could hamper market competition. The Association has contested the ruling at the court. For the potential payment obligations by **OTP Group's affected group members HUF 813 million other risk cost was made (HUF 662 million after tax impact).**
Annual regulatory contributions at other EU member states	In line with EU legislation in Bulgaria, Croatia and Slovakia local banks have to contribute into the **Resolution Fund** (RF), but also into the **Deposit Protection Fund** and the **Investor Protection Fund**. As for the banking tax, only the Slovakian Government imposed that. Expected total payments for 2016: ***Bulgaria:*** **HUF 6.1 billion** (o/w HUF 2.7 billion is due into the RF) versus HUF 6.4 billion in 2015 ***Croatia:*** **HUF 1.7 billion** (o/w RF is around HUF 0.4 billion) versus HUF 1.4 billion in 2015 ***Slovakia:*** **HUF 0.2 billion** (on the top of the banking tax of around HUF 800 million; RF represents HUF 0.1 billion), flat y-o-y ***Romania:*** **HUF 1.1 billion** (HUF 0.1 billion into the RF) versus HUF 1.0 billion in 2015

Capital buffer requirements flagged by NBH

Consolidated and stand-alone	During the course of 2015 the following regulatory dispositions were published about **future capital buffer requirements:** Pursuant to the Act on Credit institutions **the capital conservation buffer (CCB)** will amount to 0.625% in 2016, and it will gradually rise to 2.5% by 2019. OTP Bank has to comply with this buffer both on consolidated and standalone level. On 18 November 2015 the National Bank of Hungary announced that it will introduce the **systemic risk buffer (SRB)** of between 0-2% for the Hungarian banks, effective from 1 January 2017 (according to available information the buffer will be introduced only on consolidated level). The SRB rate is to be calculated from 3Q 2016 data based on the ratio of problematic project loans to the domestic Pillar 1 capital requirement. **The expected level of this buffer for OTP Group is 0%.** According to the announcement published by the National Bank of Hungary on 15 December 2015 the **countercyclical buffer (CB)** applicable on standalone level was set at zero effective from 1 January 2016. The effective buffer on consolidated level will be the weighted average of the applicable rates at group members. The central bank will set the countercyclical capital buffer rate quarterly in a decree, which will be determined based on cyclical and vulnerability indicators. Normally the CB can vary between 0-2.5%, for details see Act on Credit institutions paragraph 298, section 2. In its press release the National Bank of Hungary stated that that no change should be expected in the CB rate within the next 1 year. On 30 December 2015 the Hungarian central bank announced the expected **O-SII buffers** for the identified 9 'other systemically important financial institutions', ranging from 0.5% to 2%. **In case of OTP Group the rate of the O-SII buffer is expected to be 2% from 1 January 2017**, and OTP Bank will have to comply with it on consolidated level. (Actual capital buffer requirements will be set in form of central bank decrees in 3Q 2016, based on audited data for the end of 2015.) Calculation of the sum of the buffers: CCB+ CB + max(SRB; O-SII). **For OTP Bank the sum of the applicable capital buffers will be 0.625% in 2016.**

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In 2015 total revenues declined y-o-y, the Russian and Ukrainian decrease was influenced by the depreciation of RUB and UAH. In Hungary the total revenue decrease was reasoned mainly by the weaker net interest income

	TOTAL INCOME – 2015 without one-off items (HUF billion)	Y-o-Y change (%)	FX adjusted Y-o-Y change of DPD0-90 loans (%)	FX adjusted Y-o-Y change of deposits (%)
OTP Group	755	-9%	-5%	5%
OTP CORE (Hungary)	367	-2%	-8%	2%
DSK (Bulgaria)	114	12%	1%	16%
OBRU (Russia)	113	-37%/-16%[1]	-26%	-15%
Touch Bank (Russia)	0	n. a.		
OBU (Ukraine)	41	-21%/22%[1]	-26%	2%
OBH (Croatia)	28	10%	1%	-2%
OBS (Slovakia)	18	3%	5%	3%
OBR (Romania)	28	18%	25%	51%
CKB (Montenegro)	10	-9%	-10%	4%
OBSrb (Serbia)	8	-2%	17%	10%
Other[2]	27			

Contribution of foreign subsidiaries: **48%**

[1] Changes in local currency.
[2] Other group members and eliminations

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In 4Q total revenues declined q-o-q. Further decrease in Russia and Ukraine, in Hungary the decrease was reasoned mainly by the weaker net interest income, in Romania one-off negative items played role, too

	TOTAL INCOME – 4Q 2015 without one-off items (HUF billion)	Q-o-Q change (HUF billion)	Q-o-Q change (%)	FX adjusted Q-o-Q change of DPD0-90 loans (%)	FX adjusted Q-o-Q change of deposits (%)
OTP Group	183	-9	-4%	1%	3%
OTP CORE (Hungary)	93	-3	-3%	1%	2%
DSK (Bulgaria)	30	1	2%	1%	7%
OBRU (Russia)	26	-2	-6%/-2%[1]	-2%	4%
Touch Bank (Russia)	0		n. a.		444%
OBU (Ukraine)	8	-1	-12%/-9%[1]	-5%	5%
OBH (Croatia)	7	0	-4%	1%	-3%
OBS (Slovakia)	5	0	2%	3%	-3%
OBR (Romania)	5	-2	-25%	-1%	6%
CKB (Montenegro)	3	0	-5%	-1%	-3%
OBSrb (Serbia)	2	0	6%	10%	12%
Others[2]	5				

Contribution of foreign subsidiaries: **47%**

[1] Changes in local currency.
[2] Other group members and eliminations

4Q net interest income declined by 3% q-o-q due to the weaker performance of Hungary and Romania. The yearly decline in Russia was mainly reasoned by contracting performing loan volumes

NET INTEREST INCOME – 4Q 2015 (HUF billion)	Share	NII	Q-o-Q (HUF bn)	Q-o-Q (%)
OTP Group	100%	133	-4	-3%
OTP CORE (Hungary)	46%	62	-2	-3%
DSK (Bulgaria)	16%	22	-1	-3%
OBRU (Russia)	16%	22	-1	-5%
Touch Bank (Russia)	0%	0		n.a.
OBU (Ukraine)	5%	7	-1	-8%
OBH (Croatia)	4%	5	0	1%
OBS (Slovakia)	3%	4	0	2%
OBR (Romania)	4%	5	-2	-23%
CKB (Montenegro)	1%	2	0	-6%
OBSrb (Serbia)	1%	2	0	-5%
Merkantil (Hungary)	4%	5	0	3%

1 At OTP Core the net interest income was negatively affected by the reclassification of agent commission expenses (around HUF 1 billion) from net fee income to the net interest income line.

2 In Russia the net interest income decreased by 2% q-o-q in RUB terms, mainly due to the q-o-q decrease of the performing portfolio (-2% adjusted for FX rate changes).

3 In Ukraine the volatile quarterly NII development was partly reasoned by the bank's own restructuring scheme: at the time of the restructuring the total NPV decline for the whole duration of the loan is accounted for in one sum on the net interest income line.

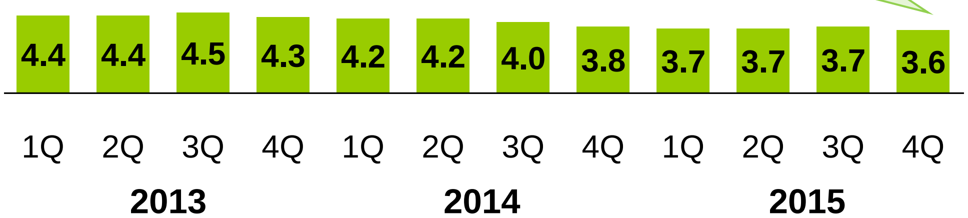
4 The Romanian 4Q net interest income decrease primarily related to the volatility of that part of the revaluation result of swaps which is recognized within net interest income. This item was offset on the other net non-interest income line.

At OTP Core margins remained fairly stable in 4Q. The Bulgarian quarterly NIM decrease was reasoned by a change in the accounting methodology and the dilution effect of growing total assets. The Russian and Ukrainian margin improved q-o-q

Net interest margin (%)

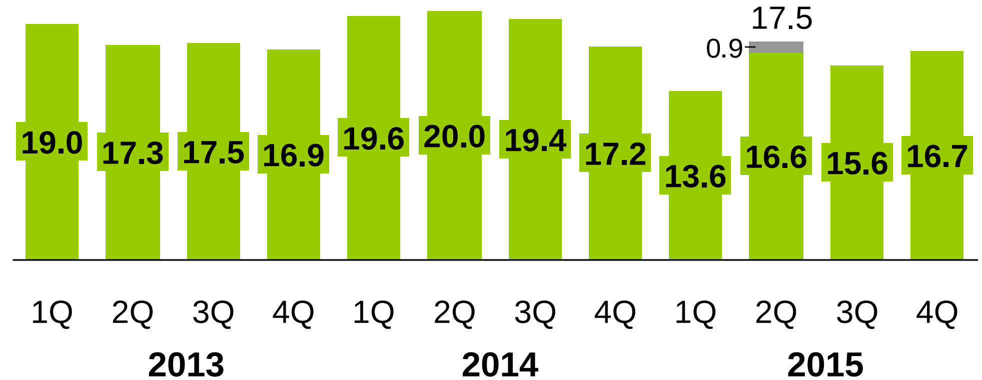
OTP Core Hungary

Without the impact of the reclassification of the agent commission expenses from net fees to NII the net interest margin would have been 3.7% in 4Q 2015.



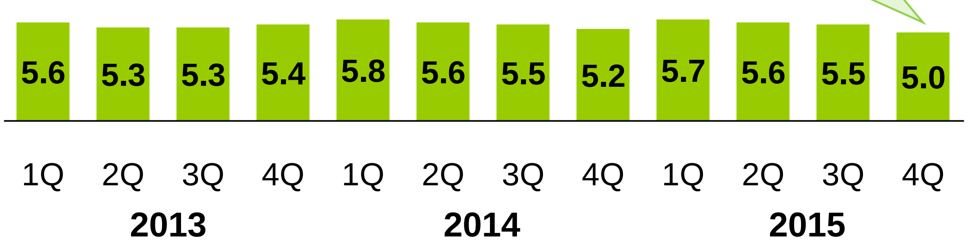
OTP Bank Russia

One-off effect of the provisioning methodology change made in 2Q

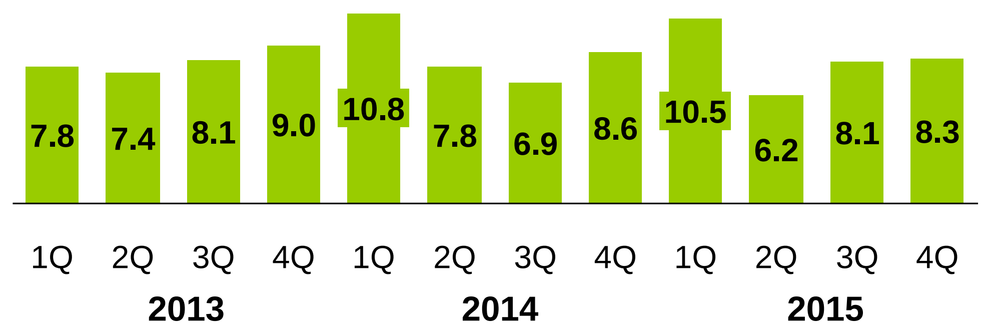


DSK Bank Bulgaria

Without the impact of the methodological change concerning the accounting of recoveries the net interest margin would have been 5.3% in 4Q 2015.



