OTP Group
First nine months 2017 results

Conference call – 10 November 2017

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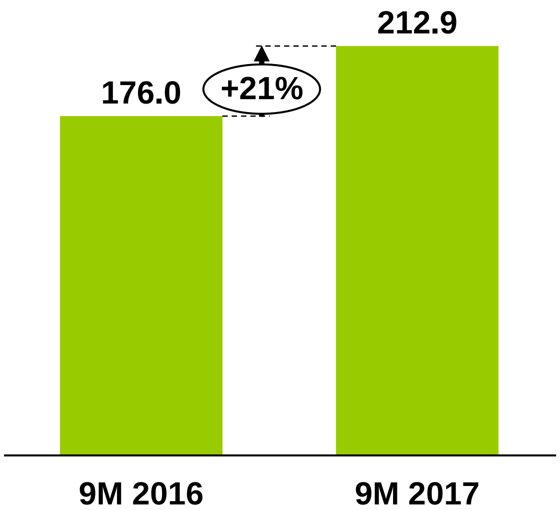
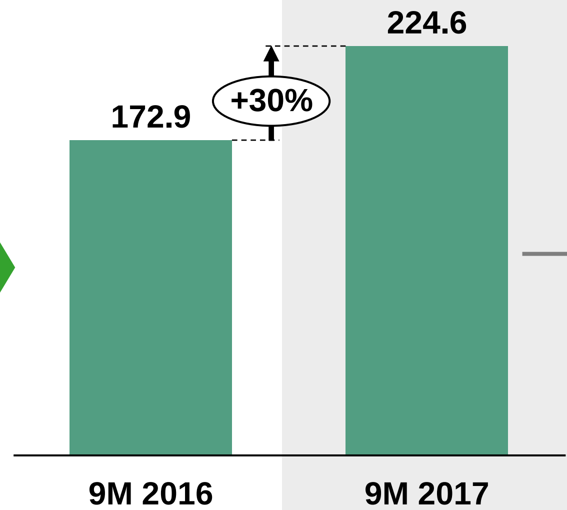
The 9M accounting result grew by 21% y-o-y despite the balance of adjustments turned negative y-o-y. CEE Group members’ contribution grew by 26%, whereas the Russian and Ukrainian contribution increased by 25% y-o-y

(in HUF billion)

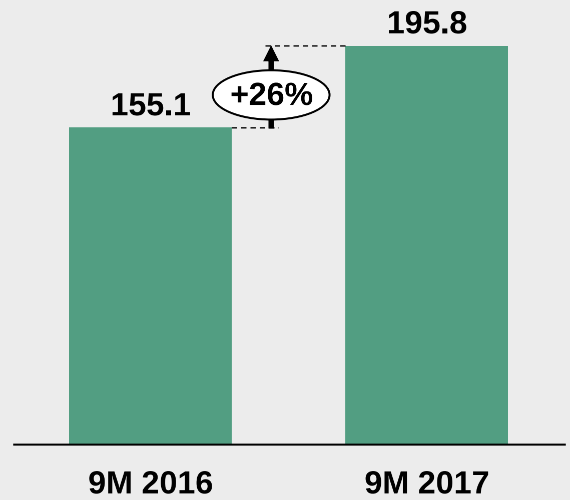
Accounting profit after tax



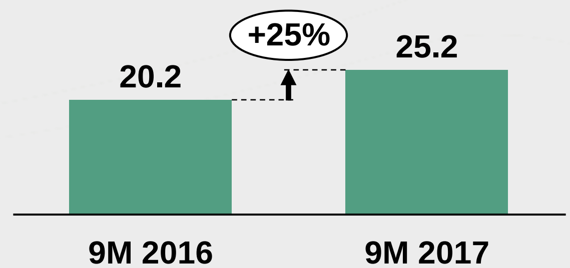
Adjusted profit after tax



Adjusted after tax results in the CEE countries[1]



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



Adjustments (after tax)	**9M 2016**	**9M 2017**
Banking tax	-13.8	-15.1
Visa	13.2	0
Other	3.7	3.4
Total	3.1	-11.7

[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 -2.4 billion in 9M 2016 and HUF 3.6 billion in 9M 2017.

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The 9M profit growth of the CEE Group members was led by OTP Core and the Croatian operation, but the contribution of the Leasing operation surged, too. The Russian profit improved by 34%, Touch Bank remained loss-making

	9M 16	9M 17	Y-o-Y	3Q 16	2Q 17	3Q 17	Q-o-Q	Y-o-Y
	in HUF billion				in HUF billion			
Consolidated adjusted after tax profit	**172.9**	**224.6**	**30%**	**68.8**	**78.3**	**79.5**	**2%**	**16%**
CEE operation (adjusted)	**155.1**	**195.8**	**26%**	**59.8**	**69.0**	**69.8**	**1%**	**17%**
OTP Core (Hungary)	98.4	136.9	39%	38.8	49.4	46.7	-5%	20%
DSK (Bulgaria)	42.7	36.7	-14%	14.7	12.0	11.3	-6%	-23%
OBR (Romania)	2.2	2.1	-5%	0.6	-0.4	1.2		104%
OBH[1] (Croatia)	3.6	11.1	209%	1.4	6.9	6.0	-14%	324%
OBS (Slovakia)	0.4	-0.6		0.1	-0.4	-0.3	-31%	
OBSrb (Serbia)	0.2	-1.3		0.1	-1.5	0.2		180%
CKB (Montenegro)	1.7	0.7	-60%	1.4	-0.1	0.7		-52%
Leasing (HUN, RO, BG, CR)	3.2	7.1	122%	1.8	2.1	2.9	34%	55%
OTP Fund Management (Hungary)	2.8	3.2	15%	0.9	1.0	1.2	17%	30%
Russian and Ukrainian operation (adjusted)	**20.2**	**25.2**	**25%**	**9.3**	**8.4**	**8.1**	**-4%**	**-12%**
OBRU (Russia)	16.0	21.4	34%	6.8	7.5	6.4	-15%	-7%
Touch Bank (Russia)	-3.9	-5.2	31%	-1.4	-1.6	-1.3	-14%	-6%
OBU (Ukraine)	8.1	8.9	9%	3.8	2.5	3.1	22%	-20%
Corporate Centre and others	**-2.4**	**3.6**		**-0.3**	**0.8**	**1.6**	**91%**	

[1] In this presentation the performance of OBH (Croatia) includes the performance of Splitska banka starting from the consolidation in May 2017. OTP banka Hrvatska and Splitska banka are legally separate.

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In 3Q 2017 four small adjustment items emerged with an aggregated effect of -HUF 0.2 billion

	9M 16	9M 17	Y-o-Y	3Q 16	2Q 17	3Q 17	Q-o-Q	Y-o-Y
	in HUF billion			in HUF billion				
Consolidated after tax profit (accounting)	**176.0**	**212.9**	**20%**	**69.8**	**80.7**	**79.3**	**2%**	**14%**
Adjustments (total)	**3.1**	**-12.9**		**1.0**	**2.4**	**-0.2**		
Dividends and net cash transfers (after tax)	0.4	0.6	62%	0.1	0.2	0.3	44%	106%
Goodwill/investment impairment charges (after tax)	10.8	-0.5		8.6	-0.8	[1] -0.2	-76%	
Special tax on financial institutions (after corporate income tax)	-13.8	-15.1	9%	-0.2	-0.2	-0.2	-4%	-12%
Impact of fines imposed by the Hungarian Competition Authority (after tax)	0.0	0.2		0.0	0.0	0.0		
Gain on the sale of Visa Europe shares (after tax)	13.2	0.0	-100%	0.0	0.0	0.0		
Corporate tax impact of switching to IFRS from HAR in Hungary	-7.5	0.0	-100%	-7.5	0.0	0.0		-100%
Effect of acquisitions (after tax)	0.0	3.0		0.0	3.2	[2] -0.2		
Consolidated adjusted after tax profit	**172.9**	**224.6**	**30%**	**68.8**	**78.3**	**79.5**	**2%**	**16%**

1 HUF 0.2 billion negative tax effect was related to the reversal of impairment charges booked in relation to OTP Mortgage Bank.

2 -HUF 155 million (after tax) emerged in relation to the Splitska banka transaction.

9M profit before tax without one-off items went up by 23% y-o-y; whereas it remained stable in 3Q q-o-q. The quarterly net interest income stabilized and risk costs kept further declining

	9M 16	9M 17	Y-o-Y	3Q 16	2Q 17	3Q 17	Q-o-Q	Y-o-Y
	in HUF billion			in HUF billion				
Consolidated adjusted after tax profit	**172.9**	**224.6**	**30%**	**68.8**	**78.3**	**79.5**	**2%**	**16%**
Corporate tax	-34.4	-30.8	-10%	-4.2	-12.1	-9.3	-23%	124%
O/w tax shield of subsidiary investments	3.1	-		2.3	-	-		
Before tax profit	207.3	255.4	23%	72.9	90.3	88.8	-2%	22%
Total one-off items	2.0	3.8	91%	-0.9	2.9	1.0	-65%	
Result of the Treasury share swap agreement	2.0	3.8	91%	-0.9	2.9	1.0	-65%	
Before tax profit without one-off items	**205.2**	**251.5**	**23%**	**73.8**	**87.4**	**87.8**	**0%**	**19%**
Operating profit w/o one-off items	250.9	278.1	11%	86.6	97.3	92.1	-5%	6%
Total income w/o one-off items	542.7	596.1	10%	184.9	204.5	202.8	-1%	10%
Net interest income	388.8	406.1	4%	130.7	136.9	137.0	0%	5%
Net fees and commissions	127.7	151.4	18%	45.4	53.8	53.0	-1%	17%
Other net non interest income without one-offs	26.2	38.6	47%	8.8	13.8	12.7	-8%	45%
Operating costs	-291.8	-318.0	9%	-98.2	-107.3	-110.7	3%	13%
Total risk costs	-45.6	-26.6	-42%	-12.8	-9.8	-4.3	-57%	-67%

