OTP Group
Investor presentation based on 4Q 2017 results

OTP Group has maintained strong profitability, capital adequacy and liquidity

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Content

Investment Rationale	3-15
4Q 2017 Financial Performance of OTP Group	17-48
Macroeconomic overview	50-56

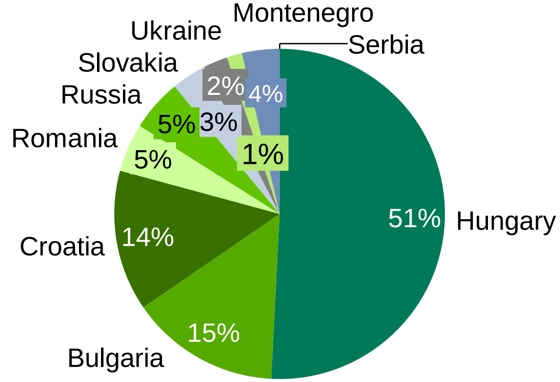
Key pillars of the OTP investment rationale

1.	Unique diversified access to the CEE/CIS banking sector
2.	Return on Equity has returned to attractive levels (>15%) since a new era of structurally low risk environment has commenced
3.	Accelerating loan growth: on top of strong organic performing loan expansion (+10%), acquisitions added another 15%-points in 2017
4.	Strong capital and liquidity position coupled with robust internal capital generation make room for further acquisitions
5.	OTP is a frontrunner and has always been committed to innovation in digital banking

1. OTP Group is offering universal banking services to almost 15.5 million customers in 9 countries across the CEE/CIS Region

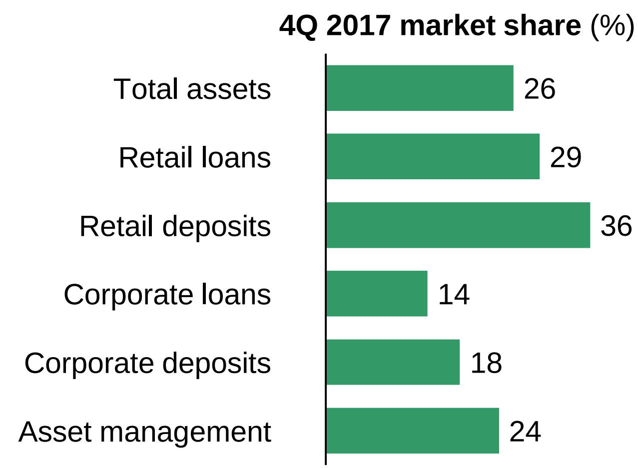
Major Group Members in Europe

Total Assets

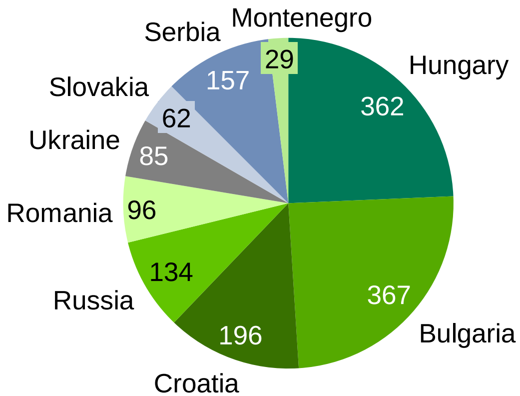


Total Assets: HUF 13,190 billion

Systemic position in Hungary…

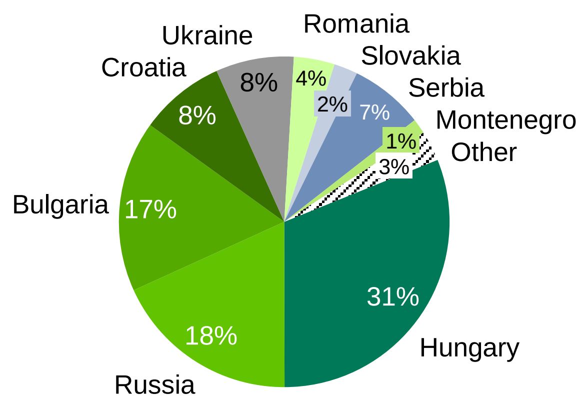


Number of Branches



Total number of branches: 1,488

Headcount



Total headcount: 29,115[1]

… as well as in other CEE countries

Bulgaria

- No. 2 in Total assets
- No. 1 in Retail deposits
- No. 1 in Retail loans

Croatia

- No. 4 in Total assets

Russia

- No. 2 in POS lending
- No. 7 in Credit card business
- No. 23 in Cash loan business

Montenegro

- No. 1 in Total assets

Source: OTP Bank Plc.

[1] Excluding selling agents employed at OTP Bank Russia and at OTP Bank Ukraine.

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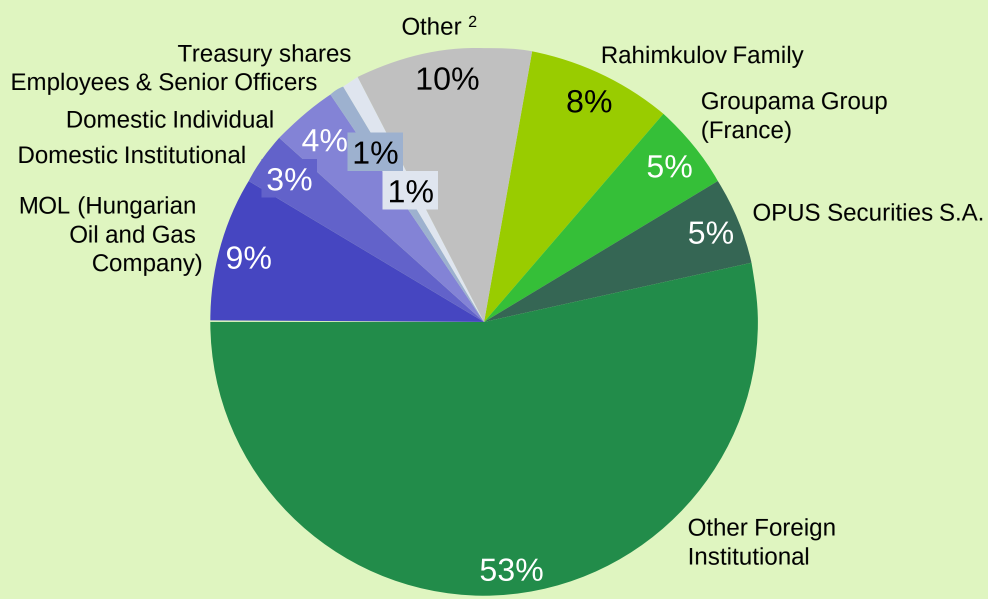
OTP offers a unique investment opportunity to access the CEE banking sector. The Bank is a well diversified, transparent player without strategic investors

Market capitalization: EUR 10.3 billion[1]

Ownership structure of OTP Bank on 31 December 2017



OTP is one of the most liquid stocks in a peer group comparison in terms of average daily turnover[3]

	OTP	PKO	Pekao	Erste	Komercni	Raiffeisen
Avg. daily turn-over to current market cap. bps.	15	14	24	13	7	12
Average daily turnover in EUR million	15	19	20	21	5	13

Total number of ordinary shares: 280,000,010, each having a nominal value of HUF 100 and representing the same rights

Since the IPO in 1995 / 1997, OTP Bank has not raised capital on the market, nor received equity from the state

No direct state involvement, the Golden Share was abolished in 2007

OTP Group's Capabilities

'Best Private Bank in Hungary'
'Best Private Bank in CEE'
(World Ranking: 177)

'Best bank of the year in 2016'
Socially responsible Bank of the year in 2016 '
The most likable Bank of the year in 2016'
Banker of the year in 2016'

'Best Bank in Hungary 2017'
'Best Bank in Bulgaria 2014 and 2017'

'Best local bank in Hungary'

DSK Bank - 'Best Bank in Bulgaria 2015'

'Best Bank in Hungary in 2008, 2009, 2010, 2012, 2013, 2014, 2015, 2016 and 2017'

'The Best Private Banking Services in Hungary in 2014 and 2017'

Index Member of CEERIUS

'Best FX providers in Hungary in 2017'

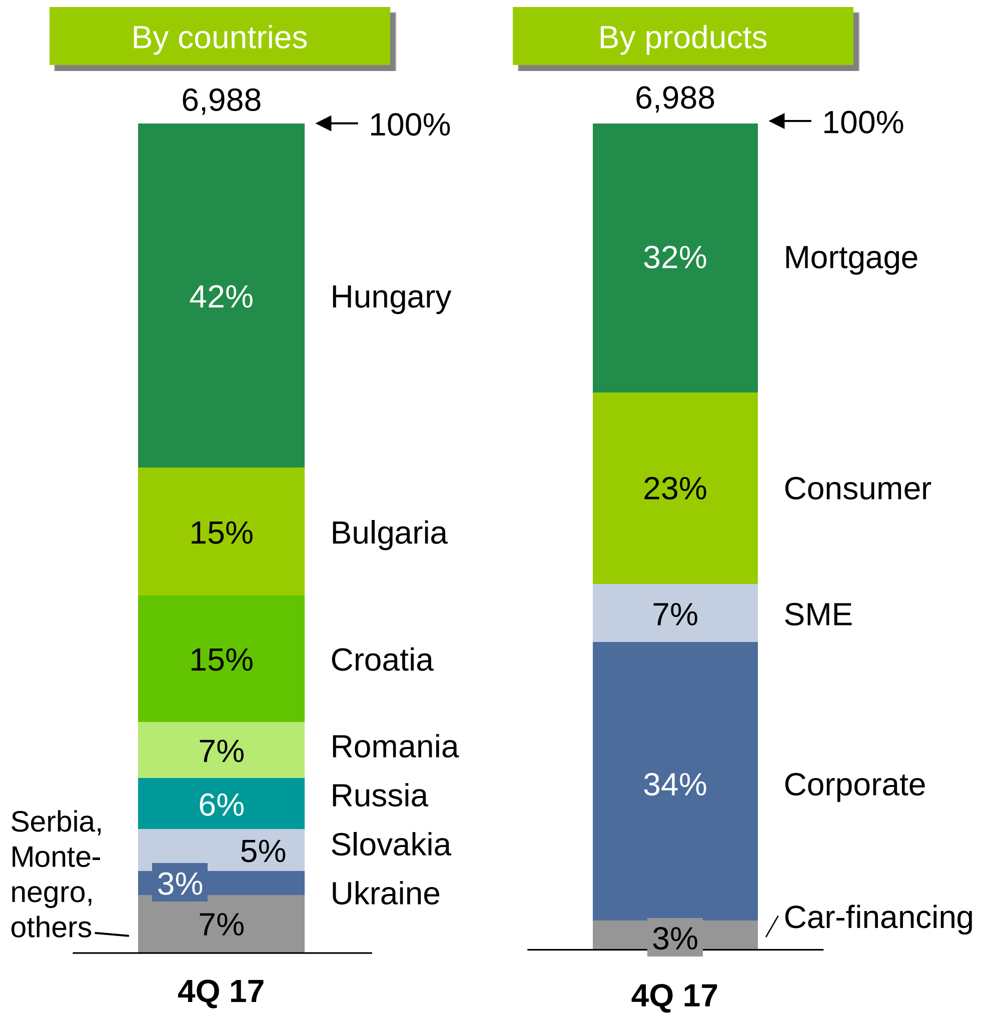
'Best Private Bank in Hungary in 2018'

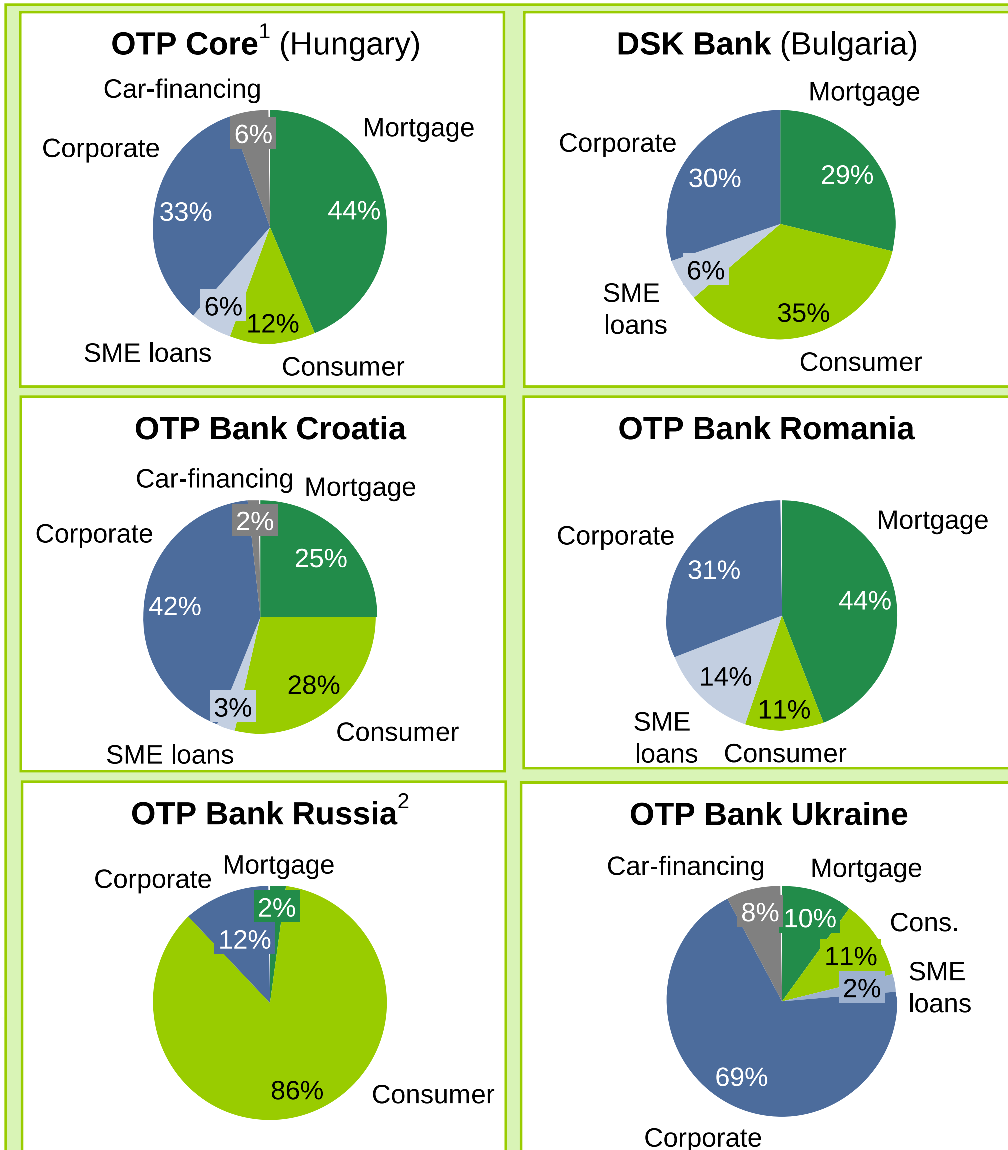
[1] On 28 February 2018.
[2] Foreign individuals and non-identified shareholders.
[3] Based on the last 6M data (end date: 28 February 2018) on the primary stock exchange.

1.

The net loan book is dominated by Hungary and tilted to secured retail lending; around 85% of the total book is invested in EU countries with stable earning generation capabilities

Breakdown of the consolidated net loan book
(in HUF billion)





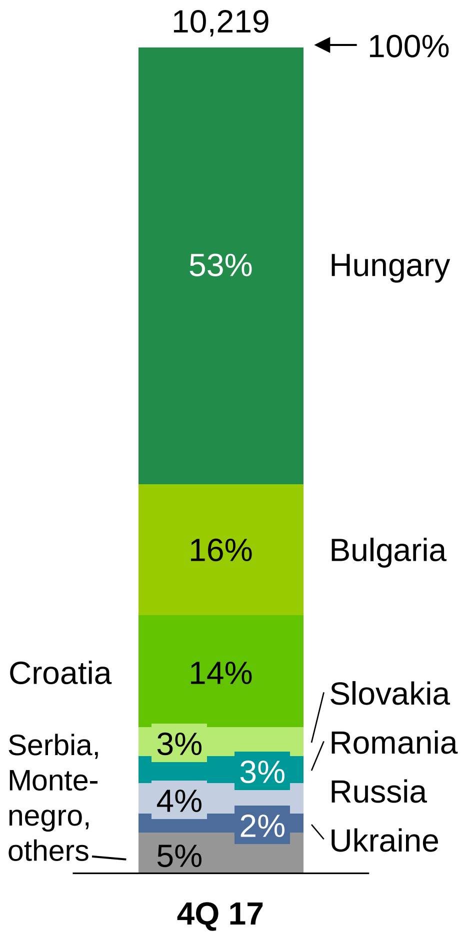
[1] Including Merkantil Bank and Merkantil Car (Hungary).
[2] Excluding Touch Bank.

1.

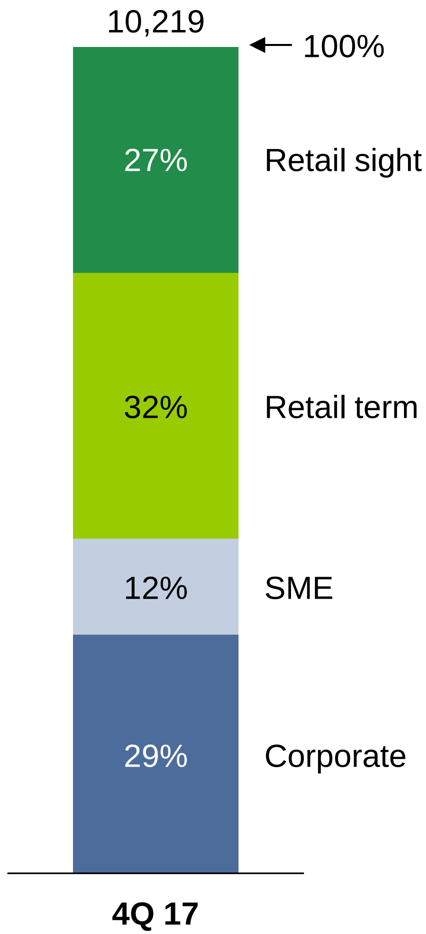
In the deposit book Hungary and the retail segment is dominant. In Hungary and Bulgaria OTP and DSK are the largest retail deposit holders

Breakdown of the consolidated deposit base
(in HUF billion)

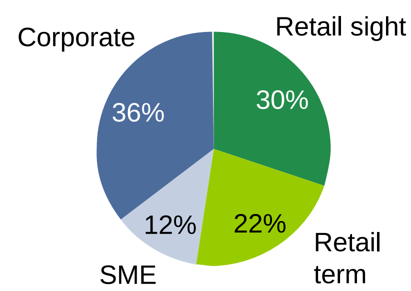
By countries



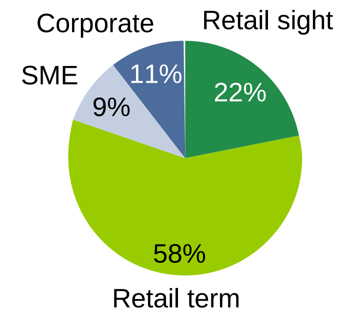
By products



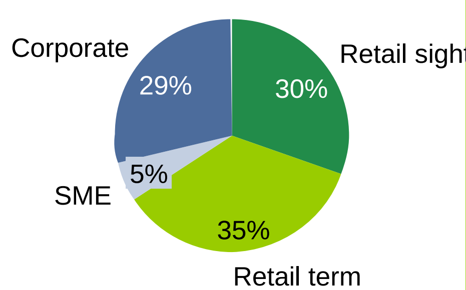
OTP Core (Hungary)



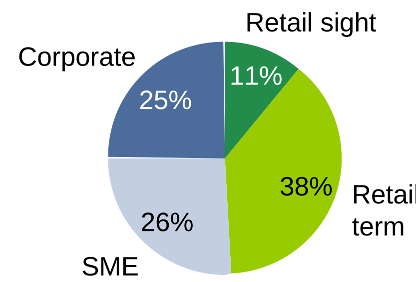
DSK Bank (Bulgaria)



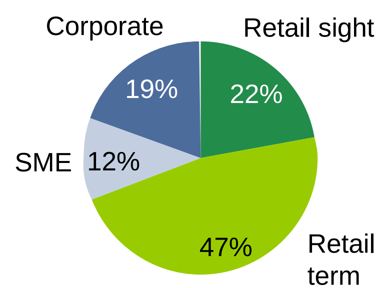
OTP Bank Croatia



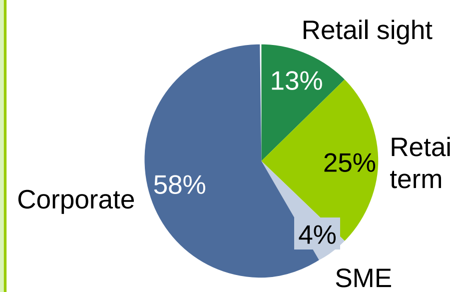
OTP Bank Romania



OTP Bank Russia[1]



OTP Bank Ukraine



[1] Excluding Touch Bank.

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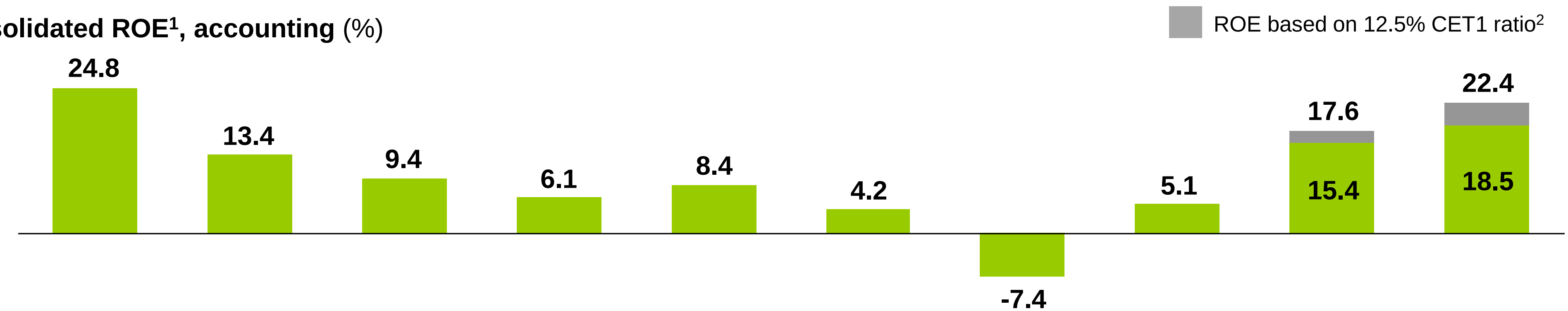
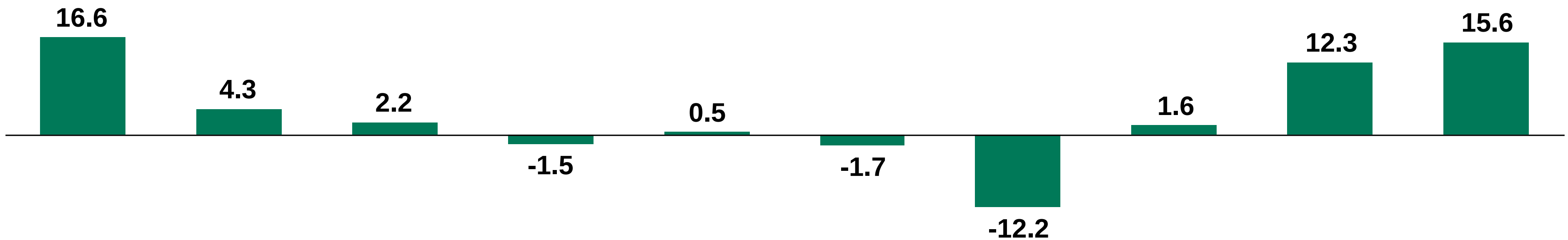
2. Return on Equity has returned to attractive levels

Consolidated ROE[1], accounting (%)



Opportunity cost-adjusted[3] consolidated accounting ROE over the average 10Y Hungarian government bond yields (%)



Price to Book ratio

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Max	2.8	1.4	1.7	1.4	0.8	1.0	0.9	1.4	1.7	1.9
Min	0.6	0.4	0.9	0.6	0.6	0.7	0.7	0.8	1.3	1.5

Bloomberg

[1] The calculation methodology of certain indicators has been changed. ROEs are based on new methodology from 2015.
[2] The approved dividend and the CET1 capital surplus (as calculated from the difference between the targeted 12.5% CET1 and the actual CET1 ratio including the interim result less approved dividend) is deducted from the equity base.
[3] Accounting ROE less the annual average of Hungarian 10Y government bond yields.

