OTP Bank Plc.

Summary of the first nine months 2016 results

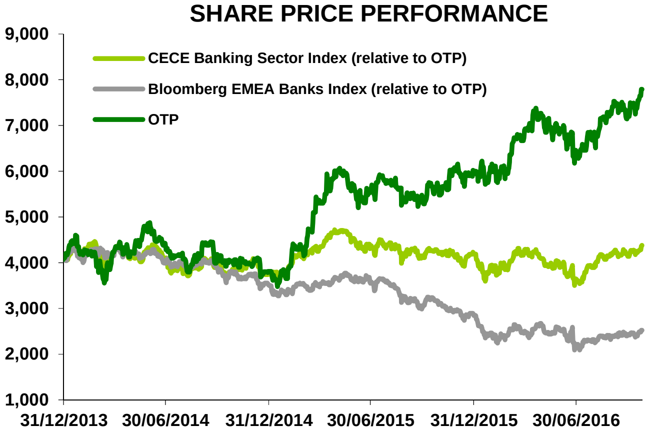
(English translation of the original report submitted to the Budapest Stock Exchange)

Budapest, 11 November 2016

CONSOLIDATED FINANCIAL HIGHLIGHTS[1] AND SHARE DATA

Main components of the Statement of recognised income in HUF million	9M 2015	9M 2016	Y-o-Y	3Q 2015	2Q 2016	3Q 2016	Q-o-Q	Y-o-Y
Consolidated after tax profit	**36,478**	**175,978**	**382%**	**-3,664**	**71,935**	**69,790**	**-3%**	
Adjustments (total)	**-67,172**	**3,085**	**-105%**	**-38,273**	**15,392**	**1,038**	**-93%**	**-103%**
Consolidated adjusted after tax profit without the effect of adjustments	**103,649**	**172,893**	**67%**	**34,609**	**56,543**	**68,752**	**22%**	**99%**
Pre-tax profit	122,119	207,256	70%	39,859	70,359	72,911	4%	83%
Operating profit	286,385	250,889	-12%	96,521	79,670	86,608	9%	-10%
Total income	572,062	542,694	-5%	191,373	180,340	184,853	3%	-3%
Net interest income	420,380	388,765	-8%	137,675	129,067	130,657	1%	-5%
Net fees and commissions	123,801	127,750	3%	42,610	43,520	45,411	4%	7%
Other net non-interest income	27,881	26,179	-6%	11,087	7,753	8,786	13%	-21%
Operating expenses	-285,678	-291,806	2%	-94,852	-100,670	-98,245	-2%	4%
Total risk costs	-167,976	-45,643	-73%	-58,190	-12,069	-12,780	6%	-78%
One off items	3,710	2,010	-46%	1,527	2,758	-917	-133%	-160%
Corporate taxes	-18,469	-34,363	86%	-5,249	-13,816	-4,159	-70%	-21%
Main components of balance sheet closing balances in HUF million	2015	9M 2016	YTD	3Q 2015	2Q 2016	3Q 2016	Q-o-Q	Y-o-Y
Total assets	10,718,848	10,952,739	2%	10,690,468	10,699,226	10,952,739	2%	2%
Total customer loans (net, FX adjusted)	**5,398,119**	**5,480,609**	**2%**	**5,438,598**	**5,413,930**	**5,480,609**	**1%**	**1%**
Total customer loans (gross, FX adjusted)	**6,403,870**	**6,443,327**	**1%**	**6,536,214**	**6,399,634**	**6,443,327**	**1%**	**-1%**
Allowances for possible loan losses (FX adjusted)	-1,005,751	-962,719	-4%	-1,097,616	-985,704	-962,719	-2%	-12%
Total customer deposits (FX adjusted)	**7,947,092**	**8,009,324**	**1%**	**7,746,428**	**7,798,580**	**8,009,324**	**3%**	**3%**
Issued securities	239,376	212,918	-11%	246,925	232,631	212,918	-8%	-14%
Subordinated loans	234,784	82,809	-65%	258,506	243,864	82,809	-66%	-68%
Total shareholders' equity	1,233,659	1,372,086	11%	1,226,054	1,300,946	1,372,086	5%	12%
Indicators based on one-off adjusted earnings %	9M 2015	9M 2016	Y-o-Y	3Q 2015	2Q 2016	3Q 2016	Q-o-Q	Y-o-Y
ROE (from adjusted net earnings)	11.1%	17.7%	6.6%p	11.1%	18.0%	20.5%	2.5%p	9.4%p
ROA (from adjusted net earnings)	1.3%	2.1%	0.9%p	1.3%	2.1%	2.5%	0.4%p	1.2%p
Operating profit margin	3.54%	3.09%	-0.44%p	3.57%	2.99%	3.18%	0.19%p	-0.39%p
Total income margin	7.06%	6.69%	-0.37%p	7.08%	6.77%	6.79%	0.02%p	-0.29%p
Net interest margin	5.19%	4.79%	-0.40%p	5.09%	4.84%	4.80%	-0.04%p	-0.29%p
Cost-to-asset ratio	3.53%	3.60%	0.07%p	3.51%	3.78%	3.61%	-0.17%p	0.10%p
Cost/income ratio	49.9%	53.8%	3.8%p	49.6%	55.8%	53.1%	-2.7%p	3.6%p
Risk cost to average gross loans	3.24%	0.91%	-2.33%p	3.41%	0.87%	0.56%	-0.31%p	-2.85%p
Total risk cost-to-asset ratio	2.07%	0.56%	-1.51%p	2.15%	0.45%	0.47%	0.02%p	-1.68%p
Effective tax rate	15.1%	16.6%	1.5%p	13.2%	19.6%	5.7%	-13.9%p	-7.5%p
Net loan/(deposit+retail bond) ratio (FX adjusted)	69%	68%	-2%p	69%	68%	68%	-1%p	-2%p
Capital adequacy ratio (consolidated, IFRS) - Basel3	16.5%	15.7%	-0.8%p	16.5%	15.8%	15.7%	-0.1%p	-0.8%p
Tier1 ratio - Basel3	13.5%	13.2%	-0.3%p	13.5%	13.2%	13.2%	0.1%p	-0.3%p
Common Equity Tier1 ('CET1') ratio - Basel3	13.5%	13.2%	-0.3%p	13.5%	13.2%	13.2%	0.1%p	-0.3%p
Share Data	9M 2015	9M 2016	Y-o-Y	3Q 2015	2Q 2016	3Q 2016	Q-o-Q	Y-o-Y
EPS diluted (HUF) (from unadjusted net earnings)	140	664	376%	-14	271	266	-2%	
EPS diluted (HUF) (from adjusted net earnings)	393	654	66%	133	214	262	23%	97%
Closing price (HUF)	5,405	7,200	33%	5,405	6,350	7,200	13%	33%
Highest closing price (HUF)	6,065	7,530	24%	5,924	7,380	7,530	2%	27%
Lowest closing price (HUF)	3,479	5,714	64%	5,226	6,180	6,280	2%	20%
Market Capitalization (EUR billion)	4.8	6.5	35%	4.8	5.6	6.5	16%	35%
Book Value Per Share (HUF)	4,379	4,900	12%	4,379	4,646	4,900	5%	12%
Tangible Book Value Per Share (HUF)	3,819	4,339	14%	3,819	4,071	4,339	7%	14%
Price/Book Value	1.2	1.5	19%	1.2	1.4	1.5	8%	19%
Price/Tangible Book Value	1.4	1.7	17%	1.4	1.6	1.7	6%	17%
P/E (trailing, from accounting net earnings)	17.8	15.6	-12%	17.8	18.6	15.6	-16%	-12%
P/E (trailing, from adjusted net earnings)	13.4	13.0	-3%	13.4	12.8	13.0	2%	-3%
Average daily turnover (EUR million)	16	16	-1%	11	15	13	-13%	22%
Average daily turnover (million share)	1.0	0.8	-24%	0.6	0.7	0.6	-15%	-3%

SHARE PRICE PERFORMANCE



MOODY'S RATINGS

OTP Bank

Foreign currency long term deposits	Baa3

OTP Mortgage Bank

Covered mortgage bond	Baa1

STANDARD & POOR'S RATING

OTP Bank and OTP Mortgage Bank

Long term credit rating	BB+

FITCH'S RATING

OTP Bank Russia

Long term credit rating	BB

[1] Structural adjustments made on consolidated IFRS profit and loss statement together with the calculation methodology of adjusted indicators are detailed in the Supplementary data section of the Report.

SUMMARY – OTP BANK'S RESULTS FOR FIRST NINE MONTHS OF 2016

Summary for the first nine months of 2016 results of OTP Bank Plc. has been prepared on the basis of its unaudited nine months separate and consolidated condensed IFRS financial statements for 30 September 2016 or derived from that. At presentation of nine months 2016 summary of OTP Bank we applied International Financial Reporting Standards adopted by the European Union.

SUMMARY OF THE FIRST NINE MONTHS OF 2016

Following an upgrade by Fitch in May 2016 and by Standard and Poor's in September, on 4 November Moody's also improved the Hungarian sovereign rating, as a result Hungary became investment grade rated again by all major rating agencies (BBB-/Baa3). The outlook is stable in all cases. Market reactions were unanimously positive: yields on local government debt tightened even on the long end of the curve, the 5 year CDS spread reached its bottom for the last five years both in absolute and relative terms and the local currency strengthened to its yearly heights against EUR.

The 2Q GDP growth (2.6%) exceeded market expectations mainly due to accelerating domestic consumption; for the whole year analysts and the government forecast above 2% economic expansion.

Balance indicators have been demonstrating favourable trends and according to OTP Bank's own expectation the budget deficit might drop below 1% of GDP, thus providing a significant manoeuvring room for the fiscal policy. Real wage growth ytd exceeded 7% and the unemployment rate moderated to 4.9% in August.

Apparently the long-awaited turnaround in lending activity did take place in 3Q on sector-level: the net lending exposures to both the corporate and household sectors demonstrated an increase and the loan applications registered by banks suggest the trend to be steady. In September the Government eased on regulations related to the CSOK (Housing Subsidy Scheme for Families) which could generate further loan demand and origination in housing loans. The number of registered property transactions increased, and the recently announced new housing projects suggest a lasting recovery in mortgages which is also supported by the relatively low Hungarian penetration levels in international context.

The central bank did not change the policy rate in 3Q, it remained 0.9%. However, through capping the maximum amount of 3 months deposits placed with the central bank by the sector the interbank market liquidity is expected to increase. As a result, the 3M BUBOR which is the reference rate for floating rate loans might drop below the base rate level.

One can witness fundamentally positive macroeconomic developments for the rest of OTP's operation in the CEE region. As for GDP growth in 2Q Romania was the European champion with a stellar 6% increase, but Slovakia and Bulgaria also posted outstanding data (+3.7% and +3% respectively). The Russian economy is still missing the turnaround momentum in GDP growth, according to September statistics domestic consumption declined further and the wage increase showed deceleration. The central bank cut the base rate by 50 bps to 10% in September, but the communication remained hawkish with no hint of further monetary easing for the rest of the year, thus forward looking real yield will remain above 5%. The currency remained stable in 3Q, oil prices increasing to around 50 USD/barrel in September did help rouble against USD.

In Ukraine the UAH/USD FX rate mildly weakened q-o-q (-4%). It was positive that on 15 September the Board of IMF approved the disbursement of the next tranche of the financial package, true, the amount (USD 1 billion) was lower than originally flagged since Ukraine has only mixed success in carrying through the required reform steps. Kiev has increased energy prices to market levels, but failed to implement the pension reform which is a drag on the fiscal side and the overall public indebtedness. Amid a relatively stable UAH and continuing disinflation the central bank cut the base rate to 15% in September.

Compared to previous quarters both the RUB and UAH demonstrated less volatility against USD and HUF, thus the FX change had less impact on 3Q results denominated in HUF terms. 9M y-o-y average FX rate developments were more meaningful: both currencies depreciated by more than 10% against HUF.

Changes related to mortgage loans in Romania

By 31 August 2016 OTP Bank Romania's own CHF mortgage loan conversion programme that started on 9 December 2015 was completed with around 73% of the eligible clients participating (i.e. it involved about 7,000 individual contracts).

On 13 May 2016 the so-called 'walk-away' law came into effect. Accordingly, eligible borrowers might simply return the property to the banks in exchange for getting rid of the mortgage loan. So far the interest was fairly benign: by 30 September around 250 clients applied for the scheme (with a gross volume of RON 76 million). OTP Bank Romania has already created the necessary individual and collective provisions. However, on 25 October 2016 the Romanian Constitutional Court declared several parts of the law unconstitutional.

On 18 October 2016 the Romanian Parliament passed a law requiring banks to convert CHF mortgages into local currency at rates prevailing at origination, however on 24 October the Romanian Government sent the law to the Constitutional Court for review, consequently the President has not signed the Act either. The Constitutional Court will deal with the case on 23 November 2016.

According to the management's opinion, it is of low probability that the Act will come into effect in its current form. Should the Act still become effective with unchanged content, in order to comply with it OTP Bank Romania might make significant additional provisions yet in smaller amount it had already made in 3Q 2015.

Consolidated earnings: HUF 172.9 billion adjusted after-tax profit in 9M with 4.79% NIM, 20.5% ROE and 0.6% risk cost rate in 3Q

The consolidated accounting profit was HUF 69.8 billion in 3Q (-3% q-o-q), as a result the 9M accounting profit increased to HUF 176 billion which is almost five times as high as in the base period.

In 3Q the adjustment items were as follows:

- impairment was booked in relation to the investment in the Ukrainian Factoring Company under Hungarian Accounting Standards. While under IFRS it had no direct effect neither on the consolidated balance sheet nor on the P&L, there was a related positive tax shield of altogether HUF 8.6 billion that added to the Group's IFRS accounting profit;
- in Hungary it is mandatory for credit institution to shift from Hungarian Accounting Rules (HAR) to IFRS, but the deadline is optional: it can happen either from 2017 or 2018. In 3Q 2016 OTP Bank and several other Group members officially notified the National Bank of Hungary, the National Tax and Customs Administration, as well as the Central Statistical Office about their intention to implement the shift to IFRS from 2017.
  Accordingly, after the switch the IFRS financials will be used for the corporate income tax calculation, however the shift will have a one-off tax effect. The reason is that there are different book value calculation rules for subsidiary investments under HAR and IFRS (under the latter the book value was calculated based on the historical FX rates, whereas under HAR there was a constant FX revaluation, and there were differences in accounting of goodwill, too). So far the Group treated those differences as permanent, however in accordance with the act on corporate income tax and the decision about the switch to IFRS, by 30 September those differences must be accounted for as temporary differences. Due to these differences in the subsidiary investments' book value calculation rules under the two accounting standards, in 3Q deferred tax liability was booked in the amount of HUF 7.5 billion. In the adjusted P&L structure this item was presented on consolidated level among the adjustment items on the '*Expected corporate tax impact of switching to IFRS from HAR in Hungary'* line.
  Similar to the previous quarters, due to FX moves there was a tax shield effect in the adjusted P&L of OTP Core in 3Q (3Q saw a tax saving of HUF 2.3 billion). Simultaneously, the same amount (but with negative sign) was shown on consolidated level on the above mentioned adjustment line. In 4Q the Bank will still follow such practice, because the de facto shift to IFRS will happen only from 2017;
- HUF 186 million banking tax paid by the Slovakian subsidiary (after tax);
- HUF 146 million dividend and net cash transfers (after tax).