Miscellaneous - 1

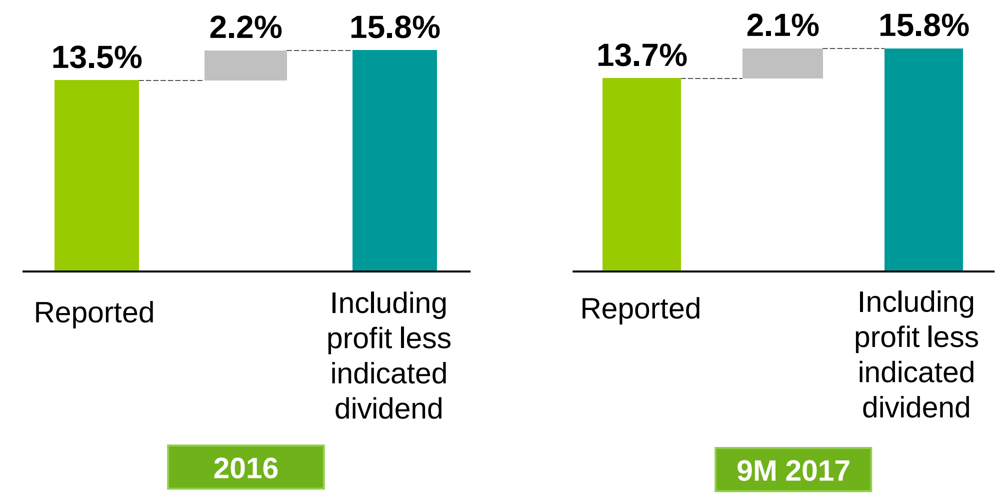
Capital allocation guidance	OTP Group has started to follow a dynamic growth trajectory. During the last twelve months the performing loan portfolio advanced by 10% organically, whereas the two already completed and two announced acquisitions boost the portfolio by an additional 25%. According to the management's opinion, the operating environment is going to remain supportive for the continuation of a dynamic growth strategy. Thus, beyond the capital required for organic growth the management intends to allocate significant part of the generated excess capital for further value-creating acquisitions. Subject to the planned and executed acquisitions, the organic growth, as well as the Company's profitability the management will also seek to increase the annual dividend amount. Alongside with those targets, maintaining a strong capital position remains an important goal, both in relative and absolute terms. Therefore the intended level of CET1 ratio increases to 15%; however it is going to move within the range of 12%-18%, depending on the timing of acquisitions and the incorporation of the annual retained earnings.
Recently announced M&As	In July and August 2017 OTP Bank announced a Romanian and Serbian acquisition; none of them has been consolidated in 3Q, since the financial closure hasn't happened yet. In Serbia the consolidation is expected to happen in 4Q 2017, whereas in Romania in 1Q 2018, subject to regulatory approvals.
Restatement	The share swap agreement between OTP Bank Plc. and MOL Plc. has been amended. Taking into account the economic substance of the deal and the amendment of certain elements of the contract, in order to show a full and reliable picture, the Bank decided to account for the deal on a net base, which provides a better reflection of the deal's economic substance, rather than booking it on a gross base. Simultaneously, the accounting policy has been changed. Pursuant to the change, the MOL shares (previously booked on the trading securities balance sheet line) and the related financial liabilities have been netted off. Due to a change in the Company's accounting policy, balance sheets have been restated for the relevant base periods. The consolidated balance sheet and the balance sheet of OTP Bank and OTP Core were affected; however, the change was neutral on the shareholders' equity and the statement of recognized income. Due to a change in total assets, performance indicators with total assets in their denominators changed retroactively. For example, the restated 2016 full-year consolidated net interest margin changed to 4.82% from 4.78% presented earlier.

Miscellaneous - 2

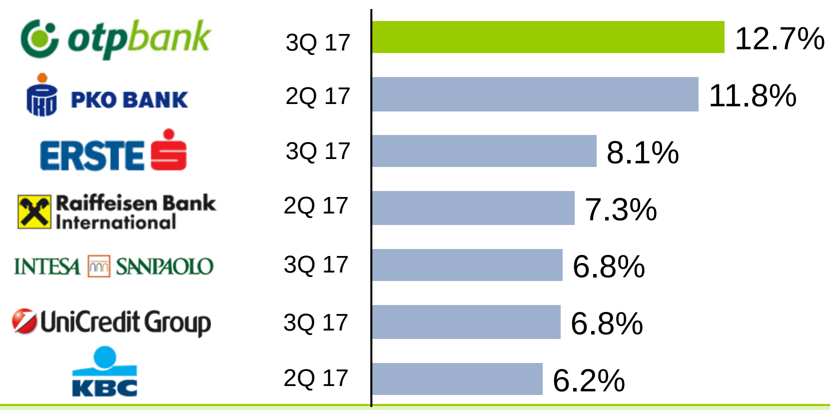
Change in the presentation of accrued interest receivables	In 3Q 2017 the way of presentation of accrued interest receivables related to loans has been unified at certain Group members. In essence, the accrued interest receivables have been included in the gross customer loans line in the balance sheet of these Group members. Furthermore, in the adjusted balance sheets the total amount of accrued interest receivables related to DPD90+ loans were netted with the provisions created in relation to the total exposure toward those particular clients, in case of the affected Group members. This had an impact on the q-o-q dynamics of gross loans and performing (DPD0-90) loans, too. The one-off effect of the above changes on consolidated gross loans was -HUF 9 billion and +HUF 16 billion in case of performing loans (adding +0.2 pp to the q-o-q dynamics).

Strong capital and liquidity position coupled with robust internal capital generation make room for further acquisitions

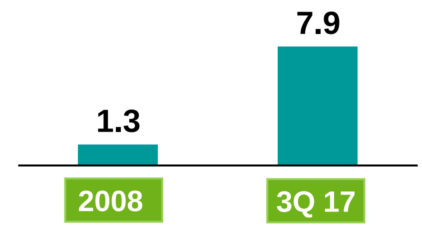
Development of the fully loaded CET1 ratio of OTP Group



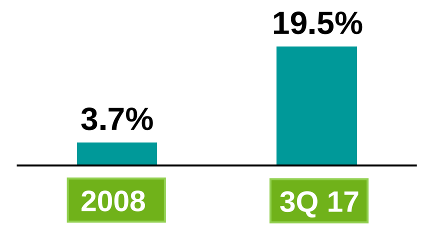
Leverage ratio (average equity / average assets)



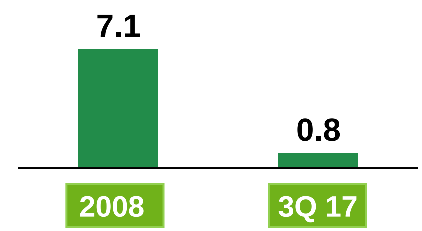
Net liquidity reserves (in EUR billion equivalent)



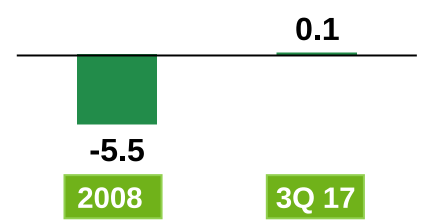
Net liquidity buffer / total assets (%)



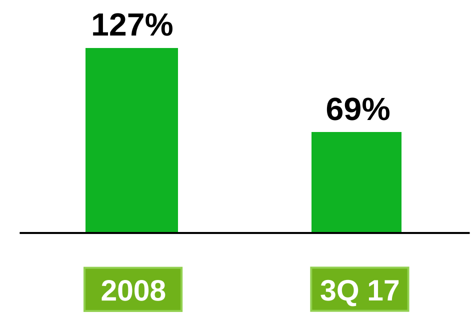
External debt[1] (in EUR billion equivalent)



Group FX liquid assets[2] (in EUR billion equivalent)



Consolidated net loan to deposit + retail bond ratio



[1] Senior bonds, mortgage bonds, bilateral loans.
[2] Positive amount implies FX liquidity placement.

The y-o-y increase in consolidated total income was supported mainly by the consolidation of Splitska banka in May 2017; 3Q total income incorporated 3 months contribution from Splitska banka versus 2 months in 2Q

TOTAL INCOME – 3Q 2017 without one-off items (HUF billion)		Y-o-Y (HUF bn)	Y-o-Y (%)	Q-o-Q (HUF bn)	Q-o-Q (%)
OTP Group	203	18	10%	-2	-1%
OTP CORE (Hungary)	91	1	1%	-4	-4%
DSK (Bulgaria)	27	-1	-2%	0	-1%
OBRU (Russia)	29	2	6% / 4%[1]	-3	-10% / 0%[1]
Touch Bank (Russia)	1	1	n/a	0	-9%
OBU (Ukraine)	9	0	2% / 11%[1]	1	8% / 14%[1]
OBH (Croatia)	20	12	142%	4	26%
OBS (Slovakia)	4	0	-3%	0	-1%
OBR (Romania)	7	0	6%	0	-1%
CKB (Montenegro)	2	-1	-21%	0	0%
OBSrb (Serbia)	2	0	11%	0	3%
Others[2]	10	3	47%	1	16%

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

The net interest income remained flat q-o-q; headwind from further NIM erosion was mainly offset by expanding performing volumes. The additional contribution from Splitska banka was offset by the impact of weakening RUB

NET INTEREST INCOME – 3Q 2017 (HUF billion)	Share	HUF billion	Q-o-Q (HUF billion)	Q-o-Q (%)
OTP Group	100%	137	0	0%
OTP CORE (Hungary)	42%	58	-1	-1% [1]
DSK (Bulgaria)	13%	18	0	-3%
OBRU (Russia)	17%	24	-2	-9% [2]
Touch Bank (Russia)	0%	0		
OBU (Ukraine)	4%	6	1	12% [3]
OBH (Croatia)	10%	13	2	16% [4]
OBS (Slovakia)	2%	3	0	1%
OBR (Romania)	4%	5	0	-1%
CKB (Montenegro)	1%	2	0	-2%
OBSrb (Serbia)	1%	2	0	6%
Merkantil (Hungary)	3%	4	1	28%
Corporate Centre	0%	1	0	
Others and eliminations	1%	2	0	

1. The lower NII can be partially explained by reclassification: HUF 0.5 billion decline was due to the fact that year-to-date fee revenues from housing loans disbursed by employers other than OTP, but administered by the Bank were shifted from net interest income into net fees and commissions in a lump sum in September 2017.

2. Net interest income decreased by 9% q-o-q as a result of the FX moves. In RUB terms it increased by 1% q-o-q due to the joint effect of dynamic performing loan growth and eroding net interest margin.

3. The q-o-q improvement was explained by a base effect (in 2Q 2017 NII was negatively affected by the higher volume of restructured corporate and mortgage loans), but also by the higher volume of performing loans.