OTP Bank Ukraine



In 4Q 2015 the consolidated net loan to deposit ratio declined further (-2 ppts q-o-q)

Loan to deposit ratio, % (31 December 2015)

Net loan to deposit
Gross loan to deposit

100%

Change of net loan to deposit ratio, FX-adjusted

	Net loan to deposit	Gross loan to deposit	Q-o-Q	Y-o-Y
OTP Group*	67%	80%	-2%p	-9%p
OTP CORE* (Hungary)	47%	53%	-1%p	-6%p
OBRU (Russia)	99%	128%	-6%p	-15%p
DSK (Bulgaria)	67%	78%	-5%p	-11%p
OBU (Ukraine)	85%	199%	-15%p	-64%p
OBR (Romania)	142%	163%	-9%p	-29%p
OBH (Croatia)	84%	92%	2%p	2%p
OBS (Slovakia)	93%	99%	5%p	1%p
OBSrb (Serbia)	104%	148%	-5%p	5%p
CKB (Montenegro)	65%	101%	0%p	-10%p

AT OTP Group the consolidated net loan to (deposit+retail bonds) ratio dropped to 67% (-9 ppts y-o-y on an FX-adjusted basis). All subsidiaries, but the Romanian and Serbian were below 100%.

At OTP Core the y-o-y decline was mainly induced by the shrinking loan book (FX mortgage settlement and conversion effect took their toll). Also, municipality loans decreased notably y-o-y due to prepayments by the State. The large corporate book melted down because of prepayments by several large clients. The expansion of the total deposit book played a role, too.

In Russia the key driver behind the q-o-q decline was the shrinking net loan portfolio in 4Q (-10% q-o-q).

In Ukraine the net loan to deposit ratio sank to 85% mainly due to retail deposit inflows. Deposits grew by 5% q-o-q (FX-adjusted).

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

At OTP Core the quarterly decline of mortgages moderated. The Russian and Ukrainian performing volumes continued to decline. Corporate exposures demonstrated decent q-o-q pick-up at OTP Core, Bulgaria and Serbia. The material y-o-y growth in Romania reflects the acquisition impact

DPD0-90 volumes

Q-o-Q loan volume changes in 4Q 2015, adjusted for FX-effect

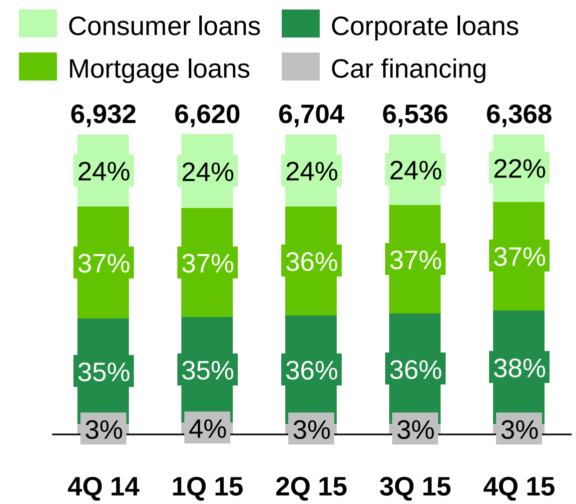
	Cons.	Core (Hungary)	DSK (Bulgaria)	OBRu (Russia)	Touch Bank (Russia)	OBU (Ukraine)	OBR (Romania)	OBH (Croatia)	OBS (Slovakia)	OBSr (Serbia)	CKB (Monte-negro)
Total	1%	1%	1%	-2%		-5%	-1%	1%	3%	10%	-1%
Consumer	-1%	-6%	-1%	-1%		1%	-6%	1%	8%	2%	1%
Mortgage	-1%	-1%	0%	-11%		1%	-2%	0%	1%	-2%	-1%
Corporate[1]	4%	5% / 3%[2]	4%	-5%		-7%	3%	2%	3%	18%	-2%
Car financing	-3%					-5%					

Y-o-Y loan volume changes in 4Q 2015, adjusted for FX-effect

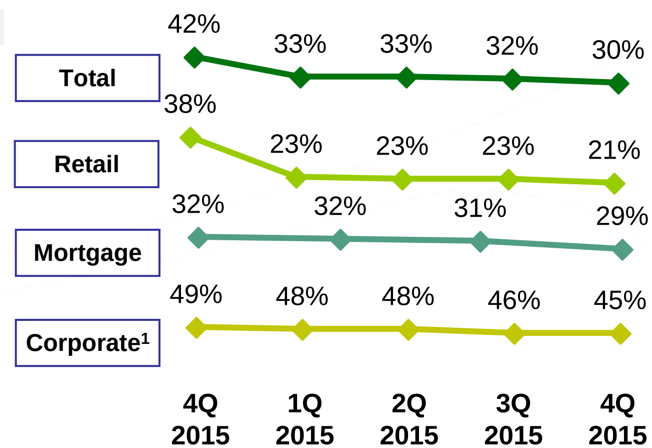
	Cons.	Core (Hungary)	DSK (Bulgaria)	OBRu (Russia)	Touch Bank (Russia)	OBU (Ukraine)	OBR (Romania)	OBH (Croatia)	OBS (Slovakia)	OBSr (Serbia)	CKB (Monte-negro)
Total	-5%	-8%	1%	-26%		-26%	25%	1%	5%	17%	-10%
Consumer	-8%	-9%	0%	-26%		-28%	9%	1%	31%	7%	11%
Mortgage	-6%	-10%	-2%	-34%		-37%	19%	-2%	-3%	-3%	-5%
Corporate[1]	-1%	-3% / -4%[2]	4%	-19%		-24%	40%	2%	6%	30%	-22%
Car financing	-8%					-24%					

Gross loan volumes

Breakdown of the consolidated volumes



Proportion of FX loans in the consolidated loan portfolio



[1] Loans to MSE and MLE clients and local governments.
[2] Loans of the Hungarian group members 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.

Deposits expanded by 5% y-o-y supported by the steadily rising Bulgarian and Hungarian volumes. The deposit volumes in Russia and Ukraine q-o-q increased, too

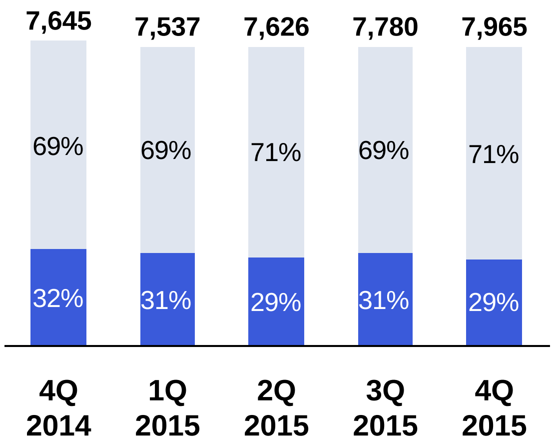
Q-o-Q deposit volume changes in 4Q 2015, adjusted for FX-effect

	Cons.	Core (Hungary)	DSK (Bulgaria)	OBRu (Russia)	Touch Bank (Russia)	OBU (Ukraine)	OBR (Romania)	OBH (Croatia)	OBS (Slovakia)	OBSr (Serbia)	CKB (Monte-negro)
Total	3%	2%	7%	4%	444%	5%	6%	-3%	-3%	12%	-3%
Retail	4%	6%	5%	5%	444%	7%	-1%	-1%	-2%	5%	0%
Corporate[1]	1%	-2%	16%	2%		3%	13%	-9%	-5%	20%	-7%

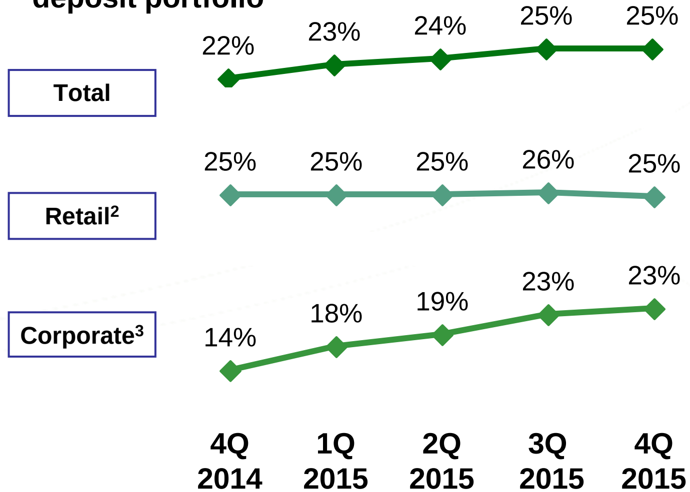
Y-o-Y deposit volume changes in 4Q 2015, adjusted for FX-effect

	Cons.	Core (Hungary)	DSK (Bulgaria)	OBRu (Russia)	Touch Bank (Russia)	OBU (Ukraine)	OBR (Romania)	OBH (Croatia)	OBS (Slovakia)	OBSr (Serbia)	CKB (Monte-negro)
Total	5%	2%	16%	-15%	n/a	2%	51%	-2%	3%	10%	4%
Retail	7%	11%	10%	-13%	n/a	-12%	45%	-4%	-3%	6%	-2%
Corporate[1]	2%	-6%	39%	-21%		20%	58%	8%	18%	15%	17%

Breakdown of consolidated customer deposits
(in HUF billion)



Proportion of FX deposits in the consolidated deposit portfolio



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

Consolidated operating costs in 4Q remained flat y-o-y with the Russian and Ukrainian operating costs decreasing significantly

OPERATING COSTS – 4Q 2015 (HUF billion)	Share		Y-o-Y (HUF bn)	Y-o-Y (%)	Y-o-Y (FX-adj., HUF bn)	Y-o-Y (FX-adj., %)
OTP Group	100%	107	0	0%	5	5%
OTP CORE (Hungary)	46%	52	1	2%	1	2%
DSK (Bulgaria)	16%	12	1	9%	1	7%
OBRU (Russia)	16%	12	-6	-33%	-2	-19%
Touch Bank (Russia)	0%	2		n. a.		
OBU (Ukraine)	5%	4	-2	-36%	-1	-11%
OBH (Croatia)	4%	4	0	-3%	0	-6%
OBS (Slovakia)	3%	3	0	4%	0	3%
OBR (Romania)	4%	6	2	53%	2	52%
CKB (Montenegro)	1%	2	0	-4%	0	-5%
OBSrb (Serbia)	1%	2	0	7%	0	6%
Merkantil (Hungary)	4%	2	0	4%	0	4%

1 In 4Q operating costs of OTP Core went up by HUF 1.0 billion y-o-y. Personnel expenses decreased by HUF 0.6 billion, while the other operating expenses went up predominantly driven by the higher deductible taxes, expert fees, and IT hardware expenses.