As a result, in 3Q the adjustment items represented HUF +1 billion in total and the balance of all adjustment items amounted to HUF +3.1 billion for 9M 2016.

In the first 9M 2016 OTP Group posted HUF 172.9 billion adjusted after tax profit which is materially higher than the net earnings realized in the base period (HUF 103.6 billion). The y-o-y increase is almost entirely explained by the significantly improving Russian and Ukrainian performances; furthermore the 9M profit of the CEE Group members – including Hungary – also exceeded that in the base period by 4%.

Analysing the Profit and Loss statement, the 9M improvement in net earnings (+67% y-o-y) was triggered mainly by moderating risk costs.

9M total income fell short of the base period by 5%: the net interest income dropped by 8%, net fees and commissions income grew by 3%, whereas other net non-interest income decreased by 6%. Operating expenses grew by 2% y-o-y, as a result operating income for the first nine months eroded by 12% y-o-y.

Due to a 73% y-o-y drop in risk costs 9M adjusted profit before tax improved by HUF 85 billion, of that the Russian improvement represented HUF 39.1 billion and the Ukrainian HUF 39.7 billion, respectively. The effective tax rate was 16.6% in 9M 2016 (+1.5 pps y-o-y).

The 9M consolidated adjusted ROE was 17.7% (+6.6 pps y-o-y), whereas the accounting ROE increased to 18.0%. The 9M risk cost rate was

0.91%, net interest margin for the same period declined to 4.79% (-40 bps y-o-y).

OTP Group posted HUF 68.8 billion adjusted profit after tax in 3Q (+22% q-o-q). While risk costs increased moderately q-o-q, total income advanced by about HUF 4.5 billion, within that core revenue lines grew: net interest income improved by 1%, net fees and commissions by 4%, whereas other non-interest income also increased by 13% q-o-q.

It is positive that despite 4 bps q-o-q erosion in NIM the net interest income increased. Out of the major Group members OTP Core and OTP Bank Russia posted a q-o-q growth, whereas NII remained practically flat at DSK Bank.

Higher q-o-q total income was coupled with a 2% decline in operating expenses, thus operating income improved by 9% q-o-q.

The consolidated net interest margin (4.80%) q-o-q eroded by 4 bps. The adjusted ROE in 3Q surged to 20.5% (+2.5 pps q-o-q).

On the back of the improving Ukrainian and Russian performances there was a realignment of individual profit contributions within 3Q and 9M consolidated adjusted profit after tax: OTP Core and DSK Bank have maintained their dominant positions with the Russian and Ukrainian subsidiaries becoming more substantial and the Croatian subsidiary also managed to gradually improve its performance. All other CEE subsidiaries were profitable in 3Q, too. As a result, out of the total profit the CEE operation contributed HUF 59.8 billion, while Russia and Ukraine added HUF 10.7 billion. Touch Bank remained a loss maker with HUF -1.4 billion.

The FX-adjusted consolidated loan portfolio grew by 1% q-o-q (-1% y-o-y), while the performing loan book already advanced by 2% ytd. One can see a meaningful increase in performing loans of OTP Core, DSK Bank and Serbia (+4.3, 5.5 and 11.9%, respectively). At other Group members there was a decline in the performing book ytd, within that OTP Bank Russia and Romania suffered the biggest setback ytd (-7.9% and 5.8% respectively) The latter is explained by the negative volume impact of the bank's own CHF mortgage conversion scheme. As for the different product segments, the performing SME and large corporate loans advanced by 11% and 9%, whereas the consumer loan portfolio eroded by 0.4% and mortgages by 3% ytd.

The FX-adjusted deposit volumes grew by 3% q-o-q and by 4% y-o-y. Out of the major Group members deposit volumes at OTP Core and Ukraine advanced by 4% and 3% respectively q-o-q, whereas the Bulgarian portfolio remained flat and the Russian deposits declined by 2%. On a yearly base volumes at DSK Bank increased materially (+12%), while OTP Core enjoyed a 3% increase. The consolidated net loan-to-(deposit+retail bonds) ratio reached 68%.

The volume of issued securities declined by 8% q-o-q. The change in the outstanding volume of subordinated bonds and loans (-68% q-o-q) reflects the impact of a EUR 500 million LT2 bond redemption in September.

The consolidated volume of securities reached almost HUF 2,790 billion by the end of the period (HUF +46 billion q-o-q); the dominant part was government securities.

By end-September 2016 the Group's liquidity position remained stable: the operative liquidity reserves of the Group comprised EUR 7.6 billion equivalent (EUR +0.8 billion q-o-q).

The quality of the credit portfolio somewhat deteriorated in 3Q, new DPD90+ volumes grew by HUF 14.5 billion (1Q: 35.3 billion, 2Q: 7.7 billion adjusted for FX and without the effect of sales and write offs). In absolute terms the biggest inflow was registered in Russia, but the trend is declining there (in HUF billion, 1Q: 17, 2Q: 12.7, 3Q: 10.5). At the same time the portfolio quality did not deteriorate in Hungary and Bulgaria: loans previously classified as DPD90+ were eliminated from the DPD90+ category. The consolidated DPD90+ ratio declined to 15.8% (-0.6 pp q-o-q), its coverage stood at 95.0%. 3Q Group level risk cost rate dropped to 0.56%, as a result the 9M risk cost rate dropped below 1.0% (0.91%) versus 3.24% a year ago.

OTP Core: HUF 38.8 billion adjusted profit with q-o-q marginally lower NIM, lower DPD90+ ratio and stable credit quality

The adjusted after tax profit of ***OTP Core*** (basic activity in Hungary) reached HUF 38.8 billion in 3Q 2016, underpinning a 26% q-o-q improvement and a 7% y-o-y increase. As a result the 9M adjusted profit reached HUF 98.4 billion (+3% y-o-y).

The q-o-q significant drop in corporate tax burden was reasoned by the positive 3Q tax shield effect of HUF 2.3 billion stemming from the revaluation of subsidiary investments (induced by strengthening HUF), whereas for the same reason HUF 2.1 billion additional tax obligation emerged in 2Q. 3Q profit before tax was stable both q-o-q and y-o-y.

The operating profit without one-off revenue items increased by 17% reasoned by q-o-q 3% higher total income and a 5% decline in operating expenses. Within total income core revenues all increased, the net interest income in particular improved by 2% q-o-q. 3Q net interest margin (3.40%) remained stable q-o-q. The q-o-q decrease in operating expenses was reasoned mainly by the drop out of costs related to organizational changes emerging in 2Q.

Similar to the previous quarter in 3Q provisions were released (HUF 3.7 billion).

The loan portfolio quality demonstrated further improvement: the FX-adjusted DPD90+ volume formation (without sales and write-offs) reached HUF -1.2 billion. The DPD90+ ratio dropped by 0.6 pp q-o-q to 10.4%, whereas its coverage remained comfortably high (86.5%).

The FX-adjusted loan portfolio increased by 1% q-o-q (+2% y-o-y). More representative though is the development of performing volumes: they advanced by 2% q-o-q and by 4% ytd. Within that the performing large corporate portfolio and the SME portfolio surged by 12% and by 14% respectively ytd. During the same period of time the consumer book grew by 6%. The decline of the mortgage book stopped in 3Q after many years of decline.

In case of the mortgage portfolio dynamics one should also consider that the internal structure of loans origination has changed a lot: before the crisis the weight of housing mortgages and home equities was almost even, whereas currently the first represents almost 90% out of new originations. Due to the recent Government measures it is fairly reasonable to expect that such trend will remain in place. In 3Q the volume of performing housing mortgages already increased (in HUF billion: 2Q: 739, 3Q: 747).

According to the management's expectation in 4Q the overall volume of mortgage loans can grow and application statistics strongly support that expectation: in 9M the overall volume of mortgage loan applications reached HUF 174 billion (+71% y-o-y) despite 3Q loan origination was somewhat weaker than in 2Q. In 9M newly disbursed volumes advanced by 48% y-o-y and reached HUF 102 billion. In 3Q OTP Bank's market share out of newly contracted mortgages climbed to 29%. The demand from our clients' side for the CSOK (Housing Subsidy Scheme for Families) subsidy remained strong: by September 2016 around 7,664 applications were registered at OTP Bank with more than HUF 21 billion in total. Applications for CSOK subsidies were coupled with additional applications for HUF 32 billion market based or subsidized loans.

The FX-adjusted deposit book with retail bonds grew by 4% q-o-q partially supported by seasonal jump in municipality deposits. As a result, the net loan-to-(deposit+retail bonds) ratio stood at 49% at end-3Q (-1 pp q-o-q).

In 3Q 2016 ***OTP Fund Management*** practically repeated its 2Q performance and posted HUF 0.9 billion after-tax profit, as a result 9M profit reached HUF 2.8 billion (-14% y-o-y). Higher net fee and commission income (+4%) was offset by a 10% increase in operating expenses. The volume of total assets under management moderately increased q-o-q and stood at HUF 1,515 billion (-3% y-o-y). The company retained its market leading position with 23.1% market share end of September 2016.

Merkantil Group doubled its 2Q profit and posted around HUF 2 billion in 9M (+48% y-o-y). The strong 3Q result was due to improving operating income (+28% q-o-q) and lower risk costs (-4%). The FX-adjusted gross loan volumes improved by 1% y-o-y.

Foreign subsidiaries' performance: all foreign operations, but Touch Bank were profitable in 3Q, improving Bulgarian, Russian, Ukrainian, Croatian and Montenegrin net earnings

The ***Bulgarian subsidiary*** posted another strong quarter with HUF 14.7 billion profit after tax (+3% q-o-q). As a result, 9M profit increased to around HUF 43 billion (+2% y-o-y). 3Q operating income somewhat melted down q-o-q, so the improving bottom-line earnings were related to lower risk costs. Within total income net interest income remained stable q-o-q, the lower quarterly fee and commission income (-4%) was reasoned by base effect. Operating expenses declined by 2% q-o-q.

The 3Q net interest margin (4.54%) dropped by 11 bps q-o-q, but the quarterly NIM decline moderated compared to the previous quarters; with NII remain flat the lower NIM was mainly due to the dilution effect of higher total assets.

The FX-adjusted gross loan portfolio increased 2% q-o-q and by 4% y-o-y. Due to the stronger new loan origination in the large corporate segment the corporate book advanced substantially (+4% q-o-q, +19% y-o-y). FX-adjusted deposits remained flat q-o-q but advanced by 12% y-o-y. As a result, the net loan to deposit ratio stood at 67% (-4 pps y-o-y FX-adjusted).

The credit quality remained stable, the DPD90+ volumes decreased again (HUF -1.6 billion without sales and write offs, FX-adjusted) and the DPD90+ ratio declined further (13.5%, -0.6 pp q-o-q); its coverage was 99.0%. 3Q risk cost rate halved q-o-q (0.36%) similar to 9M indicator (0.53%).

Following the favourable 2Q performance the ***Russian subsidiary*** managed to further improve its quarterly earnings and posted HUF 6.8 billion net profit in 3Q 2016. As a result in 9M profit surged to HUF 16 billion against a loss of HUF 15.1 billion in the base period.

In RUB terms the bank posted a q-o-q 3% higher profit in 3Q due to flat risk costs and marginally stronger operating income.

Real developments are better represented through the 9M performance: operating profit improved by

2% and risk costs dropped by 59% y-o-y. The stable total income coupled with a 3% decline in operating expenses (amid an average 7.5% inflation during the first 9 months). Net interest income remained stable, lower interest income on eroding performing loan portfolio was offset by a y-o-y 50% drop in interest expenses. Net fees and commissions grew by 4%.

In 3Q total income grew by 3% q-o-q: NII decreased by 2% q-o-q, however fees and commissions advanced by 11%. It was positive that risk costs remained flat q-o-q in RUB terms.

The portfolio deterioration decelerated and the trend seems to be lasting: FX-adjusted DPD90+ inflow without sales and write-offs in HUF billion: 1Q 2016: 17, 2Q: 12.7, 3Q: 10.5). The DPD90+ ratio moderated by 1.2 pps q-o-q and reached 23.4%, its coverage improved (111.6%). It was positive that the risk cost rate for consumer loans further moderated and in all major product segments already dropped below 10%.

The FX-adjusted performing portfolio increased again in 3Q (+3% q-o-q, but -8% ytd), lending activity shows acceleration in the key segments: both the POS and cash loan origination surged by around 40% q-o-q.

The FX-adjusted deposit book eroded by 2% q-o-q and by 8% y-o-y. As a result, by the end of September the net loan-to-deposit ratio increased to 106%.

The cost reduction project was successfully completed in 2015, in 3Q no branches were closed down, however the number of employees (without selling agents) increased by around 100 people in 3Q in line with strengthening lending activity.

3Q net interest margin in HUF terms slightly eroded (17.44%, -87 pps q-o-q), owing to the lower margins on assets. At the same time the risk cost rate dropped significantly, to 6.8% (-12 bps q-o-q, -8.6 pps y-o-y).

Touch Bank realized HUF 1.4 billion loss in 3Q underpinning a marginal q-o-q decline, as a result 9M negative earnings were close to HUF 4 billion (+41% y-o-y). Operating expenses surged by 63% for the first nine months. By end-September deposit volumes already exceeded RUB 3.3 billion (+22% q-o-q), loan volumes, however remained negligible in absolute terms (RUB 139 million), despite the spectacular 86% q-o-q growth in 3Q.

Positive developments witnessed in the previous two quarters remained in place and the ***Ukrainian subsidiary*** posted HUF 3.8 billion net profit in 3Q (+12% q-o-q), as a result 9M profit already exceeded HUF 8 billion versus a loss of HUF 27.1 billion a year ago. The quarterly volatility of corporate taxes seen in 2016 was due to deferred tax asset write-offs and their partial reversal; 3Q profit before tax dropped by 41% q-o-q.

P&L developments are better demonstrated in UAH terms given the volatility of the Ukrainian currency. 3Q operating profit dropped by 11% q-o-q, within that the net interest income decreased by 15%; operating expenses declined by 3%. 3Q risk costs jumped by 41% related mainly to the corporate segment.

9M operating income remained stable y-o-y, NII surged by 10%, while operating expenses grew by 8% y-o-y. The key driver of bottom line earnings was the sharp decline in risk costs; they dropped to one-fifth y-o-y.

The 9M net interest margin (9.44%) improved by 150 bps y-o-y, at the same time the risk cost rate dropped to 3.3% versus 12.8% in the corresponding period of last year.

The FX-adjusted performing portfolio eroded by 2% q-o-q, but increased by 1% ytd. The quarterly volume growth is related to stronger UAH denominated corporate lending and leasing activity (+4% ytd). The retail loan portfolio on the other hand eroded, despite POS loan origination advanced by around 30% q-o-q. Other retail loan product sales activity remained flattish. Mortgage lending has not been resumed.

The DPD90+ ratio somewhat increased in 3Q (44.9%), for mortgages the ratio stood at 74.1% and for corporate at 19% (+5 pps q-o-q). The coverage of the DPD90+ exposure was 117.1% (+6.3 pps y-o-y). The DPD90+ volumes increased by HUF 7.5 billion in 3Q (FX-adjusted, without the effect of loan sales and write-offs) due to deterioration in the large corporate segment.

The FX-adjusted deposit book grew by 3% q-o-q and by 8% y-o-y. The net loan-to-deposit ratio stood at 87% by September 2016 (-13 pps y-o-y).

Following a significant cost reduction in the last couple of quarters in 3Q the number of branches declined only by 2 units; the number of employees grew by 100 people.