2. The accounting ROE has been growing steadily since 2015 on the back of moderating provision charges and vanishing negative adjustment items; the total revenue margin has been relatively resilient

	2009	2010	2011	2012	2013	2014	2015	2016	2017
Accounting ROE	13.4%	9.4%	6.1%	8.4%	4.2%	-7.4%	5.1%	15.4%	18.5%
Accounting ROE on 12.5% CET1 ratio[1]							5.4%	17.6%	22.4%
Adjusted ROE[2]	13.4%	13.0%	11.8%	10.2%	9.6%	8.5%	9.6%	15.4%	18.7%
Total Revenue Margin[3]	7.93%	8.03%	8.12%	8.31%	8.44%	7.74%	7.07%	6.81%	6.74%
Net Interest Margin[3]	6.17%	6.16%	6.31%	6.40%	6.37%	5.96%	5.16%	4.82%	4.56%
...									
Operating Costs / Average Assets	3.65%	3.62%	3.76%	3.89%	4.07%	3.85%	3.66%	3.70%	3.68%
Risk Cost Rate	3.57%	3.69%	2.95%	3.11%	3.51%	3.68%	3.18%	1.14%	0.43%
Leverage (average equity / avg. assets)	11.7%	12.8%	13.6%	14.4%	14.8%	13.0%	11.5%	12.9%	12.7%

[1]The approved/accrued dividend and the CET1 capital surplus (as calculated from the difference between the targeted 12.5% CET1 and the actual CET1 ratio including the interim result less dividend accrual) is deducted from the equity base.
[2] Calculated from the Group's adjusted after tax result. [3] Excluding one-off revenue items.

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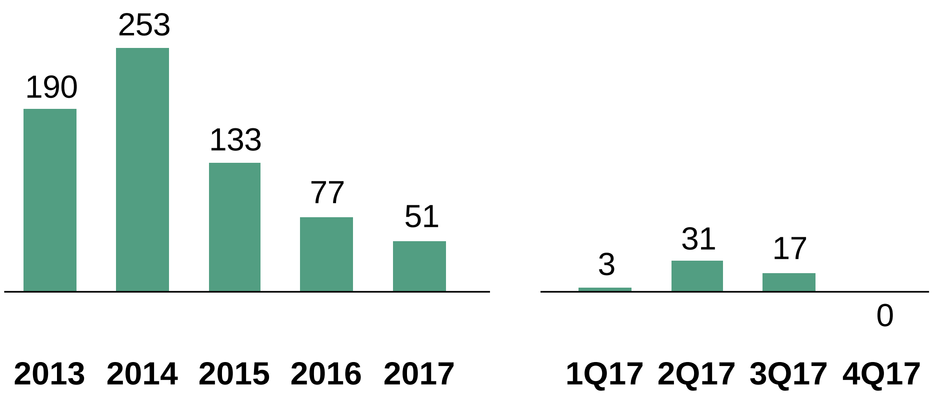
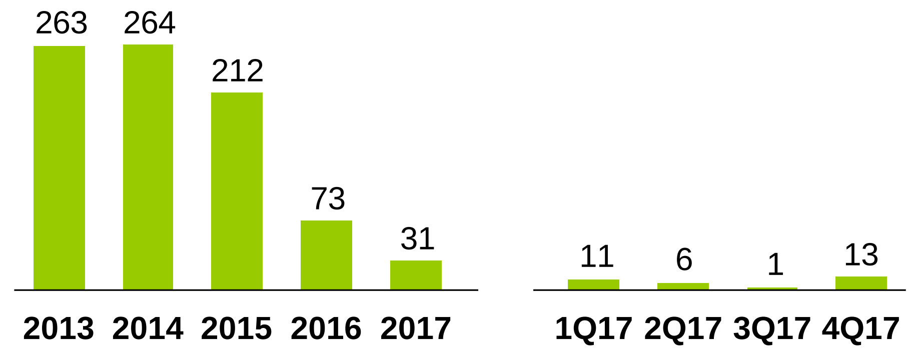
2.

The credit quality indicators kept further improving. The ratio of consolidated DPD90+ loans dropped below 10%

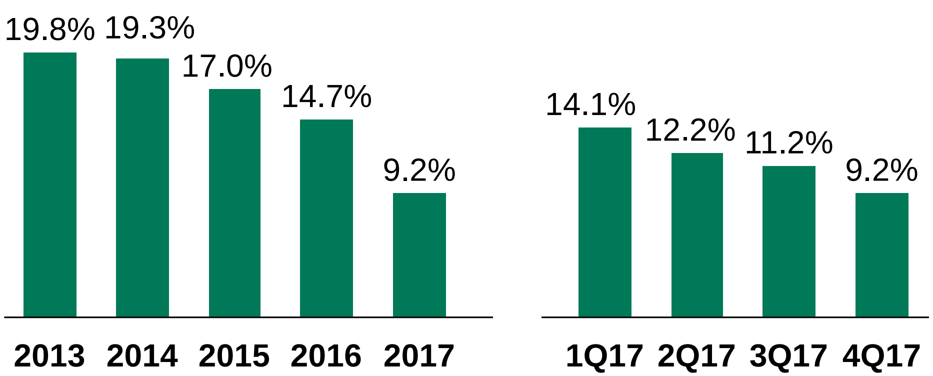
Receding DPD90+ loan volume formation
(consolidated, adjusted for FX and sales and write-offs, in HUF billion)



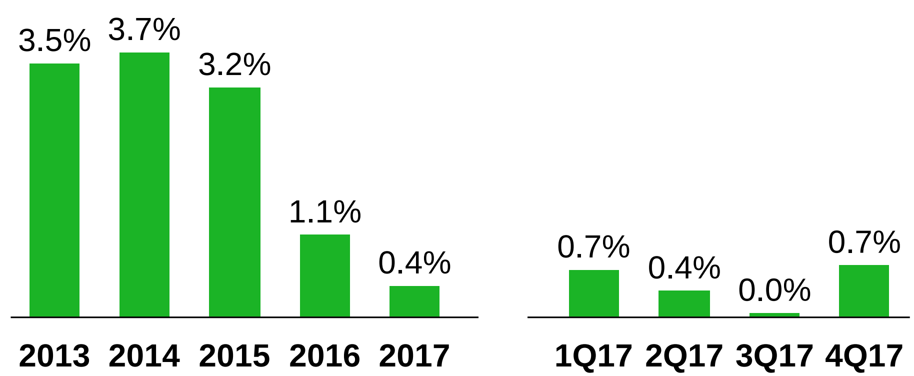
The consolidated risk cost for possible loan losses has moderated substantially (in HUF billion)



Steadily declining consolidated DPD90+ ratio



Improving consolidated risk cost rate



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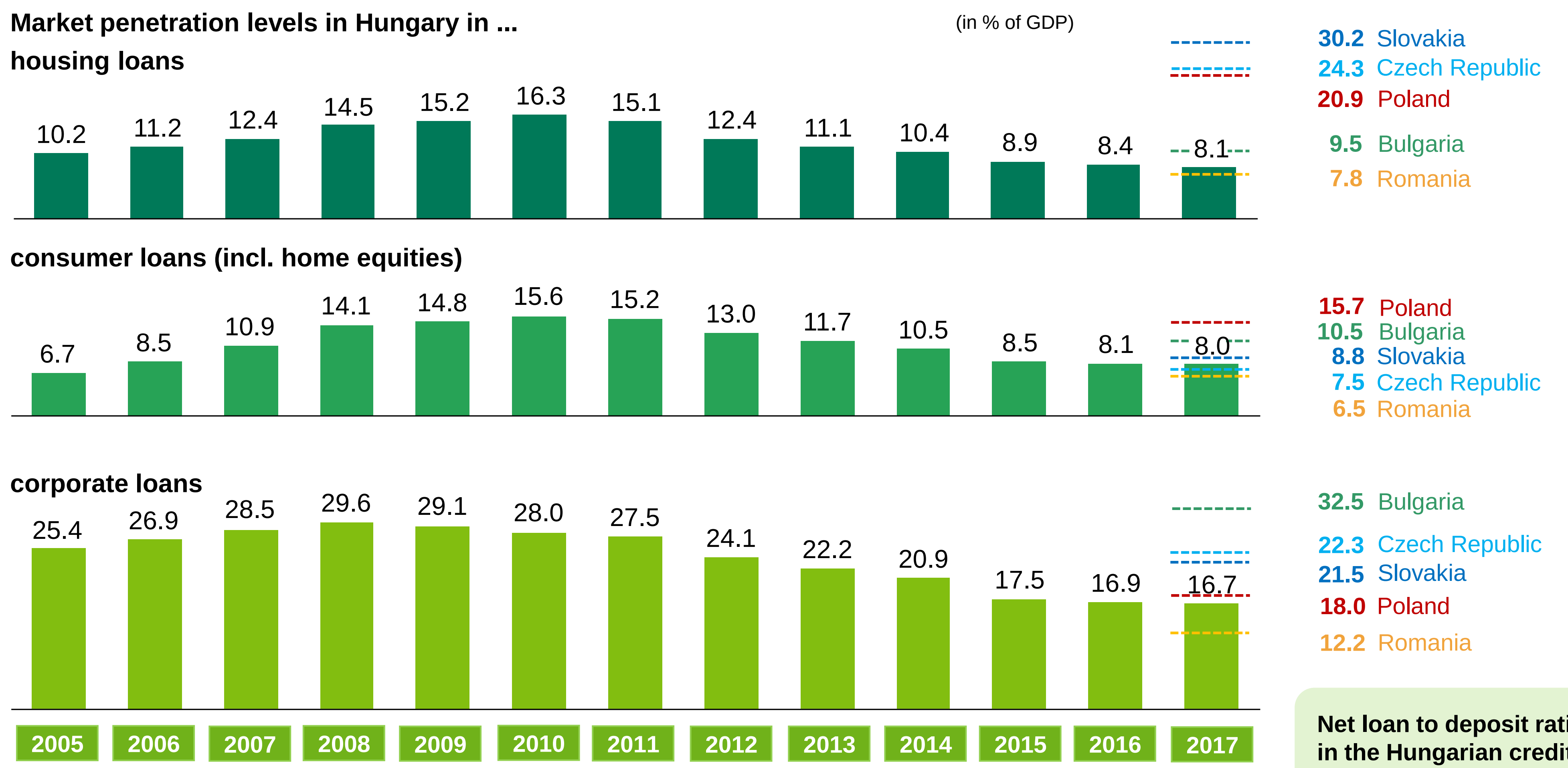
3. In Hungary the retail loan penetration ratios halved since 2010 and returned to the levels before the lending boom



Net loan to deposit ratio in the Hungarian credit institution system[1]

168% → 93%

1Q 09 → 3Q 17

[1] Latest available data. According to the supervisory balance sheet data provision.

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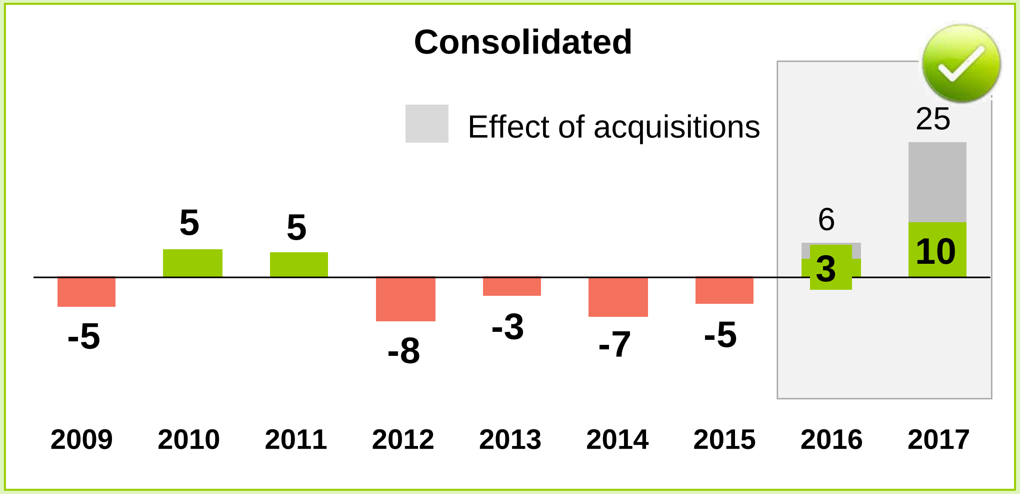
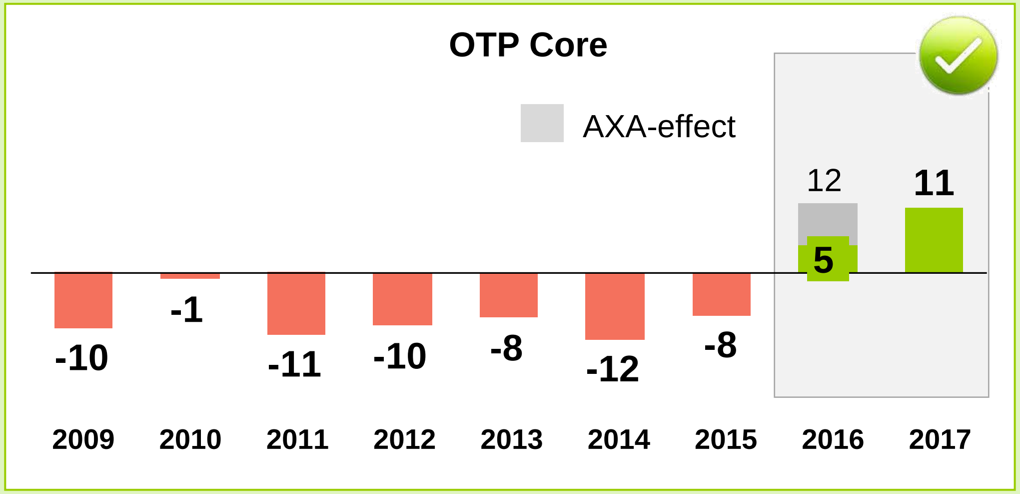
3.

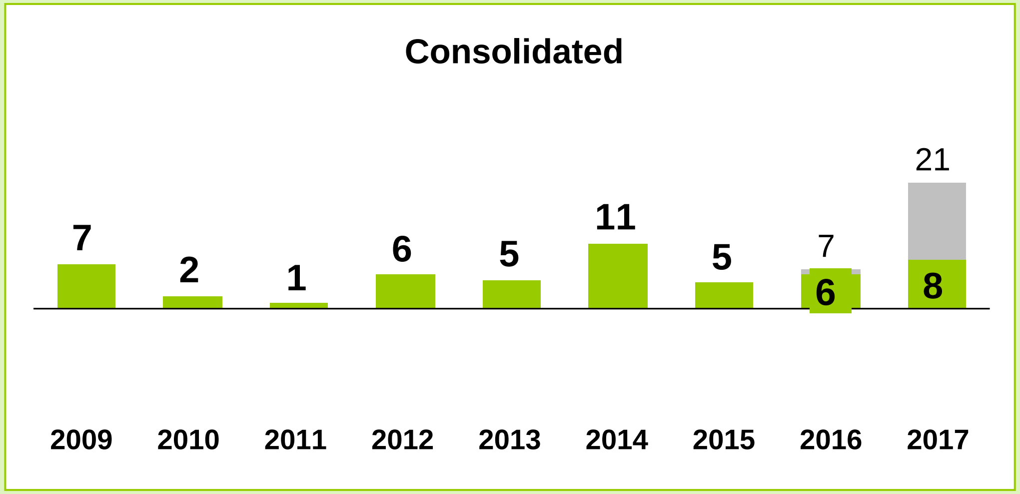
Following the contraction in the previous years, the last two years brought a spectacular turnaround in loan volumes, while deposits have been growing steadily reflecting our clients' trust in the Bank

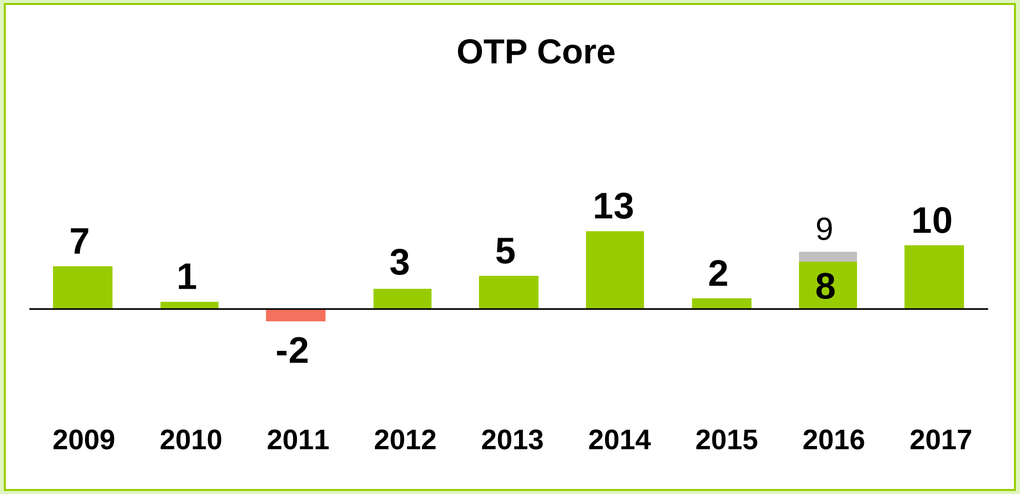
Y-o-Y performing (DPD0-90) loan volume changes [1] (adjusted for FX-effect, %)





Y-o-Y deposit volume changes (adjusted for FX-effect, %)





[1] Consolidated: net loan volume between 2009-2013; OTP Core: estimation for 2009.

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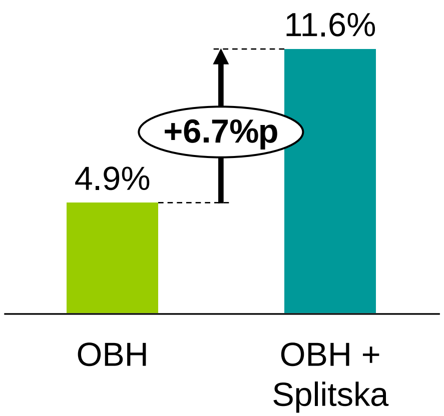
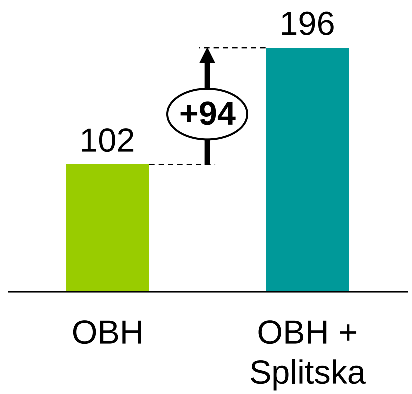
3. Due to the acquisitions completed in 2017 in Croatia and Serbia, OTP's market shares increased substantially, with loans and deposits expanding several-fold in both countries

Croatia - Splitska banka

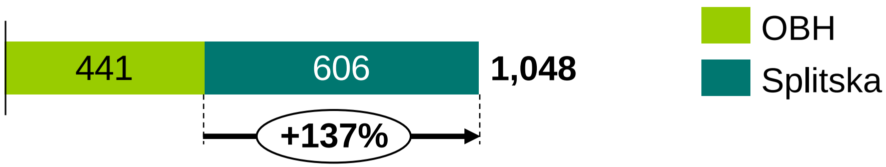
Market share



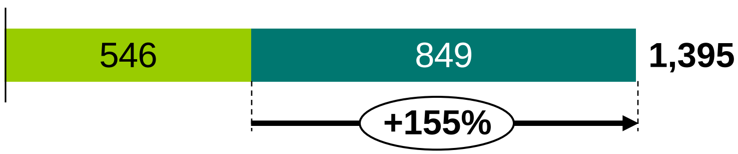
Number of branches



Performing loans (in HUF billion)

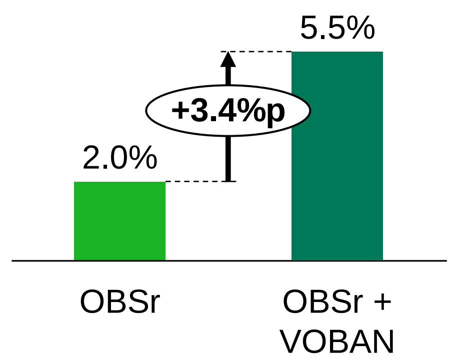


Deposits (in HUF billion)

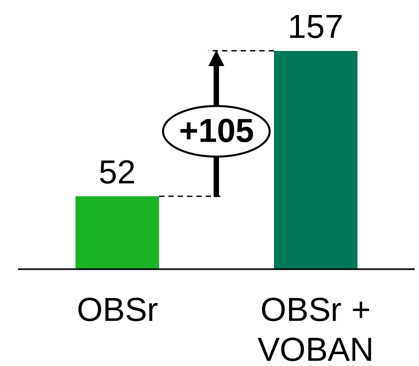


Serbia - Vojvodjanska banka

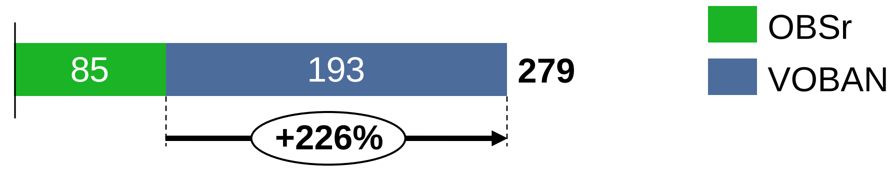
Market share



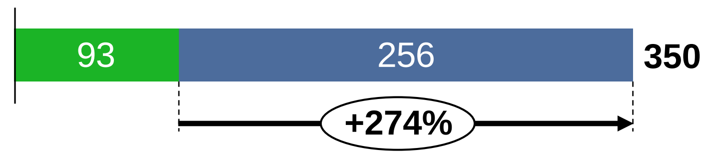
Number of branches



Performing loans (in HUF billion)