2 As a result of cost rationalization 2015 operating expenses decreased in Russia in spite of the 16% average 2015 Russian inflation rate.

3 FX-adjusted operating expenses in Romania went up by 52% y-o-y as a result of the consolidation of the operating expenses of Banca Millennium. After the take-over of 56 branches of Banca Millennium, 14 branches were closed in 3Q and further 18 units in 4Q.

OTP Core

The full-year 2015 and 4Q 2015 performance of OTP Core was driven by lower net interest income and higher risk costs. Operating costs increased due to the elevating charges paid to into the different funds

OTP CORE (in HUF billion)	2014	2015	Y-o-Y	4Q 14	3Q 15	4Q 15	Q-o-Q	Y-o-Y
Before tax profit without one-off items	**158.5**	**145.0**	**-9%**	**37.3**	**39.6**	**31.9**	**-20%**	**-15%**
Operating profit w/o one-off items	182.0	170.6	-6%	39.4	46.9	40.5	-14%	3%
Total income w/o one-off items	375.7	367.2	-2%	90.6	95.8	92.6	-3%	2%
Net interest income w/o one-off items (1)	266.3	251.6	-6%	66.5	63.3	61.6	-3%	-7%
Net fees and commissions	94.2	97.5	3%	23.4	25.5	25.0	-2%	7%
Other net non interest income without one-offs	15.1	18.2	21%	0.6	7.0	6.0	-14%	839%
Operating costs (2)	-193.7	-196.6	2%	-51.2	-48.9	-52.2	7%	2%
Total risk costs (3)	-23.4	-25.6	9%	-2.0	-7.2	-8.6	19%	324%

1 In 4Q the net interest income was negatively affected (HUF -1 billion) by a reclassification: from 4Q commissions paid to agents previously booked within fee expenses were shifted to the net interest income line. Furthermore, structural changes within the loan book also caused weaker interest revenues: corporate exposures with lower margin gaining ground versus consumer loans with higher margin.

2 In 2015 operating expenses grew by 2% y-o-y, the increase is entirely related to higher contributions paid into the Deposit Protection Fund (OBA) and the Investor Protection Fund (Beva), as well as fees paid into the Resolution Fund from in 4Q 2014. OTP's annual contribution comprised HUF 3.7 billion into OBA (HUF +1.0 billion y-o-y), HUF 0.9 billion into Beva (HUF +0.6 billion y-o-y) and HUF 2 billion into the Resolution Fund (HUF +1.4 billion y-o-y) in 2015. These 3 items altogether explain HUF 3 billion cost increase y-o-y.

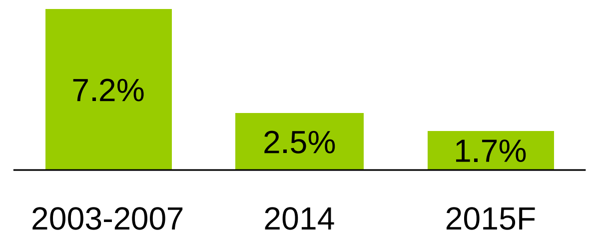
3 2015 risk costs increased by 9% y-o-y, within that provisions for possible loan losses moderated by 2%, as a result the annual risk cost rate was 84 bps. In 4Q risk costs on loans went up by 8% q-o-q.

Hungary

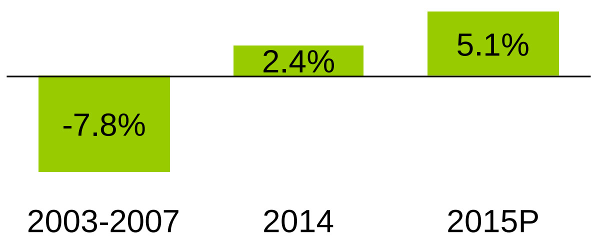
Economic growth was 2.9% in 2015, the strong dynamic is expected to continue in 2016 as well. Beside the strong net export, the dynamic growth of household consumption acting as a driver of the economy may be a lasting tendency

Balance

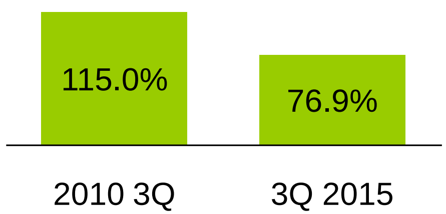
Budget deficit



Current account balance

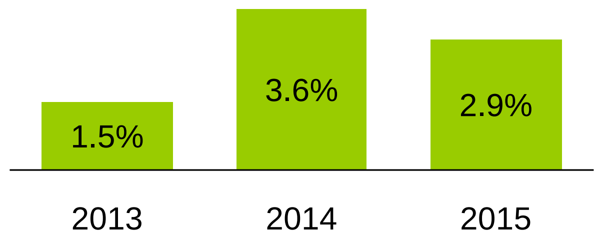


Gross external debt (in % of GDP)

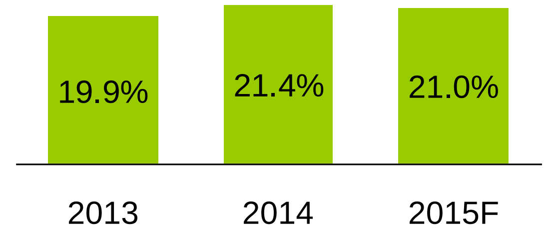


Growth

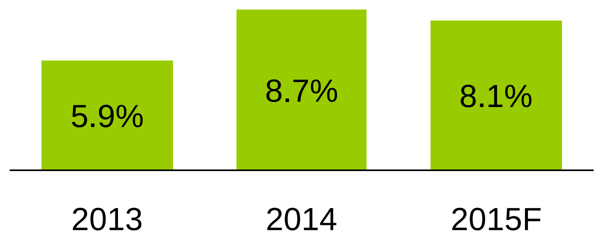
Real GDP growth



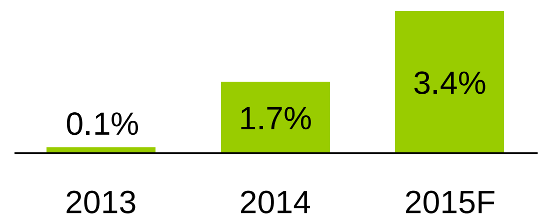
Investments to GDP



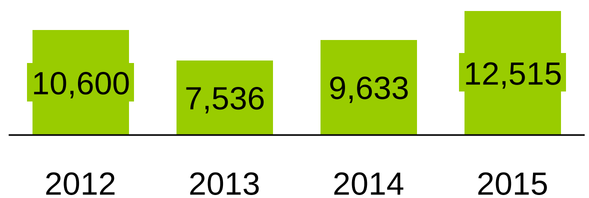
Export growth



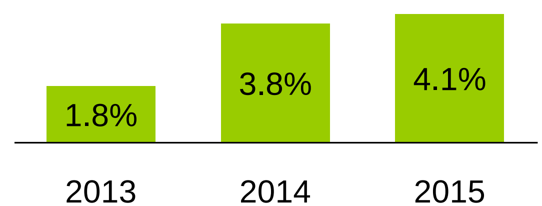
Household consumption



Housing construction permits



Real wage growth



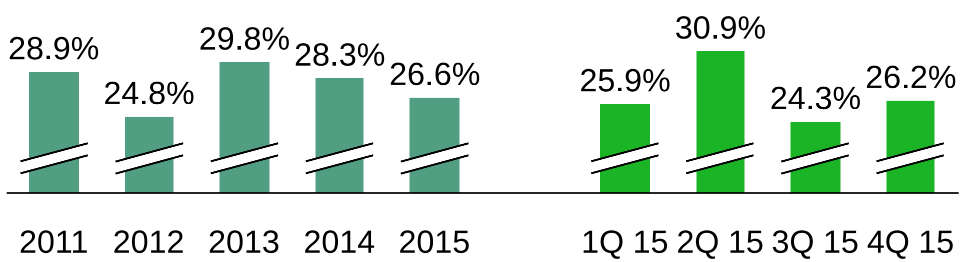
Source: CSO, NBH; forecasts: OTP Research Centre

OTP Core

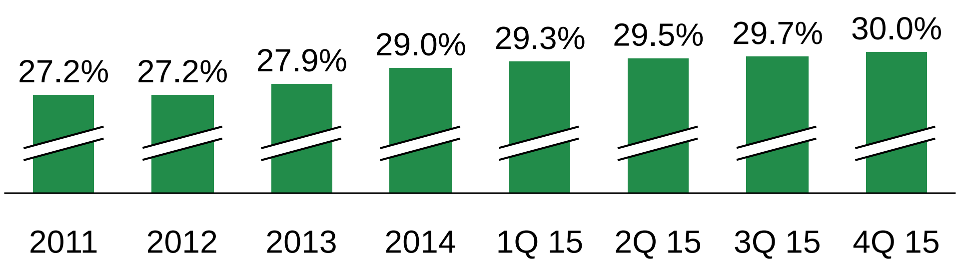
Mortgage loan disbursements accelerated further. OTP's market share in retail savings kept increasing and reached 30%. SME loans expanded by 11.2%; steadily strengthening market position in the corporate sector

Change of mortgage loan disbursement of OTP Bank
(y-o-y change)

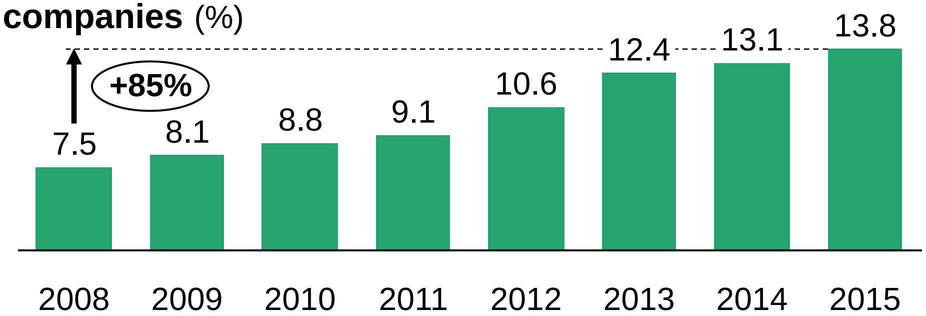
OTP Bank's market share in mortgage loan disbursement[2]



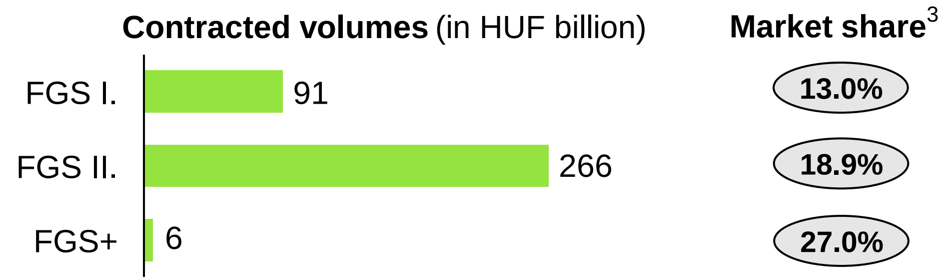
OTP Bank's market share in household savings