The structure of OTP Bank's exposure towards the Ukrainian operation changed in 3Q: the volume of intragroup funding and subordinated debt dropped to HUF 52 billion equivalent. Simultaneously, the bank's equity turned into positive (HUF 23 billion in 3Q versus HUF -29 billion in 2Q) as a result of conversion of intragroup funding into equity (for details see: OTP Bank Ukraine section).

The ***Romanian subsidiary*** realized HUF 0.6 billion net profit in 3Q 2016, 39% lower than in 2Q. As a result 9M profit grew to HUF 2.2 billion (-12% y-o-y). The weaker quarterly and 9M bottom line earnings were distorted by the higher corporate tax burdens: in 3Q the profit before tax improved by 25% q-o-q, whereas the 9M results were flat y-o-y.

3Q operating income increased by 11% q-o-q: higher total income (+1%) was supported by lower operating expenses (-4%). The net interest income improved by 3% q-o-q despite the negative impact of the CHF mortgage conversion. Quarterly risk costs increased by 6%, but the risk cost rate decreased by 15 bps q-o-q (3Q: 1.08%).

The FX-adjusted gross loan portfolio shrank by 5% y-o-y reasoned by the partial debt forgiveness offered in the bank's own CHF mortgage conversion programme. In 3Q, however the retail exposures already stabilized.

As a result of DPD90+ sale and write offs the DPD90+ ratio declined to 17.9%; its coverage improved and reached 81.1%.

The ***Croatian subsidiary*** managed to improve its quarterly results and posted HUF 1.4 billion profit in 3Q, as a result 9M profit after tax reached HUF 3.6 billion (+47%). The operating profit demonstrated a strong increase both q-o-q and y-o-y with the major revenue lines improving and operating expenses remaining under strict control. 9M risk cost dropped by 18% y-o-y. The FX-adjusted loan portfolio eroded by 1% y-o-y, within that the retail book increased by 2% due to the strong mortgage lending activity. 3Q NIM (3.59%) remained stable q-o-q, but increased by 47 bps y-o-y. The DPD90+ ratio decreased (12.6%), its coverage improved substantially (83.9%).

After a loss making 2Q the ***Slovakian subsidiary*** turned into profit again in 3Q and realized HUF 124 million net earnings as a result of improving operating income and q-o-q lower risk costs. Still, the 9M cumulative profit of HUF 421 million was less than half of that posted in the base period due to higher risk costs. The FX-adjusted loan portfolio marginally eroded q-o-q, but increased by 2% y-o-y. Amid a depressed interest rate environment 9M NIM improved by 11 bps y-o-y (3.22%). The DPD90+ ratio stood at 10.9%, its coverage improved.

The ***Serbian subsidiary*** posted fairly similar profit in 3Q (HUF 76 million) as in 2Q, thus 9M net earnings reached HUF 194 million (-48% y-o-y). Total income remained practically flat q-o-q: net interest income grew by 3%, while fees and commissions by 4% respectively. The FX-adjusted portfolio kept increasing (+4% q-o-q, +9% y-o-y) supported by the significant growth of corporate volumes (+11% y-o-y). The portfolio demonstrates a gradual improvement, the DPD90+ ratio declined further (34.4%), and its coverage was 74%.

The ***Montenegrin subsidiary*** posted HUF 1.7 billion profit in 9M 2016 (+40% y-o-y), o/w 3Q after tax earnings represented HUF 1.4 billion. The massive q-o-q profit growth was supported partially by a significantly increasing operating income (+47% q-o-q), but also by a provision release. The FX-adjusted loan book shrank by 2% q-o-q, while deposits advanced by 7%. The DPD90+ ratio decreased q-o-q (42.5%), the coverage of the DPD90+ portfolio improved.

Consolidated and stand-alone capital adequacy ratio (in accordance with BASEL III)

By the end of September 2016 the consolidated Common Equity Tier1 ratio under IFRS was 13.2%, unchanged q-o-q. Neither the 9M net result was included, nor the accrued dividend amount was deducted from the regulatory capital when calculating the IFRS consolidated capital adequacy ratios. Including those items the CET1 ratio would be 15.2%.

OTP Bank's standalone Common Equity Tier1 ratio stood at 25.9% in 3Q 2016 (+0.3 pp q-o-q), the accrued dividend amount and retained earnings are already reflected in this number.

Credit rating, shareholder structure

Moody's ratings of OTP Group members were upgraded on 7 November 2016 following the upgrade of the Hungarian sovereign rating. Accordingly OTP Bank's long-term foreign-currency deposit rating improved by 2 notches to 'Baa3' from 'Ba2' with stable outlook, the short-term foreign-currency deposit rating improved from 'Not Prime' to 'Prime-3'; whereas its long-term HUF deposit rating remained 'Baa3' with positive outlook along with its short-term HUF deposit rating at level 'Prime-3'. OTP Mortgage Bank holds a 'Ba1' local-currency issuer rating at Moody's with positive outlook, but according to the November rating action the foreign-currency denominated mortgage bond rating was upgraded by one notch to 'Baa1'.

From S&P the rating of OTP Bank and OTP Mortgage Bank was upgraded to 'BB+' on 21 July 2016 with stable outlook.

OTP Bank Russia holds a 'BB' rating from Fitch with stable outlook.

Regarding the ownership structure of the Bank, by 30 September 2016 the following investors had more than 5% influence (beneficial ownership) in the Company: the Rahimkulov family (8.61%), MOL (the Hungarian Oil and Gas Company, 8.69%), the Groupama Group (8.22%).

POST BALANCE SHEET EVENTS

Hungary

- On 13 October 2016 the National Bank of Hungary (MNB) announced series of modification about the last phase of Funding for Growth Scheme (FGS). According to the Monetary Policy Council (MPC) decision there will be a HUF 60 billion reallocation from the unutilized part of the FX pillar. Latter could be drawn down by the banks for HUF or FX loan lending depending on demand. Furthermore, the MPC prolonged the utilization deadline of the contracts, accordingly the FGS second phase and FGS Plus contracts can be utilized until 30 June 2017, whereas FGS third phase deals until 29 June 2018 respectively.
- On 24 October 2016 MNB's Financial Stability Board decided about the gradual introduction of additional capital requirements for systemically important banks. The capital add-on will be introduced in a gradually increasing manner over a four-year period from 2017. In case of OTP Bank it would mean 0.5% for 2017 and after a gradually increase the buffer will reach 2.0% by 2020. The banks that will be required to build the systemic risk buffer to mitigate risks in relation to problem project loans will have to meet their obligation from 1 July 2017, i.e. six months later than originally scheduled.
- On 25 October 2016 the National Bank of Hungary eased further the monetary conditions. The interest rate on overnight (O/N) collateralised loans was cut by 10 bps to 1.05%, while the interest rate on the 1W collateralized loans was cut by 5 bps to 1.00%. Furthermore the MPC announced the lowering of the mandatory reserve requirement ratio from 2% to 1% effective from 1st December 2016.
- On 27 October 2016 the Hungarian Debt Management Agency announced that it will reduce the distribution fee for 1-year Interest Bearing Treasury bills from 100 bps to 80 bps and that of for Half-year Interest Bearing T-bills form 50 bps to 40 bps. No change will be introduced however in the distribution fee structure of retail focused Government securities with maturities beyond one year.
- On 28 October 2016 the OTP Bank announced, that the management has analysed the conditions of redeeming the Perpetual Upper Tier2 bonds (ISIN: XS0274147296). In that context it considered the short- and long-term impacts and consequences of the bond redemption with regard to shareholders, bondholders and OTP Bank. As a result, the management has not redeemed the Perpetual bonds on 7 November 2016. The management of the Bank – in line with the terms and conditions of the transaction – will examine the actual conditions of the potential redemption of the Perpetual bonds on a quarterly base. Accordingly, if the management decides on the redemption of the bonds, it will inform market participants about its decision in due course and in line with all applicable laws.
- According to the business transfer agreement concluded on 2 February 2016 among AXA Bank Europe SA and OTP Bank Plc, on 1 November 2016 OTP Bank took over the retail deposit and loan book, as well as the corporate exposure and also AXA Bank' employees. The impact of the transaction will be reflected in the fourth quarter balance sheet and profit and loss account of OTP Core.
- On 4 November 2016 Moody's also changed Hungary's credit rating into investment grade (Baa3) with stable outlook.
- On 7 November 2016 Moody's upgraded OTP Bank Plc.'s long-term foreign-currency deposit rating by two notches to 'Baa3' with a stable outlook, its short-term foreign-currency deposit rating to 'Prime-3' from 'Not Prime'. Furthermore the rating agency upgraded the foreign-currency covered bonds issued by OTP Mortgage Bank Ltd. to 'Baa1' from 'Baa2'.

Bulgaria

- On 14 October 2016 Moody's confirmed the country credit rating at 'Baa2', the outlook is stable.

Russia

- On 14 October 2016 Fitch rating agency modified the outlook of Russia from negative to stable, while the country's long term FX and RUB 'BBB-' credit rating was confirmed.
- On 24 October 2016 Moody's modified the Russian banking sector outlook from negative to stable.

Romania

- On 18 October 2016 the Romanian Parliament passed an Act on requiring borrowers to convert CHF mortgages into local currency at rates prevailing at origination. On 24 October 2016 the Romanian government raised constitutional concerns against the Act and the president has not signed it either, thus it hasn't come into effect yet.

CONSOLIDATED AFTER TAX PROFIT BREAKDOWN BY SUBSIDIARIES (IFRS)2

in HUF million	9M 2015	9M 2016	Y-o-Y	3Q 2015	2Q 2016	3Q 2016	Q-o-Q	Y-o-Y
Consolidated after tax profit	**36,479**	**175,978**	**382%**	**-3,664**	**71,935**	**69,790**	**-3%**	
Adjustments (total)	**-67,172**	**3,085**	**-105%**	**-38,273**	**15,392**	**1,037**	**-93%**	**-103%**
Dividend and total net cash transfers (consolidated)	154	401	160%	80	187	146	-22%	83%
Goodwill/investment impairment charges (after tax)	2,701	10,768	299%	0	2,214	8,555	286%	
Special tax on financial institutions (after corporate income tax)	-29,126	-13,766	-53%	-198	-168	-186	10%	-6%
Effect of acquisitions (after tax)	1,550	0	-100%	0	0	0		
One-off impact of regulatory changes in relation to consumer contracts and the impact of the related methodological changes in Hungary (after tax)	-2,983	0	-100%	-6,456	0	0		-100%
Expected one-off impact of regulatory changes related to CHF consumer contracts in Croatia (after tax)	-6,331	0	-100%	-6,331	0	0		-100%
One-off impact of regulatory changes related to FX consumer contracts in Serbia (after tax)	-209	0	-100%	-104	0	0	-115%	-100%
Expected one-off impact of the CHF mortgage loan conversion programme and regulatory changes related to mortgage loans in Romania (after tax)	-25,492	0	-100%	-25,492	0	0		-100%
Risk cost created toward Crimean exposures from 2Q 2014 until 4Q 2015 (after tax)	-6	-		-103	-	-		
Risk cost created toward exposures to Donetsk and Luhansk from 3Q 2014 until 4Q 2015 (after tax)	-1,893	-		332	-	-		
Expected corporate tax impact of switching to IFRS from HAR in Hungary	0	-7,477		0	0	-7,477		
Gain on the sale of Visa Europe shares (after tax)	0	13,160		0	13,160	0	-100%	
Revaluation of reverse mortgage portfolio of OTP Life Annuity Ltd. simultaneous with regulatory changes (after tax)	-5,539	0	-100%	0	0	0		
Consolidated adjusted after tax profit without the effect of adjustments	**103,649**	**172,893**	**67%**	**34,609**	**56,544**	**68,752**	**22%**	**99%**
Banks total without one-off items[1]	97,320	165,058	70%	32,958	54,644	65,001	19%	97%
OTP CORE (Hungary)[2]	95,467	98,376	3%	36,257	30,717	38,761	26%	7%
Corporate Centre (after tax)[3]	-2,659	-4,262	60%	-1,383	-1,289	-1,336	4%	-3%
OTP Bank Russia[4]	-15,075	15,969	-206%	-1,191	6,519	6,842	5%	-674%
Touch Bank (Russia)[5]	-2,782	-3,930	41%	-1,019	-1,457	-1,419	-3%	39%
OTP Bank Ukraine[6]	-27,146	8,137	-130%	-17,548	3,441	3,840	12%	-122%
DSK Bank (Bulgaria)[7]	41,887	42,706	2%	14,127	14,223	14,699	3%	4%
OBR (Romania)[8]	2,503	2,205	-12%	1,378	989	599	-39%	-57%
OTP banka Srbija (Serbia)[9]	374	194	-48%	137	88	76	-14%	-45%
OBH (Croatia)[10]	2,441	3,581	47%	1,120	1,326	1,409	6%	26%
OBS (Slovakia)[11]	1,123	421	-63%	428	-55	124	-326%	-71%
CKB (Montenegro)[12]	1,187	1,661	40%	652	143	1,406	883%	116%
Leasing	1,597	3,180	99%	510	544	1,848	240%	263%
Merkantil Bank + Car, adj. (Hungary)[13]	1,331	1,965	48%	499	510	954	87%	91%
Foreign leasing companies (Croatia, Bulgaria, Romania)[14]	266	1,215	357%	11	34	894		
Asset Management	1,767	2,827	60%	59	867	912	5%	
OTP Asset Management (Hungary)	3,213	2,762	-14%	833	857	888	4%	7%
Foreign Asset Management Companies (Ukraine, Romania, Bulgaria)[15]	-1,446	65	-104%	-774	10	24	132%	-103%
Other Hungarian Subsidiaries	1,939	2,607	34%	1,149	993	958	-4%	-17%
Other Foreign Subsidiaries (Slovakia, United Kingdom, Montenegro, Romania, Serbia, Croatia, Belize)[16]	368	359	-2%	259	100	240	140%	-7%
Eliminations	660	-1,138	-273%	-326	-605	-207	-66%	-36%
Total adjusted after tax profit of HUNGARIAN subsidiaries[17]	99,949	100,310	0%	37,029	31,182	40,018	28%	8%
Total adjusted after tax profit of FOREIGN subsidiaries[18]	3,699	72,583		-2,420	25,362	28,735	13%	
Share of foreign profit contribution, %	4%	42%		-7%	45%	42%	-7%	-698%

2 Relevant footnotes are in the Supplementary data section of the Report.

CONSOLIDATED AND SEPARATE, UNAUDITED IFRS REPORTS OF OTP BANK PLC.