4. In 3Q the full quarterly performance of Splitska banka was included, versus only 2 months in the previous quarter.

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Consolidated performing loans increased by 3% q-o-q. At OTP Core corporate and consumer loan dynamics remained strong and mortgage volumes also grew (+0.4%). At DSK the retail loan expansion continued. In the Russian consumer loan segment the q-o-q loan growth reached 9% due to the seasonally strong sales activity

DPD0-90 volumes

Q-o-Q loan volume changes in 3Q 2017, 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%	3%	3%	9%	14%	6%	4%	-2%	1%	5%	1%
Consumer	4%	5%	2%	9%	14%	14%	9%	-1%	0%	5%	2%
Mortgage	1%	0%	3%	-2%		-5%	1%	0%	3%	5%	7%
Corporate[1]	3%	6%	4%	7%		6%	6%	-4%	0%	5%	-3%

Y-o-Y loan volume changes in 3Q 2017, 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	23% / 10%[4]	18% / 12%[3]	3%	19%	1652%	15%	11%	156% / 7%[2]	2%	14%	2%
Consumer	25% / 12%[4]	20%	1%	17%	1652%	35%	24%	133% / 4%[2]	-2%	19%	6%
Mortgage	16% / 2%[4]	17% / 3%[3]	4%	-15%		-16%	1%	96% / 7%[2]	6%	17%	11%
Corporate[1]	29% / 14%[4]	19%	5%	65%		17%	20%	217% / 9%[2]	-1%	12%	-6%

[1] Loans to MSE and MLE clients and local governments
[2] Without the Splitska-effect
[3] Without the AXA-effect
[4] Without the AXA-effect and Splitska-effect

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Retail loan disbursement showed strong y-o-y dynamics in 9M 2017 at OTP Core and almost all foreign subsidiaries

Y-o-Y change of new disbursements (in local currency) – 9M 2017

	Core (Hungary)	**DSK** (Bulgaria)	**OBRu** (Russia)	**OBU** (Ukraine)	**OBR** (Romania)	**OBH** (Croatia)	**OBS** (Slovakia)	**OBSr** (Serbia)	**CKB** (Montenegro)
Mortgage loan	28%	44%			82%	7%	-24%	54%	42%
Cash loan*	51%	10%	26%	54%	67%	126%	-12%	23%	-1%

* Including POS loan disbursements in case of DSK (Bulgaria), OBRu (Russia) and OBU (Ukraine)

The consolidated deposit base increased by 21% y-o-y, without Splitska by 10%; volume growth at OTP Core was the engine behind the consolidated deposit base expansion

Q-o-Q deposit volume changes in 3Q 2017, 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%	5%	6%	11%	10%	2%	0%	6%	0%	2%	11%
Retail	1%	0%	2%	6%	10%	0%	0%	3%	-2%	4%	2%
Corporate[1]	11%	11%	21%	25%		4%	1%	12%	2%	0%	25%

Y-o-Y deposit volume changes in 3Q 2017, 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	21% / 10%[2]	14%	6%	7%	46%	11%	4%	169% / 10%[2]	-4%	-1%	6%
Retail	19% / 9%[2]	14%	8%	-1%	46%	-3%	2%	116% / 5%[2]	-10%	3%	-1%
Corporate[1]	24% / 12%[2]	14%	0%	33%		24%	6%	412% / 15%[2]	8%	-5%	18%

[1] Including SME, LME and municipality deposits
[2] Without the Splitska-effect

The consolidated net interest margin eroded by 19 bps compared to the full-year 2016 level, of which around 7 bps can be attributed to the dilution effect of Splitska banka. Out of the quarterly NIM attrition 14 bps is explained by Splitska banka. The weakening RUB lowered the NIM by 10 bps. Interest rate- and composition effects neutralized each other

Net interest margin (%)

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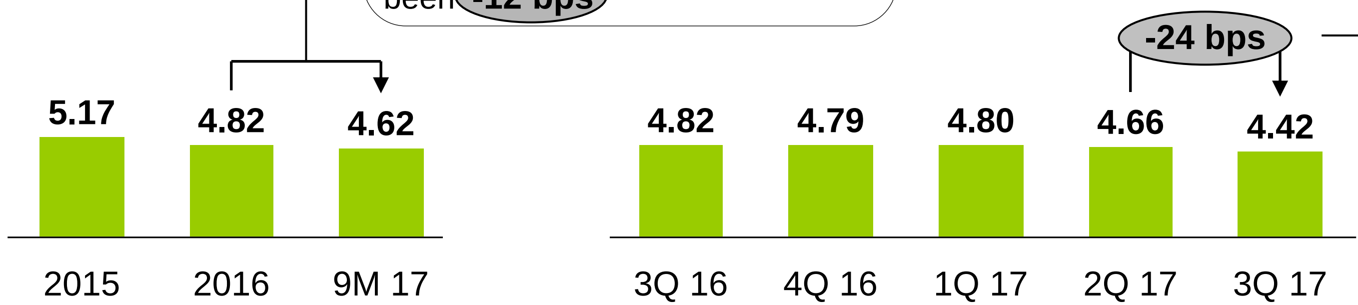
9M margin eroded by **19 bps** compared to FY 2016 level, of which 7 bps was explained by the Splitska consolidation. The NIM change w/o Splitska would have been **-12 bps**



Effect of Splitska on q-o-q NIM development: -14 bps

If Splitska banka hadn't been consolidated, the quarterly NIM change would have been **-10 bps** in 3Q.

Effect of q-o-q weakening Russian rouble: -10 bps

The weakening RUB exerted a downward pressure on NIM through the lower share of the high-margin Russian business. Other FX rate changes didn't have material impact.

Interest rate effects: -10 bps

Capturing asset and liability side interest rate changes.

o/w	**OTP Core**	**-8 bps**
	OTP Russia	**-6 bps**
	OTP Ukraine	**+3 bps**

Composition effects: +11 bps

Capturing the weight changes within the Group in LCY terms.

o/w	**OTP Core**	**+4 bps**
	OTP Russia	**+6 bps**

Net interest margin of the largest Group members typically declined over the last quarter, which can be partially explained by technical factors

Net interest margin development of the largest Group members (%)

	2015	2016	9M 17	3Q 16	4Q 16	1Q 17	2Q 17	3Q 17	
OTP Core Hungary	3.72	3.48	3.24	3.48	3.49	3.31	3.27	3.14	Out of the 13 bps q-o-q decline 3 bps is explained by a reclassification (certain revenues were shifted from NII to NF&C). Also, the seasonally higher municipal deposits had a dilution effect in 3Q, explaining part of the q-o-q decline.
DSK Bank Bulgaria	5.47	4.60	3.90	4.55	4.39	3.92	3.91	3.86	DSK's NIM remained fairly stable q-o-q (despite continuing repricing and refinancing of retail loans), supported by lower cost of funding due to increasing share of corporate deposits with negative interest rates.
OTP Bank Russia	15.72	17.81	17.35	17.67	18.29	17.99	17.60	16.43	In Russia quarterly NIM decline is partially explained by the gross accounting of intra-group funding transactions, diluting NIMs due to higher total assets. This explained 42 bps from the q-o-q total decline of 109 bps in RUB terms. Furthermore, lending APRs declined more than deposit rates.
OTP Bank Croatia	3.15	3.54	3.39	3.58	3.61	3.75	3.67	3.06	Technical effect of Splitska acquisition: the 2Q margin was upwardly biased by the fact that the full May net interest income was consolidated, but according to the performance indicator calculation methodology, the total assets of Splitska banka (which influences the denominator of NIM) was counted in only from the end of May.
OTP Bank Romania	3.63	3.40	3.60	3.43	3.54	3.67	3.65	3.47	Lower quarterly margins were partially induced by the dilution effect of increasing intragroup financing in order to safely meet liquidity requirements. This explains 10 bps out of the total 18 bps q-o-q decline.
OTP Bank Ukraine	8.33	9.02	7.37	7.49	7.63	7.74	6.73	7.66	The q-o-q increase was partly due to a base effect: in 2Q higher volumes were restructured (the total NPV decline for the whole duration of the loan was booked in one sum on the NII line).

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The net fee and commission income was shaped by base effect in 2Q at OTP Core and also the weaker RUB on one hand, and the higher contribution from Splitska banka on the other

NET FEE AND COMMISSION INCOME – 3Q 2017 (HUF billion)	Share	3Q 2017	Q-o-Q (HUF billion)	Q-o-Q (%)
OTP Group	100%	53.0	-0.7	-1%
OTP CORE (Hungary)	54%	28.8	-1.1	-4% [1]
DSK (Bulgaria)	13%	7.1	0.2	2%
OBRU (Russia)	10%	5.2	-0.9	-15% [2]
Touch Bank (Russia)	0%	0	-0.1	n/a
OBU (Ukraine)	5%	2.5	0.2	7%
OBH (Croatia)	8%	4.2	1.0	31% [3]
OBS (Slovakia)	2%	0.9	0.0	-1%
OBR (Romania)	1%	0.8	0.0	1%
CKB (Montenegro)	1%	0.8	0.1	15%
OBSrb (Serbia)	1%	0.5	0.0	2%
Fund mgmt. (Hungary)	3%	1.6	0.0	1%

1 -HUF 1.3 billion effect: the financial transaction tax obligation (which is presented on the net fee and commission income line) increased q-o-q, because the tax deductions related to the contributions into the Compensation Fund were booked in 2Q, lowering the FTT.

The reduction of distribution fees on certain household targeted government bonds starting from 17 July 2017 was also negative.

However, reclassification (HUF 0.5 billion positive impact) and further increasing card and deposit related fees supported the NF&C line.

2 Apart from the 10% RUB weakening, seasonally higher agent bonuses weighed on the net fee income line.

3 In Croatia the q-o-q growth was related to the consolidation of the full quarterly contribution from Splitska banka.

The other net non-interest income decreased by 8% q-o-q

OTHER NET NON-INTEREST INCOME – 3Q 2017 without one-off items (HUF billion)	Share	HUF billion	Q-o-Q (HUF billion)	Q-o-Q (%)
OTP Group	100%	12.7	-1.1	-8%
OTP CORE (Hungary)	34%	4.3	-2.3	-35% (1)
DSK (Bulgaria)	20%	2.5	0.1	4%
OBRU (Russia)	2%	0.3	-0.1	-19%
Touch Bank (Russia)	0%	0	0.0	-10%
OBU (Ukraine)	3%	0.3	-0.1	-27%
OBH (Croatia)	22%	2.8	1.3	88% (2)
OBS (Slovakia)	1%	0.1	-0.1	-46%
OBR (Romania)	6%	0.8	0.0	1%
CKB (Montenegro)	-1%	-0.2	-0.1	74%
OBSrb (Serbia)	1%	0.1	0.0	-33%
Others[1]	13%	1.6	0.1	10%

1 At OTP Core the q-o-q decline was mainly due to the base effect of securities gain realized in 2Q on the sale of real estate investment units.

2 Three factors played a role in the q-o-q increase: firstly, the bulk of the q-o-q increase was due to the inclusion of the full quarterly performance of Splitska versus only 2 months in 2Q; secondly, seasonality also drove up other revenues; thirdly, HUF 0.25 billion penalty interest revenues were booked within the other net non-interest income in 3Q.