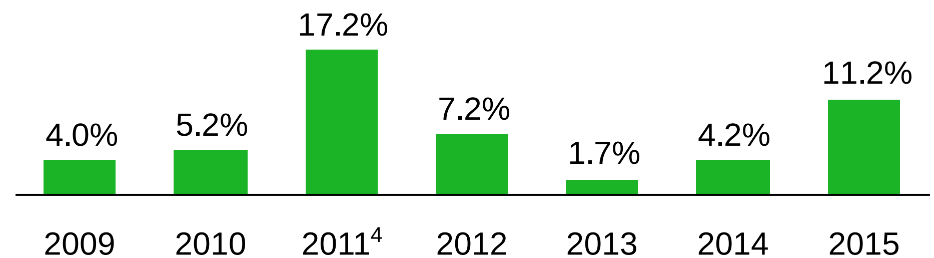
OTP Group's market share[1] in loans to Hungarian companies (%)



Activity of OTP Group in the Funding for Growth Scheme



Changes of SME loan volumes
(FX-adjusted y-o-y changes)



[1] 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. [2] According to the new methodology the contracted mortgage loan volumes are based on NBH's monthly statistics, which include for OTP+JZB as well as for the rest of the sector the own refinancing, within that also the renegotiated loans as well [3]The source of the sector statistics is the central bank's publications on FGS. [4]The y-o-y increase in 2011 was influenced by reclassification, too.

otpbank

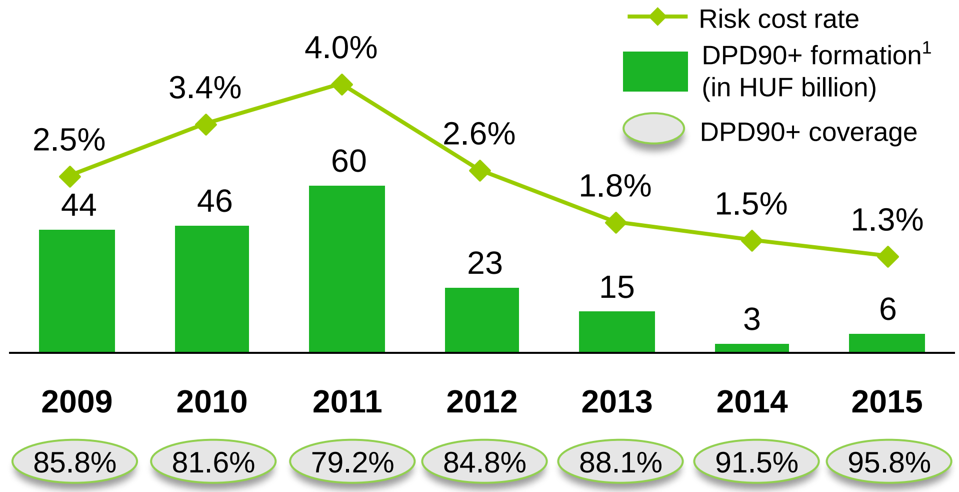
DSK Bank Bulgaria

Profitability of DSK Bank improved steadily in the last couple of years supported by the improving asset quality trends. The lending activity is getting more intense, the corporate market share edged up

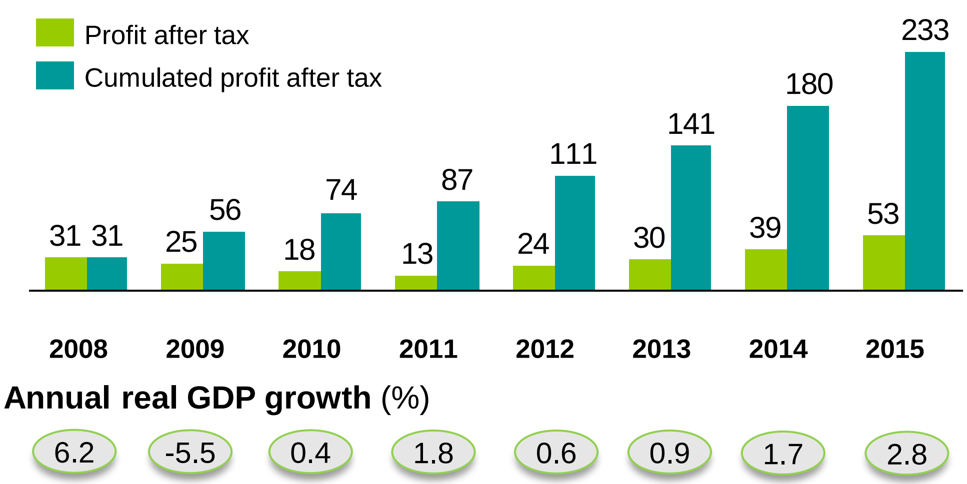
Income statement of DSK Bank

in HUF billion	2014	2015	1Q 15	2Q 15	3Q 15	4Q 15
Profit after tax (adjusted)	39.2	52.5	17.6	10.2	14.1	10.7
Profit before tax	43.6	58.3	19.6	11.3	15.7	11.7
Operating profit	62.4	73.1	19.5	17.2	19.1	17.4
Total income	102.2	114.4	28.8	26.8	29.1	29.8
Net interest income	79.1	88.7	22.3	21.9	22.6	21.9
Net fees and commissions	20.3	23.0	5.4	6.0	5.9	5.8
Other non-interest income	2.9	2.8	1.1	-1.0	0.6	2.1
Operating costs	-39.8	-41.3	-9.3	-9.7	-10.0	-12.3
Total risk cost	-18.8	-14.9	0.1	-5.9	-3.3	-5.8
Provisions for loans	-17.5	-14.6	0.2	-5.8	-3.2	-5.9
Other provisions	-1.3	-0.2	-0.1	-0.1	-0.1	0.1
Corporate tax	-4.4	-5.7	-2.0	-1.1	-1.6	-1.0

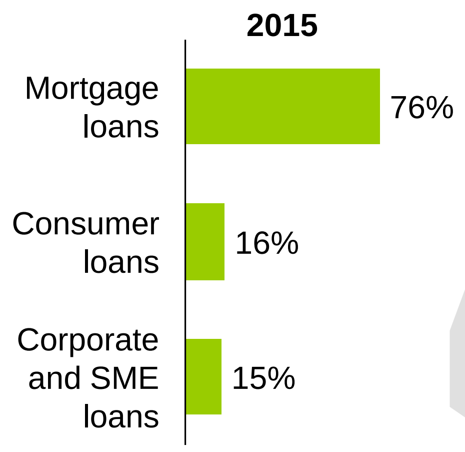
Development of DSK Bank's risk indicators

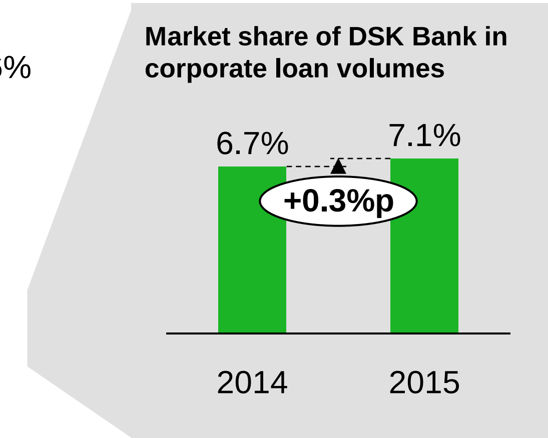


DSK Bank: annual profit after tax development (in HUF billion)



Development of loan disbursements at DSK (y-o-y changes)





[1] Adjusted for FX rate changes and loan sales and write-offs.

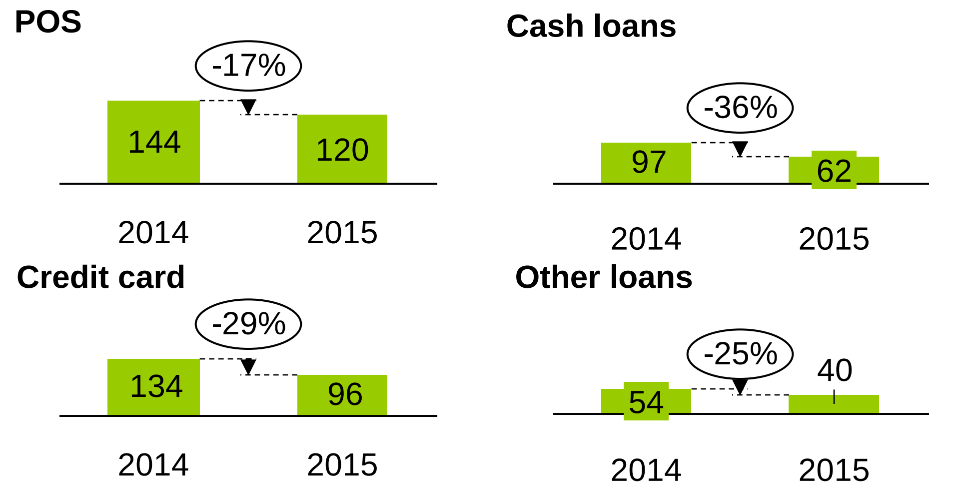
OTP Bank Russia

The q-o-q moderation of the Russian loss was due to the quarterly decrease of risk cost, the q-o-q diminishing total income is reasoned by the contraction of performing loan portfolio and RUB devaluation

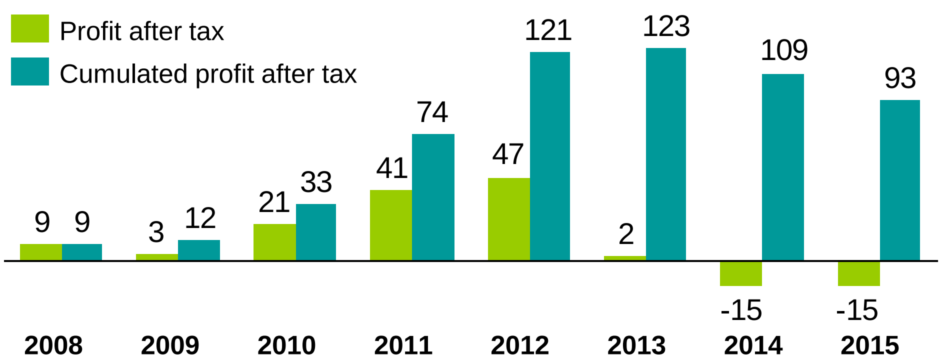
Income statement of OTP Bank Russia

in RUB billion	2014	2015	1Q15	2Q15	3Q15	4Q15
Profit after tax (adjusted)	-2.3	-3.3	-2.4	-0.6	-0.3	0.0
Profit before tax	-2.8	-4.0	-3.0	-0.7	-0.3	0.0
Operating profit	16.5	13.9	3.2	3.8	3.7	3.2
Total income	29.3	24.4	6.2	6.3	6.1	5.9
Net interest income	25.9	21.2	5.5	5.5	5.2	5.1
Net fees and commissions	3.5	3.1	0.7	0.9	0.8	0.7
Other non-interest income	-0.1	0.2	0.0	0.0	0.1	0.1
Operating costs	-12.8	-10.6	-3.0	-2.5	-2.3	-2.7
Total risk cost	-19.3	-18.0	-6.2	-4.6	-4.0	-3.2
Provisions for loans	-19.1	-17.8	-6.2	-4.5	-4.0	-3.1
Other provisions	-0.2	-0.2	0.0	-0.1	0.0	-0.1
Corporate tax	0.5	0.7	0.6	0.1	0.1	-0.1