CONSOLIDATED STATEMENT OF RECOGNIZED INCOME

Main components of the Statement of recognized income in HUF million	9M 2015	9M 2016	Y-o-Y	3Q 2015	2Q 2016	3Q 2016	Q-o-Q	Y-o-Y
Consolidated after tax profit	**36,478**	**175,978**	**382%**	**-3,664**	**71,935**	**69,790**	**-3%**	
Adjustments (total)	**-67,172**	**3,085**	**-105%**	**-38,273**	**15,392**	**1,038**	**-93%**	**-103%**
Dividends and net cash transfers (after tax)	154	401	160%	80	186	146	-21%	83%
Goodwill/investment impairment charges (after tax)	2,701	10,768	299%	0	2,214	8,555	286%	
Special tax on financial institutions (after corporate income tax)	-29,126	-13,766	-53%	-198	-168	-186	10%	-6%
Effect of acquisitions (after tax)	1,550	0	-100%	0	0	0		
One-off impact of regulatory changes in relation to consumer contracts and the impact of the related methodological changes in Hungary (after tax)	-2,982	0	-100%	-6,456	0	0		-100%
Expected one-off impact of regulatory changes related to CHF consumer contracts in Croatia (after tax)	-6,331	0	-100%	-6,331	0	0		-100%
One-off impact of regulatory changes related to FX consumer contracts in Serbia (after tax)	-209	0	-100%	-104	0	0		-100%
Expected one-off impact of the CHF mortgage loan conversion programme and regulatory changes related to mortgage loans in Romania (after tax)	-25,492	0	-100%	-25,492	0	0		-100%
Risk cost created toward Crimean exposures from 2Q 2014 until 4Q 2015 (after tax)	-6	-		-103	-	-		
Risk cost created toward exposures to Donetsk and Luhansk from 3Q 2014 until 4Q 2015 (after tax)	-1,893	-		332	-	-		
Expected corporate tax impact of switching to IFRS from HAR in Hungary	0	-7,477		0	0	-7,477		
Gain on the sale of Visa Europe shares (after tax)	0	13,160		0	13,160	0	-100%	
Revaluation of reverse mortgage portfolio of OTP Life Annuity Ltd. simultaneous with regulatory changes (after tax)	-5,539	0	-100%	0	0	0		
Consolidated adjusted after tax profit without the effect of adjustments	**103,649**	**172,893**	**67%**	**34,609**	**56,543**	**68,752**	**22%**	**99%**
Before tax profit	**122,119**	**207,256**	**70%**	**39,859**	**70,359**	**72,911**	**4%**	**83%**
Operating profit	**286,385**	**250,889**	**-12%**	**96,521**	**79,670**	**86,608**	**9%**	**-10%**
Total income	**572,062**	**542,694**	**-5%**	**191,373**	**180,340**	**184,853**	**3%**	**-3%**
Net interest income	**420,380**	**388,765**	**-8%**	**137,675**	**129,067**	**130,657**	**1%**	**-5%**
Net fees and commissions	**123,801**	**127,750**	**3%**	**42,610**	**43,520**	**45,411**	**4%**	**7%**
Other net non-interest income	**27,881**	**26,179**	**-6%**	**11,087**	**7,753**	**8,786**	**13%**	**-21%**
Foreign exchange result, net	16,333	12,901	-21%	7,008	5,379	4,211	-22%	-40%
Gain/loss on securities, net	7,052	4,839	-31%	2,885	373	1,275	242%	-56%
Net other non-interest result	4,497	8,439	88%	1,195	2,001	3,299	65%	176%
Operating expenses	**-285,678**	**-291,806**	**2%**	**-94,852**	**-100,670**	**-98,245**	**-2%**	**4%**
Personnel expenses	-139,324	-142,528	2%	-45,572	-49,687	-47,457	-4%	4%
Depreciation	-31,321	-32,552	4%	-10,557	-10,724	-11,395	6%	8%
Other expenses	-115,033	-116,726	1%	-38,723	-40,259	-39,393	-2%	2%
Total risk costs	**-167,976**	**-45,643**	**-73%**	**-58,190**	**-12,069**	**-12,780**	**6%**	**-78%**
Provision for loan losses	-163,275	-43,701	-73%	-56,917	-13,879	-9,077	-35%	-84%
Other provision	-4,701	-1,942	-59%	-1,272	1,810	-3,703	-305%	191%
Total one-off items	**3,710**	**2,010**	**-46%**	**1,527**	**2,758**	**-917**	**-133%**	**-160%**
Revaluation result of FX swaps at OTP Core[1]	-679	-		-	-	-		
Gain on the repurchase of own Upper and Lower Tier2 Capital	0	0		0	0	0		
Result of the treasury share swap at OTP Core	4,390	2,010	-54%	1,527	2,758	-917	-133%	-160%
Corporate taxes	**-18,469**	**-34,363**	**86%**	**-5,249**	**-13,816**	**-4,159**	**-70%**	**-21%**

INDICATORS (%)	9M 2015	9M 2016	Y-o-Y	3Q 2015	2Q 2016	3Q 2016	Q-o-Q	Y-o-Y
ROE (adjusted)	11.1%	17.7%	6.6%p	11.1%	18.0%	20.5%	2.5%p	9.4%p
ROA (adjusted)	1.3%	2.1%	0.9%p	1.3%	2.1%	2.5%	0.4%p	1.2%p
Operating profit margin	3.54%	3.09%	-0.44%p	3.57%	2.99%	3.18%	0.19%p	-0.39%p
Total income margin	7.06%	6.69%	-0.37%p	7.08%	6.77%	6.79%	0.02%p	-0.29%p
Net interest margin	5.19%	4.79%	-0.40%p	5.09%	4.84%	4.80%	-0.04%p	-0.29%p
Net fee and commission margin	1.53%	1.57%	0.05%p	1.58%	1.63%	1.67%	0.04%p	0.09%p
Net other non-interest income margin	0.34%	0.32%	-0.02%p	0.41%	0.29%	0.32%	0.03%p	-0.09%p
Cost-to-asset ratio	3.53%	3.60%	0.07%p	3.51%	3.78%	3.61%	-0.17%p	0.10%p
Cost/income ratio	49.9%	53.8%	3.8%p	49.6%	55.8%	53.1%	-2.7%p	3.6%p
Risk cost for loan losses-to-average gross loans	3.24%	0.91%	-2.33%p	3.41%	0.87%	0.56%	-0.31%p	-2.85%p
Risk cost for loan losses-to-average FX adjusted gross loans	3.27%	0.92%	-2.35%p	3.48%	0.88%	0.56%	-0.32%p	-2.91%p
Total risk cost-to-asset ratio	2.07%	0.56%	-1.51%p	2.15%	0.45%	0.47%	0.02%p	-1.68%p
Effective tax rate	15.1%	16.6%	1.5%p	13.2%	19.6%	5.7%	-13.9%p	-7.5%p
Non-interest income/total income	27%	28%	2%p	28%	28%	29%	1%p	1%p
EPS base (HUF) (from unadjusted net earnings)	140	665	376%	-14	271	266	-2%	
EPS diluted (HUF) (from unadjusted net earnings)	140	664	376%	-14	271	266	-2%	
EPS base (HUF) (from adjusted net earnings)	393	654	66%	133	214	262	23%	97%
EPS diluted (HUF) (from adjusted net earnings)	393	654	66%	133	214	262	23%	97%
Comprehensive Income Statement	9M 2015	9M 2016	Y-o-Y	3Q 2015	2Q 2016	3Q 2016	Q-o-Q	Y-o-Y
Consolidated after tax profit	36,478	175,978	382%	-3,664	71,935	69,790	-3%	
Fair value adjustment of securities available-for-sale (recognised directly through equity)	-148	6,233		5,347	-17,527	17,130	-198%	220%
Fair value adjustment of derivative financial instruments designated as cash-flow hedge	0	0		0	0	0		
Fair value adjustment of strategic open FX position hedging net investment in foreign operations	401	897	124%	486	-500	1,747	-449%	259%
Foreign currency translation difference	-25,937	6,918	-127%	-30,846	17,663	-15,570	-188%	-50%
Change of actuarial losses (IAS 19)	0	0		0	0	0		
Net comprehensive income	**10,794**	**190,026**		**-28,676**	**71,570**	**73,097**	**2%**	**-355%**
o/w Net comprehensive income attributable to equity holders	11,200	189,585		-28,302	71,302	73,050	2%	-358%
Net comprehensive income attributable to non-controlling interest	-406	441	-209%	-374	268	47	-82%	-113%
Average exchange rate of the HUF (in forint)	9M 2015	9M 2016	Y-o-Y	3Q 2015	2Q 2016	3Q 2016	Q-o-Q	Y-o-Y
HUF/EUR	309	312	1%	312	313	311	-1%	0%
HUF/CHF	291	285	-2%	291	286	286	0%	-2%
HUF/USD	277	280	1%	281	277	279	0%	-1%

[1] From 2Q 2015 this item (booked within the net interest income of OTP Core from accounting point of view) is not shown separately among the one-off items, but on the net interest income line.

CONSOLIDATED BALANCE SHEET

Main components of balance sheet in HUF million	3Q 2015	4Q 2015	2Q 2016	3Q 2016	Q-o-Q	Y-o-Y	YTD
TOTAL ASSETS	**10,690,468**	**10,718,848**	**10,699,226**	**10,952,739**	**2%**	**2%**	**2%**
Cash and amount due from banks	1,969,462	1,878,961	1,486,420	1,645,754	11%	-16%	-12%
Placements with other banks	260,259	300,569	336,532	395,755	18%	52%	32%
Financial assets at fair value	250,854	253,782	243,709	265,013	9%	6%	4%
Securities available-for-sale	1,127,029	1,305,486	1,605,945	1,618,352	1%	44%	24%
Net customer loans	5,485,605	5,409,967	5,487,920	5,480,609	0%	0%	1%
Net customer loans (FX adjusted[1])	**5,438,598**	**5,398,119**	**5,413,930**	**5,480,609**	**1%**	**1%**	**2%**
Gross customer loans	6,601,262	6,423,588	6,493,371	6,443,327	-1%	-2%	0%
Gross customer loans (FX adjusted[1])	**6,536,214**	**6,403,870**	**6,399,634**	**6,443,327**	**1%**	**-1%**	**1%**
o/w Retail loans	4,411,380	4,264,770	4,184,249	4,197,859	0%	-5%	-2%
Retail mortgage loans (incl. home equity)	2,374,820	2,313,671	2,225,244	2,212,009	-1%	-7%	-4%
Retail consumer loans	1,530,075	1,460,327	1,449,011	1,466,299	1%	-4%	0%
SME loans	506,485	490,772	509,994	519,551	2%	3%	6%
Corporate loans	1,837,998	1,873,984	1,952,608	1,986,115	2%	8%	6%
Loans to medium and large corporates	1,750,108	1,781,463	1,871,118	1,906,663	2%	9%	7%
Municipal loans	87,890	92,521	81,490	79,452	-3%	-10%	-14%
Car financing loans	221,414	209,321	211,900	213,021	1%	-4%	2%
Bills and accrued interest receivables related to loans	65,421	55,795	50,877	46,332	-9%	-29%	-17%
Allowances for loan losses	-1,115,657	-1,013,620	-1,005,451	-962,719	-4%	-14%	-5%
Allowances for loan losses (FX adjusted[1])	-1,097,616	-1,005,751	-985,704	-962,719	-2%	-12%	-4%
Equity investments	27,023	10,028	9,215	10,446	13%	-61%	4%
Securities held-to-maturity	918,413	926,677	894,218	906,836	1%	-1%	-2%
Premises, equipment and intangible assets, net	350,792	349,469	350,816	343,806	-2%	-2%	-2%
o/w Goodwill, net	99,580	95,994	101,404	100,187	-1%	1%	4%
Premises, equipment and other intangible assets, net	251,213	253,475	249,412	243,619	-2%	-3%	-4%
Other assets	301,032	283,909	284,451	286,168	1%	-5%	1%

Main components of balance sheet in HUF million	3Q 2015	4Q 2015	2Q 2016	3Q 2016	Q-o-Q	Y-o-Y	YTD
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**10,690,468**	**10,718,848**	**10,699,226**	**10,952,739**	**2%**	**2%**	**2%**
Liabilities to credit institutions and governments	584,401	533,310	516,242	774,595	50%	33%	45%
Customer deposits	7,809,436	7,984,579	7,898,534	8,009,324	1%	3%	0%
Customer deposits (FX adjusted[1])	**7,746,428**	**7,947,092**	**7,798,580**	**8,009,324**	**3%**	**3%**	**1%**
o/w Retail deposits	5,353,233	5,642,235	5,658,299	5,788,421	2%	8%	3%
Household deposits	4,527,732	4,723,022	4,761,119	4,842,834	2%	7%	3%
SME deposits	825,501	919,213	897,179	945,587	5%	15%	3%
Corporate deposits	2,364,176	2,285,316	2,123,041	2,205,109	4%	-7%	-4%
Deposits to medium and large corporates	1,853,159	1,878,263	1,723,163	1,756,428	2%	-5%	-6%
Municipal deposits	511,017	407,052	399,877	448,681	12%	-12%	10%
Accrued interest payable related to customer deposits	29,019	19,542	17,241	15,794	-8%	-46%	-19%
Issued securities	246,925	239,376	232,631	212,918	-8%	-14%	-11%
o/w Retail bonds	65,493	64,777	59,511	56,718	-5%	-13%	-12%
Issued securities without retail bonds	181,432	174,599	173,119	156,200	-10%	-14%	-11%
Other liabilities	565,146	493,140	507,009	501,008	-1%	-11%	2%
Subordinated bonds and loans	258,506	234,784	243,864	82,809	-66%	-68%	-65%
Total shareholders' equity	**1,226,054**	**1,233,659**	**1,300,946**	**1,372,086**	**5%**	**12%**	**11%**
Indicators	3Q 2015	4Q 2015	2Q 2016	3Q 2016	Q-o-Q	Y-o-Y	YTD
Loan/deposit ratio (FX adjusted[1])	84%	80%	82%	80%	-2%p	-4%p	0%p
Net loan/(deposit + retail bond) ratio (FX adjusted[1])	69%	67%	68%	68%	-1%p	-2%p	1%p
90+ days past due loan volume	1,252,644	1,085,694	1,058,728	1,013,242	-4%	-19%	-7%
90+ days past due loans/gross customer loans	19.2%	17.0%	16.4%	15.8%	-0.6%p	-3.3%p	-1.2%p
Total provisions/90+ days past due loans	89.1%	93.4%	95.0%	95.0%	0.0%p	5.9%p	1.7%p
Consolidated capital adequacy - Basel3	3Q 2015	4Q 2015	2Q 2016	3Q 2016	Q-o-Q	Y-o-Y	YTD
Capital adequacy ratio (consolidated, IFRS)	16.5%	16.2%	15.8%	15.7%	-0.1%p	-0.8%p	-0.5%p
Tier1 ratio	13.5%	13.3%	13.2%	13.2%	0.1%p	-0.3%p	-0.1%p
Common Equity Tier 1 ('CET1') capital ratio	13.5%	13.3%	13.2%	13.2%	0.1%p	-0.3%p	-0.1%p
Regulatory capital (consolidated)	1,095,744	1,064,383	1,060,918	1,049,610	-1%	-4%	-1%
o/w Tier1 Capital	894,505	873,124	885,007	882,980	0%	-1%	1%
o/w Common Equity Tier 1 capital	894,505	873,124	885,007	882,980	0%	-1%	1%
Tier2 Capital	201,240	191,259	175,911	166,630	-5%	-17%	-13%
o/w Hybrid Tier2	93,556	92,093	91,451	89,935	-2%	-4%	-2%
Consolidated risk weighted assets (RWA) (Credit&Market&Operational risk)	6,638,718	6,576,258	6,723,900	6,678,563	-1%	1%	2%
o/w RWA (Credit risk)	5,359,035	5,245,874	5,354,095	5,246,210	-2%	-2%	0%
RWA (Market & Operational risk)	1,279,683	1,330,384	1,369,805	1,432,353	5%	12%	8%
Closing exchange rate of the HUF (in forint)	3Q 2015	4Q 2015	2Q 2016	3Q 2016	Q-o-Q	Y-o-Y	YTD
HUF/EUR	313	313	316	309	-2%	-1%	-1%
HUF/CHF	287	289	291	285	-2%	0%	-1%
HUF/USD	279	287	284	276	-3%	-1%	-4%

[1] For the FX adjustment, the closing cross currency rates for the current period were used to calculate the HUF equivalent of loan and deposit volumes in the base periods.