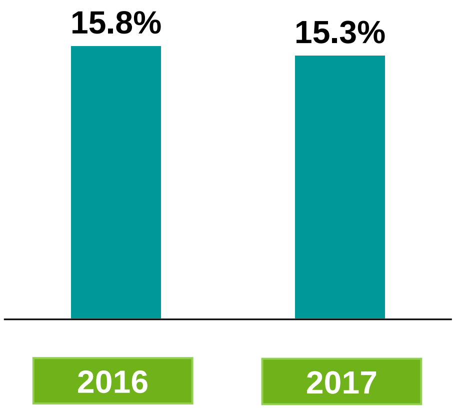


Deposits (in HUF billion)



Strong capital and liquidity position coupled with robust internal capital generation make room for strong organic growth, further acquisitions and growing dividend payment

Development of the fully loaded CET1 ratio[1] of OTP Group
(Including unaudited interim profit less approved dividend)



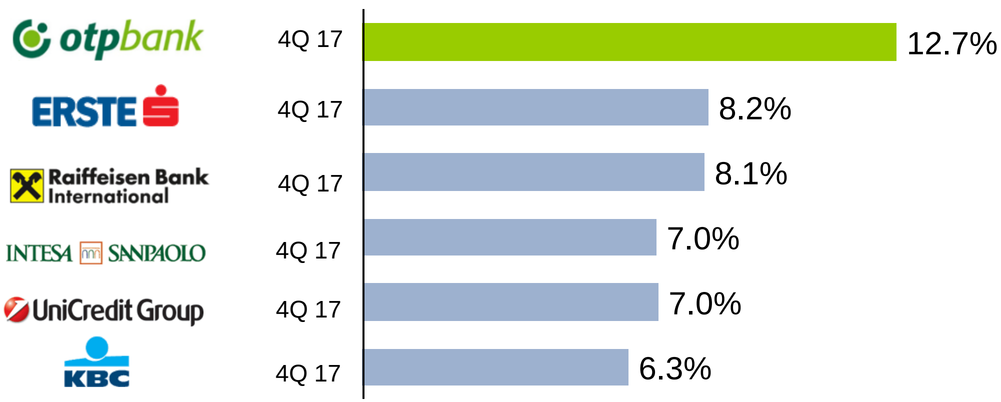
Annualized organic CET1 capital generation based on 2017 figures[1]:

3.0%p

including approved dividend growth of

+15%

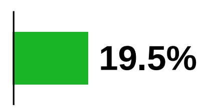
Leverage ratio (average equity / average assets)



Net liquidity reserves (in EUR billion equivalent)

External debt[2] (in EUR billion equivalent)

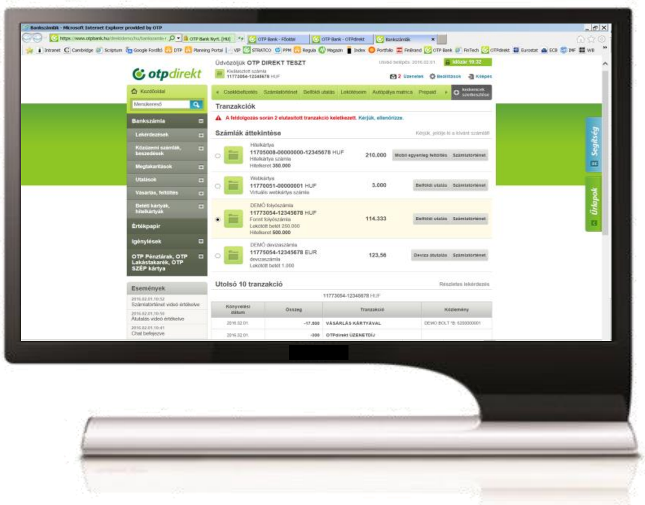
Net liquidity buffer / total assets (%)



Consolidated net loan to deposit ratio

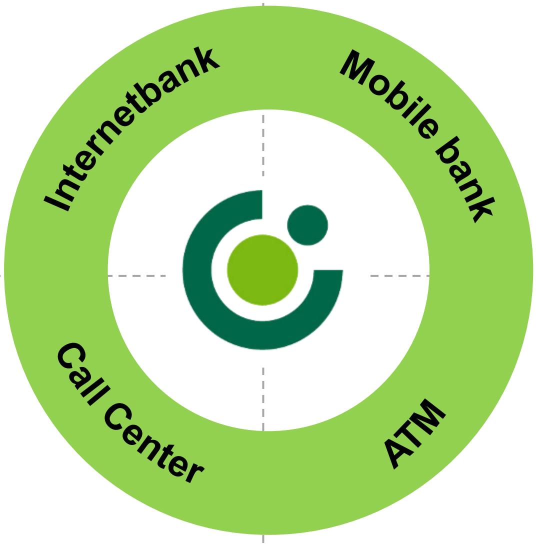
[1] (2017 profit less approved dividend) / (average 2017 RWA)
[2] Senior bonds, mortgage bonds, bilateral loans

5. OTP Bank is the market leader in all direct channels in Hungary



More than
1 million regular
users monthly[2]

~220 thousand
users monthly[2]



~210 thousand
contacts
monthly[1]

Monthly ATM cash
withdrawals in the
amount of
HUF ~280 billion[1]

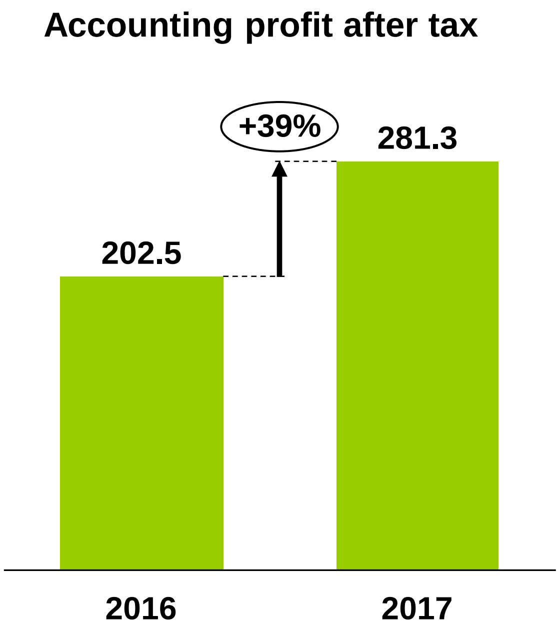
[1] Based on 2Q 2017 data
[2] Based on 4Q 2017 data

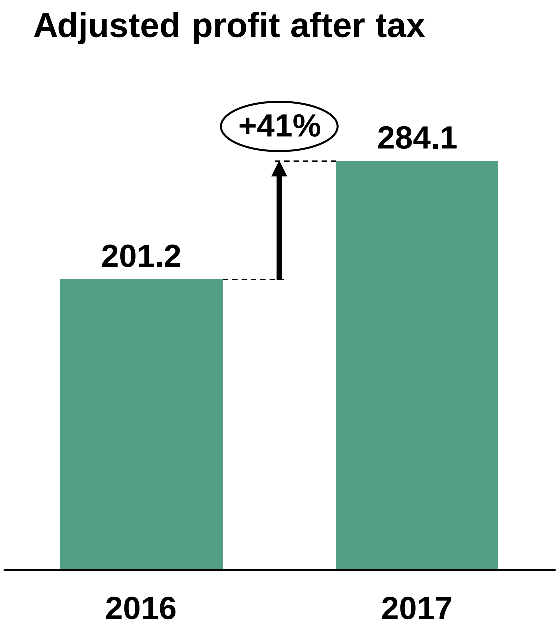
Content

Investment Rationale	3-15
4Q 2017 Financial Performance of OTP Group	17-48
Macroeconomic overview	50-56

The accounting result grew by 39% in 2017, while the adjusted profit increased by +41%. The adjustment items were not significant in 2017

After tax profit development (in HUF billion)





Adjustments (after tax)	**2016**	**2017**
Special tax on financial institutions (Hungary, Slovakia)	-13.9	-15.2
Gain on the sale of Visa Europe shares	13.2	0
Effect of acquisitions (badwill, expected integration expenses, loan FVA)	0	17.7
Other (goodwill/investment impairment charges, dividends and net cash transfers)	2.1	-5.2
Total adjustments (after tax)	**1.3**	**-2.7**

Elements of the management guidance for 2017 were typically met, in some cases with significant overperformance

	Management guidance for 2017		2017 Fact	
1.	**ROE** based on 12.5% CET1 ratio	>15%	22.4%	✓
2.	**Performing loan portfolio** (without acquisition effect)	3% < 2017E < 10%	+10%	✓
3.	**NIM erosion** (without acquisition effect)	-15-20 bps	-16 bps	✓
4.	**Total risk costs** (y-o-y change)	decline	-51%	✓
5.	**Operating expense growth** (FX-adjusted, without acquisitions)	+3-4%	+4.6%	
6.	**Acquisitions**	Further acquisitions in the pipeline	Splitska banka, Vojvodjanska banka	✓
7.	**Nominal increase of dividend**	+15%	+15%[1]	✓

[1] Approved by AGM dividend increase.

The annual adjusted profit growth of 41% was driven mainly by the improving performance of OTP Core and the Splitska acquisition. The quarterly profit decline was mostly due to the weaker contribution from OTP Core

(in HUF billion)	2016	2017	Y-o-Y	4Q 16	3Q 17	4Q 17	Q-o-Q	Y-o-Y
Consolidated adjusted after tax profit	**201.2**	**284.1**	**41%**	**28.3**	**79.5**	**59.5**	**-25%**	**110%**
CEE operation (adjusted)	**181.6**	**248.8**	**37%**	**26.5**	**69.8**	**53.0**	**-24%**	**100%**
OTP Core (Hungary)	122.2	168.6	38%	23.8	46.7	31.7	-32%	33%
DSK (Bulgaria)	47.4	47.1	-1%	4.7	11.3	10.4	-8%	123%
OBR (Romania)	1.7	3.0	83%	-0.5	1.2	1.0	-22%	
OBH (Croatia) (including Splitska banka)	3.8	17.1	352%	0.2	6.0	6.0	1%	
OBH w/o Splitska (Croatia)	3.8	6.2	63%	0.2	2.9	2.7	-7%	
Splitska banka (Croatia)	-	10.9		-	3.1	3.3	9%	
OBS (Slovakia)	-2.2	-2.1	-8%	-2.6	-0.3	-1.5		-44%
OBSrb (Serbia) (including Vojvodjanska banka)	0.0	-2.9		-0.2	0.2	-1.6		
CKB (Montenegro)	-1.8	-0.2	-92%	-3.5	0.7	-0.8		-77%
Leasing (HUN, RO, BG, CR)	4.0	9.8	148%	0.8	2.9	2.8	-4%	251%
OTP Fund Management (Hungary)	6.7	8.3	24%	3.9	1.2	5.1	339%	30%
Russian and Ukrainian operation (adjusted)	**24.8**	**34.5**	**39%**	**4.7**	**8.1**	**9.3**	**15%**	**100%**
OBRU (Russia)	20.5	27.8	35%	4.6	6.4	6.3	-1%	39%
Touch Bank (Russia)	-5.9	-7.4	25%	-2.0	-1.3	-2.2	67%	14%
OBU (Ukraine)	10.2	14.1	38%	2.1	3.1	5.2	71%	154%
Corporate Centre and others	**-5.3**	**0.7**		**-2.9**	**1.6**	**-2.8**		**-2%**

In 4Q 2017 two larger adjustment items emerged with an aggregated positive effect of HUF 8.9 billion

(in HUF billion)	2016	2017	Y-o-Y	4Q 16	3Q 17	4Q 17	Q-o-Q	Y-o-Y
Consolidated after tax profit (accounting)	**202.5**	**281.3**	**39%**	**26.5**	**79.3**	**68.5**	**-14%**	**159%**
Adjustments (total)	**1.3**	**-2.7**		**-1.8**	**-0.2**	**8.9**		
Dividends and net cash transfers (after tax)	0.4	0.7	65%	0.0	0.3	0.0		
Goodwill/investment impairment charges (after tax)	11.6	-6.1		0.8	-0.2	1 -5.6		
Special tax on financial institutions (after corporate income tax)	-13.9	-15.2	9%	-0.2	-0.2	-0.2	5%	-7%
Impact of fines imposed by the Hungarian Competition Authority (after tax)	1.9	0.2	-91%	1.9	0.0	0.0		
Effect of acquisitions (after tax)	0.0	17.7		0.0	-0.2	2 14.7		
Corporate tax impact of switching to IFRS from HAR in Hungary	-5.8	0.0		1.7	0.0	0.0		
Revaluation of deferred taxes recognized in the P&L due to the corporate tax rate cut in Hungary	-6.1	0.0		-6.1	0.0	0.0		
Gain on the sale of Visa Europe shares (after tax)	13.2	0.0		0.0	0.0	0.0		
Consolidated adjusted after tax profit	**201.2**	**284.1**	**41%**	**28.3**	**79.5**	**59.5**	**-25%**	**110%**

1 -HUF 5.6 billion negative tax effect was related to the reversal of impairment charges booked in relation to certain subsidiaries (o/w -HUF 4.1 billion was related to OTP Mortgage Bank); also, at OTP Bank Slovakia there was a HUF 0.5 billion goodwill write-off.

2 HUF 14.7 billion acquisition effect comprised mainly the badwill on Vojvodjanska banka's acquisition and some expected integration expenses.

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The annual total revenues and within that net interest income increased even without the Splitska-effect. Core banking revenues grew on a quarterly basis, offset by the seasonal increase of operating costs and total risk costs

(in HUF billion)	2016	2017	Y-o-Y	2017 w/o Splitska	Y-o-Y	4Q 16	3Q 17	4Q 17	Q-o-Q	Y-o-Y
Consolidated adjusted after tax profit	**201.2**	**284.1**	**41%**	**273.0**	**36%**	**28.3**	**79.5**	**59.5**	**-25%**	**110%**
Corporate tax	-43.6	-37.3	-14%	-34.9	-20%	-9.2	-9.3	-6.5	-30%	-29%
O/w tax shield of subsidiary investments	-2.0	-		-		-1.7	-	-		
Before tax profit	244.8	321.4	31%	308.0	26%	37.5	88.8	66.1	-26%	76%
Total one-off items	2.1	3.9	89%	3.9	89%	0.1	1.0	0.1	-89%	32%
Result of the Treasury share swap agreement	2.1	3.9	89%	3.9	89%	0.1	1.0	0.1	-89%	32%
Before tax profit without one-off items	**242.7**	**317.5**	**31%**	**303.8**	**25%**	**37.4**	**87.8**	**66.0**	**-25%**	**76%**
Operating profit w/o one-off items	335.9	363.2	8%	348.1	4%	85.0	92.1	85.1	-8%	0%
Total income w/o one-off items	736.3	804.9	9%	772.7	5%	193.6	202.8	208.9	3%	8%
Net interest income	521.9	546.7	5%	525.3	1%	133.2	137.0	140.5	3%	6%
Net fees and commissions	176.0	209.4	19%	202.4	15%	48.2	53.0	58.1	9%	20%
Other net non interest income without one-offs	38.4	48.9	27%	45.0	17%	12.2	12.7	10.3	-20%	-16%
Operating costs	-400.4	-441.8	10%	-424.6	6%	-108.6	-110.7	-123.8	12%	14%
Total risk costs	-93.2	-45.7	-51%	-44.1	-53%	-47.6	-4.3	-19.1	349%	-60%

Miscellaneous

IFRS 9 impact	The preliminary estimate for the impact of implementing the IFRS 9 standards, including the deferred tax effect, on the retained earnings is around -HUF 50 billion in the opening consolidated balance sheet as of 1 January 2018. OTP Bank opted to apply transitional rules (phase-in), i.e. in 2018 the expected negative CET1 impact will be around 3 bps. The Group continues to refine and monitor certain elements of the new impairment process in advance of its 1Q 2018 reporting. As a result, changes could be required to the preliminary estimate for the impact of implementing the IFRS 9 standards.
Retail bond distribution fee cut in Hungary	According to the notification received from the Government Debt Management Agency, effective from 12 February 2018 the distribution fee rates related to the sale of retail government bonds to households was cut further. As a result, the distribution fee on 6M Government Bonds was reduced from 0.2% to 0.1%, on 1 year Government Bonds from 0.6% to 0.3%, whereas on 2 year Government Bonds, Premium and Bonus Government Securities from 0.8% to 0.4-0.8%, respectively, depending on particular products and maturities. The annual negative impact is expected to be around HUF 3.5 billion.

Total income showed a strong 9% growth in 2017, driven by OTP Core, Russia and the Splitska acquisition. The q-o-q increase was mostly due to Russia, Vojvodjanska and the seasonal Fund Management fee income

Effect of acquisitions

TOTAL INCOME without one-off items	2017 (HUF billion)	4Q 2017 (HUF billion)	2017 Y-o-Y (HUF billion)	2017 Y-o-Y (%)	4Q 2017 Q-o-Q (HUF billion)	4Q 2017 Q-o-Q (%)
OTP Group	805	209	35 / 69	5%[1]/9%	4 / 6	2%[1]/3%
OTP CORE (Hungary)	366	92	11	3%	1	1%
DSK (Bulgaria)	108	27	-4	-4%	0	-1%
OBRU (Russia)	125	31	19	18%/6%[2]	2	5%
Touch Bank (Russia)	2	1	2	n/a	0	8%
OBU (Ukraine)	35	9	-3	-7%/-1%[2]	0	5%
OBH (Croatia)	64	19	1 / 32	3%[1]/102%	-1	-6%
OBS (Slovakia)	17	4	0	-2%	0	1%
OBR (Romania)	27	6	0	2%	-1	-14%
CKB (Montenegro)	10	3	0	-3%	1	36%
OBSrb (Serbia)	10	4	1 / 2	7%[1]/30%	2	4%[1]/89%
Others	41	13	9	29%	3	33%

1. At OTP Core to the strong net fee income growth was the major source of the annual total income growth.

2. In Russia the y-o-y dynamics were boosted by the stronger RUB: in HUF terms the y-o-y growth was 6%. Within that the net fees gave bulk of the growth. In 4Q the quarterly increase was due to the higher net fee income.

3. Splitska delivered HUF 31 billion out of the total HUF 32 billion growth in Croatia.

4. The 1 month contribution of Vojvodjanska banka represented HUF 1.8 billion.

5. The q-o-q increase was reasoned by the lump-sum performance-related success fees at OTP Fund Management (Hungary).

[1] Changes without acquisitions (as for the 2017 y-o-y changes, both Splitska and Vojvodjanska are filtered out; as for the 4Q 2017 q-o-q changes, Vojvodjanska is filtered out).
[2] Changes in local currency.

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The annual net interest income benefited from the Splitska acquisition, but stronger Russian contribution played a role, too. In 4Q 2017 one-off items influenced the NII path at the Core and Romanian division

Effect of acquisitions

NET INTEREST INCOME	2017 (HUF billion)	4Q 2017 (HUF billion)	2017 Y-o-Y (HUF billion)	2017 Y-o-Y (%)	4Q 2017 Q-o-Q (HUF billion)	4Q 2017 Q-o-Q (%)
OTP Group	547	141	2 / 25	0.4%[1]/5%	2 / 3	2%[1]/3%
OTP CORE (Hungary)	234	60	-2	-1%	2	4% (1)
DSK (Bulgaria)	72	18	-12	-14% (2)	0	0%
OBRU (Russia)	101	24	10	10%/-1%[2]	1	3% (3)
Touch Bank (Russia)	2	1	2	n/a	0	10%
OBU (Ukraine)	23	6	-3	-13%/-7%[2]	0	3%
OBH (Croatia)	44	14	1 / 22	4%[1]/94% (4)	0	1%
OBS (Slovakia)	13	3	-1	-6%	0	0%
OBR (Romania)	20	4	-1	-3%	-2	-32% (5)
CKB (Montenegro)	7	2	0	-6%	0	3%
OBSrb (Serbia)	7	3	0 / 1	7%[1]/25%	0 / 1	10%[1]/80% (6)
Merkantil (Hungary)	13	3	-4	-26%	0	-7%
Corporate Centre	3	1	7 (7)		0	42%
Others and eliminations	7	2	6		1	

1. The annual NII of OTP Core remained basically stable as a joint effect of strong loan growth and declining margins. In 4Q the q-o-q increase was explained by: 1) one-off items booked in 4Q 2017 in connection with agent fees related to purchase loan disbursements added HUF 1.3 billion to the NII line; 2) a reclassification in 3Q played a role, too (+HUF 0.5 bn).
2. The ongoing refinancing and repricing of household loans was a drag on interest income.
3. The Russian NII margianally declined y-o-y in RUB terms, because a methodological change reduced NII by HUF 3 billion in 2017. Strong performing volume growth could offset eroding NIM.
4. Splitska added HUF 21 billion.
5. In 4Q 2017 there were certain accounting corrections influencing, amoung others, the NII line.
6. Vojvodjanska added HUF 1.1 bn.
7. Maturity of a senior bond and coupon step-down of the perpetual bond reduced interest expenses.

[1] Changes without acquisitions (as for the 2017 y-o-y changes, both Splitska and Vojvodjanska are filtered out; as for the 4Q 2017 q-o-q changes, Vojvodjanska is filtered out).
[2] Changes in local currency.