DPD0-90 loan volumes (FX-adjusted, in HUF billion)



OTP Bank Russia profit after tax development (in HUF billion)



Annual real GDP growth (%)

2008	2009	2010	2011	2012	2013	2014	2015
5.2	-7.8	4.5	4.3	3.4	1.3	0.5	-3.7

OTP Bank Russia - risk cost rates in different segments

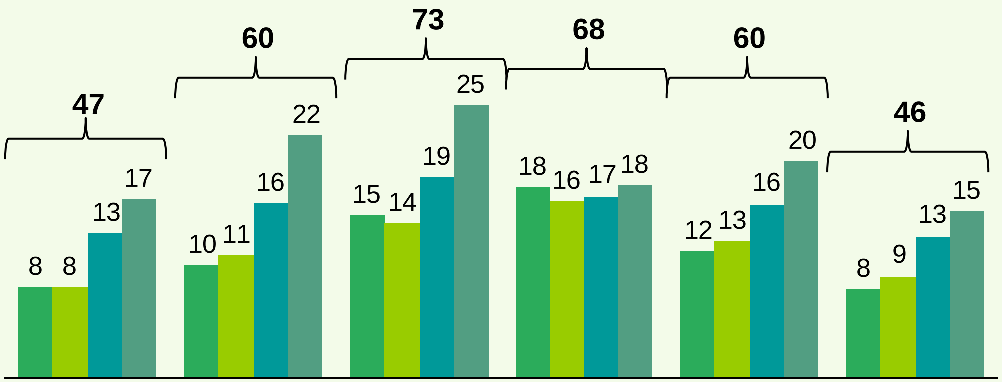
	2014	2015	1Q 15	2Q 15	3Q 15	4Q 15
POS loans	11.5%	10.1%	12.3%	9.6%	10.3%	8.6%
Credit cards	19.7%	21.1%	25.2%	22.5%	17.2%	15.3%
Cash loans	19.7%	17.4%	23.9%	18.5%	13.8%	8.1%

Starting from 1Q 2015 OTP Bank Russia performance excludes the performance of Touch Bank (the digital banking business line of OTP Bank Russia), because it is presented separately from OTP Bank Russia's performance

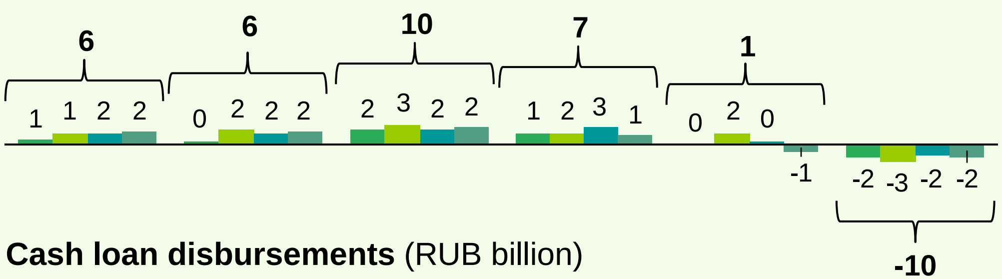
OTP Bank Russia

In 4Q 2015 POS loan disbursements gained momentum, but performing credit card volumes further declined. Deposits increased q-o-q in RUB terms. Average RUB term deposit rates moderated from the peak in March

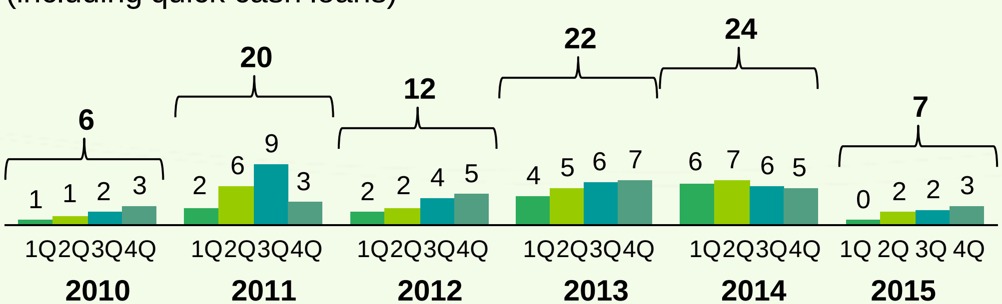
POS loan disbursements (RUB billion)



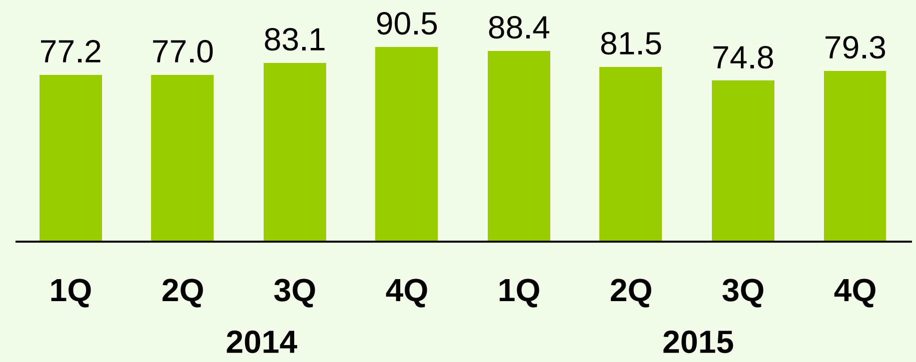
DPD0-90 credit card loan volume q-o-q changes (RUB billion)



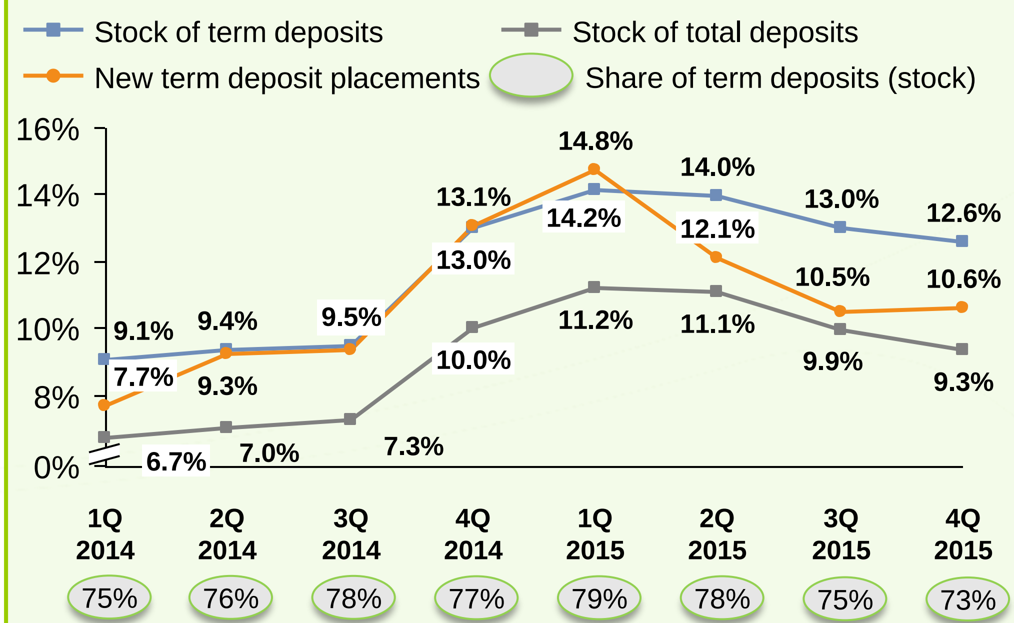
Cash loan disbursements (RUB billion)
(including quick cash loans)



Development of customer deposits (RUB billion)



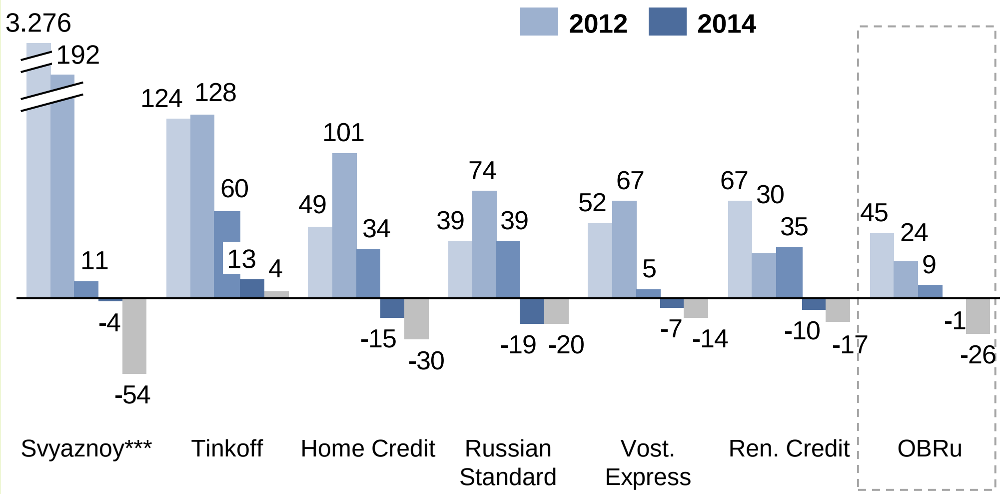
Average interest rates for stock and new RUB deposits



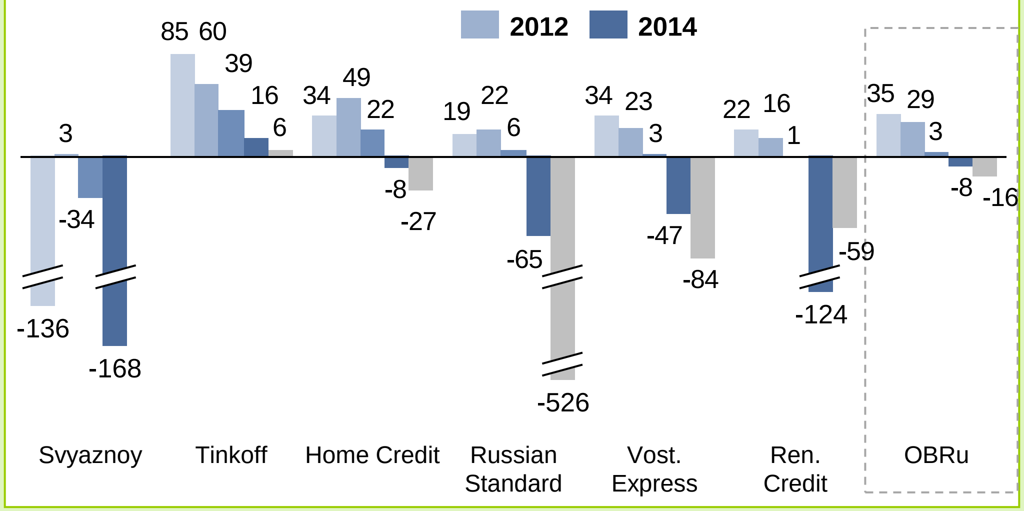
Consumer lending is going through a cyclical adjustment period with risk costs increasing and all players suffering from setback in lending activity with their profitability deteriorating; more stringent regulation and worsening operating environment also took their toll