OTP BANK'S HUNGARIAN CORE BUSINESS

OTP Core Statement of recognized income:

Main components of the Statement of recognised income in HUF million	9M 2015	9M 2016	Y-o-Y	3Q 2015	2Q 2016	3Q 2016	Q-o-Q	Y-o-Y
After tax profit without the effect of adjustments	95,467	98,376	3%	36,257	30,717	38,761	26%	7%
Corporate income tax	-21,416	-23,520	10%	-4,877	-10,436	-2,285	-78%	-53%
Pre-tax profit	116,883	121,896	4%	41,134	41,153	41,047	0%	0%
Operating profit	130,116	111,188	-15%	46,853	32,627	38,266	17%	-18%
Total income	274,598	265,550	-3%	95,769	87,110	89,965	3%	-6%
Net interest income	189,923	174,935	-8%	63,257	57,800	58,733	2%	-7%
Net fees and commissions	72,505	74,952	3%	25,541	25,569	26,642	4%	4%
Other net non-interest income	12,170	15,662	29%	6,970	3,741	4,590	23%	-34%
Operating expenses	-144,482	-154,362	7%	-48,916	-54,482	-51,699	-5%	6%
Total risk costs	-16,943	8,698	-151%	-7,245	5,768	3,697	-36%	-151%
Provisions for possible loan losses	-14,373	10,628	-174%	-6,621	3,740	6,923	85%	-205%
Other provisions	-2,570	-1,930	-25%	-624	2,027	-3,226	-259%	417%
Total one-off items	3,710	2,010	-46%	1,527	2,758	-917	-133%	-160%
Revaluation result of FX swaps	-679	-	0%	-	-	-	0%	0%
Gain on the repurchase of own Upper and Lower Tier2 Capital	0	0	0%	0	0	0	0%	0%
Revaluation result of the treasury share swap agreement	4,390	2,010	-54%	1,527	2,758	-917	-133%	-160%
Revenues by Business Lines								
RETAIL								
Total income	201,848	184,954	-8%	66,658	62,966	60,468	-4%	-9%
Net interest income	136,977	116,328	-15%	44,156	39,480	36,345	-8%	-18%
Net fees and commissions	62,446	65,737	5%	21,675	22,550	23,218	3%	7%
Other net non-interest income	2,424	2,889	19%	827	936	905	-3%	9%
CORPORATE								
Total income	32,423	29,225	-10%	10,773	9,471	10,337	9%	-4%
Net interest income	20,659	19,294	-7%	6,670	6,184	6,679	8%	0%
Net fees and commissions	11,056	9,086	-18%	3,861	3,013	3,393	13%	-12%
Other net non-interest income	709	844	19%	242	274	265	-3%	9%
Treasury ALM								
Total income	39,487	49,191	25%	17,570	14,252	18,423	29%	5%
Net interest income	32,287	39,313	22%	12,432	12,136	15,709	29%	26%
Net fees and commissions	-997	128	-113%	5	5	30	533%	529%
Other net non-interest income	8,197	9,749	19%	5,133	2,111	2,684	27%	-48%
Indicators (%)	9M 2015	9M 2016	Y-o-Y	3Q 2015	2Q 2016	3Q 2016	Q-o-Q	Y-o-Y
ROE	10.7%	10.6%	-0.2%p	12.2%	10.2%	12.3%	2.2%p	0.1%p
ROA	1.8%	1.9%	0.1%p	2.1%	1.8%	2.2%	0.4%p	0.1%p
Operating profit margin (operating profit / avg. total assets)	2.5%	2.2%	-0.4%p	2.8%	1.9%	2.2%	0.3%p	-0.5%p
Total income margin	5.30%	5.15%	-0.15%p	5.64%	5.13%	5.21%	0.08%p	-0.43%p
Net interest margin	3.66%	3.39%	-0.27%p	3.73%	3.41%	3.40%	0.00%p	-0.32%p
Net fee and commission margin	1.40%	1.45%	0.05%p	1.50%	1.51%	1.54%	0.04%p	0.04%p
Net other non-interest income margin	0.23%	0.30%	0.07%p	0.41%	0.22%	0.27%	0.05%p	-0.14%p
Operating costs to total assets ratio	2.8%	3.0%	0.2%p	2.9%	3.2%	3.0%	-0.2%p	0.1%p
Cost/income ratio	52.6%	58.1%	5.5%p	51.1%	62.5%	57.5%	-5.1%p	6.4%p
Cost of risk/average gross loans	0.74%	-0.59%	-1.33%p	1.07%	-0.62%	-1.13%	-0.51%p	-2.20%p
Cost of risk/average gross loans (FX adjusted)	0.73%	-0.59%	-1.32%p	1.08%	-0.62%	-1.13%	-0.51%p	-2.21%p

[1] Negative volume of Cost of risk/average gross loan volumes imply provision release

- ***In 9M 2016 OTP Core posted HUF 98.4 billion adjusted profit underpinning a 3% y-o-y increase***
- ***In 3Q profit after tax grew by 26% q-o-q on the back of lower corporate tax burden; before tax profit remained stable q-o-q***
- ***The cumulated net interest income declined by 8% y-o-y due to narrowing net interest margin and y-o-y eroding loan volumes; 3Q NII however grew by 2% q-o-q***
- ***The total risk cost line shows again a release in 3Q (similar to 2Q), thus in 9H altogether HUF 8.7 billion provision release was booked on this line***
- ***Favourable credit quality trends remained intact, the DPD90+ ratio improved to 10.4% (-0.6 pp q-o-q, -3.4 pps y-o-y)***
- ***Gross loans already increased by 2% ytd (FX-adjusted) after a steady erosion in the last couple of years; higher business activity in all product segments***
- ***The dynamic portfolio expansion of SME and large corporate loans continued (+5% q-o-q and +4% q-o-q FX-adjusted); volume growth in both segments exceeded 10% ytd***

P&L developments

Without the effect of adjustment items[3] **OTP Core** posted a profit after tax of HUF 98.4 billion in 9M 2016 underpinning a 3% y-o-y improvement. 3Q net profit improved by 26% q-o-q (+7% y-o-y) and reached HUF 38.8 billion.

The effective corporate tax rate was 19.3% in 9M 2016. The volatility of quarterly effective tax burden in each quarter of 2016 was shaped to a great extent by the tax shield effect on the revaluation of subsidiary investments[4] as a result of HUF exchange rate moves (this caused HUF 2.1 billion additional tax obligation in 2Q, but resulted in HUF 2.3 billion tax saving in 3Q). Consequently, the 3Q profit before tax remained stable both q-o-q and y-o-y.

The higher profit reported in 9M 2016 was mainly reasoned by provision releases reflected on total risk cost line (in 3Q 2016 HUF 3.7 billion, in 9M 2016 HUF 8.7 billion provision was released).

Within total risk costs, on the provisions for loan losses line HUF a release of 10.6 billion was recognized for the first nine months, of that HUF 6.9 billion in 3Q, respectively. The trend of credit quality improvement continued: the DPD90+ volumes adjusted for FX rate movements and sales and write offs declined by HUF 1.2 billion in 3Q, related mainly to the mortgage exposures. Furthermore, DPD90+ volumes were influenced by sales and write offs, too: HUF 10 billion non-performing exposures were sold or written off in 3Q (HUF 30 billion in 9M 2016). As a result, the DPD90+ ratio moderated by 0.6 pp q-o-q and by 3.4 pps y-o-y to 10.4%. The provision coverage ratio (86.5%) moderately declined q-o-q, but increased by 8.3 pps y-o-y.

Against the remarkable improvement in risk costs, operating profit dropped by 15% y-o-y in the first nine months of 2016. However, in 3Q there was a remarkable turn-around with operating income improving by 17% q-o-q.

9M net interest income decreased by 8% y-o-y reasoned mainly by the y-o-y 27 bps lower net interest margin. From a business perspective the lower NIM was mainly driven by the declining interest rate environment that took its toll through lower deposit margins. Margins were also influenced by the declining share of net loans within total assets, and the structural changes within the loan book also had a negative effect as the weight of corporate exposures with lower margins increased y-o-y.

It was encouraging, however, that in 3Q the net interest income grew by 2% q-o-q against the declining trend over the last couple of quarters. Following the erosion of interbank interest rates the average HUF deposit rates at OTP Core shrank further.

9M net fee and commission income increased by 3% y-o-y, whereas in 3Q the q-o-q growth reached 4%. The improvement was due to stronger card-related fees induced by growing transactional turnover.

The 29% y-o-y increase in 9M in other net non-interest income was due to the improving FX-gains, but also to significant securities gains realized on property investment funds in 1Q 2016. Higher 3Q other income can be explained by q-o-q stronger FX-gains.

Total one-off revenue items represented HUF 2.0 billion in the first nine months of 2016, mainly

[3] Adjustments emerged in the presented periods: special tax on financial institutions, dividends and net cash transfers, goodwill impairment charges, the risk cost created in relation to the decision of the Hungarian Competition Authority, one-off impact of regulatory changes in relation to consumer contracts, the impact of the related methodological changes and the revaluation of reverse mortgage portfolio of OTP Life Annuity Ltd., the gain realized on securities from the Visa Europe share transaction, as well as the expected corporate tax impact of switching to IFRS from HAR in Hungary.

[4] In 3Q 2016 the closing rate of HUF appreciated q-o-q against the functional currencies of the subsidiary investments. Therefore a revaluation loss was realized under Hungarian Accounting Standards when translating the value of these subsidiary investments into HUF, lowering the corporate tax base. So, the corporate tax both under HAS and IFRS declined *ceteris paribus*.

related to dividends received within the framework of treasury share swap agreement.

9M operating expenses increased by 7% y-o-y due to the following reasons: the Bank had to pay y-o-y HUF 2 billion higher contributions into the National Deposit Protection Fund (OBA), the Investor Protection Fund (Beva) and the Resolution Fund. Furthermore, reviving business activity coupled with higher marketing spending and higher deductible taxes, and the one-off costs related to organizational changes emerged in 2Q played a role. Finally, at the Bank there was an average base salary increase of 4% in April 2016. In 3Q, however, operating expenses dropped by 5% q-o-q since one-off costs of organizational changes dropped out, and other expenses were also lower by HUF 1.4 billion (within that HUF 0.5 billion lower charges were paid to supervisory authorities due to technical reasons). On the other hand amortization increased by HUF 0.6 billion q-o-q.

Main components of OTP Core's Statement of financial position:

Main components of balance sheet closing balances in HUF mn	3Q 2015	4Q 2015	2Q 2016	3Q 2016	Q/Q	Y/Y	YTD
Total Assets	6,734,043	6,774,200	6,726,389	7,007,614	4%	4%	3%
Net customer loans	2,158,616	2,145,475	2,191,993	2,223,886	1%	3%	4%
Net customer loans (FX adjusted)	**2,154,787**	**2,142,525**	**2,184,747**	**2,223,886**	**2%**	**3%**	**4%**
Gross customer loans	2,419,175	2,394,362	2,424,160	2,444,225	1%	1%	2%
Gross customer loans (FX adjusted)	**2,414,500**	**2,388,441**	**2,415,380**	**2,444,225**	**1%**	**1%**	**2%**
Retail loans	1,681,559	1,624,439	1,599,482	1,598,544	0%	-5%	-2%
Retail mortgage loans (incl. home equity)	1,182,355	1,163,805	1,124,799	1,115,071	-1%	-6%	-4%
Retail consumer loans	352,054	316,935	319,744	321,557	1%	-9%	1%
SME loans	147,150	143,699	154,939	161,916	5%	10%	13%
Corporate loans	732,941	764,002	815,898	845,681	4%	15%	11%
Loans to medium and large corporates	713,334	742,861	790,638	819,524	4%	15%	10%
Municipal loans	19,607	21,141	25,261	26,157	4%	33%	24%
Provisions	-260,559	-248,887	-232,167	-220,339	-5%	-15%	-11%
Provisions (FX adjusted)	**-259,712**	**-245,916**	**-230,633**	**-220,339**	**-4%**	**-15%**	**-10%**
Deposits from customers + retail bonds	4,465,518	4,559,728	4,417,379	4,568,498	3%	2%	0%
Deposits from customers + retail bonds (FX adjusted)	**4,454,547**	**4,542,609**	**4,397,968**	**4,568,498**	**4%**	**3%**	**1%**
Retail deposits + retail bonds	2,670,456	2,851,142	2,904,438	2,998,700	3%	12%	5%
Household deposits + retail bonds	2,216,934	2,350,502	2,397,598	2,460,125	3%	11%	5%
o/w: Retail bonds	65,493	64,777	59,511	56,718	-5%	-13%	-12%
SME deposits	453,522	500,639	506,839	538,576	6%	19%	8%
Corporate deposits	1,784,091	1,691,468	1,493,530	1,569,797	5%	-12%	-7%
Deposits to medium and large corporates	1,345,439	1,329,159	1,155,555	1,153,845	0%	-14%	-13%
Municipal deposits	438,652	362,308	337,975	415,952	23%	-5%	15%
Liabilities to credit institutions	382,766	376,886	468,827	569,640	22%	49%	51%
Issued securities without retail bonds	196,590	202,309	196,245	190,372	-3%	-3%	-6%
Total shareholders' equity	1,184,720	1,210,949	1,226,235	1,275,149	4%	8%	5%
Loan Quality	3Q 2015	4Q 2015	2Q 2016	3Q 2016	Q/Q	Y/Y	YTD
90+ days past due loan volume (in HUF million)	333,154	290,052	266,546	254,622	-4.5%	-23.6%	-12.2%
90+ days past due loans/gross customer loans (%)	13.8%	12.1%	11.0%	10.4%	-0.6%p	-3.4%p	-1.7%p
Total provisions/90+ days past due loans (%)	78.2%	85.8%	87.1%	86.5%	-0.6%p	8.3%p	0.7%p
Market Share (%)	3Q 2015	4Q 2015	2Q 2016	3Q 2016	Q/Q	Y/Y	YTD
Loans	18.9%	19.2%	19.5%	19.5%	0.0%p	0.5%p	0.3%p
Deposits	26.3%	25.5%	26.5%	26.4%	-0.2%p	0.1%p	0.8%p
Total Assets	26.6%	26.0%	26.3%	26.4%	0.1%p	-0.2%p	0.4%p
Performance Indicators (%)	3Q 2015	4Q 2015	2Q 2016	3Q 2016	Q/Q	Y/Y	YTD
Net loans to (deposits + retail bonds) (FX adjusted)	48%	47%	50%	49%	-1%p	0%p	2%p
Leverage (Shareholder's Equity/Total Assets)	17.6%	17.9%	18.2%	18.2%	0.0%p	0.6%p	0.3%p
Leverage (Total Assets/Shareholder's Equity)	5.7x	5.6x	5.5x	5.5x	0.0x	-0.2x	-0.1x
Capital adequacy ratio (OTP Bank, non-consolidated, Basel3, HAS)	28.6%	26.6%	28.7%	28.8%	0.2%p	0.2%p	2.3%p
Common Equity Tier 1 ratio (OTP Bank, non-consolidated, Basel3, HAS)	24.5%	22.6%	25.6%	25.9%	0.3%p	1.4%p	3.3%p

Balance sheet trends

Improving lending activity in 3Q strengthened the positive trends seen already in 1H 2016. OTP Core's FX-adjusted gross loan portfolio increased by 1% q-o-q and by 2% ytd. Performing (DPD0-90) loan volume growth was even more dynamic with a 2% q-o-q increase and a 4% year-to-date growth.