Consolidated performing loans increased by one-quarter over the last 12 months (+6% q-o-q), fuelled also by acquisitions; the organic growth surpassed 10% in 2017, of which 3% materialized in the last quarter. At OTP Core mortgages turned into growth mode. In Russia the q-o-q loan growth reached 12% due to the seasonally strong sales activity

DPD0-90 volumes

Q-o-Q loan volume changes in 4Q 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	6% / 3%[2]	1%	2%	12%	6%	1%	1%	1%	1%	234% / 2%[2]	11%
Consumer	8% / 4%[2]	3%	0%	12%	6%	23%	1%	1%	-1%	261% / 8%[2]	0%
Mortgage	3% / 1%[2]	1%	2%	-10%		-7%	0%	2%	1%	359% / 5%[2]	-1%
Corporate[1]	6% / 2%[2]	1%	5%	18%		-2%	2%	1%	1%	195% / -1%[2]	31%

Y-o-Y loan volume changes in 4Q 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	25% / 10%[3]	11%	7%	22%	665%	11%	10%	153% / 6%[4]	1%	281% / 17%[2]	16%
Consumer	32% / 14%[3]	25%	2%	19%	665%	43%	22%	135% / 6%[4]	-2%	315% / 24%[2]	5%
Mortgage	10% / 2%[3]	2%	7%	-18%		-20%	2%	93% / 7%[4]	7%	419% / 19%[2]	8%
Corporate[1]	34% / 14%[3]	18%	13%	62%		9%	16%	208% / 6%[4]	-5%	235% / 13%[2]	29%

[1] Loans to MSE and MLE clients and local governments
[2] Without the effect of Vojvodjanska banka acquisition
[3] Without the effect of Splitska banka and Vojvodjanska banka acquisitions
[4] Without the effect of Splitska banka acquisition

Retail loan disbursement showed strong dynamics in 2017 at OTP Core and almost all foreign subsidiaries

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

	Core (Hungary)	DSK (Bulgaria)	OBRu (Russia)	OBU (Ukraine)	OBR (Romania)	OBH (Croatia)	OBS (Slovakia)	OBSr (Serbia)	CKB (Montenegro)
Mortgage loan	30%	50%			69%	22%	-24%	36%	34%
Cash loan*	54%	13%	24%	49%	47%	129%	-9%	27%	-5%

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

The consolidated deposit base increased altogether by 21% y-o-y, the 8% organic growth (without Splitska and Vojvodjanska) was driven by steady inflows in Hungary, but Russia, Ukraine and Serbia performed well, too

Q-o-Q deposit volume changes in 4Q 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 (Montenegro)
Total	6% / 4%[2]	5%	0%	9%	21%	16%	2%	0%	0%	314% / 11%[2]	-2%
Retail	6% / 3%[2]	3%	5%	8%	21%	5%	3%	0%	0%	405% / 0%[2]	3%
Corporate[1]	7% / 5%[2]	7%	-14%	12%		23%	1%	1%	0%	230% / 20%[2]	-9%

Y-o-Y deposit volume changes in 4Q 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 (Montenegro)
Total	21% / 8%[2]	10%	6%	9%	37%	18%	3%	174% / 7%[2]	-6%	340% / 18%[2]	3%
Retail	20% / 7%[2]	9%	9%	7%	37%	1%	1%	117% / 3%[2]	-8%	428% / 5%[2]	4%
Corporate[1]	24% / 10%[2]	12%	-6%	16%		32%	4%	449% / 30%[2]	-2%	256% / 30%[2]	2%

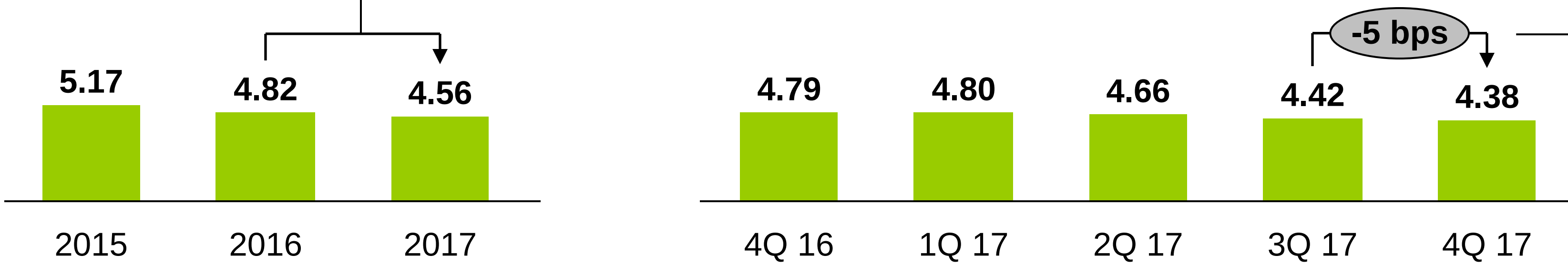
[1] Including SME, LME and municipality deposits
[2] Without the Splitska-effect in Croatia and without the Vojvodjanska banka acquisition in Serbia.

The consolidated net interest margin eroded by 26 bps compared to the full-year 2016 level, of which around 10 bps can be attributed to the dilution effect of Splitska banka. In 4Q 2017 the NIM contraction decelerated

Net interest margin (%)

OTP Group

2017 NIM eroded by **26 bps** compared to FY 2016 level, of which 10 bps was explained by the Splitska consolidation. The NIM change w/o Splitska would have been **-16 bps**



Interest rate effects: **-11 bps**

Capturing asset and liability side interest rate changes as well as one-off items.

o/w		
	OTP Romania	**-6 bps**
	OTP Russia	**-3 bps**
	DSK	**-2 bps**

Composition effects: **+3 bps**

Capturing the weight changes within the Group in LCY terms.

o/w		
	Vojvodjanska	**+3 bps**
	OTP Russia	**+1 bp**

FX rate changes: **+3 bps**

Bulk of this was related to Russia: the appreciating average RUB rate improved the consolidated NIM through the higher share of the high-margin Russian business. Other FX rate changes didn't have material impact.

At OTP Core the q-o-q widening of net interest margin can be explained by technical factors. Croatia and Ukraine remained broadly stable q-o-q. In 4Q the Romanian margin drop was driven by a one-off accounting correction. The Russian margin diminished over the last quarter due lower interest rates on loans

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

	2015	2016	2017	4Q 16	1Q 17	2Q 17	3Q 17	4Q 17	
OTP Core Hungary	3.72	3.48	3.22	3.49	3.31	3.27	3.14	3.16	The quarterly headline NIM increase was due to one-off items positively affecting the q-o-q net interest income dynamics. Without one-offs the 4Q 2017 NIM would have been 3.09%. The underlying decline was partially induced by the q-o-q lower average BUBOR rates.
DSK Bank Bulgaria	5.47	4.60	3.85	4.39	3.92	3.91	3.86	3.72	DSK's q-o-q NIM trajectory was partly driven by the continuing repricing and refinancing of retail loans, and the diluting effect of the q-o-q further increasing average total aset base.
OTP Bank Russia	15.72	17.81	16.91	18.29	17.99	17.60	16.43	15.65	In Russia the annual NIM contraction was explained by a methodology change[1] and the by the gross accounting of intra-group funding transactions (diluting NIMs due to higher total assets). The q-o-q NIM decline was reasoned by the lower interest rate (APR) on loans, while the average deposit interest rates hardly decreased.
OTP Bank Croatia	3.15	3.54	3.27	3.61	3.75	3.67	3.06	3.02	The NIM remained basically flat q-o-q. The annual net interest margin of the Croatian operation declined by 27 bps, predominantly attributable to the dilution effect of the lower margin at Splitska banka.
OTP Bank Romania	3.63	3.40	3.27	3.54	3.67	3.65	3.47	2.34	The significant quarterly drop was driven by a large one-off item relating to accounting corrections: in 4Q 2017 a negative one-off of HUF 2.0 billion appeared on the net interest income line.
OTP Bank Ukraine	8.33	9.02	7.46	7.63	7.74	6.73	7.66	7.72	The NIM remained basically flat q-o-q. The annual NIM decline was mainly driven by a methodology change concerning the accounting of interest income on impaired exposures starting from July and August 2016, reducing interest revenues.

[1] From the beginning of 2017 discounts paid to retail agents related to product sale and certain agent bonuses previously treated as fee expense are now capitalised and treated as part of the amortised cost of the loans, thus these expenses will amortise through interest payment on loans during their lifetime. In 2017 this had around HUF 3 billion negative effect on NII.

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The annual net fee income showed decent growth, fuelled by OTP Core, Russia and Croatia. The quarterly increase was induced by the seasonality at Fund Management, the decline at OTP Core was technical

Effect of acquisitions

NET FEE INCOME	2017 (HUF billion)	4Q 2017 (HUF billion)	2017 Y-o-Y (HUF billion)	2017 Y-o-Y (%)	4Q 2017 Q-o-Q (HUF billion)	4Q 2017 Q-o-Q (%)
OTP Group	209	58	26 33	15%[1]/19%	4.6 5.0	9%
OTP CORE (Hungary)	109	26	9	9%	-2.5	-9%
DSK (Bulgaria)	28	7	2	6%	0.2	3%
OBRU (Russia)	23	6	9	63%/47%[2]	0.9	17%
Touch Bank (Russia)	0	0	1		0.0	-11%
OBU (Ukraine)	10	3	1	11%/19%[2]	0.2	8%
OBH (Croatia)	13	4	0 7	2%[1]/136%	-0.3	-7%
OBS (Slovakia)	4	1	0	11%	0.0	3%
OBR (Romania)	3	1	0	-5%	0.0	-1%
CKB (Montenegro)	3	1	1	27%	0.6	84%
OBSrb (Serbia)	2	1	0 1	13%[1]/38%	0.1 0.5	18%[1]/107%
Fund mgmt. (Hungary)	12	7	2	15%	5.3	323%

1. Az OTP Core the annual growth was broad-based, mainly due to stronger card-related fee income. As for the q-o-q decline, the total annual amount (HUF 1.9 bn) of credit card refunds was booked in lump-sum in 4Q, similar to 2016. HUF 0.5 bn drop is explained by a base effect (reclassification between NII and net fees in 3Q).
2. The strong annual growth of 47% in RUB terms was due to higher insurance fee income on cash loans with insurance policies and other loans expanding fast. Fee expenses dropped due to methodology change (around -HUF 3 bn y-o-y). 4Q q-o-q growth was due to loan volume expansion, and also q-o-q lower commissions paid to POS agents.
3. Splitska delivered HUF 7 billion.
4. Effective from 4Q 2017 the contribution paid into the deposit insurance scheme booked earlier within net fees was shifted to the operating cost line in a lump sum for the whole year (HUF 0.7 bn).
5. Vojvodjanska added HUF 0.4 bn.
6. Success fees were booked in 4Q.

[1] Changes without acquisitions (as for the 2017 y-o-y changes, both Splitska and Vojvodjanska are filtered out; as for the 4Q 2017 q-o-q changes, Vojvodjanska is filtered out).
[2] Changes in local currency.

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The annual other net non-interest income rose by HUF 10 billion, driven by several larger items

Effect of acquisitions

OTHER INCOME without one-off items	2017 (HUF billion)	4Q 2017 (HUF billion)	2017 Y-o-Y (HUF billion)	2017 Y-o-Y (%)	4Q 2017 Q-o-Q (HUF billion)	4Q 2017 Q-o-Q (%)
OTP Group	49	10	6 / 10	17%[1]/27%	-2	-22%[1]/-20%
OTP CORE (Hungary)	22	5	4	19%	1	20%
DSK (Bulgaria)	8	2	6	240%	-1	-22%
OBRU (Russia)	1	0	1		0	-7%
Touch Bank (Russia)	0	0	0	79%	0	12%
OBU (Ukraine)	2	0	0	-13%/-7%[2]	0	6%
OBH (Croatia)	7	2	0 / 3	4%[1]/103%	-1	-36%
OBS (Slovakia)	0	0	0	29%	0	26%
OBR (Romania)	4	2	1	39%	1	93%
CKB (Montenegro)	0	0	-1		0	-76%
OBSrb (Serbia)	1	0	0 / 0	-14%[1]/88%	0 / 0	-148%[1]/152%
Others	4	-1	-4	-51%	-3	-177%

(1) The annual other income of OTP core grew HUF 3.5 bn: 1) higher interest revenues realized on trading securities: +HUF 1.8 bn, 2) other income (not eliminated at Core level) of companies included into Core from 2017 added HUF 1.0 bn. In 4Q the q-o-q change was triggered by the higher interest income on trading securities (+HUF 0.7 bn).

(2) At DSK revaluation gains on derivatives and securities, and a methodology change resulted in HUF 3.7 bn increase; higher treasury income +HUF +0.8 bn. Interest claims related to off-balance sheet items of the Bulgarian factoring company have been revised (+HUF 1.1 billion).

(3) Splitska delivered HUF 3.3 billion. The q-o-q drop was seasonal.

(4) Out of the annual drop of HUF 4 billion, Other Hungarian subsidiaries accounted for HUF 1 billion (some of these entities were included into OTP Core from 2017). Sale and write-off of certain other assets also explained part of the decline.

[1] Changes without acquisitions (as for the 2017 y-o-y changes, both Splitska and Vojvodjanska are filtered out; as for the 4Q 2017 q-o-q changes, Vojvodjanska is filtered out).
[2] Change in local currency.

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Operating costs grew by 10% in 2017, whereas without Splitska and Vojvodjanska the increase was 4.6% on an FX-adjusted basis

Effect of acquisitions

OPERATING COSTS – 2017 (HUF billion)		Y-o-Y (HUF bn)	Y-o-Y (%)	Y-o-Y (FX-adj., HUF bn)	Y-o-Y (FX-adj., %)
OTP Group	442	23 / 41	5.7%[1] / 10.3%	19 / 37	**4.6%[1]** / 9.3%
OTP CORE (Hungary)	215	4	2%	4	2%
DSK (Bulgaria)	47	4	10%	5	11% (1)
OBRU (Russia)	53	9	20%	4	8% (2)
Touch Bank (Russia)	9	2	32%	1	19%
OBU (Ukraine)	16	1	4%	2	12% (3)
OBH (Croatia)	35	0 / 17	2%[1] / 95%	0 / 17	2%[1] / 94% (4)
OBS (Slovakia)	11	0	-2%	0	-2%
OBR (Romania)	18	0	-2%	0	1%
CKB (Montenegro)	8	1	8%	1	8%
OBSrb (Serbia)	9	0 / 2	3%[1] / 24%	0 / 2	2%[1] / 23% (5)
Merkantil (Hungary)	6	0	2%	0	2%

1. At DSK 2017 operating expenses increased by 11% y-o-y (FX-adjusted), the key reasons were the higher personnel costs, IT expenses, charges paid to supervisory authorities and advisory costs related to the business development project in the retail area.

2. In Russia 2017 operating expenses grew by 8% on an FX-adjusted basis, within that both personnel and administrative expenses increased by 10%. Latter was boosted by y-o-y more than doubling marketing spending and surging postal and telco expenses.

3. In Ukraine annual operating expenses grew by 12% y-o-y FX-adjusted amid 14.5% average inflation, fuelled mainly by higher personnel expenses and marketing costs.

4. Splitska banka added HUF 17 billion operating costs between May-December 2017.

5. Vojvodjanska added HUF 1.5 bn.

[1] Without the operating expenses of the newly consolidated entities due to the Splitska and Vojvodjanska transaction.

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OTP Core

The annual profit of OTP Core grew by 38% amid moderating corporate tax burden. In 4Q 2017 both NII and net fee dynamics were influenced by one-off items, whereas costs and risk costs saw a seasonal increase

OTP CORE (in HUF billion)	2016	2017	Y-o-Y	4Q 16	3Q 17	4Q 17	Q-o-Q	Y-o-Y
Profit after tax	**122.2**	**168.6**	**38%**	**23.8**	**46.7**	**31.7**	**-32%**	**33%**
Corporate tax	-29.7	-17.0	-43% 1	-6.2	-3.8	-1.6	-57%	-73%
Before tax profit	**151.9**	**185.6**	**22%**	**30.0**	**50.5**	**33.3**	**-34%**	**11%**
Operating profit w/o one-off items	143.7	150.8	5%	32.5	36.4	33.0	-9%	2%
Total income w/o one-off items	354.7	365.6	3%	89.1	91.0	91.5	1%	3%
Net interest income	235.9	234.3	-1%	60.9	57.9	60.1	4% 2	-1%
Net fees and commissions	100.2	109.1	9%	25.3	28.8	26.2	-9% 3	4%
Other net non interest income without one-offs	18.6	22.2	19%	3.0	4.3	5.2	20%	75%
Operating costs	-211.0	-214.8	2%	-56.7	-54.6	-58.5	7%	3%
Total risk costs	6.1	30.8	404%	-2.6	13.1	0.2	-99%	
Total one-off items	2.1	3.9	89%	0.1	1.0	0.1	-89%	32%

1 Effective from 1 January 2017 the Hungarian corporate tax rate was reduced uniformly to 9%.

2 Despite the decline in net interest margin, the annual net interest income remained almost flat on the back of expanding loan volumes.
4Q net interest income rose by 4% or HUF 2.2 billion q-o-q. This can be partially explained by the continued expansion of performing loans, especially consumer loans. On the negative side, short-term reference rates kept further diminishing: the average 3M BUBOR declined from 99 bps in 2016 to 14 bps in 2017 (-85 bps), whereas its closing rate moved to 3 bps from 37 bps at the end of 2016 (-34 bps).
The quarterly NII dynamics were also shaped by one-off items and base effect, altogether accounting for HUF 1.7 billion NII increase q-o-q.

3 The annual net fee income growth was propelled by stronger card-related fee revenues induced by growing transactional turnover.
In 4Q 2017 net fee income improved by 4% y-o-y, but declined by 9% q-o-q (-HUF 2.5 billion). The total annual amount (HUF 1.9 billion) of credit card refunds was booked in lump-sum in 4Q, similar to the previous year. Furthermore, HUF 0.5 billion q-o-q drop is explained by a base effect (reclassification from NII to net fees in 3Q 2017).

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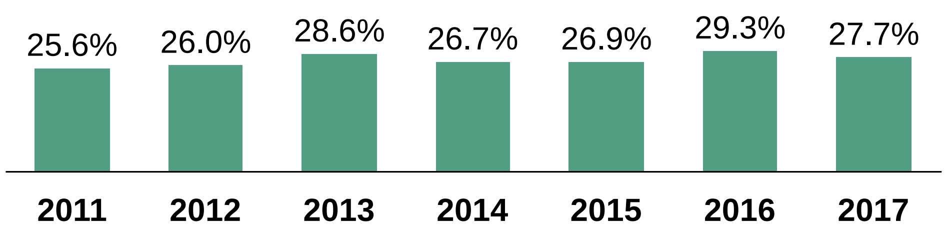
OTP CORE

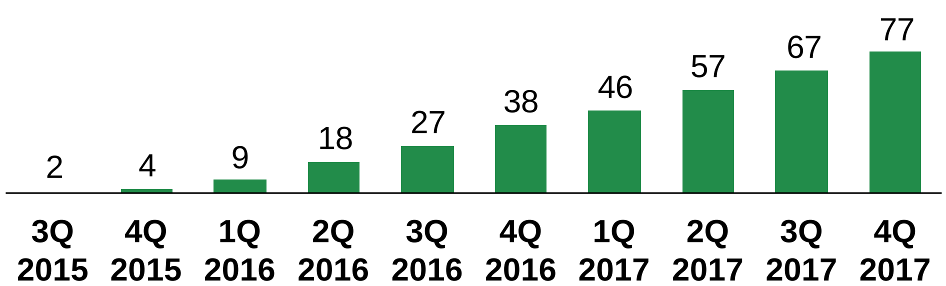
Mortgage loan applications and disbursements accelerated further in Hungary. OTP's market share remained strong in new mortgage and cash loan disbursements, as well as in retail savings

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

OTP's market share in mortgage loan contractual amounts

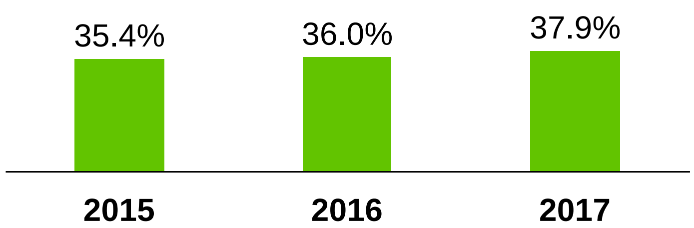


The cumulative amount of non-refundable CSOK subsidies contracted at OTP Bank since the launch of the programme (HUF billion)

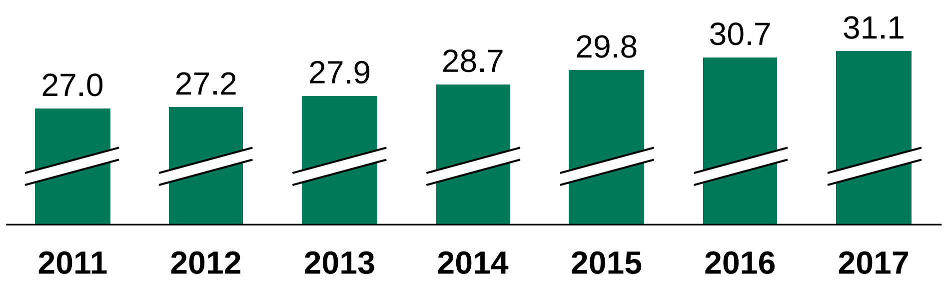


Performing cash loan volume growth in 2017 (FX-adjusted)

Market share in newly disbursed cash loans



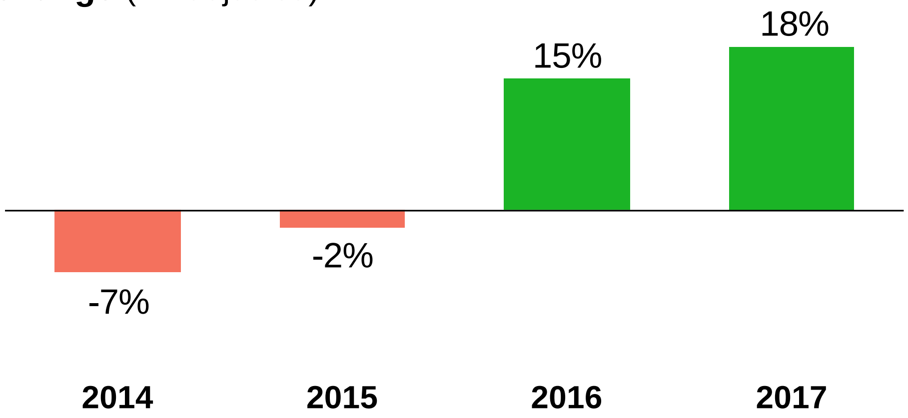
OTP Bank's market share in household savings (%)



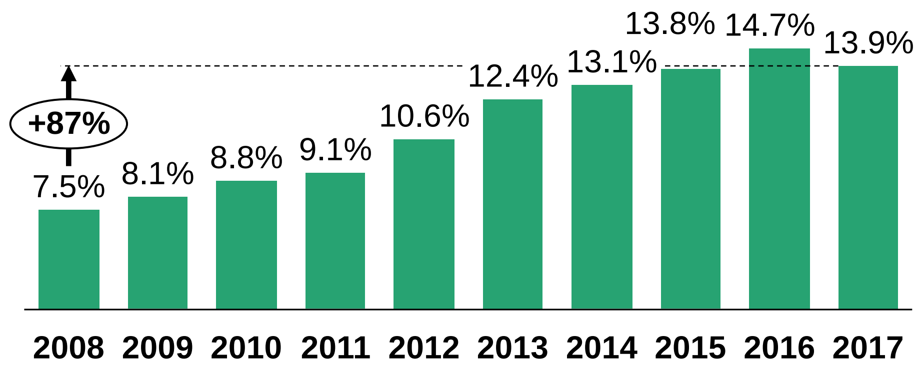
OTP CORE

Corporate business had another successful year in Hungary: both large and SME exposures posted double-digit expansion

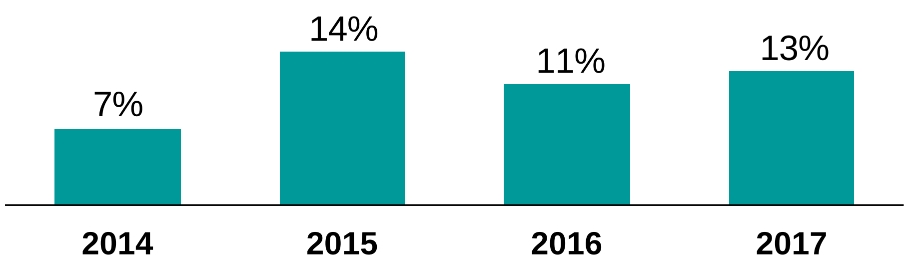
Performing medium and large corporate loan volume change (FX-adjusted)



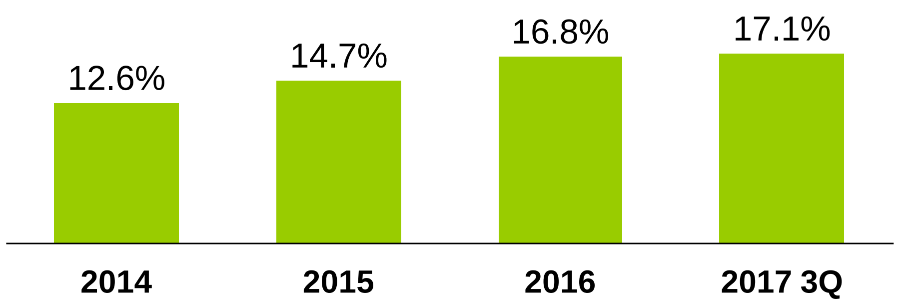
OTP Group's market share in loans to Hungarian companies[1]



Performing loan volume change at micro and small companies (FX-adjusted)



OTP's market share in agricultural loans[2]



[1] 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 2017).
[2] Enterprises conducting agricultural activities. Market share: OTP Bank's estimation.