[1] Other group members and eliminations

Operating costs grew by 9% y-o-y in 9M, whereas without Splitska banka the increase was 5.4% and only 3.8% on an FX-adjusted base

OPERATING COSTS – 9M 2017 (HUF billion)	Share	Operating costs	Y-o-Y (HUF bn)	Y-o-Y (%)	Y-o-Y (FX-adj., HUF bn)	Y-o-Y (FX-adj., %)
OTP Group	100%	318	26	9% / 5.4%[1]	22	7% / 3.8%[1]
OTP CORE (Hungary)	49%	156	2	1%	2	1%
DSK (Bulgaria)	11%	34	2	8%	3	8% (1)
OBRU (Russia)	12%	39	8	25%	3	8% (2)
Touch Bank (Russia)	2%	7	2	38%	1	19%
OBU (Ukraine)	4%	11	1	8%	1	14% (3)
OBH (Croatia)	8%	24	11	79%	11	78% (4)
OBS (Slovakia)	2%	8	0	-5%	0	-3%
OBR (Romania)	4%	13	-1	-6%	0	-4%
CKB (Montenegro)	2%	5	0	-3%	0	-2%
OBSrb (Serbia)	2%	5	0	1%	0	1%
Merkantil (Hungary)	1%	4	0	1%	0	1%

1. At DSK 9M operating expenses increased by 8% y-o-y, the key reasons were the higher personnel costs, higher software amortisation and advisory costs related to the business development project in the retail area.

2. At OBRU 9M 2017 operating expenses grew by 8% on an FX-adjusted basis, primarily due to higher personnel expenses, but administrative costs were also higher reasoned by growing business activity.

3. In Ukraine salary increases played a key role in the y-o-y cost increase.

4. Splitska banka added HUF 10.4 billion operating costs in 9M 2017.

[1] Without the operating expenses of Splitska banka

OTP Core

9M profit after tax at OTP Core grew by 39% y-o-y amid moderating corporate tax burden; the before tax profit (+25% y-o-y) was shaped by improving operating profit and substantial risk cost releases

OTP CORE (in HUF billion)	9M 16	9M 17	Y-o-Y	3Q 16	2Q 17	3Q 17	Q-o-Q	Y-o-Y
Profit after tax	**98.4**	**136.9**	**39%**	**38.8**	**49.4**	**46.7**	**-5%**	**20%**
Corporate tax	-23.5	-15.3	-35%	-2.3	-6.4	-3.8	-40% 1	66%
Before tax profit	**121.9**	**152.2**	**25%**	**41.0**	**55.7**	**50.5**	**-9%**	**23%**
Operating profit w/o one-off items	111.2	117.8	6%	38.3	43.3	36.4	-16%	-5%
Total income w/o one-off items	265.5	274.1	3%	90.0	95.2	91.0	-4%	1%
Net interest income	174.9	174.2	0% 2	58.7	58.7	57.9	-1%	-1%
Net fees and commissions	75.0	82.9	11% 3	26.6	29.9	28.8	-4%	8%
Other net non interest income without one-offs	15.7	17.0	9%	4.6	6.6	4.3	-35%	-6%
Operating costs	-154.4	-156.3	1%	-51.7	-51.8	-54.6	5%	6%
Total risk costs	8.7	30.6	252%	3.7	9.5	13.1	38%	254%
Total one-off items	2.0	3.8	91%	-0.9	2.9	1.0	-65%	

1 The effective corporate income tax rate for the first nine months was 10.1% versus 19.3% for the base period. The main reason behind was that effective from 1 January 2017 the Hungarian corporate tax rate was reduced uniformly to 9%. In 3Q 2017 the effective corporate income tax rate was 7.5% versus around 11% in the preceding two quarters. The q-o-q declining tax burden (-HUF 2.6 billion q-o-q) was partially related to a one-off item reducing the tax base at the Factoring unit, resulting in tax savings at OTP Core level.

2 In the first nine months the net interest income stabilized y-o-y. Gross interest revenues were supported by higher loan volumes: apart from the strong organic loan volume growth dynamics the overall portfolio was also boosted by the take-over of the AXA volumes in last November. Furthermore, it was also positive for interest revenues that the liquidity reserves have been gradually shifting toward longer duration and higher yielding Hungarian government bonds, and this trend continued throughout 9M 2017. At the same time the net interest income was negatively affected by the continuing erosion of short-term reference rates (used as benchmark rates for variable rate loans).

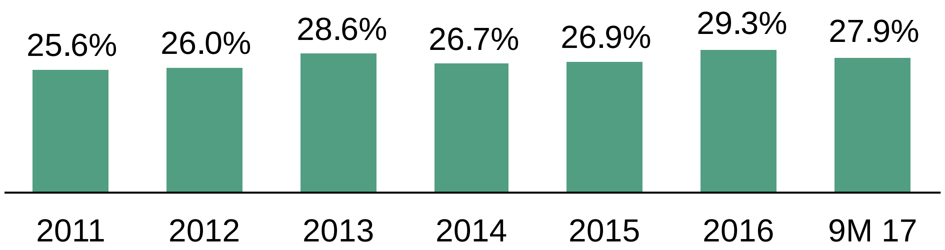
3 The improvement in 9M net fees and commissions was due to stronger card-related fees induced by growing transactional turnover. However, the deposit and transaction-related, as well as loan-related and securities fee revenues strengthened, too.

OTP Core

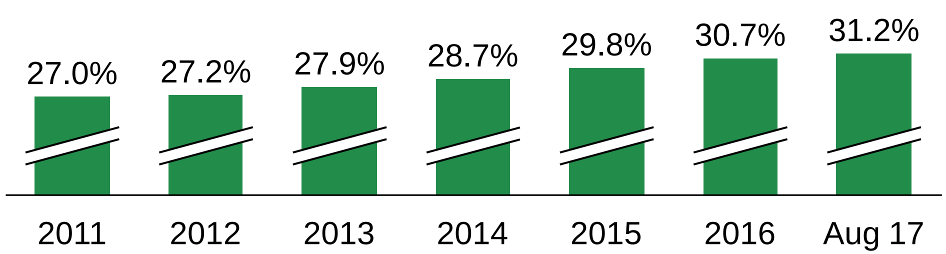
Mortgage loan applications and disbursements accelerated further. OTP's market share remained strong in new loan disbursements, corporate loans and also in retail savings

Change of mortgage loan applications and disbursement of OTP Bank (9M 2017, y-o-y changes)

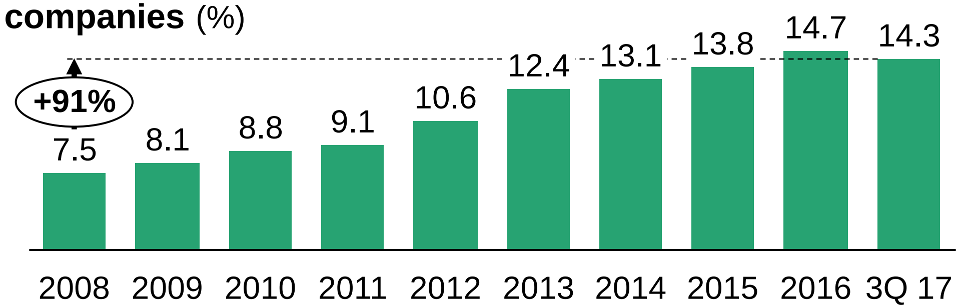
OTP's market share in mortgage loan contractual amounts[1]



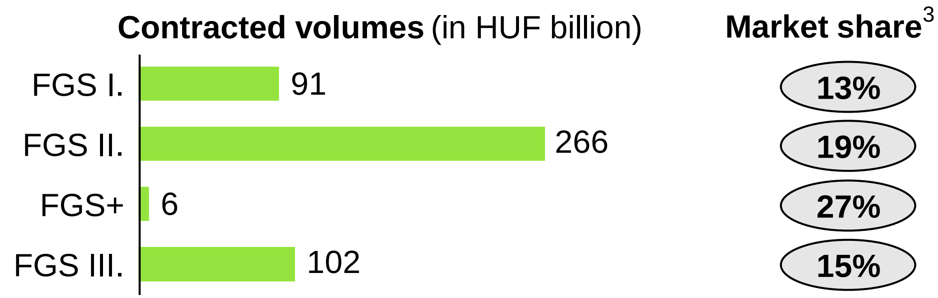
OTP Bank's market share in household savings



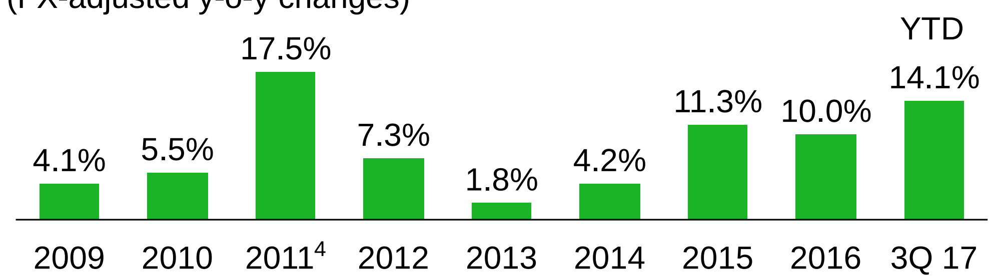
OTP Group's market share[2] in loans to Hungarian companies (%)



Activity of OTP Group in the Funding for Growth Scheme



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



[1] Including the performance of OTP Building Society. Raw, unadjusted data are used for the calculation of market shares.
[2] Aggregated market share of OTP Bank, OTP Mortgage Bank, OTP Building Society and Merkantil, based on central bank data (Supervisory Balance Sheet data provision until 2016 and Monetary Statistics from 1Q 2017).
[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.