OTP Bank Russia

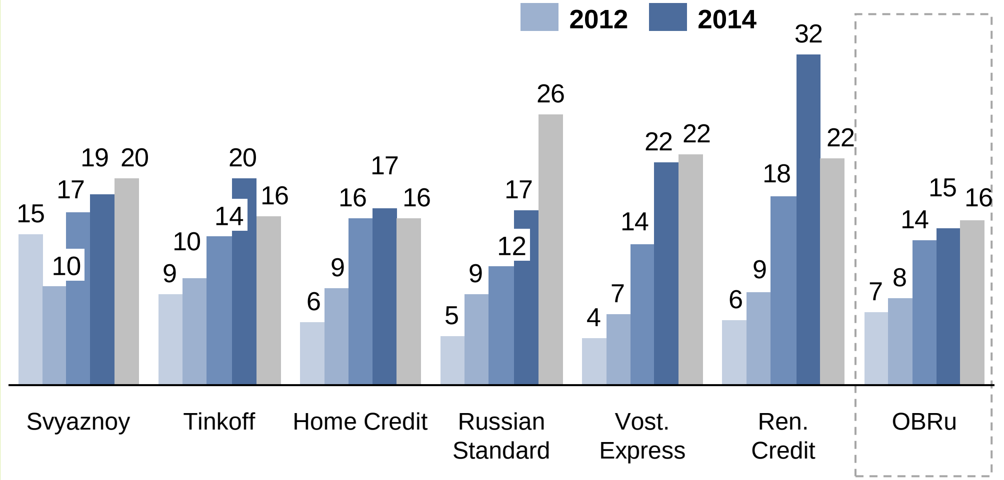
Retail loan growth* (%, Y-o-Y)



Return on Equity** (%)



Risk Cost Rate** (%)



POS ranking

	2009	2015
Home Credit	1	1
OTP Bank Russia	**2**	**2**
Alfa-Bank	4	3
Renaissance Credit	6	4
Rusfinance	5	5
Leto Bank	n/a	6
Russian Standard	3	7

* Source: Frank Research Group
** Source: IFRS based company publications; OTP Bank's indicators are based on unadjusted stand-alone figures for 2015 full year, Home Credit and Tinkoff figures are based on 9M 2015, other banks' data are based on 1H 2015 financials
*** 9M volume changes, as the banking licence of Svyaznoybank has been revoked by the central bank effective from 24/11/2015

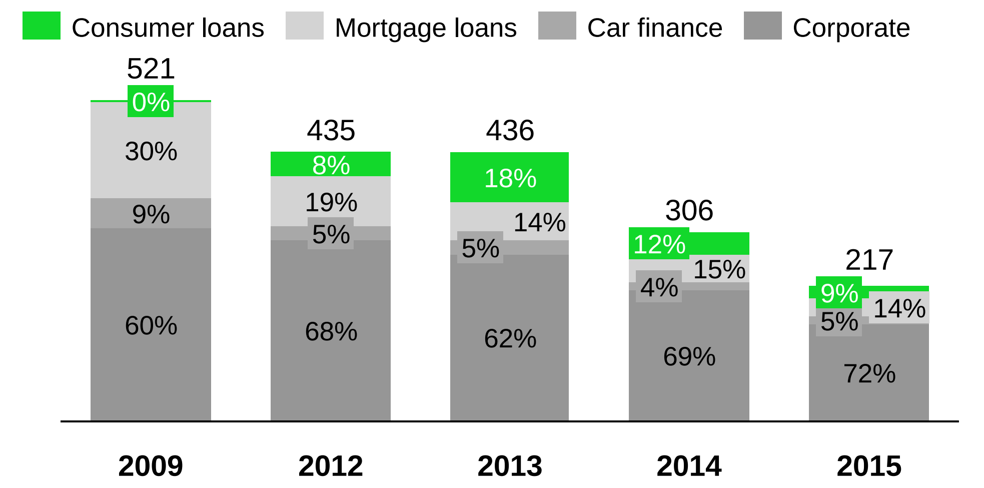
OTP Bank Ukraine

In 4Q the Ukrainian bank posted HUF 13.2 billion loss due to the high risk costs. The portfolio quality deterioration was favourably low. The intra-group funding declined further in 4Q 2015

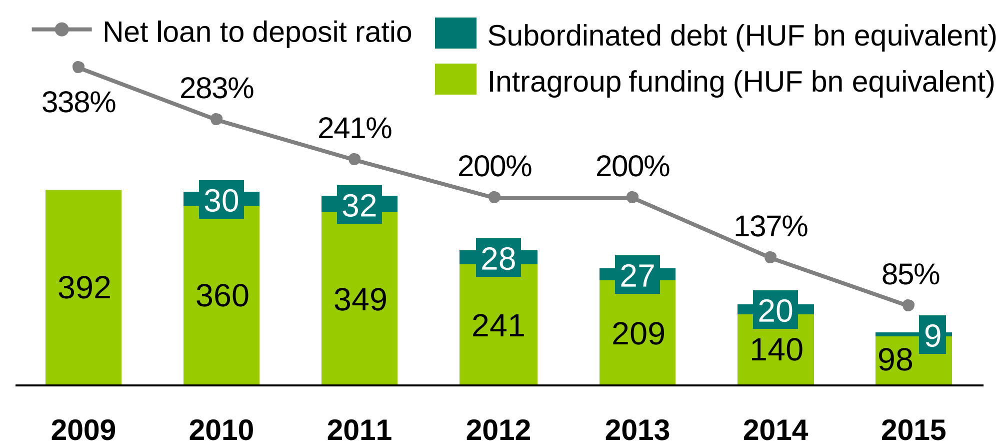
Income statement of OTP Bank Ukraine

in UAH million	2014	2015	1Q 15	2Q 15	3Q 15	4Q 15
Profit after tax (adjusted)	-2,324	-3,119	-748	45	-1,359	-1,057
Profit before tax	-2,521	-3,251	-993	124	-1,417	-965
Operating profit	1,310	1,909	956	289	381	284
Total income	2,571	3,138	1,252	583	681	622
Net interest income	2,261	2,237	735	423	552	528
Net fees and commissions	513	613	134	136	151	192
Other non-interest income	-204	287	382	25	-21	-98
Operating costs	-1,261	-1,228	-296	-294	-300	-338
Total risk cost	-3,830	-5,160	-1,948	-165	-1,798	-1,249
Provisions for loans	-3,693	-5,040	-1,926	-202	-1,762	-1,150
Other provisions	-137	-120	-23	37	-36	-99
Corporate tax	197	132	245	-78	57	-92

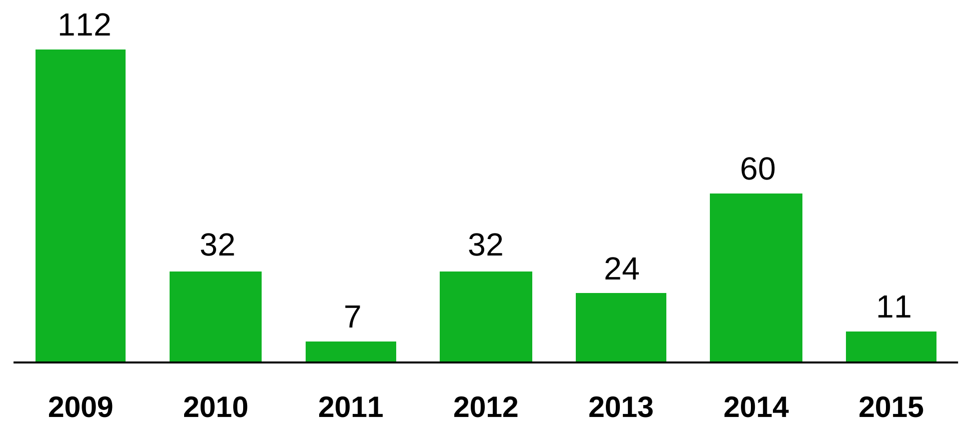
Composition of performing loan volumes (in HUF billion)



Intragroup funding and net loan to deposit ratio



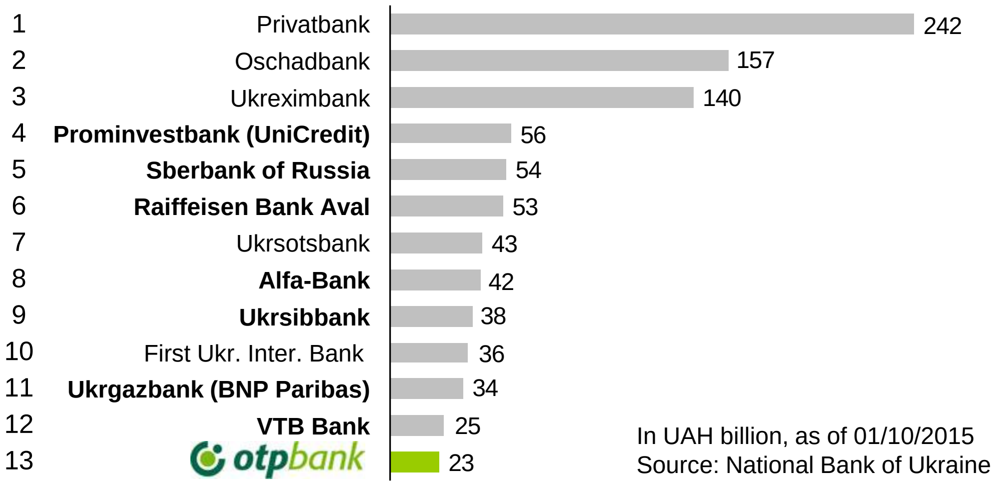
FX-adjusted change in DPD90+ loan volumes (in HUF billion)



OTP Bank Ukraine

The Ukrainian subsidiary’s share within the Group’s performing loans shows a declining trend. The deposit base is stable. The provision coverage ratio jumped further q-o-q due to continued portfolio clean-out

Ranking of Ukrainian banks by total assets



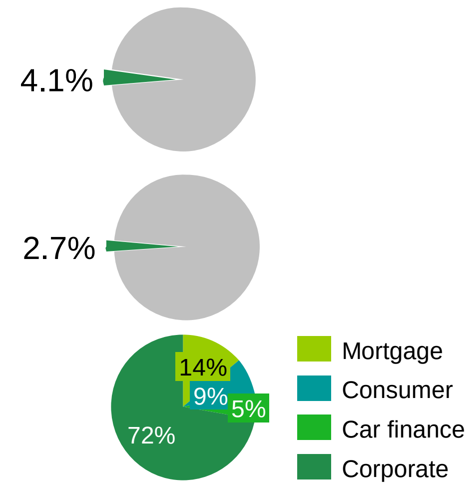
In UAH billion, as of 01/10/2015
Source: National Bank of Ukraine