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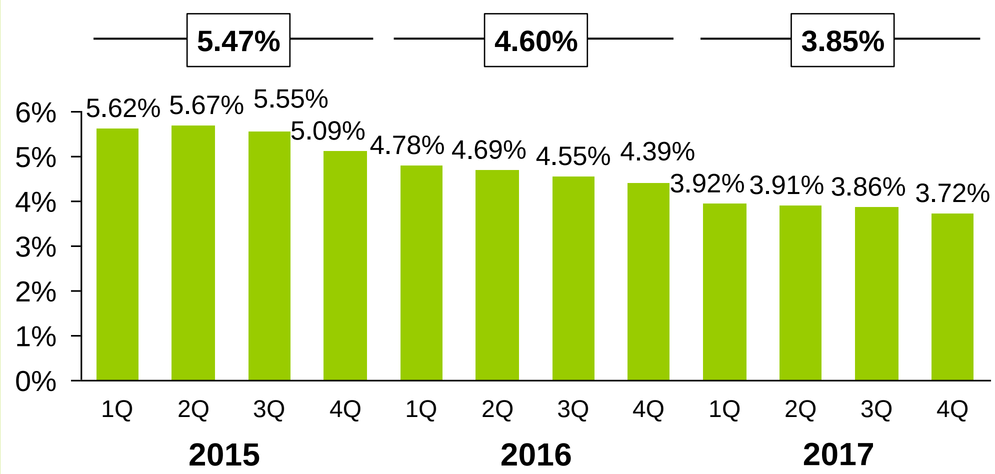
DSK Bank retained its stable profitability (ROE: 20%). Favourable credit quality trends remained intact and NIM erosion moderated in 2017

DSK Bank Bulgaria

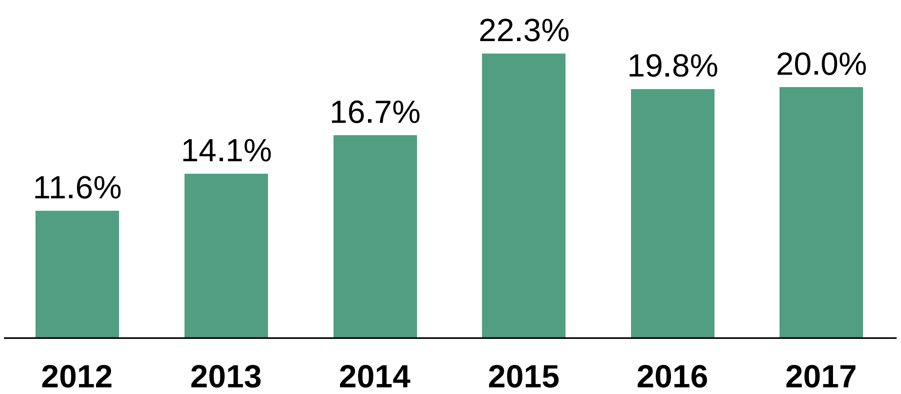
Income statement

(in HUF billion)	4Q 16	3Q 17	4Q 17	Q-o-Q	Y-o-Y
Profit after tax (adjusted)	**4.7**	**11.3**	**10.4**	**-8%**	**123%**
Profit before tax	5.1	12.5	11.3	-10%	123%
Operating profit	17.5	16.0	13.7	-14%	-21%
Total income	28.8	27.4	27.0	-1%	-6%
Net interest income	20.3	17.8	17.8	0%	-13%
Net fees and commissions	6.6	7.1	7.3	3%	11%
Other income	1.9	2.5	1.9	-22%	4%
Operating costs	-11.3	-11.4	-13.3	17%	18%
Total risk cost	-12.4	-3.5	-2.5	-30%	-80%

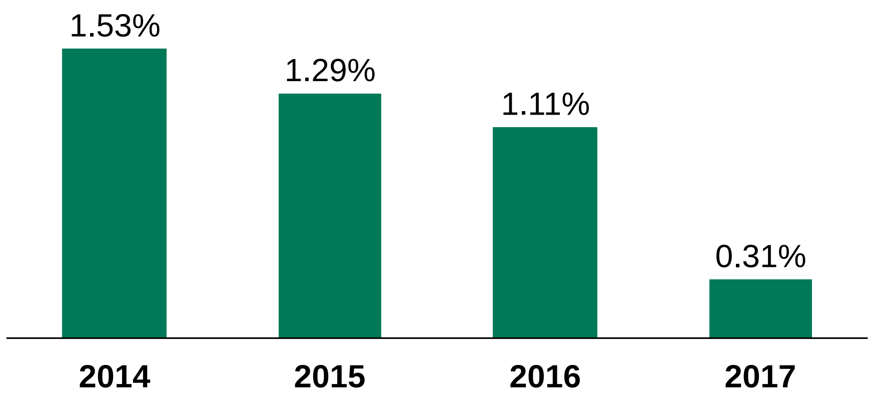
Net interest margin



Return on Equity



Risk cost rate

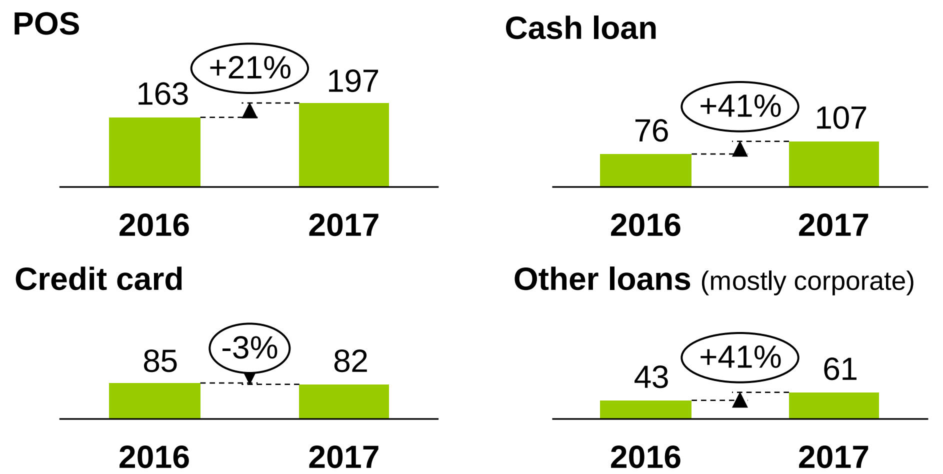


The Russian profit somewhat declined in 4Q, but the annual ROE reached 21%. FX-adjusted performing POS and cash loan volumes as well as corporate loans grew y-o-y due to strong disbursements

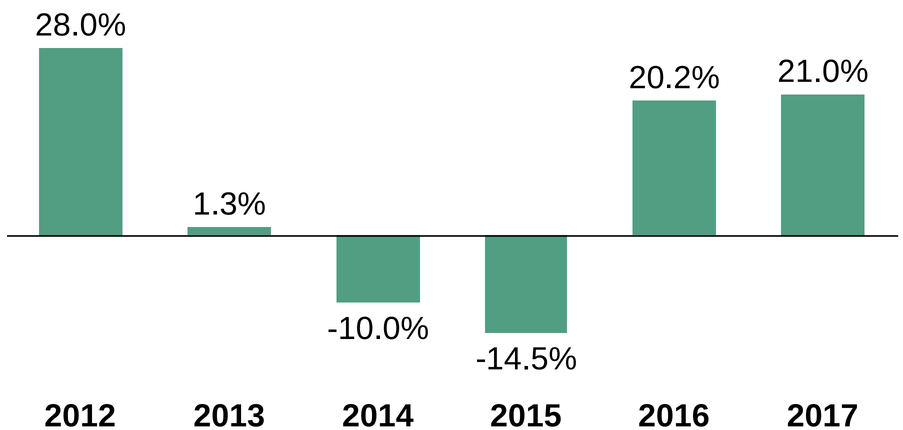
Income statement

(in HUF billion)	4Q 16	3Q 17	4Q 17	Q-o-Q	Y-o-Y
Profit after tax (adjusted)	**4.6**	**6.4**	**6.3**	**-1%**	**39%**
Profit before tax	6.6	8.1	8.0	-2%	22%
Operating profit	16.9	16.6	16.6	0%	-2%
Total income	29.8	29.2	30.7	5%	3%
Net interest income	25.4	23.7	24.4	3%	-4%
Net fees and commissions	3.9	5.2	6.0	17%	54%
Other income	0.4	0.3	0.3	-7%	-34%
Operating costs	-12.9	-12.6	-14.1	12%	9%
Total risk cost	-10.3	-8.5	-8.6	2%	-16%

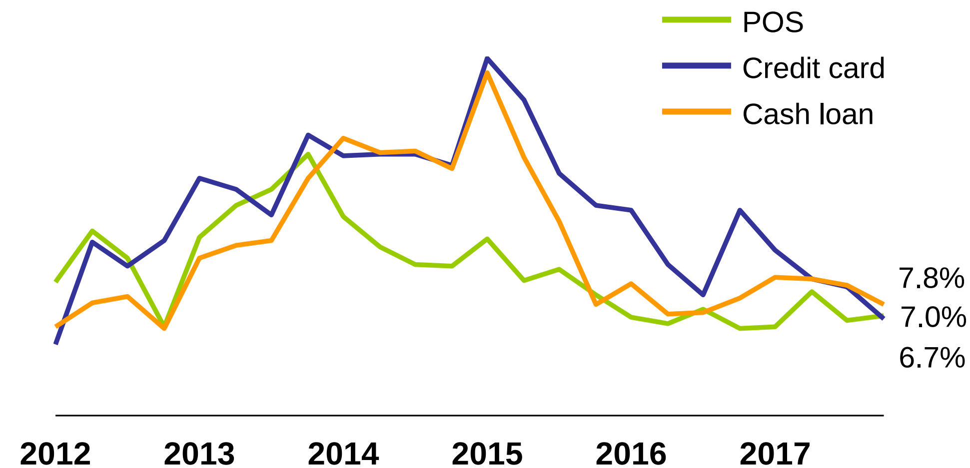
DPD0-90 loan volumes (FX-adjusted, in HUF billion)



Return on Equity

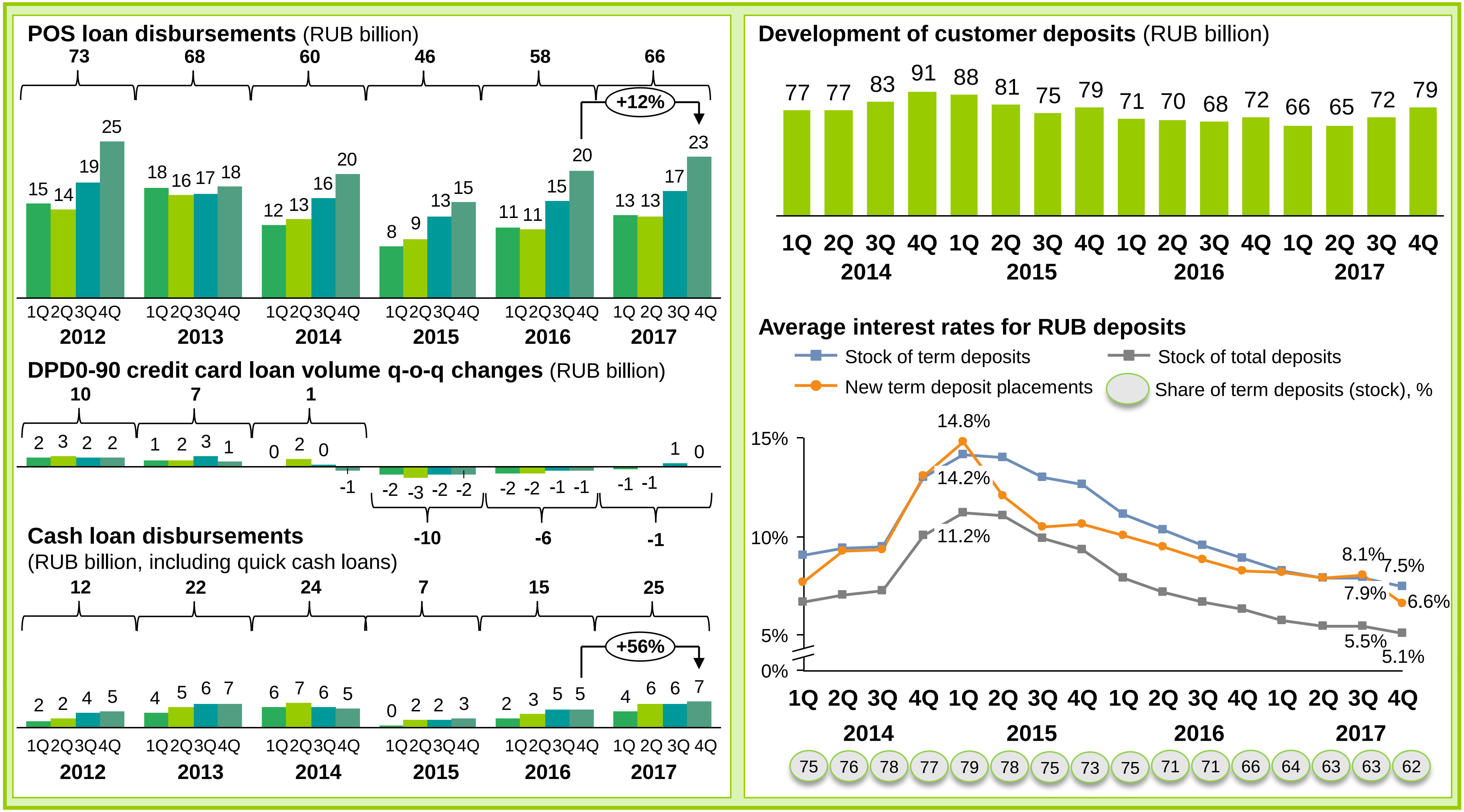


OTP Bank Russia - risk cost rates in different segments



OTP Bank Russia

In 4Q POS and cash loan sales increased significantly, performing credit card volumes kept growing q-o-q. Deposits grew q-o-q in RUB terms. RUB denominated term deposit rates further declined in 4Q



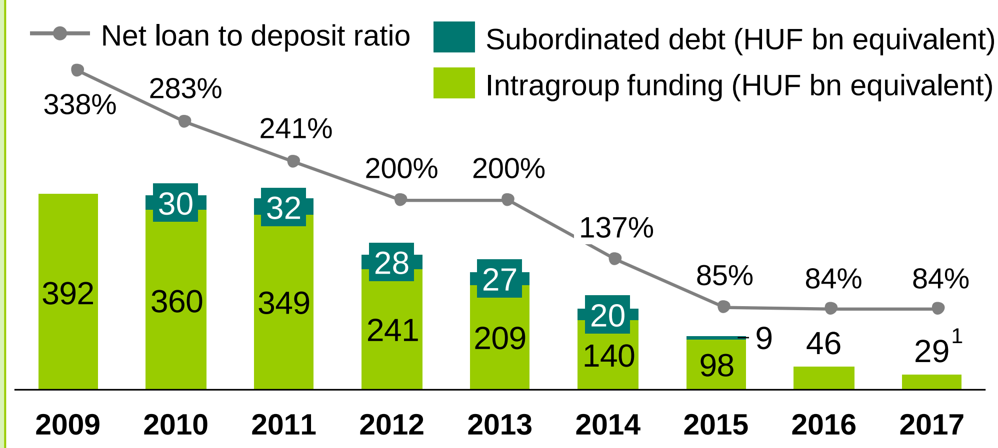
OTP Bank Ukraine

The Ukrainian profit improved q-o-q, the annual ROE (47.1%) was the highest among subsidiary banks of the Group. NIM remained broadly stable in 4Q. Performing loan volumes kept growing

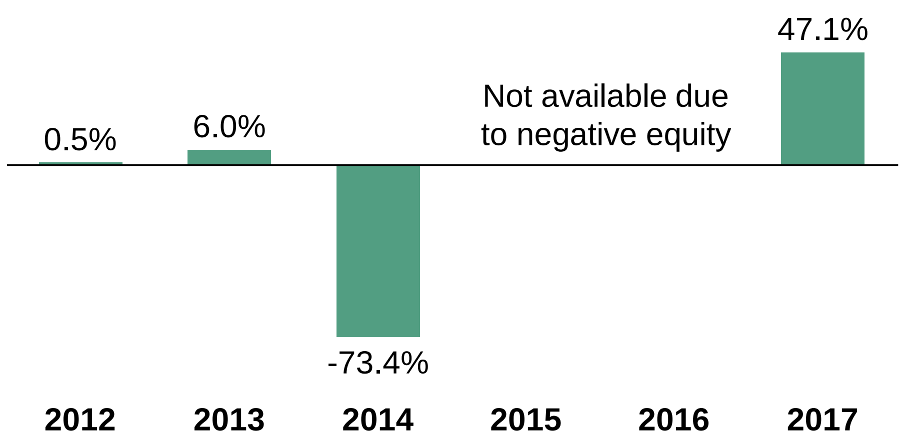
Income statement

(in HUF billion)	4Q 16	3Q 17	4Q 17	Q-o-Q	Y-o-Y
Profit after tax	**2.1**	**3.1**	**5.2**	**71%**	**154%**
Profit before tax	2.2	3.5	6.4	82%	197%
Operating profit	4.3	4.9	4.9	-1%	14%
Total income	8.8	8.7	9.1	5%	4%
Net interest income	5.9	5.9	6.1	3%	3%
Net fees and commissions	2.5	2.5	2.7	8%	9%
Other income	0.5	0.3	0.4	6%	-23%
Operating costs	-4.5	-3.8	-4.3	12%	-6%
Total risk cost	-2.1	-1.4	1.5		

Intragroup funding and net loan to deposit ratio

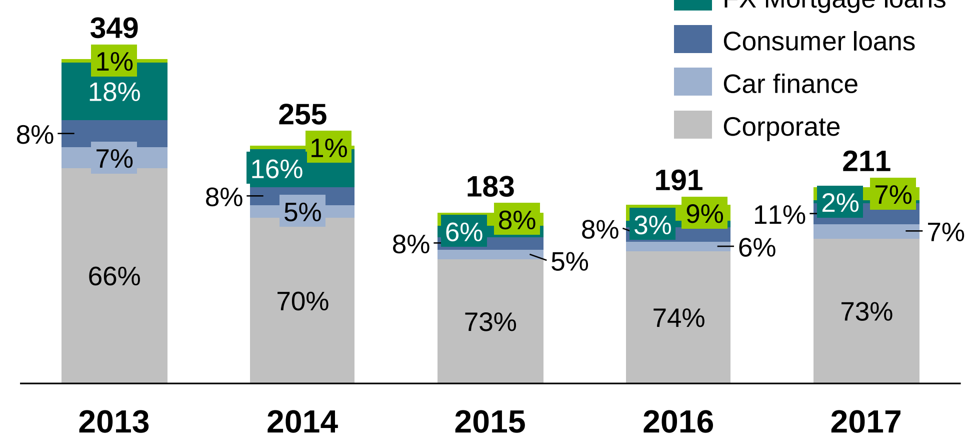


Return on Equity



Composition of performing loan volumes

(in HUF billion, FX-adj.)



[1] Out of the total outstanding intragroup funding exposure of HUF 29.3 billion equivalent toward the Ukrainian operation, HUF 25.4 billion (USD 98 million) was toward the leasing company and HUF 3.9 billion (USD 15 million) was toward the factoring company.

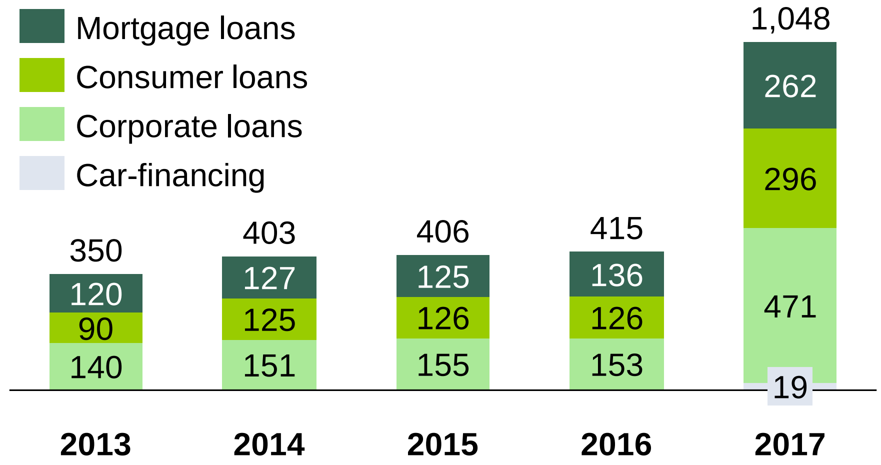
OBH (Croatia)

The 2017 performance of the Croatian operation was boosted by the consolidation of Splitska banka from May. The ROE was the highest in many years

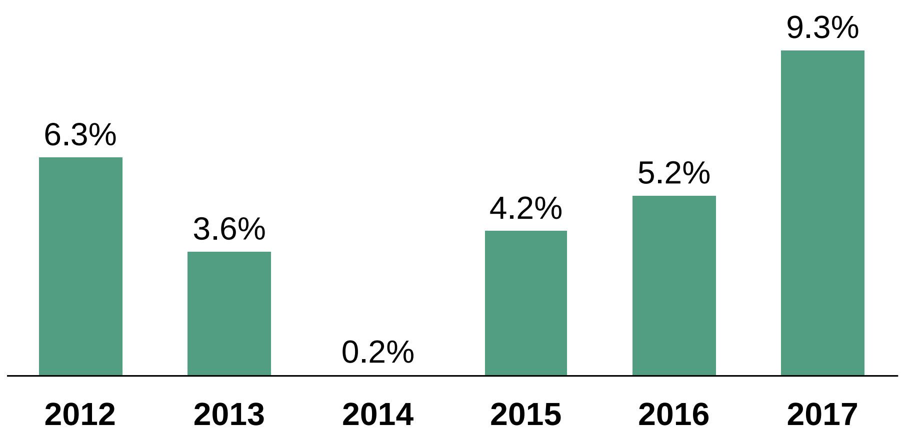
Income statement

(in HUF billion)	4Q 16	3Q 17	4Q 17	Q-o-Q	Y-o-Y
Profit after tax	**0.2**	**6.0**	**6.0**	**1%**	
Profit before tax	0.2	7.6	7.0	-8%	
Operating profit	3.6	9.6	8.7	-10%	142%
Total income	7.9	20.4	19.2	-6%	144%
Net interest income	5.9	13.4	13.5	1%	128%
Net fees and commissions	1.4	4.2	3.9	-7%	181%
Other income	0.6	2.8	1.8	-36%	221%
Operating costs	-4.3	-10.8	-10.5	-2%	146%
Total risk cost	-3.4	-2.0	-1.7	-15%	-50%