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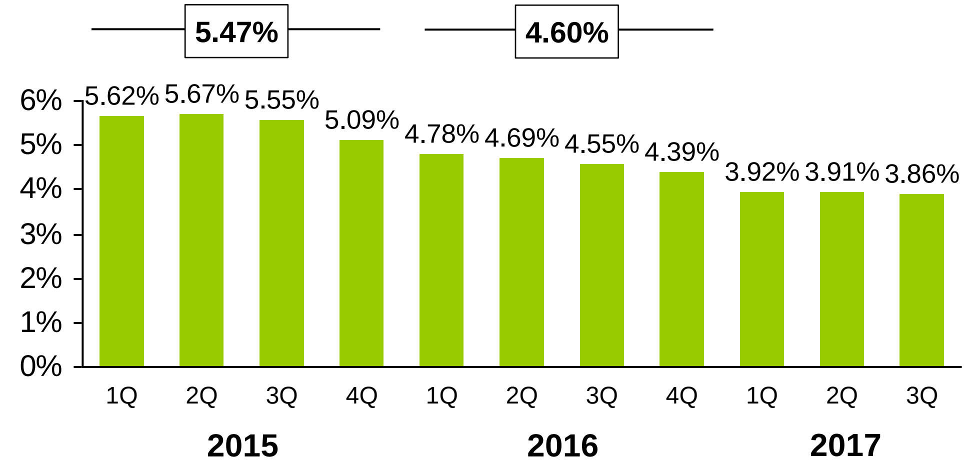
DSK Bank Bulgaria

DSK Bank retained its stable profitability (9M ROE: 21.1%). Favourable credit quality trends remained intact and NIM erosion was fairly contained q-o-q

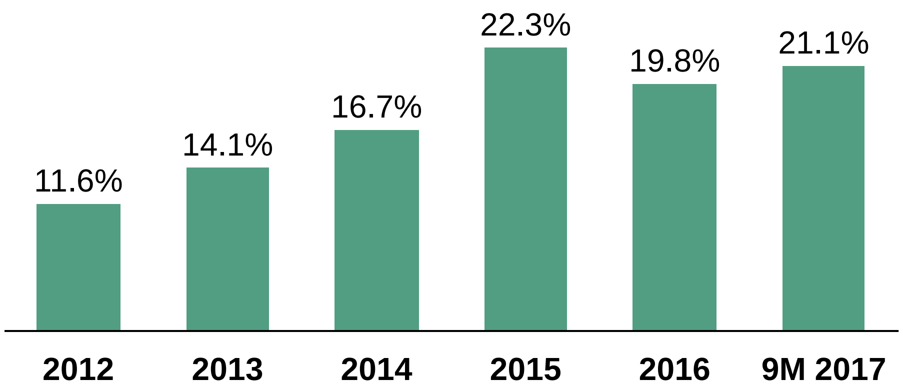
Income statement

(in HUF billion)	16 3Q	17 2Q	17 3Q	Q-o-Q	Y-o-Y
Profit after tax (adjusted)	**14.7**	**12.0**	**11.3**	**-6%**	**-23%**
Profit before tax	16.2	13.4	12.5	-7%	-23%
Operating profit	17.6	15.9	16.0	1%	-9%
Total income	28.0	27.6	27.4	-1%	-2%
Net interest income	21.1	18.3	17.8	-3%	-16%
Net fees and commissions	6.7	6.9	7.1	2%	6%
Other income	0.2	2.4	2.5	4%	
Operating costs	-10.3	-11.7	-11.4	-3%	10%
Total risk cost	-1.4	-2.5	-3.5	41%	150%

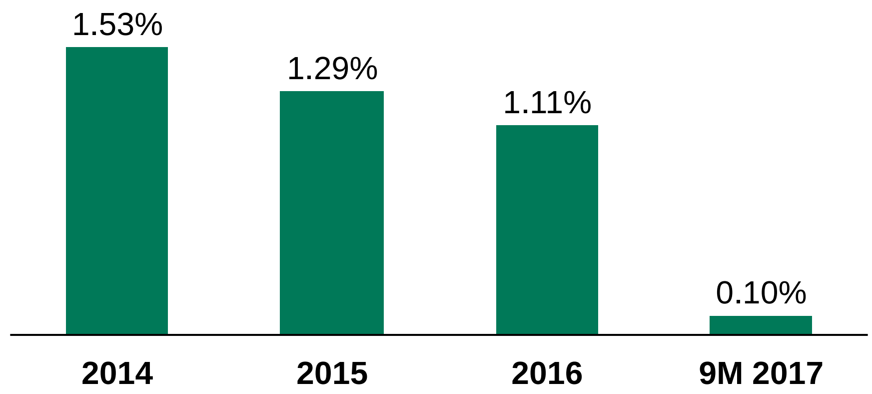
Net interest margin



Return on Equity[1]



Risk cost rate



[1] According to the old calculation methodology until 2014 and the new calculation methodology from 2015.

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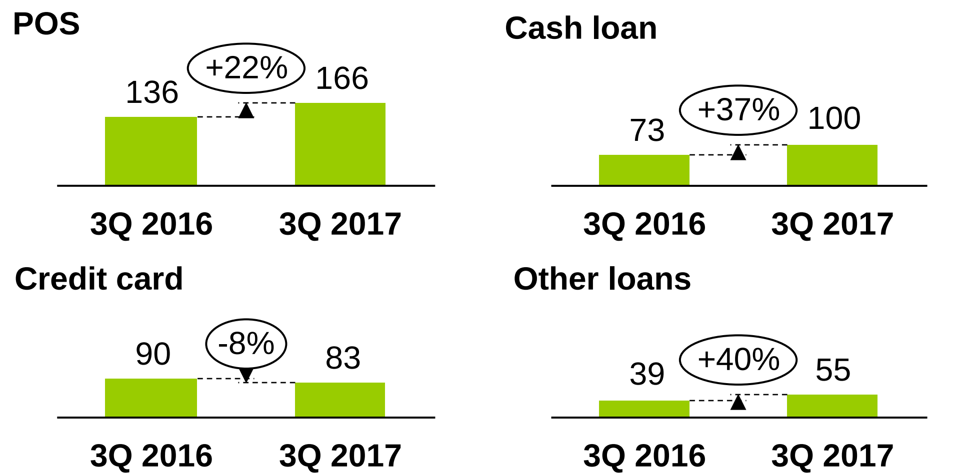
OTP Bank Russia

The Russian profit somewhat declined in 3Q (-5% q-o-q in RUB terms), with 3Q ROE still at 20%. FX-adjusted performing POS and cash loan volumes as well as corporate loans grew y-o-y due to strong disbursements

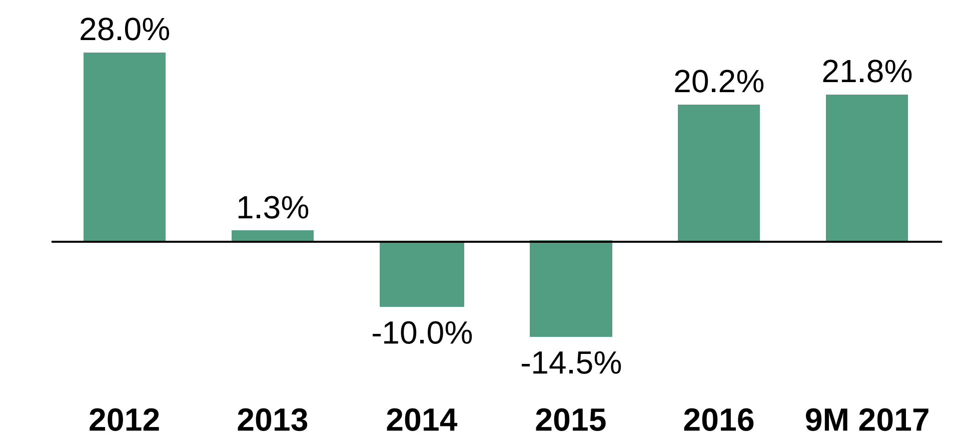
Income statement

(in HUF billion)	3Q 16	2Q 17	3Q 17	Q-o-Q	Y-o-Y
Profit after tax (adjusted)	**6.8**	**7.5**	**6.4**	**-15%**	**-7%**
Profit before tax	8.7	9.5	8.1	-14%	-7%
Operating profit	16.1	19.2	16.6	-14%	3%
Total income	27.4	32.6	29.2	-10%	6%
Net interest income	23.0	26.1	23.7	-9%	3%
Net fees and commissions	3.9	6.1	5.2	-15%	33%
Other income	0.5	0.3	0.3	-19%	-47%
Operating costs	-11.4	-13.3	-12.6	-5%	11%
Total risk cost	-7.3	-9.8	-8.5	-13%	15%

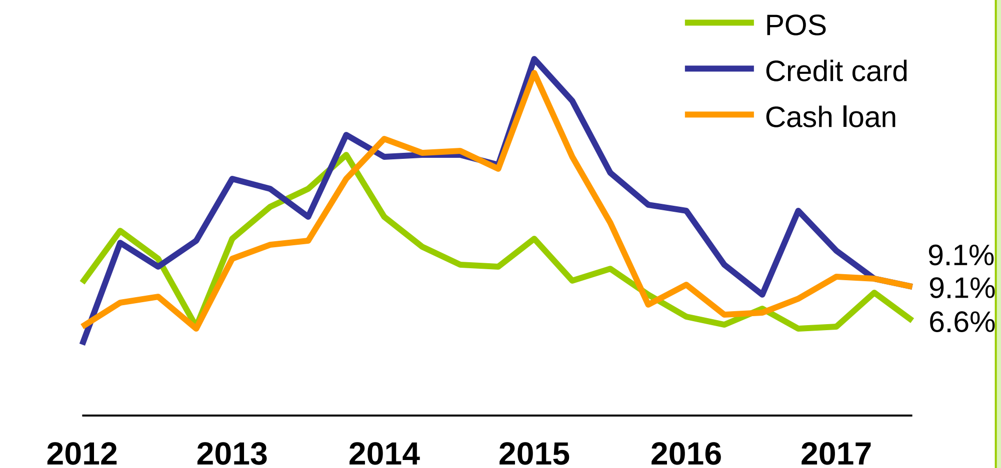
DPD0-90 loan volumes (FX-adjusted, in HUF billion)



Return on Equity[1]



OTP Bank Russia - risk cost rates in different segments

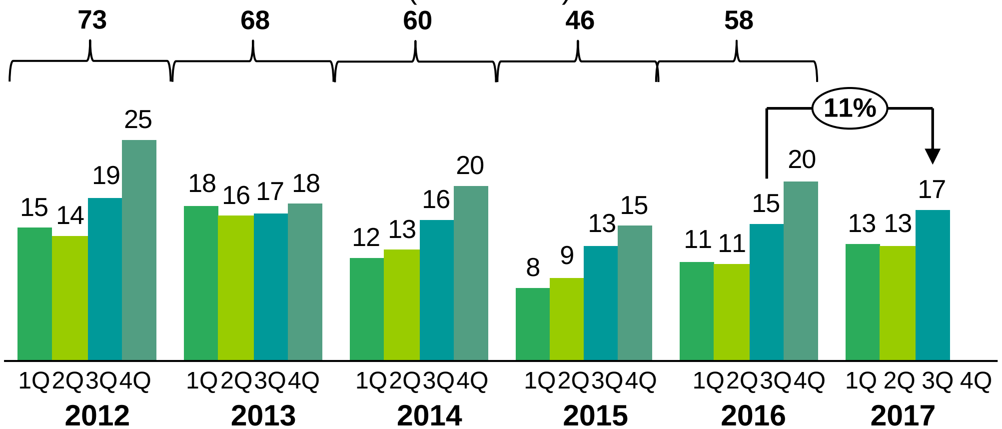


[1] According to the old calculation methodology until 2014 and the new calculation methodology from 2015.