Within that mainly corporate volumes added to the growth: both the gross micro and small enterprise loan portfolio and the large corporate exposures advanced by a pace of above 10% in the first nine months. The steady expansion of the micro and small enterprise loan disbursement continued in 3Q, as a result volumes grew by 5% q-o-q (+13% ytd). It is important that in 3Q the agricultural financing which is considered by the Bank as a strategic area within corporate lending also demonstrated a strong increase in new disbursements; OTP's market share edged up steadily and already exceeded 18% according to latest available data. Medium and large corporate volumes expanded by 4% q-o-q (+10% ytd).

In 2016 the National Bank of Hungary launched the third phase of the Funding for Growth Scheme. According to the data published by the NBH on 13 October 2016 the Hungarian credit institutions participating in the scheme have already contracted for HUF 230 billion by the end of September 2016 of which OTP's share represented HUF 50 billion. In October NBH decided about applying more flexible conditions for utilizing FGS loan facilities and also extended the drawdown deadline.

Within the household segment performing mortgage loan volumes stopped shrinking and stabilized q-o-q against the erosion experienced for the last couple of years. Though the gross mortgage loan volumes still eroded by 1% q-o-q, it was rather the consequence of the sale and write-off of non-performing exposures.

New mortgage disbursements[5] showed a favourable trend in 9M (+48% y-o-y). In 3Q the Bank originated HUF 40.2 billion mortgages (+6% q-o-q), a quarterly number not registered since 4Q 2008[6]. OTP Bank's market share in new mortgage loan contractual amounts reached 28.2% in 9M and 29.0% in 3Q, respectively.

As for the new mortgage applications, in the first nine months application volumes at OTP Bank exceeded HUF 174 billion (+71% y-o-y). State subsidized housing loan applications increased substantially (+141% y-o-y) due to the demand generated by the Housing Subsidy for Families (CSOK). Thus, within the total housing loan applications the demand for the subsidized housing loans represented 45% (versus 35% in 2015).

OTP Bank experienced strong business activity as for the extended CSOK: in 9M around 7,664 applications were registered with a value of over HUF 21 billion. 16% of the total number of applications was filed by families with three or more children for new housing purposes. Applicants also combined CSOK with subsidized or market-based loan application in the amount of HUF 32 billion.

The Government made certain amendments to the CSOK legislation through a government decree (No. 273/2016): the government eased the conditions for drawdown and the eligibility criteria were relaxed, too.

The gross consumer loan book grew by 1% q-o-q and by 2% ytd. The performing consumer volumes advanced by 6% ytd. OTP's market share in this segment remained strong both in terms of stock and new disbursements. At the end of September the bank had a market share of 32.7% in total cash loan volumes. OTP Bank's market share in new cash loan disbursement was 39.4% in 3Q, supported by q-o-q accelerating disbursement activity.

FX-adjusted deposit volumes (including retail bonds) increased by 3% y-o-y on an FX-adjusted basis. The volume of retail deposits (with retail bonds) advanced by 12%, whereas corporate volumes declined by the same magnitude. In 3Q deposit volumes grew by 4% as a result of continuing retail inflows and seasonally higher municipality deposits.

On 20 September the National Bank of Hungary announced that the cumulative volume of 3 months deposits placed with the central bank can't exceed HUF 900 billion through the October, November and December tenders. Starting from August 2016 the frequency of 3M deposit tenders changed from a weekly one to a monthly one. By the end of September 2016 OTP kept HUF 760 billion in the 3 months instruments with NBH. On 26 October the central held its first monthly tender with limited amounts and accepted HUF 100 billion offers from the sector. According to the decision of the Monetary Council in October the overnight central bank deposit interest rate remained -5 bps.

[5] Mortgage loan application and disbursement statistics include the performance of OTP Building Society both for 3Q and previous periods. (In previous reports OTP Bank + OTP Mortgage Bank aggregated numbers were presented).

[6] Not taking into account the 1Q 2012 disbursements inflated by the early repayment scheme.

OTP FUND MANAGEMENT (HUNGARY)

Changes in assets under management and financial performance of OTP Fund Management:

Main components of P&L account in HUF mn	9M 2015	9M 2016	Y-o-Y	3Q 2015	2Q 2016	3Q 2016	Q-o-Q	Y-o-Y
After tax profit w/o dividends and net cash transfer	3,213	2,762	-14%	833	857	888	4%	7%
Income tax	-697	-589	-15%	-194	-204	-201	-2%	4%
Profit before income tax	3,910	3,351	-14%	1,027	1,061	1,088	3%	6%
Operating profit	3,910	3,351	-14%	1,027	1,061	1,088	3%	6%
Total income	5,189	4,621	-11%	1,593	1,482	1,551	5%	-3%
Net interest income	0	0	223%	0	0	0	279%	744%
Net fees and commissions	5,179	4,604	-11%	1,592	1,479	1,538	4%	-3%
Other net non-interest income	10	17	75%	1	3	13	338%	919%
Operating expenses	-1,279	-1,270	-1%	-567	-422	-462	10%	-18%
Other provisions	0	0	-100%	0	0	0	-100%	-100%
Main components of balance sheet closing balances in HUF mn	2015	9M 2016	YTD	3Q 2015	2Q 2016	3Q 2016	Q-o-Q	Y-o-Y
Total assets	12,924	13,785	7%	11,871	12,814	13,785	8%	16%
Total shareholders' equity	8,314	10,834	30%	6,834	9,950	10,834	9%	59%
Asset under management in HUF bn	2015	9M 2016	YTD	3Q 2015	2Q 2016	3Q 2016	Q-o-Q	Y-o-Y
Assets under management, total (w/o duplicates)	**1,576**	**1,515**	**-4%**	**1,565**	**1,508**	**1,515**	**0%**	**-3%**
Retail investment funds (closing, w/o duplicates)	1,079	996	-8%	1,084	999	996	0%	-8%
Volume of managed assets (closing, w/o duplicates)	497	519	4%	481	510	519	2%	8%
Volume of investment funds (with duplicates)	1,204	1,129	-6%	1,204	1,129	1,135	1%	-6%
money market	378	310	-18%	378	310	286	-8%	-24%
bond	419	401	-4%	432	401	412	3%	-5%
mixed	21	22	4%	20	22	22	2%	14%
security	109	109	0%	103	109	114	5%	11%
guaranteed	105	98	-7%	108	98	97	-1%	-11%
other	171	188	10%	164	188	204	9%	25%

The **OTP Fund Management** posted around HUF 2.8 billion after tax profit in 9M 2016, which is by 14% lower than in the base period. In 3Q the company realized HUF 888 million (+4% q-o-q).

9M net fees and commissions income decreased by 11% y-o-y, partly due to the erosion of assets under management. In 3Q however fees and commissions income already increased by 4% reflecting a moderate growth in assets under management.

9M operating expenses declined by 1% y-o-y. The 10% q-o-q increase in 3Q is mainly reasoned by higher marketing and expert fees.

Considering the whole market, in 9M 2016 the managed assets of BAMOSZ members decreased slightly y-o-y, but 3Q witnessed fresh capital inflow supported by a benign yield increase. The realignment between different asset categories continued: amid the low interest rate environment money market funds suffered a capital outflow, whereas real estate and fixed income funds enjoyed a steady capital inflow.

The erosion of assets under management at the Company moderated in 1H and already stopped in 3Q. The structural shift within the different types of investment funds influenced the assets of OTP Fund Management, too. The volume of money market funds moderated further (-18% ytd), while the mixed funds grew by 4% and other asset classes advanced by 10% ytd. The market share of OTP Fund Management (w/o duplications) increased by 0.5 pp on a quarterly basis (23.1%), the company maintained its market leading position.

MERKANTIL GROUP (HUNGARY)

Performance of Merkantil Bank and Car:

Main components of P&L account in HUF mn	9M 2015	9M 2016	Y-o-Y	3Q 2015	2Q 2016	3Q 2016	Q-o-Q	Y-o-Y
After tax profit without the effect of adjustments	1,331	1,965	48%	499	510	954	87%	91%
Income tax	59	0	-100%	321	0	0		-100%
Profit before income tax	1,272	1,965	55%	178	510	954	87%	437%
Operating profit	5,123	4,705	-8%	1,706	1,442	1,847	28%	8%
Total income	9,927	9,135	-8%	3,263	2,949	3,302	12%	1%
Net interest income	13,013	11,774	-10%	4,599	3,843	3,832	0%	-17%
Net fees and commissions	-1,969	-755	-62%	-650	-261	-255	-2%	-61%
Other net non-interest income	-1,118	-1,885	69%	-686	-634	-275	-57%	-60%
Operating expenses	-4,804	-4,431	-8%	-1,556	-1,507	-1,456	-3%	-6%
Total provisions	-3,851	-2,740	-29%	-1,529	-932	-893	-4%	-42%
Provision for possible loan losses	-3,900	-2,613	-33%	-1,509	-919	-808	-12%	-46%
Other provision	49	-127	-360%	-19	-13	-85	530%	340%
Main components of balance sheet closing balances in HUF mn	**2015**	**9M 2016**	**YTD**	**3Q 2015**	**2Q 2016**	**3Q 2016**	**Q-o-Q**	**Y-o-Y**
Total assets	332,791	338,751	2%	327,389	342,967	338,751	-1%	3%
Gross customer loans	274,024	277,365	1%	273,971	278,359	277,365	0%	1%
Gross customer loans (FX-adjusted)	273,840	277,365	1%	273,468	277,999	277,365	0%	1%
Retail loans	22,236	24,587	11%	19,560	24,653	24,587	0%	26%
Corporate loans	82,551	83,469	1%	77,576	83,577	83,469	0%	8%
Car financing loans	169,054	169,309	0%	176,332	169,770	169,309	0%	-4%
Allowances for possible loan losses	-36,075	-36,749	2%	-35,336	-37,220	-36,749	-1%	4%
Allowances for possible loan losses (FX-adjusted)	-36,068	-36,749	2%	-35,304	-37,200	-36,749	-1%	4%
Deposits from customers	10,910	8,376	-23%	8,562	8,855	8,376	-5%	-2%
Deposits from customer (FX-adjusted)	10,910	8,376	-23%	8,562	8,855	8,376	-5%	-2%
Retail deposits	3,280	3,528	8%	3,369	3,758	3,528	-6%	5%
Corporate deposits	7,630	4,848	-36%	5,193	5,097	4,848	-5%	-7%
Liabilities to credit institutions	256,997	272,450	6%	253,080	270,939	272,450	1%	8%
Issued securities	35,004	29,959	-14%	35,056	34,867	29,959	-14%	-15%
Total shareholders' equity	21,146	23,890	13%	15,097	22,504	23,890	6%	58%
Loan Quality	**9M 2015**	**9M 2016**	**Y-o-Y**	**3Q 2015**	**2Q 2016**	**3Q 2016**	**Q-o-Q**	**Y-o-Y**
90+ days past due loan volume (in HUF million)	32,386	32,338	0%	32,386	33,057	32,338	-2%	0%
90+ days past due loans/gross customer loans (%)	11.8%	11.7%	-0.2%p	11.8%	11.9%	11.7%	-0.2%p	-0.2%p
Cost of risk/average gross loans (%)	1.94%	1.27%	-0.67%p	2.20%	1.33%	1.16%	-0.17%p	-1.04%p
Cost of risk/average (FX-adjusted) gross loans	1.91%	1.27%	-0.64%p	2.22%	1.33%	1.16%	-0.17%p	-1.07%p
Total provisions/90+ days past due loans (%)	109.1%	113.6%	4.5%p	109.1%	112.6%	113.6%	1.0%p	4.5%p
Performance Indicators (%)	**9M 2015**	**9M 2016**	**Y-o-Y**	**3Q 2015**	**2Q 2016**	**3Q 2016**	**Q-o-Q**	**Y-o-Y**
ROA	0.6%	0.8%	0.2%p	0.6%	0.6%	1.1%	0.5%p	0.5%p
ROE	10.2%	11.7%	1.4%p	11.7%	9.2%	16.4%	7.1%p	4.7%p
Total income margin	4.14%	3.63%	-0.51%p	4.08%	3.46%	3.85%	0.39%p	-0.23%p
Net interest margin	5.43%	4.68%	-0.75%p	5.76%	4.51%	4.47%	-0.04%p	-1.29%p
Cost/income ratio	48.4%	48.5%	0.1%p	47.7%	51.1%	44.1%	-7.0%p	-3.6%p

The **Merkantil Bank and Car** posted close to HUF 2 billion aggregated adjusted after tax profit in 9M 2016 versus HUF 1.3 billion posted in the base period (+48% y-o-y). 3Q 2016 adjusted after tax profit represents almost HUF 1 billion (+87% q-o-q).

The lower 9M operating profit (-8% y-o-y) was off-set by the y-o-y 29% decline of total risk costs.

Within total income the comparison of 9M net interest income and net fees and commissions income with the base period is distorted by changes in the methodology[7]. As a result of the weaker other net non-interest income (most specifically the deteriorating foreign exchange result) 9M total income moderated by 8% y-o-y. In 3Q total revenues advanced by 12% q-o-q supported by an improvement on other net non-interest line.

9M operating expenses declined by 8% y-o-y: while postages and the volume of deductible taxes dropped marketing expenses increased. In 3Q lower operating expenses were mainly due to lower personal costs.

In 3Q DPD90+ volumes (adjusted for write off and sale) increased by HUF 0.6 billion against an average of HUF 0.9 billion for the last three quarters. The ratio of DPD90+ loans decreased by 0.2 pp q-o-q to 11.7% (+0.1 pp y-o-y), while the coverage ratio of 113.6% improved both q-o-q and y-o-y (by 1.0 pp and 4.5 pps respectively).

The FX-adjusted loan portfolio expanded by 1% on a yearly basis due to the favourable origination

[7] Fee expenses paid to dealers (being part of net interest income from accounting point of view) were reclassified from net interest income to the net fee income line in the P&L of Merkantil until 4Q 2015. Starting from 1Q 2016 this adjustment has been discontinued.

activity in the corporate segments (+8% y-o-y). Against that trend the car loan portfolio still declined y-o-y by 4% reflecting the negative volume impact of the FX conversion at the end of 2015; car financing loan volumes remained stable q-o-q. Favourable trends can be witnessed in the lending activity: total new loan origination increased by 6% y-o-y, within that the volume of newly disbursed car loans improved by 16% y-o-y. Merkantil Bank and Car is a market leader in terms of new loan disbursements.

IFRS REPORTS OF THE MAIN SUBSIDIARIES

In the following parts of the Summary the after tax profit of the foreign subsidiaries are presented without any received dividends and net cash transfers, and without other adjustment items in case of certain foreign subsidiaries. The structural adjustments on the lines of subsidiaries' Statements of recognised income as well as description of calculation methods of performance indices can be found in the Supplementary data annex.