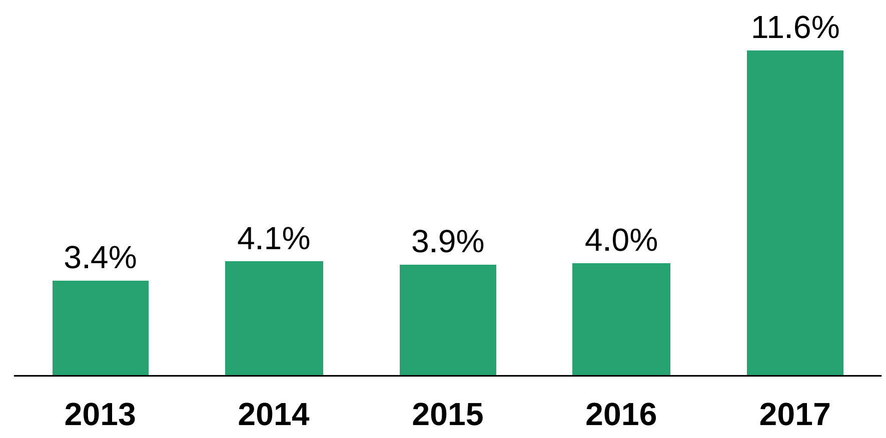
DPD0-90 loan volumes (FX-adjusted, in HUF billion)



Return on Equity



Market share by total assets (%)



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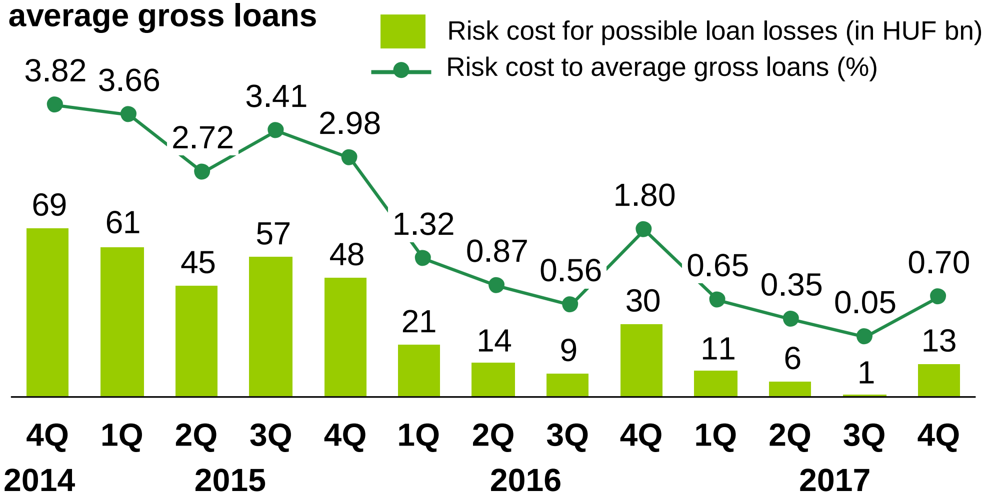
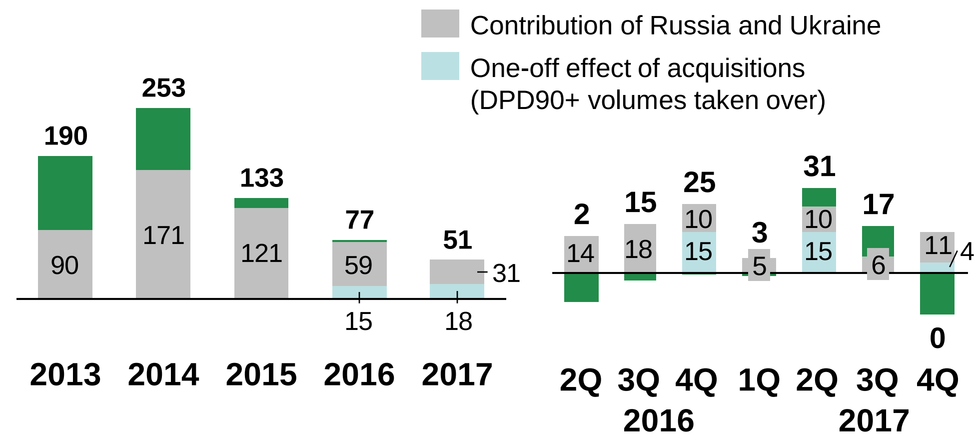
The decline of the consolidated DPD90+ ratio accelerated. The risk cost rate remained at close to multi-year lows despite the seasonal increase in 4Q

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

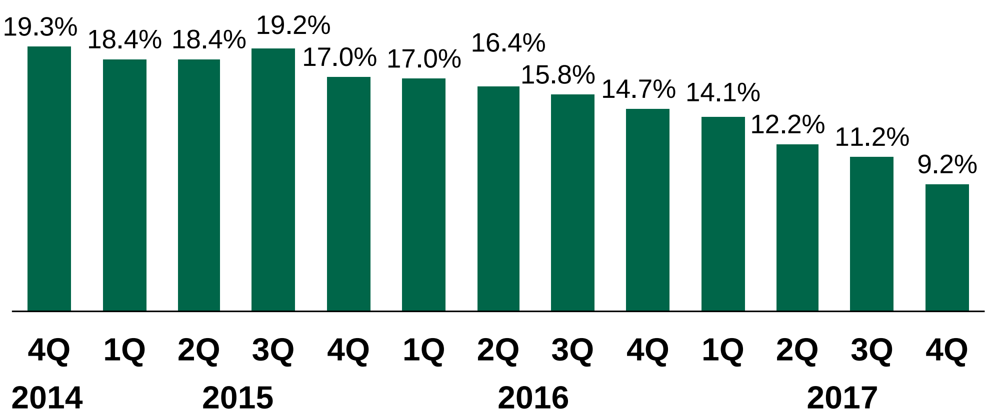


Change in DPD90+ loan volumes

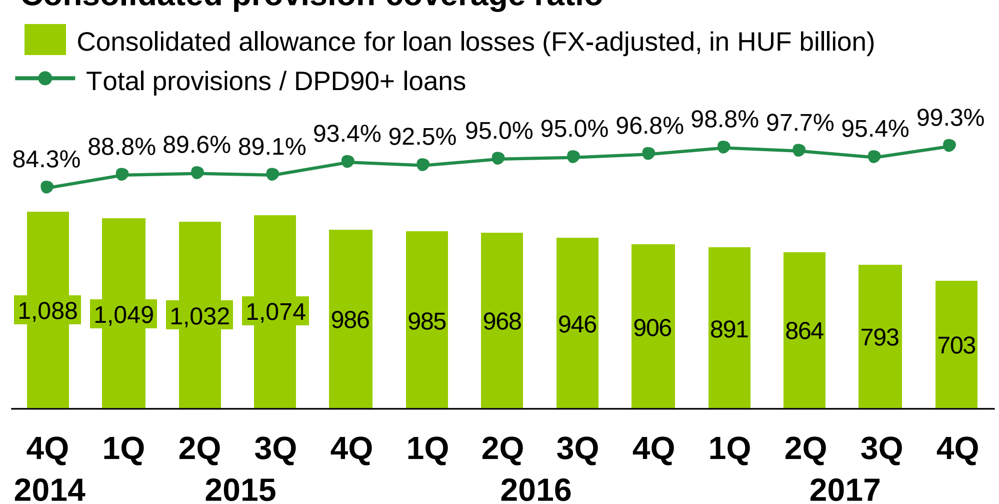
(consolidated, adjusted for FX and sales and write-offs, in HUF billion)



Ratio of consolidated DPD90+ loans to total loans



Consolidated provision coverage ratio



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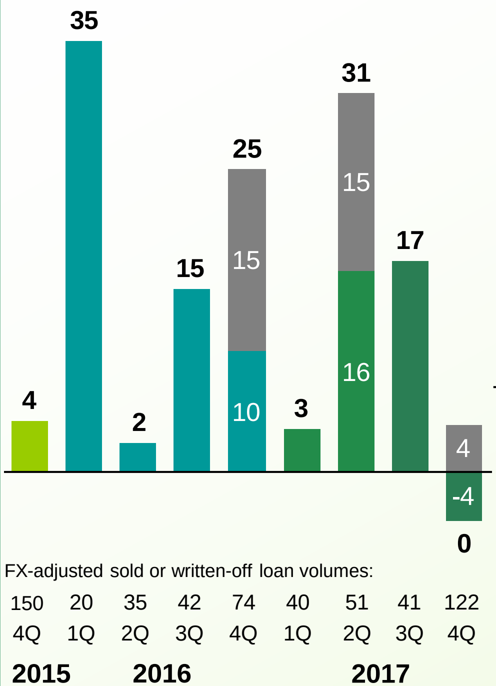
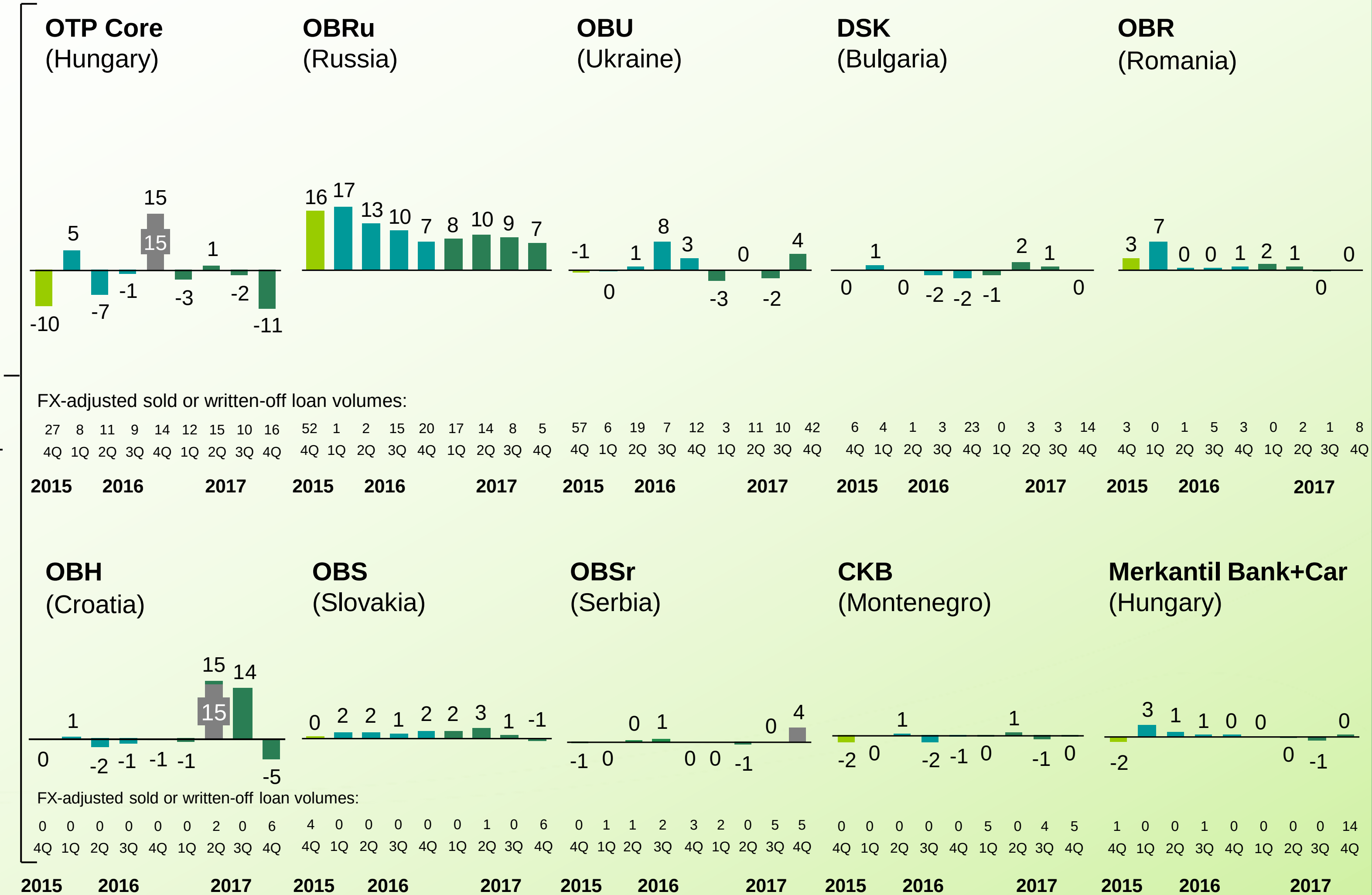
In 4Q 2017 the FX-adjusted DPD90+ formation was zero. OTP Core saw a significant decline. The Russian inflow was below the quarterly average of the last couple of years. In Serbia the increase was related to take-over of Vojvodjanska's portfolio

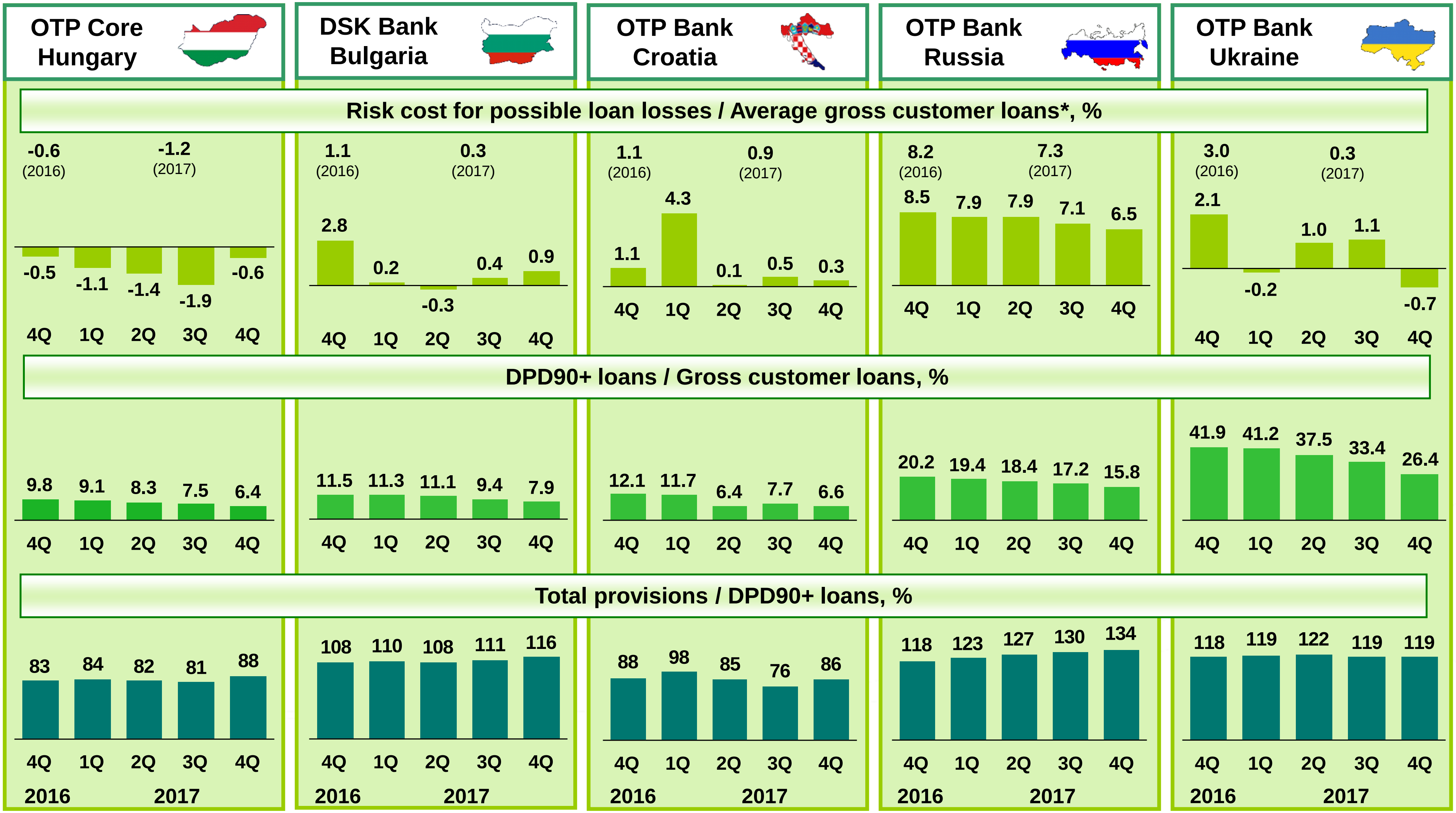
FX-adjusted quarterly change in DPD90+ loan volumes
(without the effect of sales / write-offs, in HUF billion)





One-off effect of the DPD90+ volumes taken over as a result of acquisitions: in 4Q 2016 the portfolio of **AXA**, in 2Q 2017 that of **Splitska banka** and in 4Q 2017 that of **Vojvodjanska banka** was consolidated.

The DPD90+ ratios declined q-o-q in all key geographies. The annual risk cost rates improved compared to 2016. Provision coverage ratios stood at conservative levels



* Negative amount implies provision releases.

At the largest operations the DPD90+ ratios decreased q-o-q, supported mainly by DPD90+ portfolio sales and write-offs

DPD90+ ratio (%)

OTP Core (Hungary)	4Q16	1Q17	2Q17	3Q17	4Q17	Q-o-Q (pp)
Total	**9.8**	**9.1**	**8.3**	**7.5**	**6.4**	*-1.1*
Retail	11.3	10.9	10.3	9.7	8.9	*-0.8*
Mortgage	10.4	10.1	9.8	9.4	8.5	*-0.9*
Consumer	15.2	14.3	12.3	10.9	10.3	*-0.6*
MSE**	6.4	6.5	6.5	6.1	5.1	*-1.0*
Corporate	7.9	6.8	5.4	4.2	2.6	*-1.6*
Municipal	0.3	0.1	0.1	0.1	0.0	*0.0*

DPD90+ ratio (%)

DSK Bank (Bulgaria)	4Q16	1Q17	2Q17	3Q17	4Q17	Q-o-Q (pp)
Total	**11.5**	**11.3**	**11.1**	**9.4**	**7.9**	*-1.5*
Mortgage	16.7	16.5	15.9	13.5	9.9	*-3.6*
Consumer	7.7	8.2	8.4	7.0	7.2	*0.2*
MSE	17.2	17.5	15.9	13.4	9.3	*-4.2*
Corporate	9.6	8.7	8.6	7.4	6.7	*-0.7*

DPD90+ ratio (%)

OTP Bank Croatia	4Q16	1Q17	2Q17	3Q17	4Q17	Q-o-Q (pp)
Total	**12.1**	**11.7**	**6.4**	**7.7**	**6.6**	*-1.1*
Mortgage	8.4	8.2	5.3	5.1	4.9	*-0.2*
Consumer	12.6	12.4	6.8	7.1	6.6	*-0.5*
Corporate	19.2	18.8	10.5	15.0	11.3	*-3.8*
Car-finance	70.7	72.8	0.9	1.0	1.0	*0.0*

DPD90+ ratio (%)

OTP Bank Russia	4Q16	1Q17	2Q17	3Q17	4Q17	Q-o-Q (pp)
Total	**20.2**	**19.4**	**18.4**	**17.2**	**15.8**	*-1.5*
Mortgage	36.9	36.1	37.5	36.7	39.9	*3.2*
Consumer	19.9	19.1	18.3	17.1	15.8	*-1.3*
Credit card	30.8	30.5	29.4	27.8	27.6	*-0.2*
POS loan	11.1	11.7	12.5	11.8	10.4	*-1.4*
Cash loan	22.7	18.7	15.8	15.0	14.7	*-0.3*

DPD90+ ratio (%)

OTP Bank Ukraine	4Q16	1Q17	2Q17	3Q17	4Q17	Q-o-Q (pp)
Total	**41.9**	**41.2**	**37.5**	**33.4**	**26.4**	*-7.0*
Mortgage	72.6	73.2	72.6	73.6	71.1	*-2.5*
Consumer	34.6	31.8	32.5	29.7	20.2	*-9.5*
SME	87.3	87.6	87.8	88.0	81.8	*-6.2*
Corporate	18.6	17.6	13.4	5.9	4.2	*-1.7*
Car-finance	42.6	41.2	35.5	33.5	17.5	*-16.1*

In 4Q 2017 the reported CET1 was 12.7%, but the CET1 capital does not include the 2017 profit less approved dividend; including these the CET1 would be 15.3%. In 2017 the completed acquisitions had on overall CET1 impact of -190 bps

OTP Group consolidated capital adequacy ratios (IFRS)

BASEL III	2012	2013	2014[1]	2015	2016	2017
Capital adequacy ratio	19.7%	19.7%	16.9%	16.2%	16.0%	14.6%
Common Equity Tier1 ratio	15.1%	16.0%	13.5%	13.3%	13.5%/ 15.8%[2]	12.7%/ 15.3%[2] (1)

(1) The 50 bps y-o-y decline of the CET1 ratio (including interim profit less dividend) was driven by the RWA-boosting effect of organic loan growth and the two new acquisitions (Splitska banka in Croatia: -140 bps CET1 effect, Vojvodjanska banka in Serbia -50 bps), which couldn't be fully offset by the internal capital generation. Latter was influenced also by the 15% growth in the indicated dividend amount to be paid out from 2017 earnings.

(2) The 4Q 2017 number is the CAR of OTP banka Srbija which is the owner of Vojvodjanska banka shares. The acquisition of Vojvodjanska banka was completed on 1 December 2017.

(3) The 4Q 2017 number is the CAR of OTP banka Hrvatska which is the owner of Splitska banka shares. The acquisition of Splitska banka was completed on 2 May 2017.

Capital adequacy ratios (under local regulation)

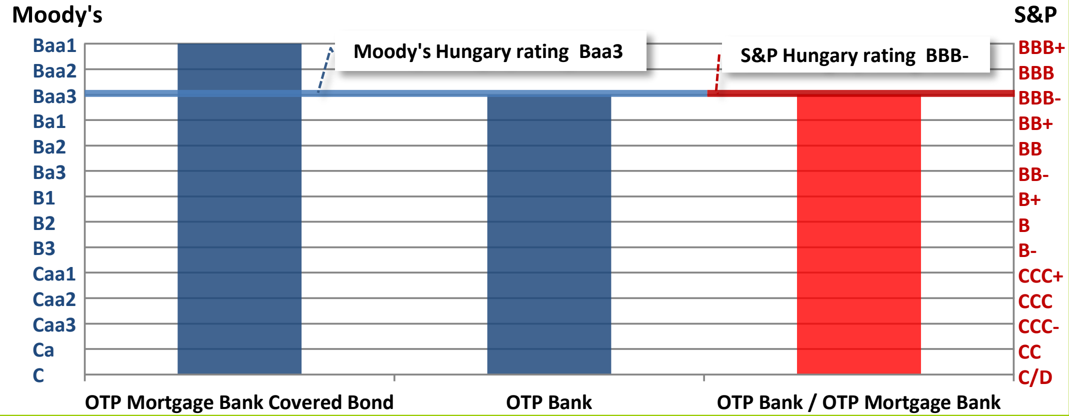
	2012	2013	2014	2015	2016	2017
OTP Group (IFRS)	**19.7%**	**19.7%**	**16.9%**	**16.2%**	**16.0%**	**14.6%**
Hungary	20.4%	23.0%	19.0%	26.6%	27.7%	31.4%
Russia	16.2%	14.0%	12.1%	13.3%	16.2%	15.9%
Ukraine	19.6%	20.6%	10.4%	15.7%	12.4%	15.5%
Bulgaria	18.9%	16.4%	18.0%	17.3%	17.6%	17.2%
Romania	15.6%	12.7%	12.6%	14.2%	16.0 %	14.5%
Serbia	16.5%	37.8%	30.8%	26.1%	22.8%	28.4% (2)
Croatia	16.0%	16.7%	16.5%	15.5%	16.7%	16.5% (3)
Slovakia	12.8%	10.6%	13.7%	13.4%	12.9%	15.0%
Montenegro	12.4%	14.4%	15.8%	16.2%	21.1%	22.6%

[1] Calculated with the deduction of the dividend amount accrued in 2014.
[2] Including the full-year 2016 net profit less accrued dividend.