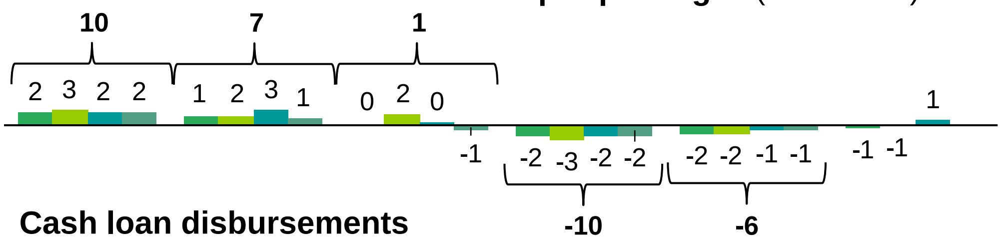
OTP Bank Russia

In 3Q 2017 not just POS and cash loan disbursements kept growing, but also performing credit card volumes started increasing on a quarterly basis. Deposits grew q-o-q in RUB terms. Average RUB term deposit rates flattened out in 3Q

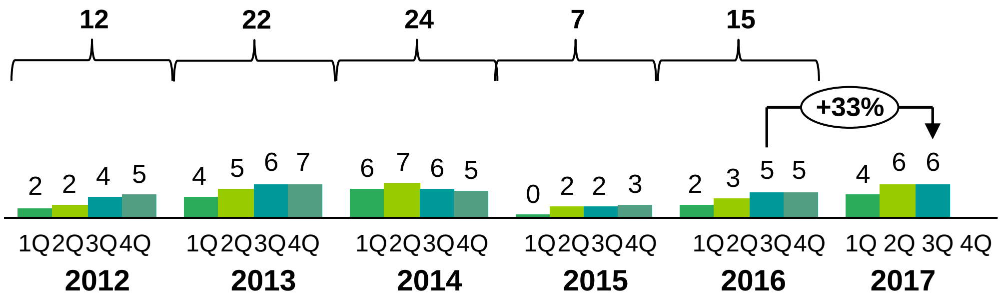
POS loan disbursements (RUB billion)



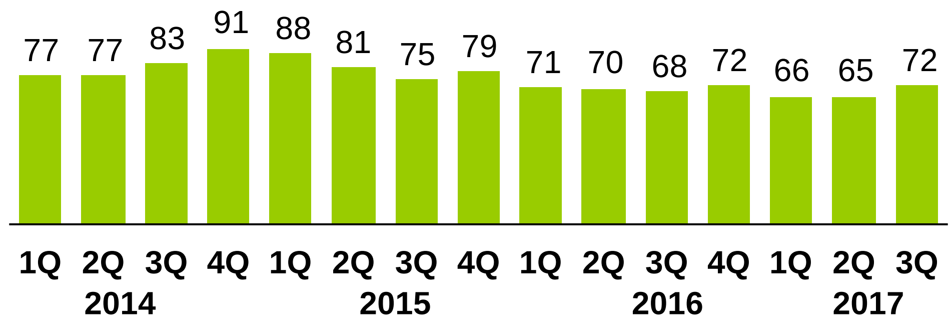
DPD0-90 credit card loan volume q-o-q changes (RUB billion)



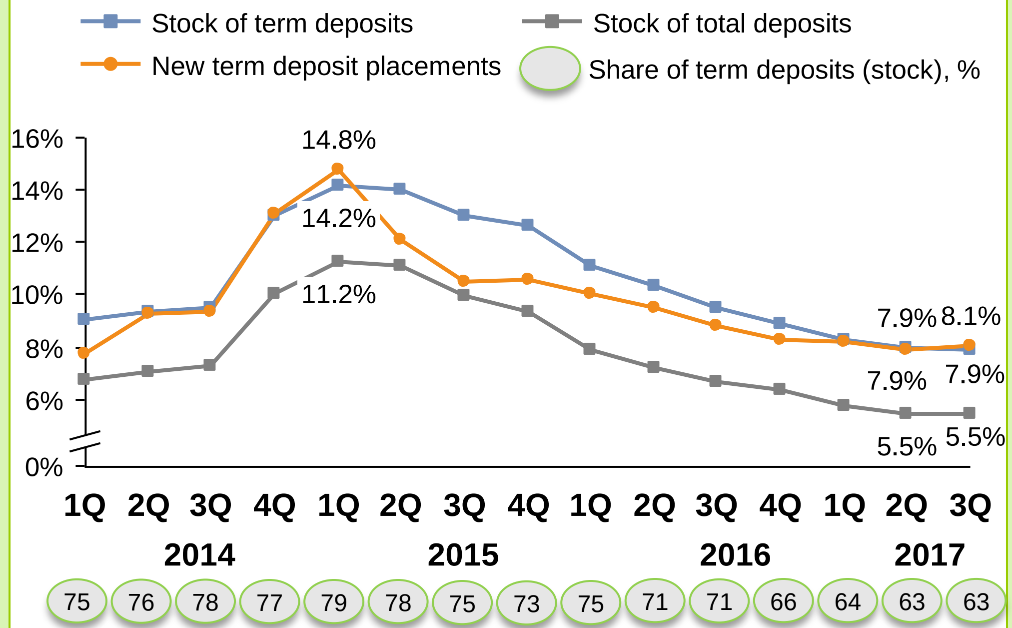
Cash loan disbursements
(RUB billion, including quick cash loans)



Development of customer deposits (RUB billion)



Average interest rates for stock and new RUB deposits



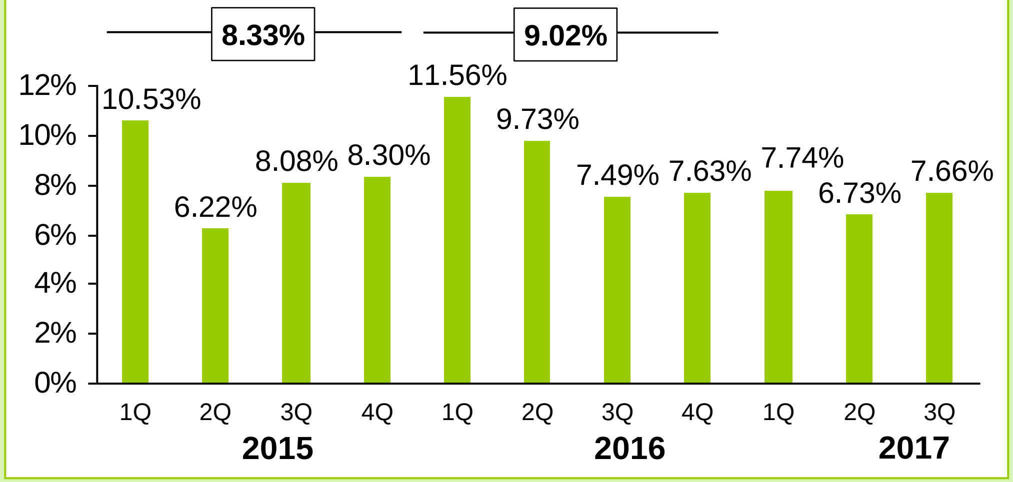
OTP Bank Ukraine

Profit after tax in Ukraine improved q-o-q, 3Q ROE (39%) is still the highest among subsidiary banks of the Group. Net interest margin increased, and performing loan volumes kept growing

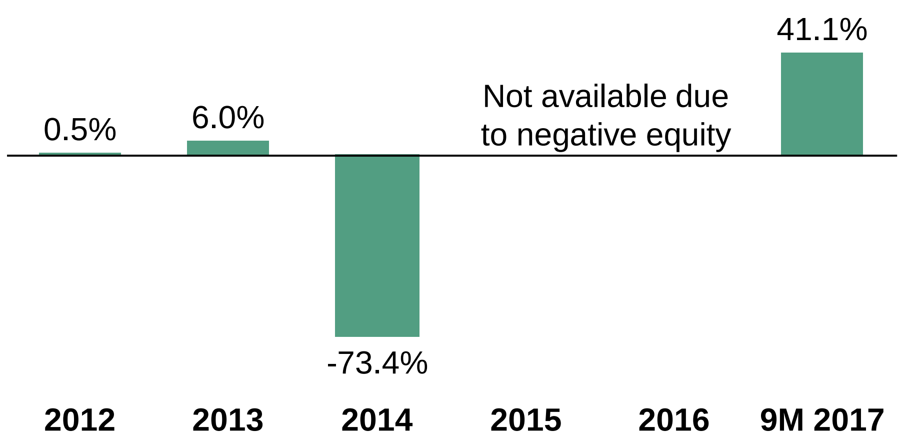
Income statement

(in HUF billion)	3Q 16	2Q 17	3Q 17	Q-o-Q	Y-o-Y
Profit after tax	**3.8**	**2.5**	**3.1**	**22%**	**-20%**
Profit before tax	2.2	3.2	3.5	9%	61%
Operating profit	5.1	4.1	4.9	21%	-3%
Total income	8.6	8.1	8.7	8%	2%
Net interest income	5.8	5.3	5.9	12%	2%
Net fees and commissions	2.2	2.3	2.5	7%	13%
Other income	0.6	0.5	0.3	-27%	-38%
Operating costs	-3.5	-4.0	-3.8	-5%	9%
Total risk cost	-2.9	-0.8	-1.4	69%	-51%

Net interest margin

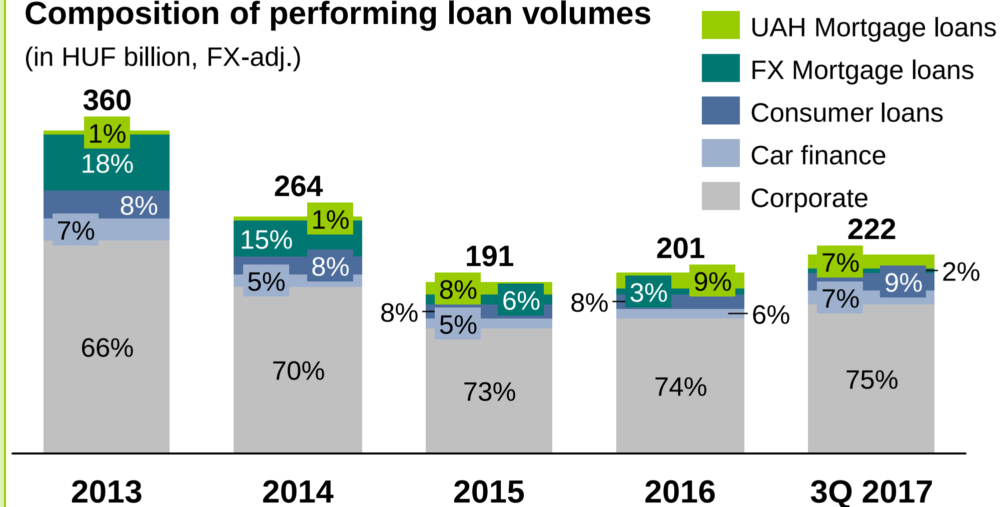


Return on Equity[1]



Composition of performing loan volumes

(in HUF billion, FX-adj.)