OTP Ukraine’s share within consolidated loans and deposits

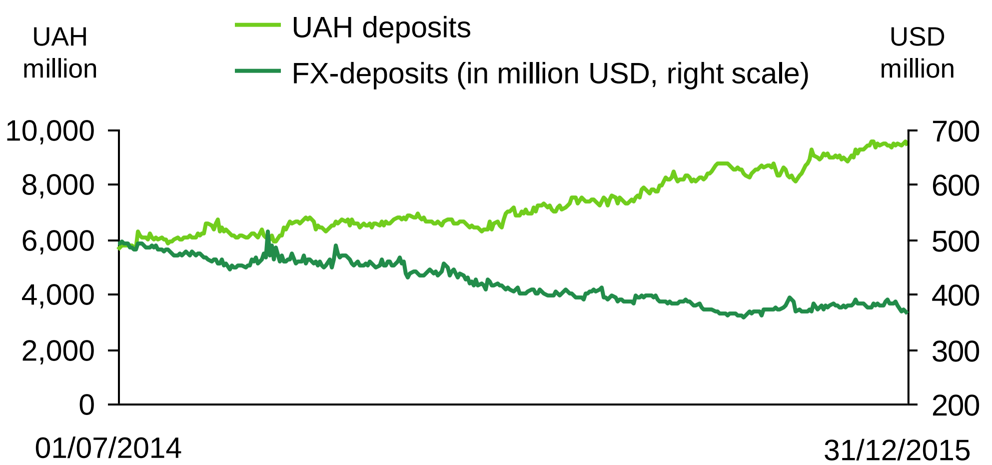
Share of the Ukrainian bank’s performing loans (DPD0-90) within the Group

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

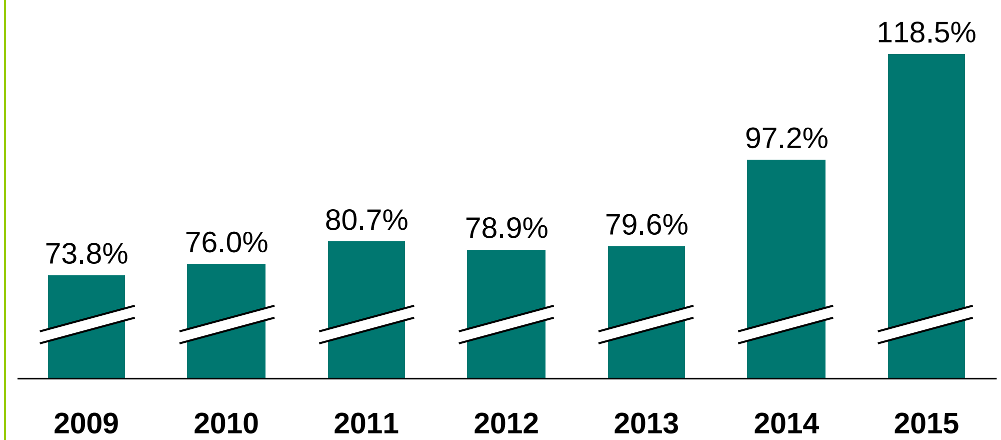
Composition of the Ukrainian bank’s performing (DPD0-90) loans



Daily development of customer deposits



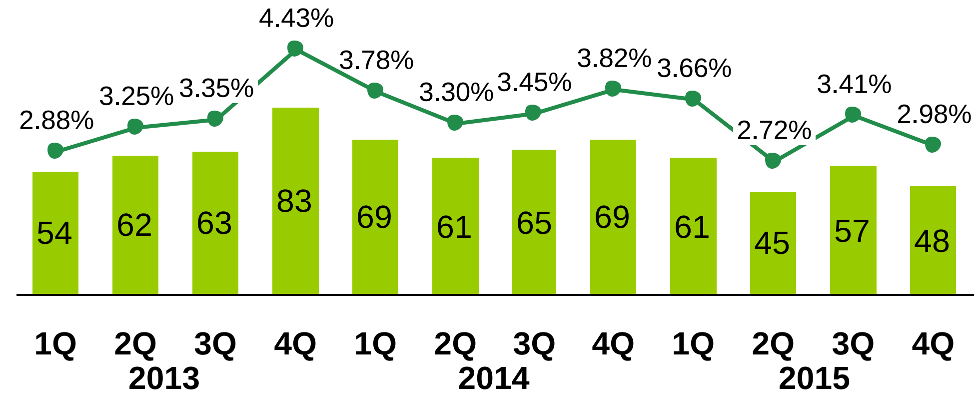
Development of the DPD90+ coverage ratio



The consolidated DPD90+ ratio decreased q-o-q and the coverage ratio improved further. The risk cost rate declined mainly as a result of the moderating provisioning in Russia and Ukraine

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

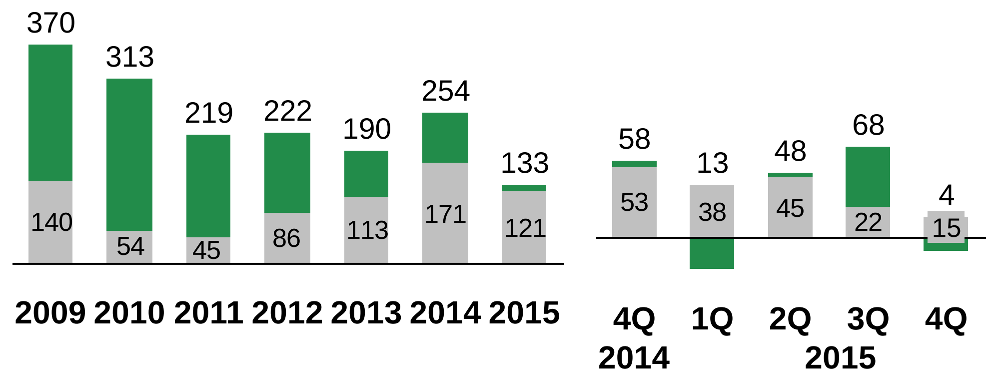
Risk cost for possible loan losses (in HUF billion)
Risk cost to average gross loans (%)



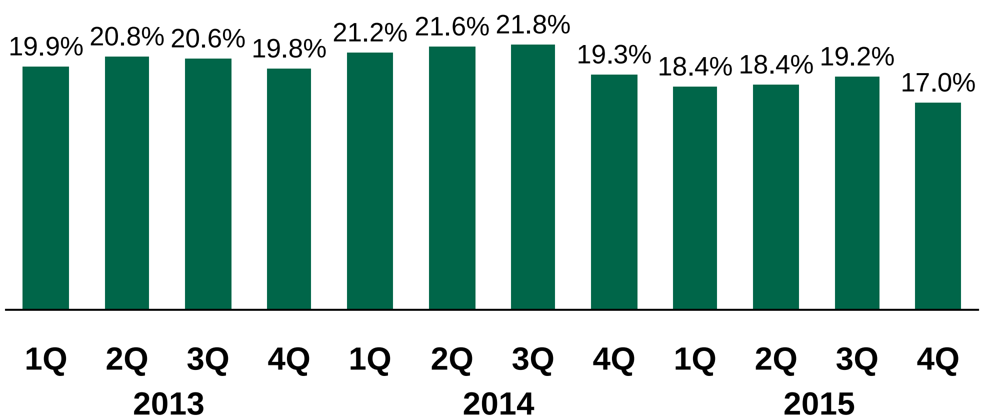
Change in DPD90+ loan volumes

(consolidated, adjusted for FX and sales and write-offs, in HUF billion)

Contribution of Russia and Ukraine

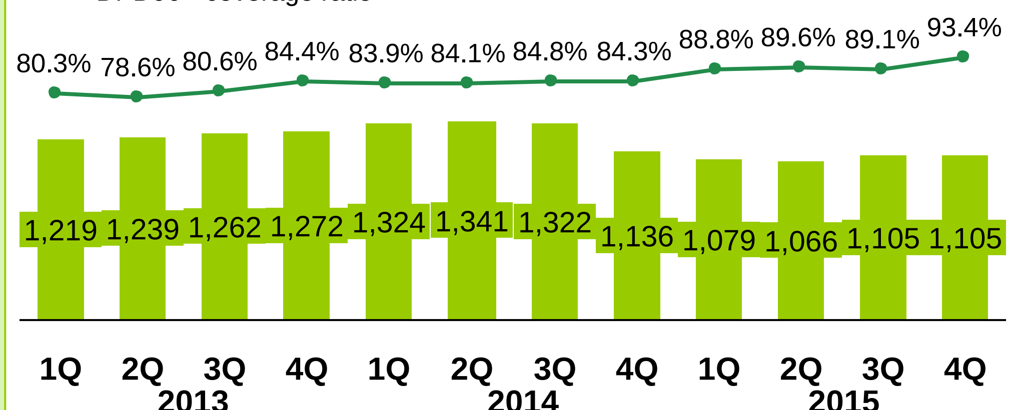


Ratio of consolidated DPD90+ loans to total loans (%)



Consolidated provision coverage ratio

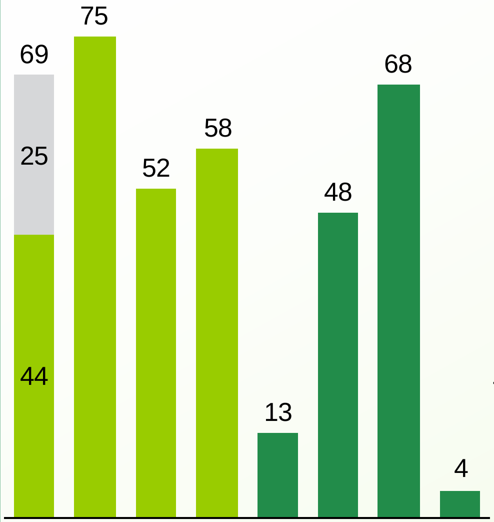
Consolidated allowance for loan losses (FX-adjusted, in HUF billion)
DPD90+ coverage ratio



Overall credit quality improved: DPD90+ formation demonstrates improving trend for almost all Group members. In Russia the annual inflow was similar to the previous year's level, but in 2H there was a material deceleration

FX-adjusted quarterly change in DPD90+ loan volumes
(without the effect of sales / write-offs, in HUF billion)

Consolidated



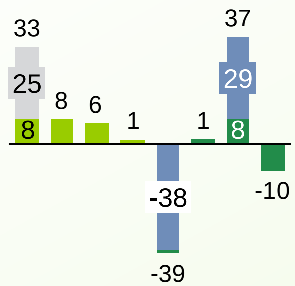
FX-adjusted sold or written-off loan volumes:

	2014				2015			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
FX-adjusted sold or written-off loan volumes	10	44	61	287	86	71	18	150

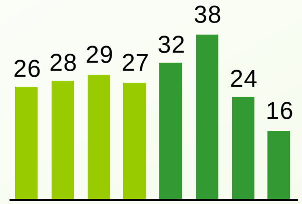
1Q 2014: A big project loan on the balance sheet of OTP Core reached 90 days of delinquency.