While OTP Bank ratings closely correlate with the sovereign ceilings, subsidiaries' ratings enjoy the positive impact of parental support

(rating outlook)
+ positive
- negative
0 stable

Hungarian sovereign, OTP Bank and OTP Mortgage Bank ratings



	Moody's	S&P	Fitch	Dagong
OTP Bank	Baa3 (0)	BBB- (0)		BBB+ (0)
OTP Mortgage Bank	Baa1	BBB- (0)		
OTP Bank Russia			BB (0)	

Moody's		S&P Global		Fitch	
Aaa		**AAA**		**AAA**	
Aa1		**AA+**		**AA+**	
Aa2		**AA**		**AA**	
Aa3		**AA-**		**AA-**	
A1		**A+**	SK(0)	**A+**	SK(0)
A2	SK(+)	**A**		**A**	
A3		**A-**		**A-**	
Baa1		**BBB+**		**BBB+**	
Baa2	BG(0)	**BBB**		**BBB**	BG(0)
Baa3	RO(0) HU(0)	**BBB-**	HU(+) RO(0) BG (0) RU(0)	**BBB-**	RU(+) HU(+) RO(0)
Ba1	RU(+)	**BB+**		**BB+**	CR(0)
Ba2	CR(0)	**BB**	CR(+) SRB (0)	**BB**	SRB (0)
Ba3	SRB(0)	**BB-**		**BB-**	
B1	MN(0)	**B+**	MN(0)	**B+**	
B2		**B**		**B**	
B3		**B-**	UA (0)	**B-**	UA (0)
Caa1		**CCC+**		**CCC**	
Caa2	UA(+)	**CCC**		**CCC**	
Caa3		**CCC-**		**CCC**	

Rating history

- OTP Bank Slovakia, DSK Bank Bulgaria, OTP Bank Ukraine and OTP Bank Russia cancelled cooperation with Moody's in 2011, 2013, 2015 and 2016 respectively.
- Currently OTP Bank, OTP Mortgage Bank and OTP Bank Russia have solicited ratings from either Moody's, S&P Global, Fitch or Dagong.

OTP Group related rating actions

- Moody's has upgraded **OTP Bank**'s long-term foreign currency deposit rating to Baa3 with a stable outlook and **OTP Mortgage Bank**'s covered bonds rating to Baa1. *(07 November 2016)*
- S&P raised its long- and short-term foreign and local currency counterparty credit ratings on **OTP Bank** and **OTP Mortgage Bank** from BB+/B to BBB-/A-3 with stable outlook *(24 July 2017)*.
- Moody's upgraded **OTP Bank**'s long and short-term local-currency deposit ratings to Baa2/Prime-2 from Baa3/Prime-3. The long-term foreign currency deposit rating was affirmed at Baa3. Both long-term deposit ratings carry stable outlook. At the same time the junior subordinated rating of the bank was raised by one notch to Ba3 (hyb). Furthermore the rating agency upgraded the backed long-term local-currency issuer rating of **OTP Mortgage Bank** to Baa3 from Ba1, with stable outlook. *(19 October 2017)*
- Dagong Global has assigned a Long-Term Credit Rating of BBB+ and equivalent Short-Term Credit Rating of A-2 to **OTP Bank.** The Outlook is stable. *(22 November 2017)*

Recent sovereign rating developments

- S&P upgraded **Bulgaria**'s ratings to BBB- from BB+, with stable outlook. *(1 December 2017)*
- Fitch upgraded **Serbia**'s ratings to BB from BB-, with stable outlook. *(15 December 2017)*
- S&P upgraded **Serbia**'s ratings to BB from BB-, with stable outlook. *(15 December 2017)*
- Fitch upgraded **Croatia**'s ratings to BB+ from BB, with stable outlook. *(12 January 2017)*
- Moody's has changed the outlook on **Russia**'s Ba1 rating to positive from stable. (25 *January 2018)*
- S&P upgraded **Russia**'s ratings to BBB- from BB+, with stable outlook. *(23 February2018)*

Last update: 23/02/2018
Sovereign ratings: long term foreign currency government bond ratings,
OTP Mortgage Bank Moody's rating: covered bond rating; Other bank ratings: long term foreign currency deposit ratings
Abbreviations: BG - Bulgaria, CR - Croatia, HU - Hungary, MN - Montenegro, RO - Romania, RU - Russia, SRB - Serbia, SK - Slovakia, UA - Ukraine

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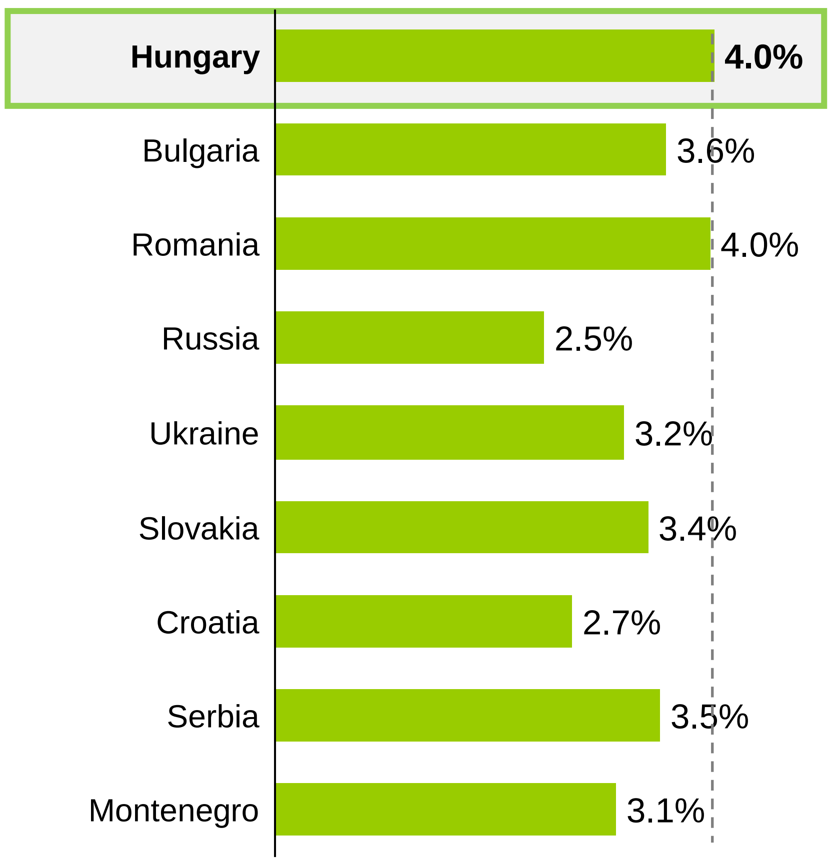
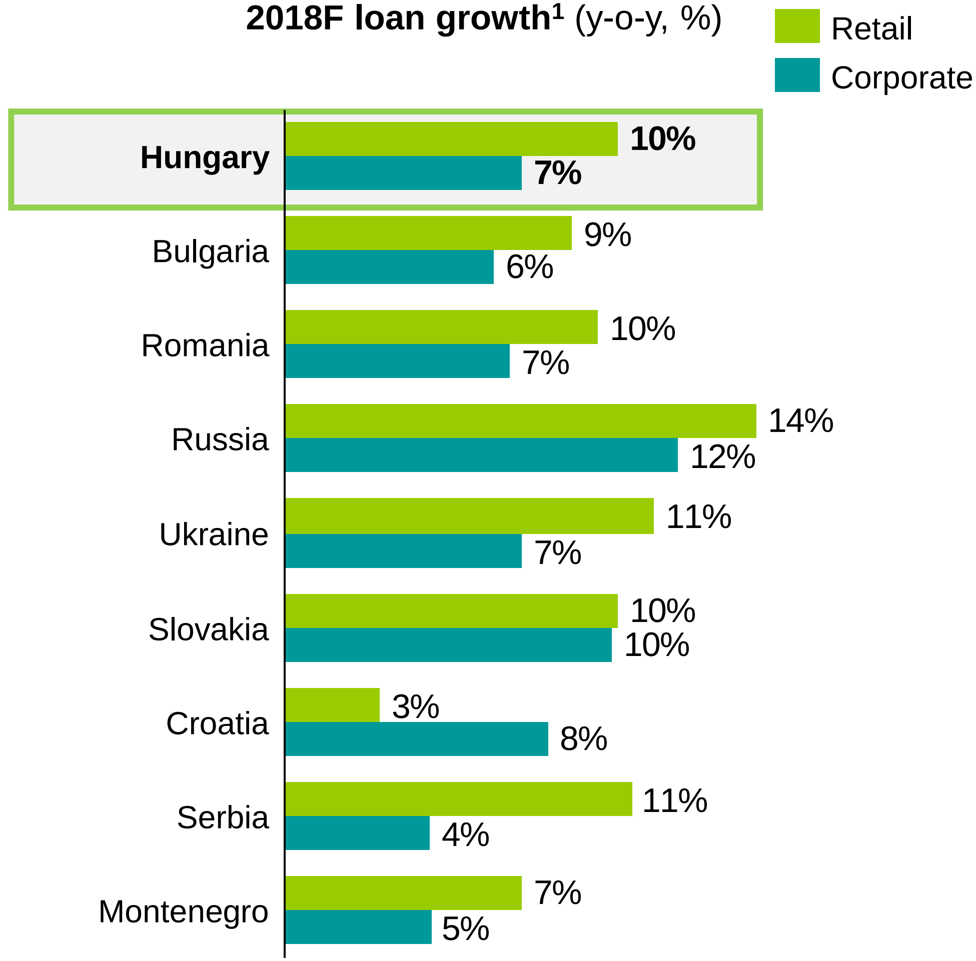
In 2018 the GDP is expected to continue to grow dynamically in Hungary and in other Group members' countries, inducing healthy growth in loan volumes

2018F GDP growth (y-o-y, %)



2018F loan growth[1] (y-o-y, %)



[1] 2018 net loan flow / end of previous year volume

Management expectations for 2018 – 1.

The ROE target of above 15% (assuming 12.5% Common Equity Tier1 ratio) announced at the 2015 Annual General Meeting remains in place.

Apart from the negative impact of the Hungarian and Slovakian banking tax (HUF 15 billion after tax) further acquisitions may result in material adjustment items.

The FX-adjusted growth of performing loans – without the potential effect of further acquisitions – may be close to the 2017 organic growth (+10%). Within that, the increase of household exposures may intensify, whereas the pace of corporate book expansion – following an outstandingly strong performance in 2016 and 2017 – may somewhat decelerate.

The net interest margin erosion may continue, compared to the 4Q 2017 level (4.38%) the annual NIM may contract by around another 10-15 bps. The forecast does incorporate the effect of acquisitions completed in 2017, however doesn't include the impact of further potential acquisitions.

Positive credit quality trends may continue with the DPD90+ ratio further declining, however total risk costs may increase as a result of higher loan volumes, the introduction of IFRS 9 and the presumably lower provision releases compared to 2017.

The increase of FX-adjusted operating expenses without acquisition effect may exceed the 2017 dynamics and be around 6% y-o-y as a result of wage inflation and on-going digital transformation.

The expected amount of proposed dividend to be paid after the 2018 financial year depends on the future acquisitions

Management expectations for 2018 – 2.

Beyond the capital required for organic growth the management intends to allocate significant part of the generated excess capital for further value-creating acquisitions:

- **The dividend amount to be paid from 2018 earnings depends primarily on the impact of completed future acquisitions. Subject to these deals, the final dividend proposal will be decided at the beginning of 2019.**
- **As for the indicated / deducted dividend amount presented among the financial data in the quarterly Stock Exchange Reports in 2018, the basis for the calculation will be the dividend proposal after the 2017 financial year (HUF 61.32 billion). However, the final dividend proposal can differ from this amount.**

Content

Investment Rationale 3-15

4Q 2017 Financial Performance of OTP Group 17-48

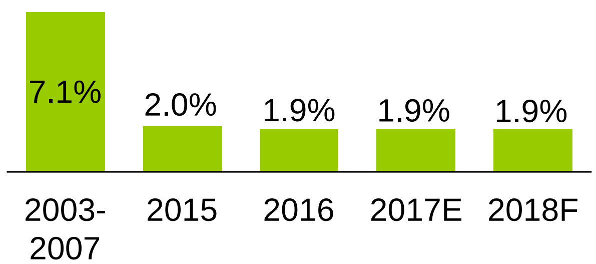
Macroeconomic overview 50-56

Hungary’s economy grew by 4.0% and we forecast a similar rate for 2018. Domestic demand is expected to give the main impetus to growth

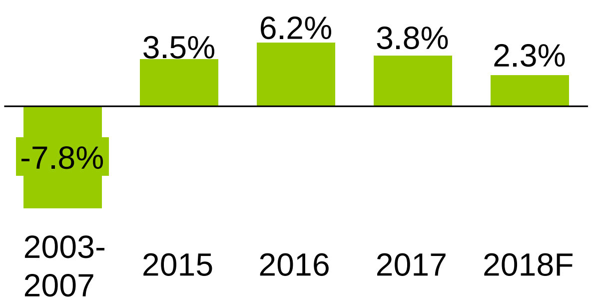
Hungary

Balance

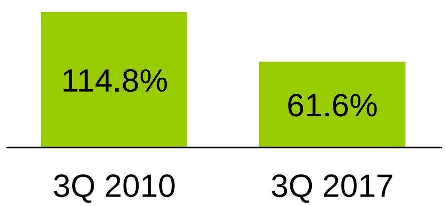
Budget deficit



Current account balance

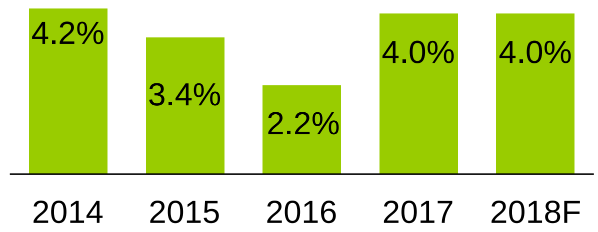


Gross external debt[1] (in % of GDP)

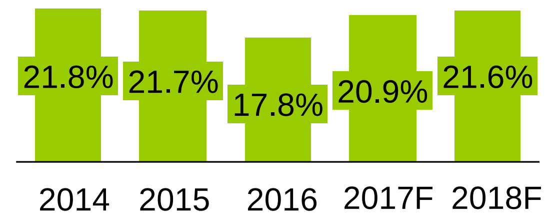


Growth

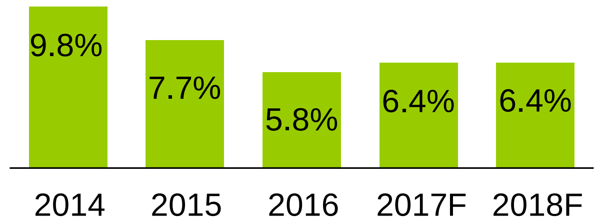
Real GDP growth



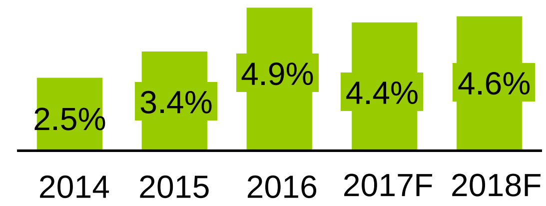
Investment to GDP



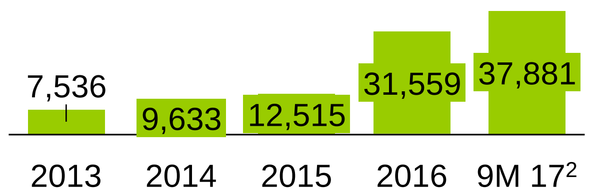
Export growth



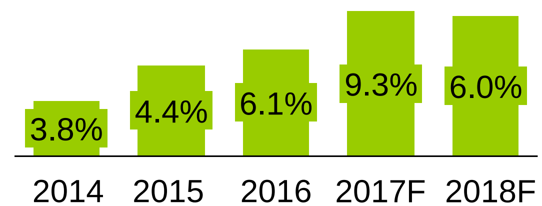
Household consumption



Housing construction permits



Real wage growth



Source: CSO, NBH; forecasts: OTP Research Centre

[1] Without inter-company loans

[2] Annualized

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Hungary

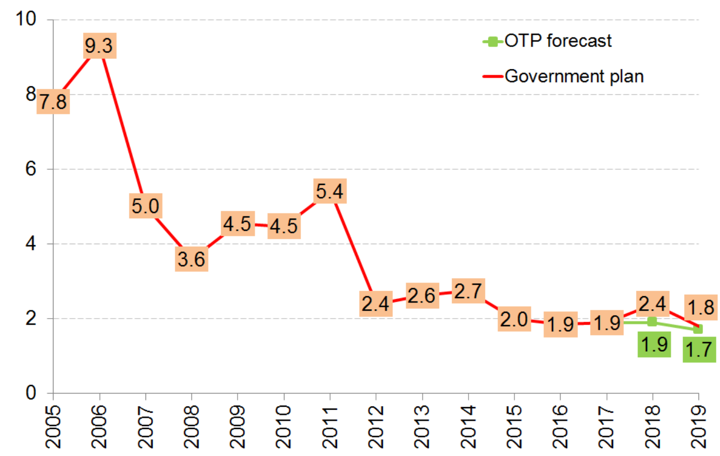
The budget deficit is expected to remain near 2%, public debt is likely to maintain its downward trend. Hungary's current account surplus remained high, while external indebtedness fell further

The ESA deficit remained near 2% in 2017, but the pre-financing of EU funds raised the short term financing need of the government considerably.

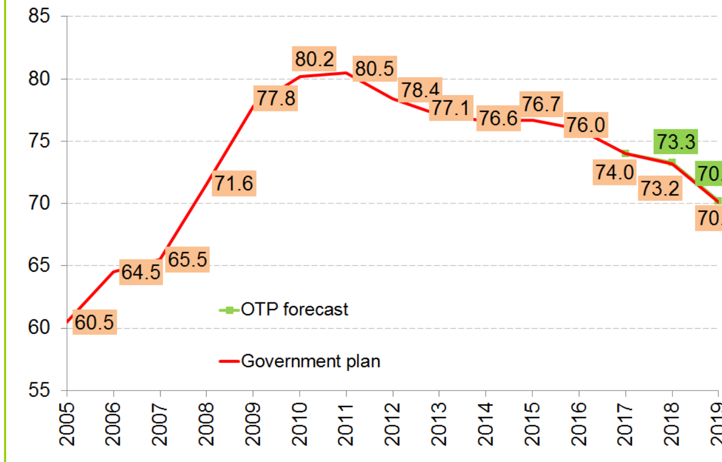
Nonetheless, government debt continued to decrease gradually, even after including Eximbank in the public sector (from 76% in 2016 to 74% in 2017). There remains room in the budget to boost the economy after 2018 when the inflow of EU funds starts to decline.

After hitting an all-time high of 6.2% of GDP in 2016 as a whole, Hungary's C/A surplus started to moderate slowly due to stronger internal demand. The decrease in external debt went on, gross external debt fell below 62% of GDP in 3Q, very close to levels characteristic for the CEE region, while net and short-term debt moderated to 15%.

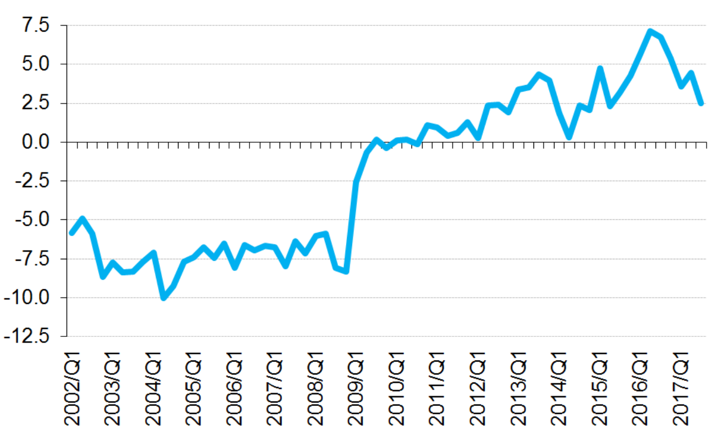
Budget balance (as % of GDP)



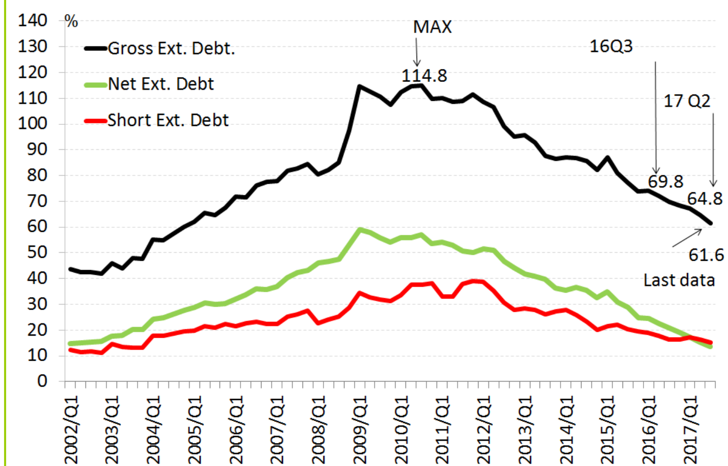
Public debt (as % of GDP, including Eximbank)



Current account balance (as % of GDP)



External debt indicators (as % of GDP)



Sources: HCSO, MNB, Ministry for National Economy, OTP Research
The net financial capacity shows the amount of absorbed external funding / accumulated foreign assets in a period (equal to the sum of the current account balance + capital balance (EU funds) + Net errors and omissions)

Hungary

Monetary conditions are likely to remain very relaxed for an extended period

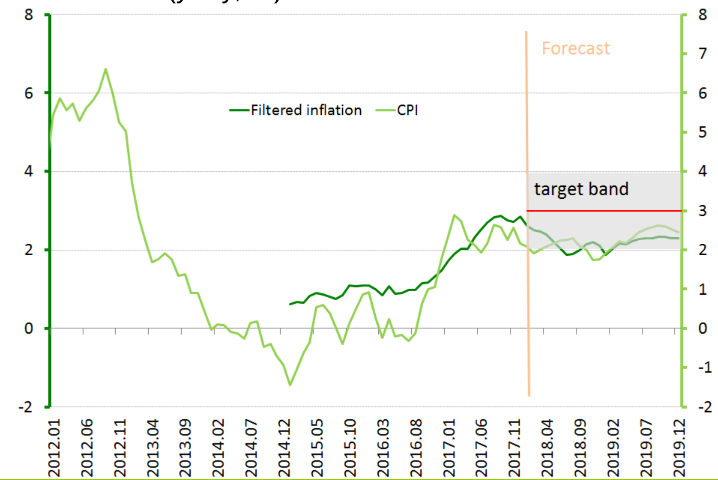
CPI turned down over the last third of 2017 and we expect it to stay around 2.0% y-o-y for a while from December 2017 onward.

In 2018 country specific one-offs as well as general effects will keep the inflation low. VAT cuts and further reduction of employers' social security contribution reduces the need for price hikes while base effects of 2017 excise duty hikes on tobacco products and the rally of milk prices will fade away. Besides, commodity prices are likely to remain subdued while imported inflation still do not show signs of severe acceleration.