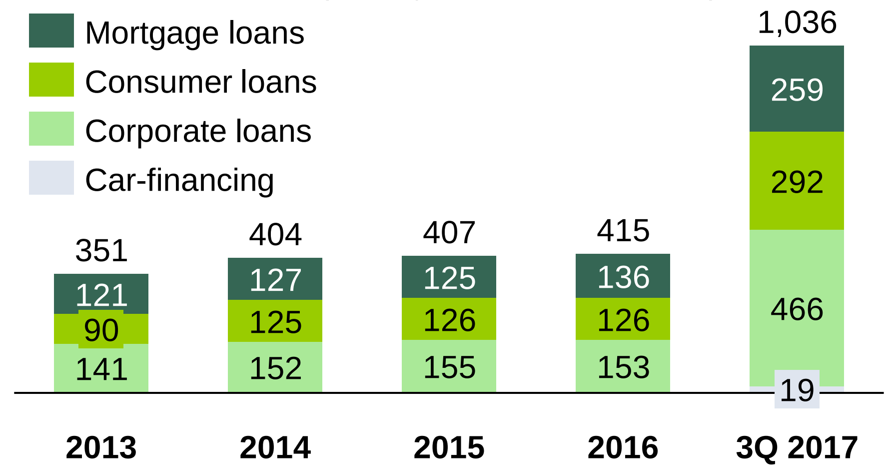
[1] According to the old calculation methodology until 2014 and the new calculation methodology from 2015.

OBH (Croatia)

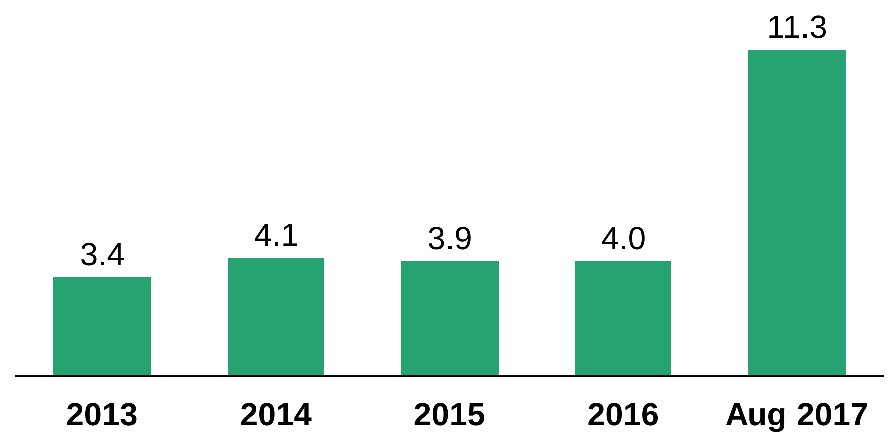
The 3Q performance of the Croatian operation was also boosted by the consolidation of Splitska banka from May. The market share of OTP in total assets increased to 11.3% based on August data

(in HUF billion)	9M 2016	9M 2017	Y-o-Y	3Q 2016	2Q 2017	3Q 2017	Q-o-Q	Y-o-Y
Profit after tax	**3.6**	**11.1**	**209%**	**1.4**	**6.9**	**6.0**	**-14%**	**324%**
Profit before tax	4.5	13.9	211%	1.8	8.6	7.6	-11%	330%
Operating profit	9.9	20.1	102%	3.9	7.4	9.6	30%	146%
Total income	23.6	44.4	89%	8.4	16.2	20.4	26%	142%
Net interest income	16.9	30.8	83%	5.8	11.5	13.4	16%	129%
Net fees and commissions	3.9	8.7	121%	1.5	3.2	4.2	31%	188%
Other income	2.7	4.9	79%	1.1	1.5	2.8	88%	147%
Operating costs	-13.6	-24.3	79%	-4.5	-8.8	-10.8	22%	138%
Total risk cost	-5.5	-6.2	14%	-2.1	1.2	-2.0		-6%

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

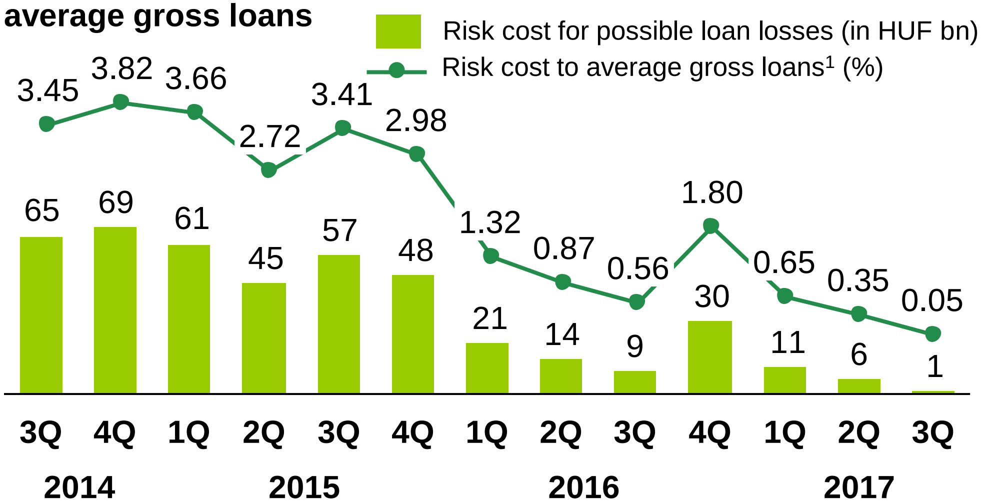


Market share by total assets



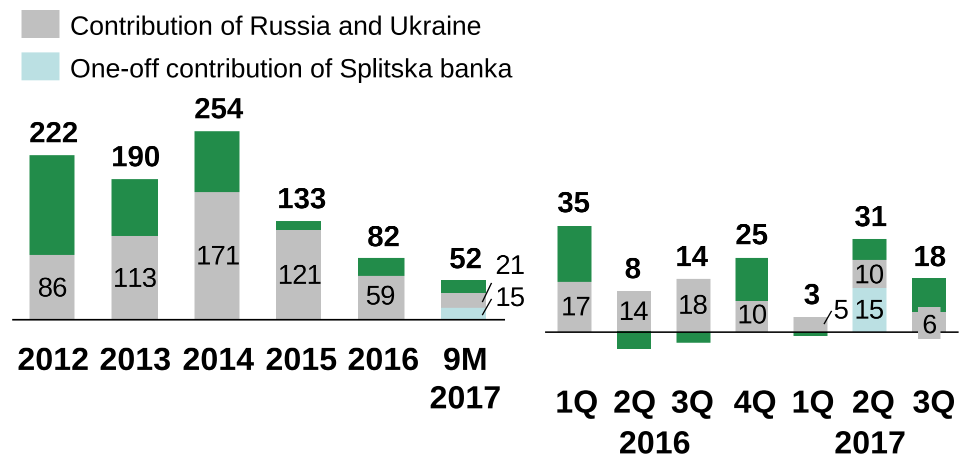
The consolidated DPD90+ ratio kept further declining. The risk cost rate dropped to multi-year lows

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

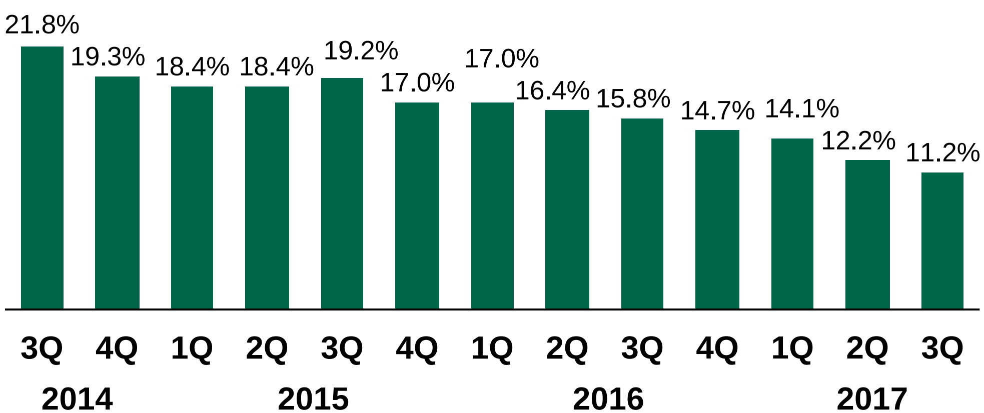


Change in DPD90+ loan volumes

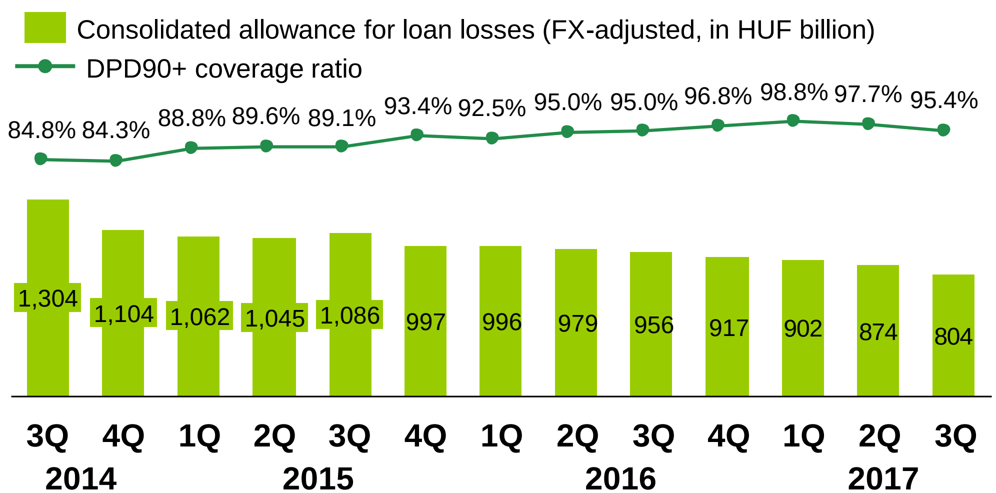
(consolidated, adjusted for FX and sales and write-offs, in HUF billion)