Technical effect of settlement: In 3Q 2015 mortgages worth HUF 29 billion (FX-adjusted) slipped into the DPD90+ category again after the HUF 38 billion technical healing in 1Q.

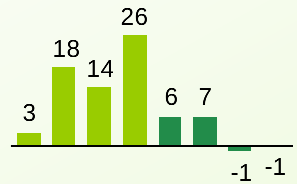
OTP Core (Hungary)



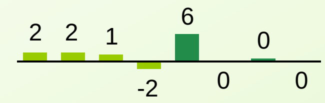
OBRu (Russia)



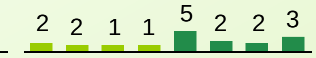
OBU (Ukraine)



DSK (Bulgaria)



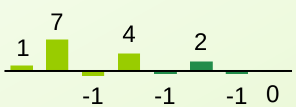
OBR (Romania)



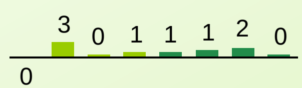
FX-adjusted sold or written-off loan volumes:

	2014				2015			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
OTP Core	8	13	53	36	71[1]	18	12	27
OBRu	0	10	0	128	9	48	1	52
OBU	1	4	4	40	3	2	3	57
DSK	0	0	1	61	0	0	1	6
OBR	0	1	0	5	1	0	0	3

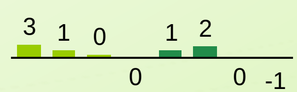
OBH (Croatia)



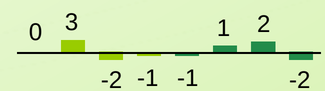
OBS (Slovakia)



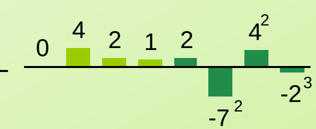
OBSr (Serbia)



CKB (Montenegro)



Merkantil Bank+Car (Hungary)



FX-adjusted sold or written-off loan volumes:

	2014				2015			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
OBH	0	0	0	0	0	0	0	0
OBS	0	0	1	5	1	0	0	4
OBSr	0	2	0	4	0	2	0	0
CKB	0	1	0	9	0	0	0	0
Merkantil Bank+Car	0	10	0	0	0	0	0	1

[1] The netting out at Factoring induced by the conversion in 1Q 2015 was equivalent of HUF 65 billion on an FX-adjusted basis.
[2] In 2Q 2015 at Merkantil the settlement reduced the DPD90+ volumes by HUF 7 billion (FX-adjusted) and HUF 3 billion re-defaulted in 3Q.
[3] In 4Q 2015 at Merkantil the FX car financing loan conversion reduced the DPD90+ volumes by HUF 3 billion.

OTP Core: improving DPD90+ and coverage ratio due to asset sales and write-offs in 4Q. Russia: steady moderation of risk cost rate, improving coverage. Bulgaria: the overall asset quality trends remained favourable. Ukraine: as a result of portfolio clean-up in 3Q and 4Q the coverage ratio climbed to 119%

OTP Core Hungary | DSK Bank Bulgaria | OTP Bank Russia | OTP Bank Ukraine

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

	2014 (full year)	2015 (full year)	1Q 2014	2Q 2014	3Q 2014	4Q 2014	1Q 2015	2Q 2015	3Q 2015	4Q 2015
OTP Core Hungary	0.8	0.8	0.9	1.0	0.7	0.4	0.2	1.1	1.1	1.2
DSK Bank Bulgaria	1.5	1.3	1.0	1.4	1.1	2.4	-0.1	2.1	1.1	2.0
OTP Bank Russia	16.8	17.0	15.4	14.3	14.8	13.4	19.3	17.2	14.4	12.5
OTP Bank Ukraine	11.7	13.3	13.3	8.0	9.2	16.2	19.3	2.0	17.4	12.2

DPD90+ loans / Gross customer loans, %

	1Q 2014	2Q 2014	3Q 2014	4Q 2014	1Q 2015	2Q 2015	3Q 2015	4Q 2015
OTP Core Hungary	19.3	19.4	18.4	17.5	13.1	12.6	13.8	12.1
DSK Bank Bulgaria	20.3	20.3	20.3	15.0	15.7	15.6	15.5	14.9
OTP Bank Russia	21.4	23.1	25.2	14.7	19.3	20.1	23.4	19.4
OTP Bank Ukraine	37.7	41.8	44.2	46.1	50.8	54.0	53.8	48.6

Total provisions / DPD90+ loans, %

	1Q 2014	2Q 2014	3Q 2014	4Q 2014	1Q 2015	2Q 2015	3Q 2015	4Q 2015
OTP Core Hungary	80	80	77	76	83	85	78	86
DSK Bank Bulgaria	89	90	90	92	88	91	93	96
OTP Bank Russia	108	108	108	117	118	111	110	115
OTP Bank Ukraine	86	88	90	97	103	102	111	119

At OTP Core the DPD90+ rate decreased y-o-y as a result of the conversion and settlement, as well as non-performing loan sales and write-offs. The Bulgarian, Russian and Bulgarian ratios' q-o-q decline is mainly reasoned by partial write-offs

DPD90+ ratio (%)

OTP Core (Hungary)	4Q14	1Q15	2Q15	3Q15	4Q15	Q-o-Q (%-point)
Total	**17.5%**	**13.1%**	**12.6%**	**13.8%**	**12.1%**	*-1.7*
Retail	21.7%	14.9%	14.2%	15.4%	14.0%	*-1.4*
Mortgage	20.5%	11.7%	11.1%	13.1%	12.5%	*-0.6*
Consumer	26.0%	25.3%	24.4%	23.0%	19.2%	*-3.8*
MSE**	10.0%	9.4%	8.9%	8.3%	7.7%	*-0.6*
Corporate	10.2%	10.6%	10.4%	11.8%	9.6%	*-2.1*
Municipal	0.2%	0.6%	1.2%	0.7%	0.4%	*-0.3*

DPD90+ ratio (%)

OTP Bank Russia	4Q14	1Q15	2Q15	3Q15	4Q15	Q-o-Q (%-point)
Total	**14.7%**	**19.3%**	**20.1%**	**23.4%**	**19.4%**	*-4.0*
Mortgage	17.0%	26.2%	31.2%	32.9%	36.6%	*3.7*
Consumer	15.1%	19.6%	19.5%	23.4%	18.4%	*-5.0*
Credit card	17.7%	21.2%	22.2%	27.4%	23.9%	*-3.5*
POS loan	11.6%	15.4%	14.8%	16.4%	11.1%	*-5.3*
Personal loan	16.1%	22.7%	21.7%	26.9%	22.0%	*-4.9*

DPD90+ ratio (%)

DSK Bank (Bulgaria)	4Q14	1Q15	2Q15	3Q15	4Q15	Q-o-Q (%-point)
Total	**15.0%**	**15.7%**	**15.6%**	**15.5%**	**14.9%**	*-0.6*
Mortgage	22.1%	22.4%	22.4%	22.0%	21.4%	*-0.6*
Consumer	7.3%	7.7%	8.0%	8.0%	8.1%	*0.1*
MSE**	32.7%	34.2%	31.8%	29.4%	26.1%	*-3.3*
Corporate	12.4%	14.2%	13.8%	14.5%	13.7%	*-0.8*

DPD90+ ratio (%)

OTP Bank Ukraine	4Q14	1Q15	2Q15	3Q15	4Q15	Q-o-Q (%-point)
Total	**46.1%**	**50.8%**	**54.0%**	**53.8%**	**48.6%**	*-5.2*
Mortgage	70.8%	75.7%	79.6%	80.4%	76.1%	*-4.3*
Consumer	41.4%	46.5%	52.7%	54.5%	42.9%	*-11.6*
SME	82.3%	86.8%	89.6%	90.5%	87.5%	*-2.9*
Corporate	16.3%	16.8%	17.7%	15.7%	16.7%	*1.0*
Car-financig	58.9%	58.6%	60.2%	60.8%	53.0%	*-7.7*

[1] Micro and small enterprises
[2] Small and medium enterprises

Restructured retail volumes increased q-o-q on group level, representing 1.9% of total retail loans by the end of 2015

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, 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

	4Q 2014		1Q 2015		2Q 2015		3Q 2015		4Q 2015	
	HUF mn	*%*[1]	*HUF mn*	*%*[1]	*HUF mn*	*%*[1]	*HUF mn*	*%*[1]	*HUF mn*	*%*[1]
OTP Core (Hungary)	22,152	1.2%	19,351	1.2%	16,184	1.0%	15,444	1.0%	15,672	1.1%
OBRu (Russia)	131	0.0%	158	0.0%	1,122	0.2%	2,813	0.7%	3,012	0.8%
DSK (Bulgaria)	17,008	2.1%	13,549	1.8%	12,193	1.5%	16,193	2.0%	20,763	2.6%
OBU (Ukraine)	14,556	5.8%	12,827	5.4%	16,071	6.7%	19,847	8.5%	21,210	11.6%
OBR (Romania)	16,982	6.1%	15,206	4.3%	14,315	3.9%	11,569	3.3%	10,051	2.9%
OBH (Croatia)	2,214	0.8%	1,893	0.7%	1,850	0.6%	1,415	0.5%	1,432	0.5%
OBS (Slovakia)	389	0.2%	244	0.1%	405	0.2%	665	0.3%	795	0.4%
OBSr (Serbia)	408	1.1%	455	1.3%	769	2.0%	894	2.4%	962	2.6%
CKB (Montenegro)	226	0.4%	190	0.3%	146	0.2%	109	0.2%	145	0.2%
Merkantil (Hungary)	1,864	1.0%	1,653	0.9%	1,283	0.7%	1,009	0.6%	287	0.2%
Other leasing[2] (Hungary)	194	0.7%	192	0.7%	237	1.0%	289	1.2%	404	1.7%
TOTAL	**76,124**	**1.7%**	**65,720**	**1.5%**	**64,575**	**1.5%**	**70,248**	**1.7%**	**74,733**	**1.9%**

[1] Share out of retail + car-financing portfolio (without SME)
[2] OTP Flat Lease

Management expects substantial improvement in after tax „accounting" and „adjusted" profits

Management expectations for 2016

Progression towards 2017 ROE target: >15% based on 12.5% CET1

Except the declining Hungarian banking tax (HUF 13.2 billion after tax to be booked in 1Q) and the Slovakian banking tax and the one-off result from the sale of OTP Group's share in Visa Europe Ltd. (around HUF 10.5 billion[1] presumably booked in 2Q 2016) no additional adjustment items are expected to occur in 2016

Erosion of the consolidated performing loan book ends

Slight moderation in consolidated NIM (around 20 bps) due to lower share of high margin Russian and Ukrainian businesses, lower NIM at DSK Bank and potentially at OTP Core

Plummeting risk cost rates in Russia and Ukraine and further improvements at OTP Core and DSK Bank, likely resulting in below 2% consolidated risk cost rate

Similar to 2015 FX-adjusted OPEX dynamics

Russian (w/o Touch Bank) and Ukrainian operations are expected to deliver positive break-even results in 2016

[1] Tax status is under consideration

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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