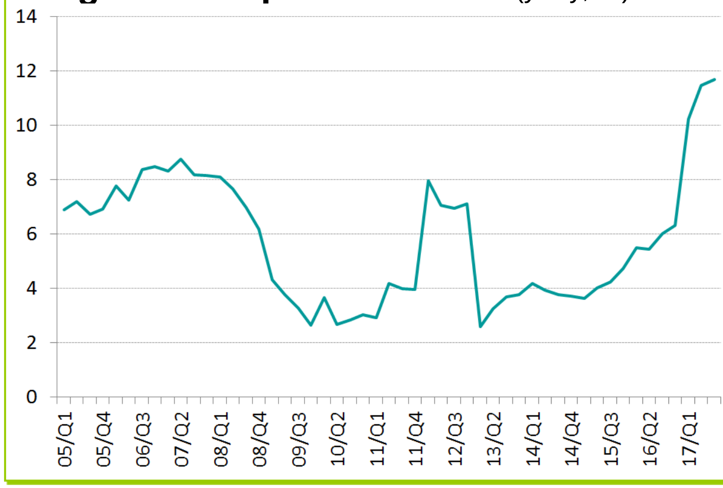
As a result, the central bank will not be in hurry to tighten monetary policy conditions. Our baseline scenario is that the 3M deposit rate will remain 0.9% well into 2019 and the 3M BUBOR (which can be considered as an effective monetary policy rate now) will be close to zero at least until the second half of 2019.

However, as international sovereign yields rises the central bank has to adjust its policy: in 2018 January the bank indicated that it will pay attention to the relative position of long yields.

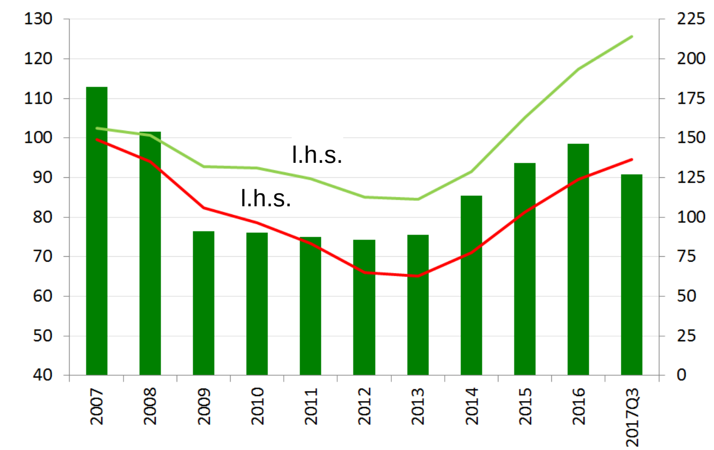
Inflation (y-o-y, %)



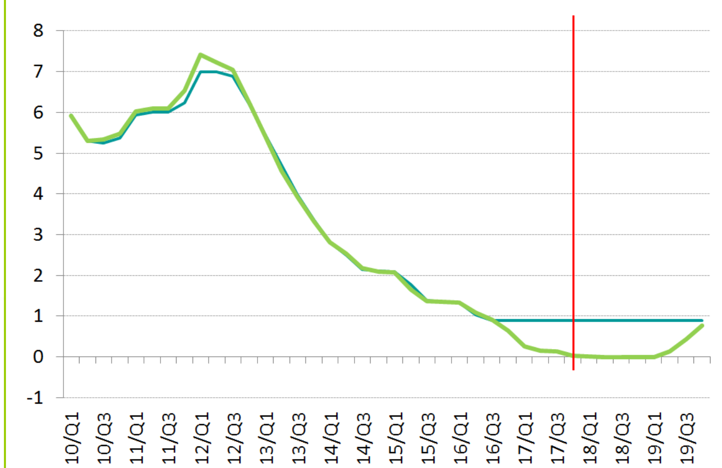
Wages in the private sector (y-o-y, %)



Real estate market indicators (nominal and real prices, 2007=100; transactions** in thousand units, r.h.s.)



Base rate & 3M BUBOR (%)



Sources: HCSO, NBH, Reuters, OTP Research
**2017 data is annualized

Hungary

GDP growth accelerated to 4% in 2017 and may remain the same in 2018 with domestic demand being the key growth drivers

Key economic indicators	2013	2014	2015	2016	OTP Research 2017F	OTP Research 2018F	Focus Economics* 2017F	Focus Economics* 2018F
Nominal GDP (at current prices, HUF billion)	30 127	32 400	33 999	35 005	**37 520**	**39 998**	**37 621**	**39 951**
Real GDP change	2.1%	4.2%	3.4%	2.2%	**4.0%**	**4.0%**	**3.9%**	**3.6%**
Household final consumption	0.5%	2.1%	3.1%	4.2%	**3.4%**	**4.0%**	**4.1%**	**4.0%**
Household consumption expenditure	0.2%	2.5%	3.4%	4.9%	**4.4%**	**4.6%**		
Collective consumption	6.5%	9.2%	0.6%	0.1%	**-1.9%**	**1.1%**	**-0.5%**	**1.4%**
Gross fixed capital formation	9.8%	9.9%	1.9%	-15.5%	**21.5%**	**7.4%**	**19.2%**	**8.8%**
Exports	4.2%	9.8%	7.7%	5.8%	**6.4%**	**6.4%**		
Imports	4.5%	10.9%	6.1%	5.7%	**8.1%**	**6.3%**		
General government balance (% of GDP)	-2.6%	-2.8%	-2.0%	-1.9%	**-1.9%**	**-1.9%**	**-2.2%**	**-2.4%**
General government debt (% of GDP ESA 2010)	76.3%	75.6%	75.5%	74.7%	**72.1%**	**71.3%**	**72.6%**	**71.0%**
Current account (% of GDP)**	3.8%	1.5%	3.5%	6.2%	**3.8%**	**2.3%**	**3.6%**	**3.0%**
Gross external debt (% GDP)***	86.5%	81.9%	73.6%	68.9%				
FX reserves (in EUR billion)	33.8	34.6	30.3	24.4				
Gross real wages	2.0%	3.8%	4.4%	6.1%	**9.3%**	**6.0%**		
Gross real disposable income	1.0%	4.4%	4.4%	2.3%	**4.8%**	**3.8%**		
Employment (annual change)	1.7%	5.3%	2.7%	3.4%	**1.7%**	**0.6%**		
Unemployment rate (annual average)	10.2%	7.7%	6.8%	5.1%	**4.2%**	**4.2%**	**4.2%**	**4.0%**
Inflation (annual average)	1.7%	-0.2%	-0.1%	0.4%	**2.4%**	**2.0%**	**2.3%**	**2.6%**
Base rate (end of year)	3.00%	2.10%	1.35%	0.90%	**0.90%**	**0.90%**	**0.90%**	**0.93%**
1Y Treasury Bill (average)	4.11%	2.28%	1.17%	0.77%	**0.09%**	**0.01%**		
Real interest rate (average. ex post)****	2.3%	2.5%	1.2%	0.4%	**-2.3%**	**-1.9%**		
EUR/HUF exchange rate (end of year)	296.9	314.9	313.1	311.0	**310.1**	**308.0**	**311.0**	**308.0**

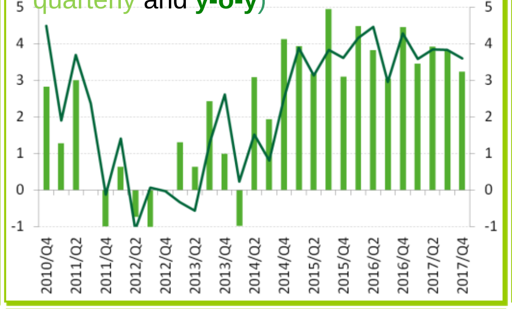
Source: Central Statistical Office. National Bank of Hungary. OTP Bank. * February 2018 consensus . **Official data of balance of payments (excluding net errors and omissions). *** w/o FDI related intercompany lending. last data.
**** = (1+ Yield of the 1Y Treasury Bill (average)) / (1+ annual average inflation) – 1

Bulgaria: maintained good economic performance; Croatia: solid GDP growth, improving balance indicators; Romania: stellar GDP growth, the budget execution remains the main risk

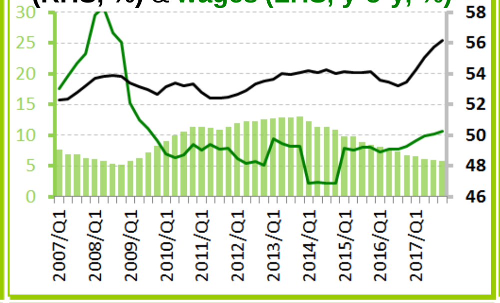
Bulgaria

GDP growth remained robust in 4Q reaching 3.6% y-o-y and 0.8% q-o-q. In 2017 consumption growth accelerated, investments also bounced back, while the contribution of net exports decreased. These patterns are expected to go on as unemployment rate fell below 6% and wage growth accelerated, supporting consumption and the property market, where price growth gradually accelerate and building permits are on the rise.

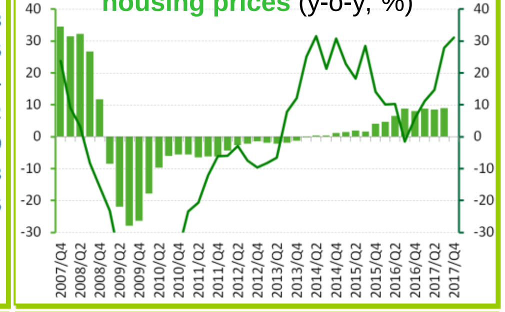
Real GDP growth (%, SA, annualized quarterly and **y-o-y**)



Unemploy. (LHS, %), activity rate (RHS, %) & **wages (LHS, y-o-y, %)**



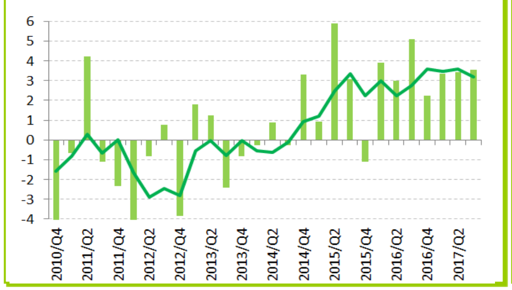
Building permits (4Q y-o-y %) & **housing prices** (y-o-y, %)



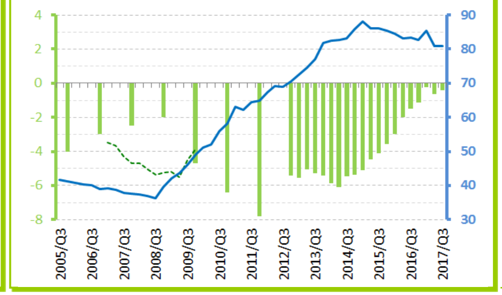
Croatia

GDP growth accelerated to 3.3% y-o-y NSA in 3Q 2017, household consumption posted 3.7% yearly gain. In 3Q tourist arrivals hit new all-time high, boosting the retail sector turnover. Budget is in good shape with 0.4% 4Q rolling deficit in 3Q 2017; government debt sank to 81% of GDP. Unemployment rate dropped to 10%, wage growth hits decade high and accelerates further. Loan flows exceeded zero this year, though in 2H they declined a bit.

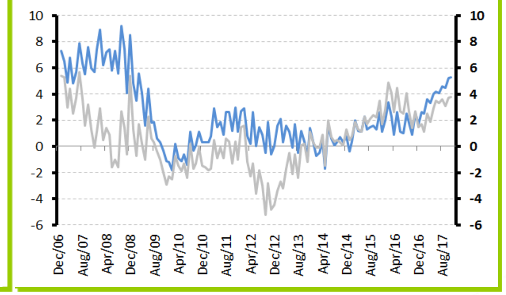
Real GDP growth (%, SA, annualized quarterly and **y-o-y**)



Budget deficit (LHS, **ESA**), **Debt (RHS)** in % of GDP



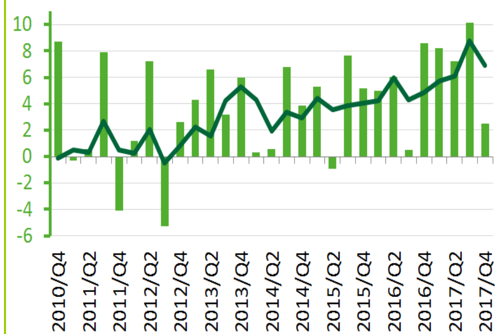
Wage growth, **gross** & **real gross** (y-o-y; %)



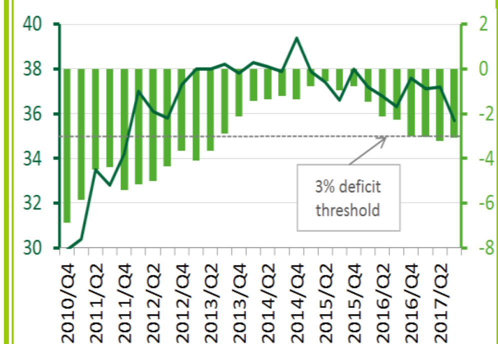
Romania

In 2017 as a whole and in 4Q, GDP increased by 7% y-o-y, while q-o-q growth was 0.6% in the last quarter. Last year's growth was boosted by loose fiscal and monetary policies, and by an exceptional agricultural harvest. Growth have started to converge toward a more sustainable pace in 4Q as fiscal and monetary stimulus moderates. Due to overheating fears and the pick up in inflation the NBR started rate normalization, by narrowing the interest rate corridor, and by lifting the key rate twice in 1Q 2018.

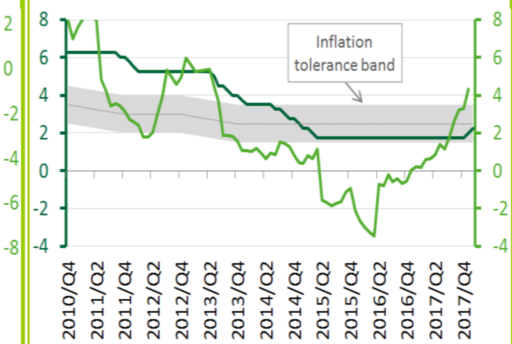
Real GDP growth (%, SA annualized q-o-q and NSA y-o-y)



ESA-2010 deficit (4Q avg., r.h.s.), **debt** (in % of GDP, l.h.s)



Headline inflation (y-o-y; %), **policy rate** (%)



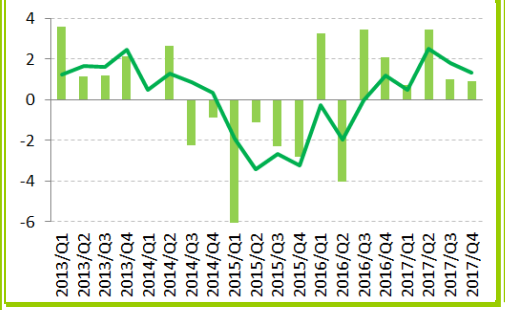
Source: Eurostat, national banks and statistical offices

Russia: recovery continues; inflation sank even deeper below the CBR's target, prompting further rate cuts.
Ukraine: GDP growth was 1.8% y-o-y in 4Q 2011, inflation is around 14%, rate cuts aren't likely in the near future

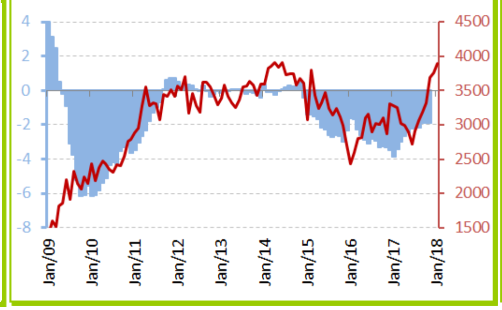
Russia

Economic recovery is under way: GDP growth reached 1.5% in 2017. Domestic demand turned the corner, which has spurred a recovery in consumer lending. Oil prices in RUB terms have risen to their historic peak, helping fiscal consolidation and allowing the gradual replenishment of fiscal reserves. Disinflation continued on the back of subdued demand; CPI fell well below the 4% target of the CBR by end-2017, prompting further rate cuts by the central bank. Nonetheless, relatively high real rates will continue to keep households' saving rate high.

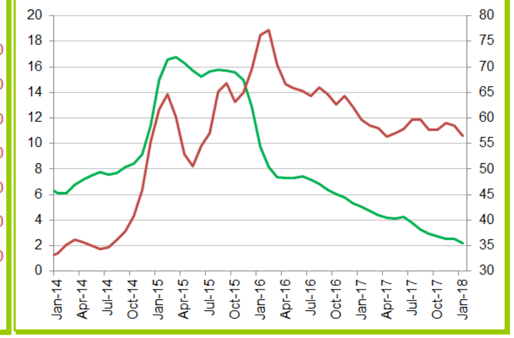
Real GDP growth (OTP estimation, %, annualized quarterly SA* and y-o-y)



Budget balance (% of GDP) and the **oil price** (RUB/bl, r.a.)



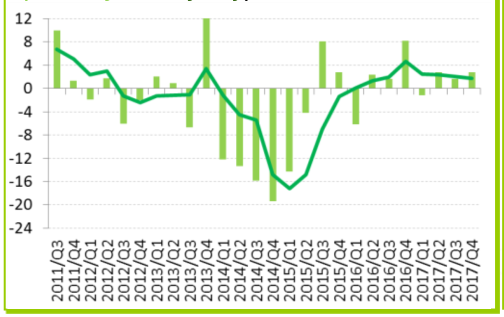
Inflation (y-o-y %) and **USD/RUB** (r.a)



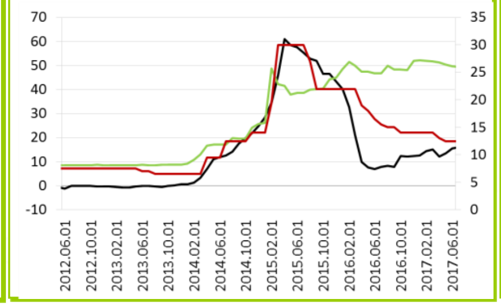
Ukraine

GDP increased by 1.8% y-o-y in 4Q 2017, which translates 2.1% yearly growth for 2017. Consumption and investment activity were strong, but net export and government consumption probably contributed positively. Inflation increased from 12.4% from December 2016 to 13.7% to December 2017 due to high domestic demand, labor shortage and rising raw food prices. The NBU increased the base rate to 16%, as inflation was higher than expected. No more rate hikes are expected if the reforms go ahead as planned and the international environment remains calm.

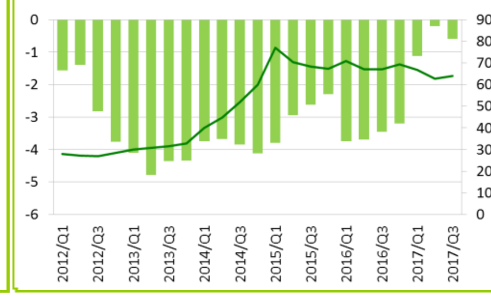
Real GDP growth (%, SA, annualized quarterly* and y-o-y)



USD/UAH (r.a., %), **base rate** (r.a., %), and **Inflation** (%)



Fiscal balance (l.a.) and government debt (r.a.) as % of GDP



Source: CBR, Rosstat, Ukrstat, National Bank of Ukraine, Focus Economics
*annualized q-o-q growth is OTP Research estimate

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General macro trends remained favourable in CEE countries, with growth levels exceeding EU average, while the recovery in Russia and Ukraine is expected to continue

REAL GDP GROWTH

	2015	2016	2017	2018F
Hungary	3.4%	2.2%	4.0%	4.0%
Ukraine	-9.9%	2.3%	2.1%	3.2%
Russia	-2.8%	-0.2%	1.5%	2.5%
Bulgaria	3.6%	3.4%	3.7%	3.6%
Romania	3.9%	4.8%	7.0%	4.3%
Croatia	2.3%	3.2%	3.1%	2.8%
Slovakia	3.8%	3.3%	3.4%	3.5%
Serbia	0.8%	2.8%	1.8%	3.5%
Montenegro	3.2%	2.5%	3.7%	3.2%

EXPORT GROWTH

	2015	2016	2017F	2018F
Hungary	7.7%	5.8%	6.4%	6.4%
Ukraine	-17%	-1.6%	-5.2%	7.0%
Russia	3.7%	3.1%	5.4%	3.7%
Bulgaria	5.7%	5.7%	6.6%	6.5%
Romania	5.4%	8.3%	8.8%	8.6%
Croatia	9.4%	5.6%	7.7%	4.7%
Slovakia	7.0%	4.8%	5.3%	5.6%
Serbia	10.2%	11.9%	10.8%	11.0%
Montenegro	10.2%	5.1%	6.3%	4.4%

UNEMPLOYMENT

	2015	2016	2017	2018F
Hungary	6.8%	5.1%	4.2%	4.2%
Ukraine	9.5%	9.7%	9.1%	8.8%
Russia	5.6%	5.5%	5.2%	4.8%
Bulgaria	9.1%	7.6%	6.3%	5.9%
Romania	6.8%	5.9%	5.0%	4.5%
Croatia	17.7%	15.0%	12.4%	11.7%
Slovakia	11.5%	9.7%	8.1%	7.7%
Serbia	17.9%	15.3%	12.0%	11.0%
Montenegro	17.6%	17.5%	16.3%	16.0%

BUDGET BALANCE*

	2015	2016	2017F	2018F
Hungary	-2.0%	-1.9%	-1.9%	-1.9%
Ukraine	-2.9%	-2.9%	-1.4%	-2.5%
Russia	-2.4%	-3.4%	-2.0%	-1.0%
Bulgaria	-1.6%	0.0%	0.0%	-0.9%
Romania	-0.8%	-3.0%	-3.0%	-3.0%
Croatia	-3.6%	-1.1%	-0.8%	-1.0%
Slovakia	-2.7%	-1.7%	-1.5%	-1.2%
Serbia	-3.7%	-1.4%	0.8%	-1.5%
Montenegro	-7.9%	-3.3%	-5.6%	-4.5%

CURRENT ACCOUNT BALANCE

	2015	2016	2017F	2018F
Hungary	3.5%	6.2%	3.8%	2.3%
Ukraine	-0.2%	-4.1%	-4.0%	-3.8%
Russia	5.1%	1.9%	2.3%	2.3%
Bulgaria	0.0%	5.4%	4.6%	3.2%
Romania	-1.2%	-2.1%	-3.5%	-3.9%
Croatia	4.6%	2.5%	3.6%	4.0%
Slovakia	-0.2%	-0.6%	-0.2%	0.1%
Serbia	-4.7%	-3.8%	-4.5%	-4.5%
Montenegro	-13.4%	-19%	-15.8%	-15.1%

INFLATION

	2015	2016	2017	2018F
Hungary	-0.1%	0.4%	2.4%	2.0%
Ukraine	48.7%	13.9%	14.5%	10.8%
Russia	15.5%	7.0%	3.7%	2.7%
Bulgaria	-0.1%	-0.8%	2.1%	2.0%
Romania	-0.6%	-1.5%	1.3%	4.1%
Croatia	-0.5%	-1.1%	1.2%	1.8%
Slovakia	-0.3%	-0.5%	1.3%	1.7%
Serbia	1.5%	1.6%	3.0%	3.2%
Montenegro	1.5%	-0.2%	2.4%	2.6%

Source: OTP Research
* For EU members, deficit under the Maastricht criteria

Forward looking statements

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

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