Ratio of consolidated DPD90+ loans to total loans



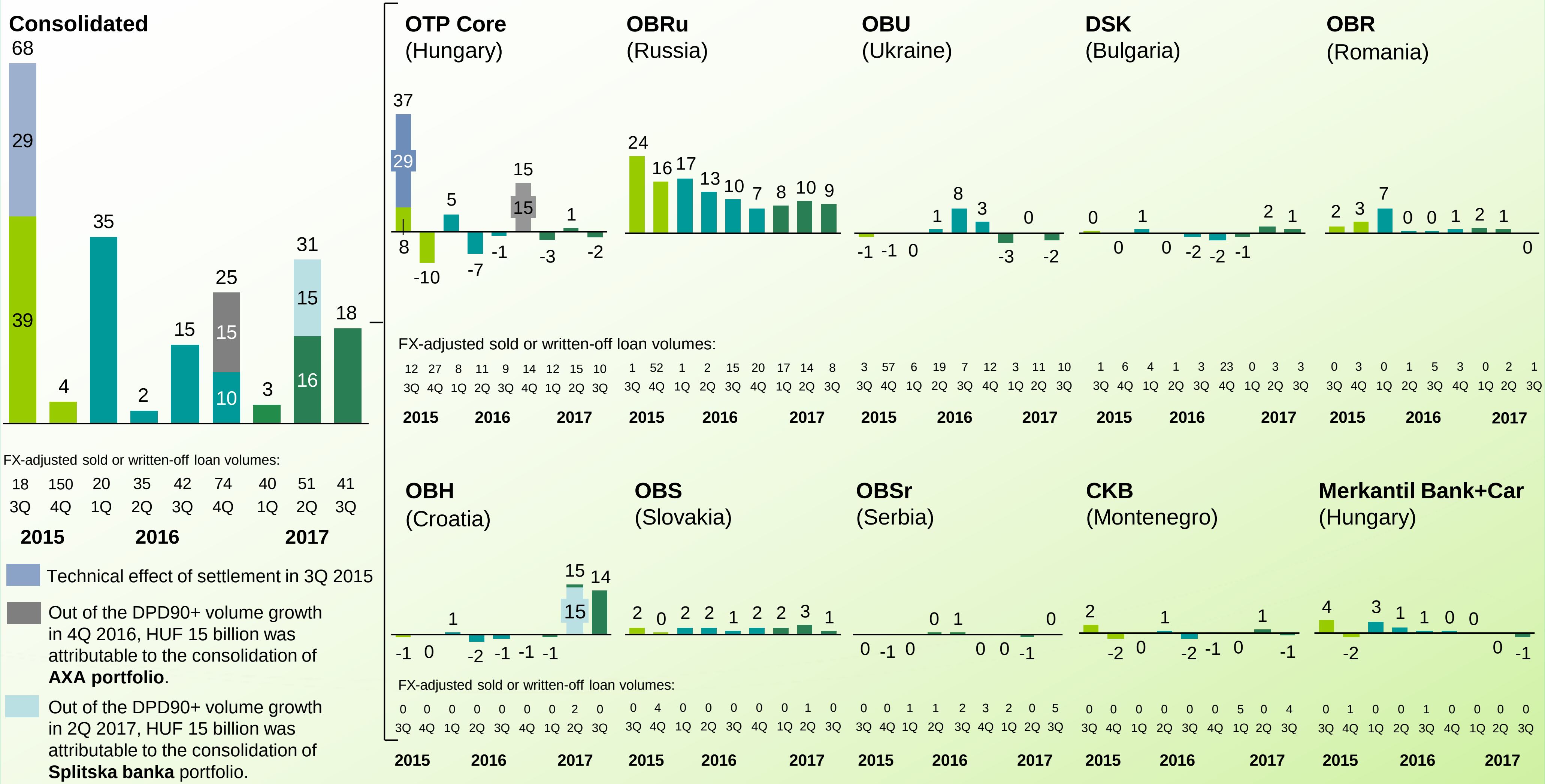
Consolidated provision coverage ratio



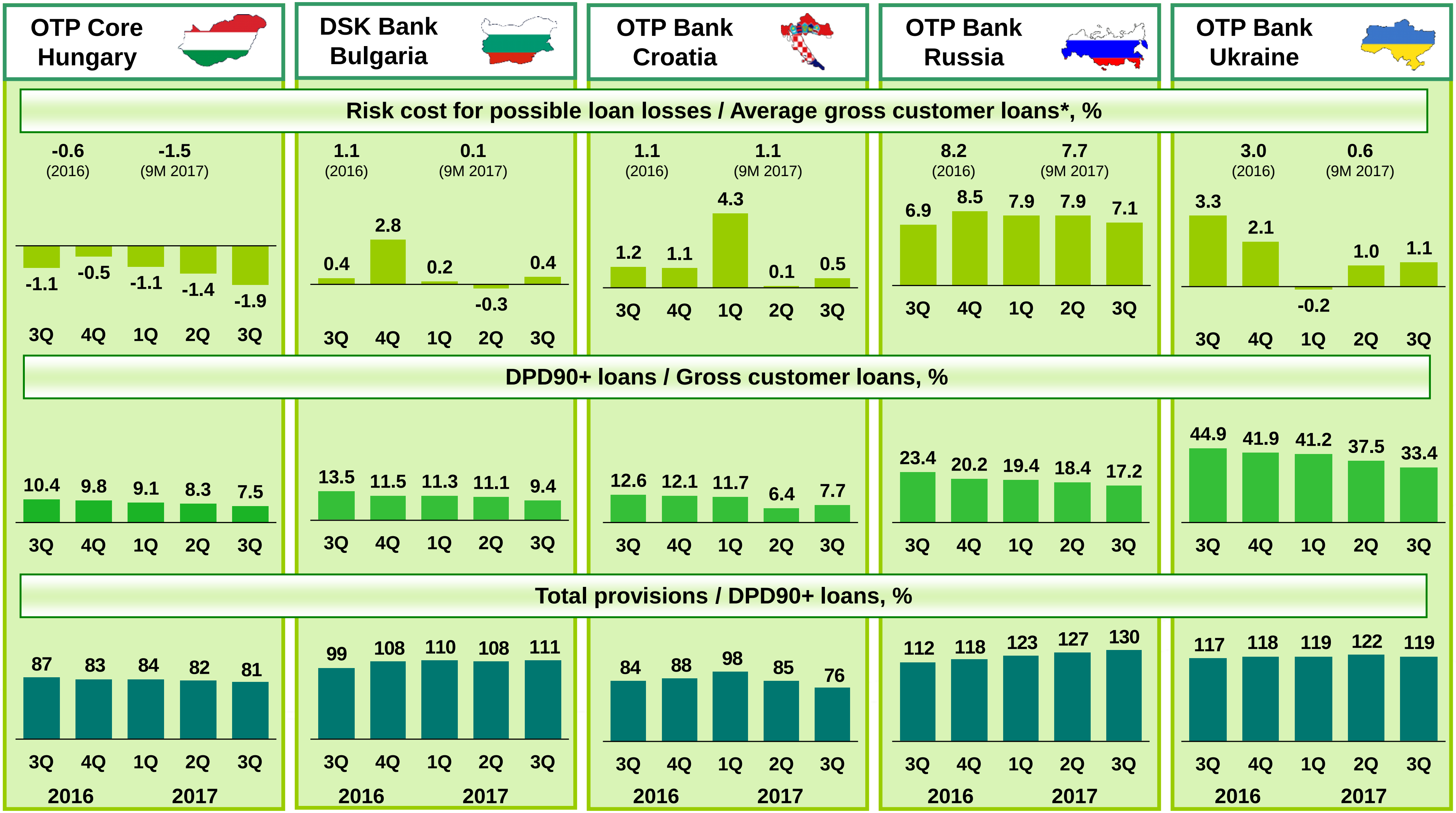
[1] According to the old calculation methodology until 4Q 2015 and the new calculation methodology from 1Q 2016.

In 3Q 2017 the FX-adjusted DPD90+ formation was similar to that in 2Q (without Splitska); the Russian inflow was below the quarterly average of the last couple of years, while in Croatia the increase was mostly related to corporate exposures

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



The DPD90+ ratio declined q-o-q with risk cost rate remaining moderate all across the board. Provision coverage ratios stood at conservative levels



* Negative amount implies provision releases.

At the main operations the DPD90+ ratios decreased q-o-q supported by favourable credit quality trends, as well as by DPD90+ portfolio sales and write-offs

DPD90+ ratio (%)

OTP Core (Hungary)	3Q16	4Q16	1Q17	2Q17	3Q17	Q-o-Q (pp)
Total	**10.4**	**9.8**	**9.1**	**8.3**	**7.5**	*-0.8*
Retail	12.2	11.3	10.9	10.3	9.7	*-0.6*
Mortgage	11.1	10.4	10.1	9.8	9.4	*-0.4*
Consumer	16.0	15.2	14.3	12.3	10.9	*-1.4*
MSE	6.4	6.4	6.5	6.5	6.1	*-0.4*
Corporate	8.3	7.9	6.8	5.4	4.2	*-1.2*
Municipal	4.1	0.3	0.1	0.1	0.1	*-0.1*

DPD90+ ratio (%)

DSK Bank (Bulgaria)	3Q16	4Q16	1Q17	2Q17	3Q17	Q-o-Q (pp)
Total	**13.5**	**11.5**	**11.3**	**11.1**	**9.4**	*-1.7*
Mortgage	21.0	16.7	16.5	15.9	13.5	*-2.4*
Consumer	8.5	7.7	8.2	8.4	7.0	*-1.3*
MSE	20.6	17.2	17.5	15.9	13.4	*-2.5*
Corporate	10.4	9.6	8.7	8.6	7.4	*-1.2*

DPD90+ ratio (%)

OTP Bank Croatia	3Q16	4Q16	1Q17	2Q17	3Q17	Q-o-Q (pp)
Total	**12.6**	**12.1**	**11.7**	**6.4**	**7.7**	*1.3*
Mortgage	8.6	8.4	8.2	5.3	5.1	*-0.2*
Consumer	12.8	12.6	12.4	6.8	7.1	*0.3*
Corporate	21.0	19.2	18.8	10.5	15.0	*4.6*
Car-finance	67.1	70.7	72.8	0.9	1.0	*0.1*

DPD90+ ratio (%)

OTP Bank Russia	3Q16	4Q16	1Q17	2Q17	3Q17	Q-o-Q (pp)
Total	**23.4**	**20.2**	**19.4**	**18.4**	**17.2**	*-1.2*
Mortgage	37.1	36.9	36.1	37.5	36.7	*-0.8*
Consumer	23.2	19.9	19.1	18.3	17.1	*-1.2*
Credit card	32.8	30.8	30.5	29.4	27.8	*-1.6*
POS loan	14.4	11.1	11.7	12.5	11.8	*-0.7*
Cash loan	24.3	22.7	18.7	15.8	15.0	*-0.8*

DPD90+ ratio (%)

OTP Bank Ukraine	3Q16	4Q16	1Q17	2Q17	3Q17	Q-o-Q (pp)
Total	**44.9**	**41.9**	**41.2**	**37.5**	**33.4**	*-4.0*
Mortgage	74.1	72.6	73.2	72.6	73.6	*0.9*
Consumer	38.3	34.6	31.8	32.5	29.7	*-2.9*
SME	87.8	87.3	87.6	87.8	88.0	*0.2*
Corporate	19.0	18.6	17.6	13.4	5.9	*-7.5*
Car-finance	46.6	42.6	41.2	35.5	33.5	*-1.9*

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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 presentation should be construed as a guaranteed profit forecast.

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