DSK GROUP (BULGARIA)

Performance of DSK Group:

Main components of P&L account in HUF mn	9M 2015	9M 2016	Y-o-Y	3Q 2015	2Q 2016	3Q 2016	Q-o-Q	Y-o-Y
After tax profit without the effect of adjustments	41,887	42,706	2%	14,127	14,223	14,699	3%	4%
Income tax	-4,711	-4,615	-2%	-1,589	-1,563	-1,506	-4%	-5%
Profit before income tax	46,599	47,321	2%	15,715	15,786	16,205	3%	3%
Operating profit	55,688	52,607	-6%	19,051	18,170	17,622	-3%	-7%
Total income	84,684	83,742	-1%	29,051	28,687	27,951	-3%	-4%
Net interest income	66,781	63,706	-5%	22,562	21,149	21,101	0%	-6%
Net fees and commissions	17,227	19,452	13%	5,919	6,970	6,669	-4%	13%
Other net non-interest income	677	583	-14%	569	568	182	-68%	-68%
Operating expenses	-28,996	-31,134	7%	-10,000	-10,517	-10,329	-2%	3%
Total provisions	-9,089	-5,286	-42%	-3,335	-2,384	-1,417	-41%	-58%
Provision for possible loan losses	-8,785	-4,625	-47%	-3,215	-2,222	-1,068	-52%	-67%
Other provision	-304	-662	117%	-120	-162	-349	116%	191%
Main components of balance sheet closing balances in HUF mn	**2015**	**9M 2016**	**YTD**	**3Q 2015**	**2Q 2016**	**3Q 2016**	**Q-o-Q**	**Y-o-Y**
Total assets	1,778,326	1,838,897	3%	1,669,290	1,859,562	1,838,897	-1%	10%
Gross customer loans	1,158,894	1,187,362	2%	1,157,881	1,195,999	1,187,362	-1%	3%
Gross customer loans (FX-adjusted)	1,144,159	1,187,362	4%	1,142,486	1,169,492	1,187,362	2%	4%
Retail loans	847,534	846,926	0%	857,046	840,585	846,926	1%	-1%
Corporate loans	296,625	340,436	15%	285,440	328,907	340,436	4%	19%
Allowances for possible loan losses	-164,898	-158,837	-4%	-165,793	-164,336	-158,837	-3%	-4%
Allowances for possible loan losses (FX-adjusted)	-162,771	-158,837	-2%	-163,593	-160,686	-158,837	-1%	-3%
Deposits from customers	1,489,542	1,532,046	3%	1,388,238	1,560,502	1,532,046	-2%	10%
Deposits from customer (FX-adjusted)	1,467,322	1,532,046	4%	1,369,509	1,524,964	1,532,046	0%	12%
Retail deposits	1,233,591	1,278,312	4%	1,170,090	1,251,839	1,278,312	2%	9%
Corporate deposits	233,731	253,735	9%	199,418	273,124	253,735	-7%	27%
Liabilities to credit institutions	14,951	31,067	108%	15,589	16,520	31,067	88%	99%
Total shareholders' equity	253,468	241,873	-5%	240,292	230,850	241,873	5%	1%
Loan Quality	**9M 2015**	**9M 2016**	**Y-o-Y**	**3Q 2015**	**2Q 2016**	**3Q 2016**	**Q-o-Q**	**Y-o-Y**
90+ days past due loan volume (in HUF million)	179,030	159,961	-11%	179,030	168,672	159,961	-5%	-11%
90+ days past due loans/gross customer loans (%)	15.5%	13.5%	-2.0%p	15.5%	14.1%	13.5%	-0.6%p	-2.0%p
Cost of risk/average gross loans (%)	1.01%	0.53%	-0.49%p	1.10%	0.76%	0.36%	-0.40%p	-0.74%p
Cost of risk/average (FX-adjusted) gross loans (%)	1.03%	0.53%	-0.50%p	1.12%	0.77%	0.36%	-0.41%p	-0.76%p
Total provisions/90+ days past due loans (%)	92.6%	99.3%	6.7%p	92.6%	97.4%	99.3%	1.9%p	6.7%p
Performance Indicators (%)	**9M 2015**	**9M 2016**	**Y-o-Y**	**3Q 2015**	**2Q 2016**	**3Q 2016**	**Q-o-Q**	**Y-o-Y**
ROA	3.4%	3.2%	-0.3%p	3.4%	3.1%	3.2%	0.0%p	-0.3%p
ROE	22.9%	23.0%	0.1%p	24.0%	25.7%	24.7%	-0.9%p	0.8%p
Total income margin	6.92%	6.18%	-0.73%p	7.03%	6.30%	6.01%	-0.29%p	-1.02%p
Net interest margin	5.46%	4.71%	-0.75%p	5.46%	4.65%	4.54%	-0.11%p	-0.92%p
Cost/income ratio	34.2%	37.2%	2.9%p	34.4%	36.7%	37.0%	0.3%p	2.5%p
Net loans to deposits (FX-adjusted)	71%	67%	-4%p	71%	66%	67%	1%p	-4%p
FX rates (in HUF)	**9M 2015**	**9M 2016**	**Y-o-Y**	**3Q 2015**	**2Q 2016**	**3Q 2016**	**Q-o-Q**	**Y-o-Y**
HUF/BGN (closing)	160.2	158.1	-1%	160.2	161.7	158.1	-2%	-1%
HUF/BGN (average)	158.0	159.6	1%	159.5	160.2	159.1	-1%	0%

- ***9M profit reached HUF 42.7 billion (+2% y-o-y); the results were mainly shaped by shrinking risk costs and lower net interest income***
- ***3Q net interest income remained stable q-o-q, the pace of net interest margin erosion decelerated q-o-q***
- ***Loan quality developments remained favourable: the DPD90+ ratio declined and the coverage edged further up on a quarterly basis***
- ***Higher lending activity: outstanding corporate loan growth, while in the retail segment consumer loans expanded***

DSK Group posted an after tax profit of HUF 42.7 billion in 9M 2016, up by 2% y-o-y, which translates into a 23% ROE. The profit after tax realized in 3Q amounted to HUF 14.7 billion and improved by 3% q-o-q.

9M operating profit declined by 6%. Within total income the net interest income eroded by 5% y-o-y. The moderation of net interest income was reasoned by the continuing repricing and refinancing of household loans that resulted in lower interest revenues through lower margins, which couldn't be fully offset by the steadily declining interest expenditures on deposits. The net interest income was also shaped by the change in the methodology[8] effective from October 2015 regarding the accounting treatment of recoveries collected from DPD90+ exposures. 9M net interest margin declined by 75 bps y-o-y to 4.71%, explained partially by the above reasons, but also by the dilutive effect of steady deposit inflow inducing faster growth in total assets than in loans.

In 3Q the net interest income remained stable q-o-q supported by lower interest expenditures on deposits, but calendar effect played a role, too. The erosion of the net margin further decelerated: against a 17 bps drop in 2Q it declined by 11 bps in 3Q (to 4.54%).

9M net fee and commission income grew by 13% y-o-y explained mainly by strengthening fee income related to deposits and transactions parallel with expanding business volumes. In 3Q the quarterly net fee income declined by 4% q-o-q reasoned partly by base effect (in 2Q there was a record level of corporate loan disbursement). Lower other net non-interest income in 3Q reflects the volatility in swap-related results.

9M operating expenses went up by 7% y-o-y, mainly due to higher personnel expenses and marketing costs, as well as by 15% higher depreciation. In 3Q 2016 operating costs moderated by 2% q-o-q driven mainly by lower marketing expenses, but also by the base effect of advisory costs emerging in 2Q in relation to the local AQR.

Credit quality trends remained healthy. During the first nine months of 2016 total risk costs declined by 42% y-o-y, thus 9M risk cost rate was 53 bps. The ratio of loans with more than 90 days of delay (DPD90+) moderated by 2.0 pps to 13.5% in the last 12 months. The provision coverage ratio of the DPD90+ loan portfolio went up to 99.3% (+1.9 pps q-o-q, +6.7 pps y-o-y). During the first nine months of 2016 altogether HUF 9 billion non-performing portfolio was sold or written off (of which HUF 3 billion in 3Q). The FX-adjusted DPD90+ volume changes excluding the impact of loan sales and write-offs remained favourable (in HUF billion: 1Q 2015: 6, 2Q: 0, 3Q: 0, 4Q: 0, 1Q 2016: 1, 2Q: 0, 3Q: -1.6). In 3Q there was a recovery of a corporate exposure classified earlier as DPD90+ and it resulted in a HUF 3 billion drop in overall DPD90+ volumes. HUF 1.3 billion provision related to this exposure was also released which explain bulk of the q-o-q 41% drop in 3Q risk costs.

Business activity demonstrated a strengthening trend: the FX-adjusted total gross loan portfolio grew by 2% q-o-q and by 4% y-o-y, fuelled mainly by outstanding corporate loan disbursements. The corporate portfolio grew by 19% y-o-y (+4% q-o-q) and disbursements for the first none months surged by 80% y-o-y. The corporate loan market share of DSK Bank reached 8.0% at the end of September 2016, up from 7.7% in June.

It was positive that retail loans also grew over the last quarter (+1%, FX-adjusted). SME volumes advanced by 6% q-o-q and consumer loans also increased by 1%. In 3Q cash loan disbursements grew by 19% y-o-y (supported also by internal refinancing). 9M new mortgage loan disbursements advanced by 4% y-o-y; volumes remained stable in the last 3 months, whereas they declined by 3% y-o-y (FX-adjusted).

The deposit base remained stable q-o-q in 3Q (+12% y-o-y, FX-adjusted). Retail deposits kept on increasing in 3Q and demonstrated a 2% q-o-q and 9% y-o-y growth, despite persistently lower than market average and even q-o-q further declining deposit rates offered by DSK Bank. Corporate volume dynamics were outstanding: volumes surged by 27% y-o-y, though declined by 7% following a rapid expansion in 2Q.

[8] Effective from October 2015 the accounting treatment of recoveries collected from DPD90+ exposures has been changed. According to the previous methodology such recoveries were treated as recoveries of the previously suspended off-balance sheet interest income. Starting from October the order of accounting changed; consequently recoveries reduce on-balance sheet claims first. The change in methodology affects the provisions for possible loan losses, too. Therefore it is neutral for the profit after tax and influences the structure of the P&L account only.

The capital adequacy ratio of DSK Bank calculated in accordance with local regulation stood at 16.6%. The reason behind the ytd declining shareholders' equity was the dividend payment to the mother company.

Following the completion of the AQR, the Bulgarian National Bank published the results of the stress test on 13 August 2016. The results confirmed that DSK Bank's capital position is strong and stable.

OTP BANK RUSSIA

Performance of OTP Bank Russia:

Main components of P&L account in HUF mn	9M 2015	9M 2016	Y-o-Y	3Q 2015	2Q 2016	3Q 2016	Q-o-Q	Y-o-Y
After tax profit w/o dividends and net cash transfer	-15,075	15,969	-206%	-1,191	6,519	6,842	5%	-674%
Income tax	3,542	-4,494	-227%	246	-1,866	-1,884	1%	-867%
Profit before income tax	-18,617	20,464	-210%	-1,437	8,384	8,725	4%	-707%
Operating profit	50,639	44,999	-11%	16,659	15,570	16,062	3%	-4%
Total income	87,427	76,394	-13%	27,156	25,974	27,448	6%	1%
Net interest income	75,861	66,372	-13%	23,164	22,899	23,029	1%	-1%
Net fees and commissions	11,250	10,182	-9%	3,384	3,404	3,880	14%	15%
Other net non-interest income	316	-160	-151%	608	-329	539	-264%	-11%
Operating expenses	-36,788	-31,395	-15%	-10,497	-10,404	-11,386	9%	8%
Total provisions	-69,256	-24,536	-65%	-18,096	-7,186	-7,337	2%	-59%
Provision for possible loan losses	-68,676	-24,305	-65%	-17,978	-7,225	-7,157	-1%	-60%
Other provision	-581	-231	-60%	-119	39	-180	-558%	52%
Main components of balance sheet closing balances in HUF mn	2015	9M 2016	YTD	3Q 2015	2Q 2016	3Q 2016	Q-o-Q	Y-o-Y
Total assets	507,082	520,231	3%	536,248	530,497	520,231	-2%	-3%
Gross customer loans	393,914	424,769	8%	458,831	424,680	424,769	0%	-7%
Gross customer loans (FX-adjusted)	437,633	424,769	-3%	468,448	417,758	424,769	2%	-9%
Retail loans	405,085	393,170	-3%	434,611	384,242	393,170	2%	-10%
Corporate loans	30,855	30,452	-1%	32,044	32,339	30,452	-6%	-5%
Car financing loans	1,693	1,147	-32%	1,793	1,177	1,147	-3%	-36%
Gross DPD0-90 customer loans (FX-adjusted)	353,161	325,266	-8%	358,665	315,031	325,266	3%	-9%
Retail loans	326,353	299,087	-8%	330,605	286,941	299,087	4%	-10%
Allowances for possible loan losses	-88,017	-111,074	26%	-118,230	-115,985	-111,074	-4%	-6%
Allowances for possible loan losses (FX-adjusted)	-97,446	-111,074	14%	-120,749	-114,090	-111,074	-3%	-8%
Deposits from customers	307,646	297,079	-3%	318,837	309,231	297,079	-4%	-7%
Deposits from customer (FX-adjusted)	338,735	297,079	-12%	324,620	303,863	297,079	-2%	-8%
Retail deposits	278,322	257,430	-8%	263,238	258,948	257,430	-1%	-2%
Corporate deposits	60,413	39,648	-34%	61,382	44,914	39,648	-12%	-35%
Liabilities to credit institutions	42,974	54,722	27%	35,756	55,039	54,722	-1%	53%
Issued securities	1,024	1,158	12%	2,327	1,060	1,158	10%	-51%
Subordinated debt	21,820	22,993	5%	24,216	23,538	22,993	-2%	-5%
Total shareholders' equity	89,504	110,034	23%	94,134	104,855	110,034	5%	17%
Loan Quality	9M 2015	9M 2016	Y-o-Y	3Q 2015	2Q 2016	3Q 2016	Q-o-Q	Y-o-Y
90+ days past due loan volume (in HUF million)	107,530	99,503	-7%	107,530	104,446	99,503	-5%	-7%
90+ days past due loans/gross customer loans (%)	23.4%	23.4%	0.0%p	23.4%	24.6%	23.4%	-1.2%p	0.0%p
Cost of risk/average gross loans (%)	17.87%	7.93%	-9.94%p	14.36%	7.02%	6.70%	-0.32%p	-7.66%p
Cost of risk/average (FX-adjusted) gross loans	17.86%	7.53%	-10.33%p	15.31%	6.88%	6.76%	-0.12%p	-8.55%p
Total provisions/90+ days past due loans (%)	110.0%	111.6%	1.7%p	110.0%	111.0%	111.6%	0.6%p	1.7%p
Performance Indicators (%)	9M 2015	9M 2016	Y-o-Y	3Q 2015	2Q 2016	3Q 2016	Q-o-Q	Y-o-Y
ROA	-3.1%	4.2%	7.3%p	-0.8%	5.2%	5.2%	0.0%p	6.0%p
ROE	-19.6%	21.4%	41.0%p	-4.6%	26.9%	25.3%	-1.6%p	29.9%p
Total income margin	18.16%	19.87%	1.70%p	18.27%	20.77%	20.78%	0.01%p	2.51%p
Net interest margin	15.76%	17.26%	1.50%p	15.59%	18.31%	17.44%	-0.87%p	1.85%p
Cost/income ratio	42.1%	41.1%	-1.0%p	38.7%	40.1%	41.5%	1.4%p	2.8%p
Net loans to deposits (FX-adjusted)	107%	106%	-2%p	107%	100%	106%	6%p	-2%p
FX rates (in HUF)	9M 2015	9M 2016	Y-o-Y	3Q 2015	2Q 2016	3Q 2016	Q-o-Q	Y-o-Y
HUF/RUB (closing)	4.3	4.4	2%	4.3	4.4	4.4	-2%	2%
HUF/RUB (average)	4.7	4.1	-12%	4.5	4.2	4.3	2%	-4%

- ***HUF 16 billion after tax profit in 9M, slightly improving quarterly performance (3Q: HUF 6.8 billion) due to flat risk cost and improving operating profit in RUB terms***
- ***Pace of portfolio deterioration moderated further. Risk cost rate was down to 6.7% in 3Q 2016***
- ***Both POS and cash loan disbursements increased by about 40% q-o-q; despite number of credit card sent out increased q-o-q, performing credit card loan volumes kept decreasing***
- ***FX-adjusted performing loan volumes grew for the first time on the quarterly basis since 4Q 2014 (+3%), however, it is still lower by 9% on the yearly basis***
- ***Operating expenses remained stable q-o-q***

The HUF denominated financial figures of OTP Bank Russia are distorted by the HUF/RUB moves: the average 9M exchange rate depreciated by 12% y-o-y, the 3Q average rate strengthened by 2% q-o-q and depreciated by 4% y-o-y. Therefore local currency P&L dynamics can be materially different from those in HUF terms.

In 3Q 2016 **OTP Bank Russia** repeated its 2Q outstanding performance, thus reaching HUF 16 billion after tax profit in 9M 2016, which is a material improvement over the HUF 15.1 billion loss in the base period. The main driver behind the substantial change was the 59% drop of risk cost in RUB terms, in addition operating profit improved by 2% in RUB terms, too. The 3Q net earnings of HUF 6.8 billion exceeded the 2Q level by 5%. In RUB terms it meant a 3% quarterly growth which was reasoned by the slight improvement of operating results and stable risk cost.

As for the rouble denominated profit dynamics, the 9M 2016 operating profit development (+2% y-o-y) was driven by the 3% y-o-y decline of operating expenses, while total income was stable. The 3Q 2016 operating profit was stable both on the quarterly as well as yearly basis, in rouble terms.

The net interest income for the first nine months was stable y-o-y in rouble terms, despite performing loans dropping by 9% y-o-y on an FX-adjusted basis. The interest income decrease induced by lower loan volumes was counterbalanced by the decrease of interest rates of liabilities. In addition, total deposit volumes shrank, too by 8% y-o-y (FX-adjusted). In 3Q net interest income decreased by 2% q-o-q: funding cost further diminished, but could not counterbalance the decrease of interest income owing to slightly lower interest margins earned on loans. The net interest margin sank by 87 bps to 17.44% in the course of 3Q.

9M net fee and commission advanced by 4% y-o-y in RUB terms supported by insurance and other F&C income related to all consumer loans but credit card loans. In 3Q net F&C income increased q-o-q by 11% in local currency, due to the intensive disbursement of cash loans with insurance and other lending related F&C income.

The 3Q other net non-interest income improvement on the quarterly basis is reasoned by the reclassification of an expenditure-type item[9] from the other income line to operating expenses in the amount of HUF 0.8 billion.

Operating expenses in 9M decreased by 3% y-o-y in RUB terms in spite of the 7.5% average 9M Russian inflation rate. Branch network rationalisation was practically completed in the first half of 2015; number of branches has been stable since 3Q 2015. The number of the Bank's employees (without agents) decreased by 3% y-o-y to 4,686 and number of agents dropped by 4%. Operating expenses grew by 7% q-o-q in RUB terms due to the aforementioned reclassified item in the amount of HUF 0.8 billion, without that OPEX was practically flat q-o-q in RUB terms.

The FX-adjusted DPD90+ volume growth excluding the impact of sold/written-off non-performing loans showed a trend-like moderation after the all-time-high level in 2Q 2015 (in HUF billion: 2Q 2015: 38, 3Q: 24, 4Q: 16, 1Q 2016: 17, 2Q:13, 3Q:11). The DPD90+ ratio decreased by 1.2 pps to 23.4% q-o-q. The improvement was supported in 3Q 2016 by the sale and write-off of non-performing loans in the amount of RUB 2.4 billion (approx. HUF 10.7 billion). The development of total risk cost demonstrated a favourable trend: in 9M it decreased y-o-y by 59% in rouble terms, while it was flat in 3Q q-o-q. In 3Q the risk cost rate decreased by 0.3 pp q-o-q to 6.7%. The provision coverage of DPD90+ loans was stable at a high level (3Q: 111.6%) due to the prudent provisioning.

The FX-adjusted performing (DPD0-90) consumer loan portfolio shrank by 9% y-o-y but increased by 5% q-o-q owing to the favourable lending dynamics. POS lending strengthened, the 9M 2016 disbursements were higher by 24% compared to 9M 2015 levels, in 3Q on the quarterly basis disbursed volumes grew by 40%. In 3Q FX-adjusted performing POS loan volumes advanced by 10% q-o-q, and by 7% y-o-y. With regards to cross-sale of credit cards, since the mass delivery of credit cards was resumed only in June this year, the erosion of the FX-adjusted performing card loan volumes continued (-5% q-o-q, -27% y-o-y). Cash loan disbursements started to pick up in 3Q from a

[9] In 3Q 2016 deposit protection fund contributions paid in the first nine months of 2016 have been reclassified from the other net non-interest income line to operating expenses. Thus other net non-interest income increased by HUF 0.8 billion and operating expenses grew in absolute terms by the same amount.

low basis, so the FX-adjusted volume of performing cash loans increased by 9% q-o-q (-6% y-o-y). FX-adjusted performing corporate loan volumes further decreased.

The interest on term deposits moderated further in the last quarter, supported by the 50 bps cut of base rate in 3Q. The FX-adjusted total deposits contracted by 2% q-o-q (-8% y-o-y); within that retail deposits decreased by 1% and corporate deposits declined by 12% q-o-q. FX-adjusted net loan-to-deposit ratio stood at 106% at the end of 3Q 2016 (+6 pps q-o-q).

The capital adequacy ratio of the bank calculated in line with local regulation stood at 15.4% at the end of 3Q (+1.5 pps y-o-y).

TOUCH BANK (RUSSIA)

Performance of Touch Bank:

Main components of P&L account in HUF mn	9M 2015	9M 2016	Y-o-Y	3Q 2015	2Q 2016	3Q 2016	Q-o-Q	Y-o-Y
After tax profit w/o dividends and net cash transfer	-2,782	-3,930	41%	-1,019	-1,457	-1,419	-3%	39%
Income tax	696	977	40%	255	362	352	-3%	38%
Profit before income tax	-3,478	-4,907	41%	-1,274	-1,819	-1,771	-3%	39%
Operating profit	-3,478	-4,894	41%	-1,273	-1,830	-1,765	-4%	39%
Total income	-141	-115	-19%	-66	-71	-17	-76%	-74%
Net interest income	-114	133	-217%	-41	56	49	-12%	-220%
Net fees and commissions	-28	-259	838%	-26	-122	-86	-30%	235%
Other net non-interest income	1	12		1	-5	20	-544%	
Operating expenses	-3,337	-4,779	43%	-1,208	-1,759	-1,748	-1%	45%
Total provisions	0	-14		0	11	-6	-153%	
Provision for possible loan losses	0	-10		0	-3	-6	110%	
Other provision	0	-4		0	14	0	-100%	-98%
Main components of balance sheet closing balances in HUF mn	**2015**	**9M 2016**	**YTD**	**3Q 2015**	**2Q 2016**	**3Q 2016**	**Q-o-Q**	**Y-o-Y**
Total assets	7,410	19,020	157%	3,634	16,329	19,020	16%	423%
Gross customer loans	4	605		0	331	605	83%	
Gross customer loans (FX-adjusted)	5	605		0	326	605	86%	
Retail loans	5	605		0	326	605	86%	
Corporate loans	0	0		0	0	0		
Allowances for possible loan losses	0	-10		0	-4	-10	147%	
Allowances for possible loan losses (FX-adjusted)	0	-10		0	-4	-10	151%	
Deposits from customers	4,250	14,410	239%	855	12,022	14,410	20%	
Deposits from customer (FX-adjusted)	4,765	14,410	202%	874	11,829	14,410	22%	
Retail deposits	4,765	14,410	202%	874	11,829	14,410	22%	
Corporate deposits	0	0		0	0	0		
Liabilities to credit institutions	4	0	-100%	0	0	0		
Subordinated debt	1,653	0	-100%	1,304	0	0		-100%
Total shareholders' equity	1,474	4,539	208%	1,360	4,244	4,539	7%	234%
Loan Quality	**9M 2015**	**9M 2016**	**Y-o-Y**	**3Q 2015**	**2Q 2016**	**3Q 2016**	**Q-o-Q**	**Y-o-Y**
90+ days past due loan volume (in HUF million)	0	0		0	0	0		
Cost of risk/average gross loans (%)	2.89%	4.21%	1.32%p	8.57%	5.51%	5.03%	-0.48%p	-3.53%p
Cost of risk/average (FX-adjusted) gross loans	2.82%	4.21%	1.39%p	8.37%	5.51%	5.06%	-0.45%p	-3.31%p
FX rates (in HUF)	**9M 2015**	**9M 2016**	**Y-o-Y**	**3Q 2015**	**2Q 2016**	**3Q 2016**	**Q-o-Q**	**Y-o-Y**
HUF/RUB (closing)	4.3	4.4	2%	4.3	4.4	4.4	-2%	2%
HUF/RUB (average)	4.7	4.1	-12%	4.5	4.2	4.3	2%	-4%

- ***HUF 3.9 billion loss in 9M 2016***
- ***Intensifying business activity, about 47.5 thousand activated cards, slowly growing cross-sale lending activities***
- ***22% q-o-q growth in total deposits in rouble terms (3Q: HUF 14.4 billion)***

Touch Bank is part of OTP Bank Russia from legal point of view, and it is operating under the same banking license, but as a separate digital banking business line. In order to provide transparent information Touch Bank is presented as a separate virtual entity.

The result of **Touch Bank** in 9M 2016 was shaped again by the operating expenditures. In 9M 2016 HUF 3.9 billion after tax loss was made, out of which HUF 1.4 billion in 3Q. The 3Q loss moderated by 5% in rouble terms q-o-q: total income was still low, but operating expenses decreased by 3%[10]. The moderation of operating expenses is due to the lower personnel expenses (-5% q-o-q in rouble terms) as the wage-related tax contributions diminished. After the significant increase of number of employees in the previous quarters, 3Q headcount grew only by 2 people to 270. Furthermore, marketing cost was also lower compared to 2Q.

The acquisition of new customers continued: in 3Q 2016 more than 10 thousand cards have been sent out; the number of activated cards grew by about 13% q-o-q to almost 47.5 thousand by the end of 3Q. Total deposits expanded by 22% q-o-q on an FX-adjusted basis and exceeded HUF 14.4 billion equivalent. Credit card and revolving cash loan origination started to accelerate in March due to the cross-sale campaign; however, total loan volumes were still negligible (2Q: 331; 3Q: 605 million HUF).

[10] In 3Q deposit protection fund contributions allocated on Touch Bank paid in the first nine months have been reclassified from other net non-interest income to operating expenses. Adjusted to this methodological change 3Q operating expenses would have declined by 5% q-o-q in rouble terms.

OTP BANK UKRAINE

Performance of OTP Bank Ukraine:

Main components of P&L account in HUF mn	9M 2015	9M 2016	Y-o-Y	3Q 2015	2Q 2016	3Q 2016	Q-o-Q	Y-o-Y
After tax profit without the effect of adjustments	-27,146	8,137	-130%	-17,548	3,441	3,840	12%	-122%
Income tax	3,067	-1,385	-145%	737	-236	1,656	-803%	125%
Profit before income tax	-30,214	9,522	-132%	-18,285	3,676	2,184	-41%	-112%
Operating profit	21,647	17,933	-17%	4,920	5,714	5,052	-12%	3%
Total income	33,339	28,503	-15%	8,790	9,333	8,554	-8%	-3%
Net interest income	22,565	20,610	-9%	7,119	6,808	5,786	-15%	-19%
Net fees and commissions	5,523	6,290	14%	1,946	2,082	2,210	6%	14%
Other net non-interest income	5,251	1,603	-69%	-275	443	559	26%	-304%
Operating expenses	-11,691	-10,570	-10%	-3,870	-3,619	-3,502	-3%	-10%
Total provisions	-51,861	-8,411	-84%	-23,204	-2,037	-2,868	41%	-88%
Provision for possible loan losses	-51,572	-9,817	-81%	-22,745	-2,179	-3,173	46%	-86%
Other provision	-289	1,405	-586%	-459	141	305	116%	-166%
Main components of balance sheet closing balances in HUF mn	2015	9M 2016	YTD	3Q 2015	2Q 2016	3Q 2016	Q-o-Q	Y-o-Y
Total assets	292,882	290,642	-1%	338,110	296,949	290,642	-2%	-14%
Gross customer loans	421,330	372,336	-12%	510,432	390,664	372,336	-5%	-27%
Gross customer loans (FX-adjusted)	397,012	372,336	-6%	477,246	373,301	372,336	0%	-22%
Retail loans	205,308	170,517	-17%	267,648	177,918	170,517	-4%	-36%
Corporate loans	169,211	180,276	7%	180,975	173,828	180,276	4%	0%
Car financing loans	22,493	21,543	-4%	28,623	21,555	21,543	0%	-25%
Gross DPD0-90 customer loans (FX-adjusted)	202,367	205,021	1%	213,668	208,318	205,021	-2%	-4%
Retail loans	51,366	47,495	-8%	51,041	48,294	47,495	-2%	-7%
Corporate loans	140,358	146,018	4%	151,421	148,762	146,018	-2%	-4%
Car financing loans	10,643	11,508	8%	11,206	11,262	11,508	2%	3%
Allowances for possible loan losses	-242,515	-195,851	-19%	-304,145	-211,386	-195,851	-7%	-36%
Allowances for possible loan losses (FX-adjusted)	-230,200	-195,851	-15%	-289,428	-203,064	-195,851	-4%	-32%
Deposits from customers	211,346	203,664	-4%	210,096	207,530	203,664	-2%	-3%
Deposits from customer (FX-adjusted)	197,090	203,664	3%	189,225	197,122	203,664	3%	8%
Retail deposits	118,662	101,540	-14%	108,696	118,785	101,540	-15%	-7%
Corporate deposits	78,428	102,124	30%	80,530	78,337	102,124	30%	27%
Liabilities to credit institutions	99,083	43,402	-56%	114,209	97,904	43,402	-56%	-62%
Subordinated debt	8,571	8,291	-3%	40,649	8,529	8,291	-3%	-80%
Total shareholders' equity	-34,804	23,058	-166%	-44,537	-29,448	23,058	-178%	-152%
Loan Quality	9M 2015	9M 2016	Y-o-Y	3Q 2015	2Q 2016	3Q 2016	Q-o-Q	Y-o-Y
90+ days past due loan volume (in HUF million)	274,679	167,315	-39%	274,679	171,645	167,315	-3%	-39%
90+ days past due loans/gross customer loans (%)	53.8%	44.9%	-8.9%p	53.8%	43.9%	44.9%	1.0%p	-8.9%p
Cost of risk/average gross loans (%)	12.78%	3.30%	-9.48%p	17.39%	2.23%	3.31%	1.08%p	-14.08%p
Cost of risk/average (FX-adjusted) gross loans (%)	13.53%	3.41%	-10.12%p	18.65%	2.28%	3.39%	1.10%p	-15.27%p
Total provisions/90+ days past due loans (%)	110.7%	117.1%	6.3%p	110.7%	123.2%	117.1%	-6.1%p	6.3%p
Performance Indicators (%)	9M 2015	9M 2016	Y-o-Y	3Q 2015	2Q 2016	3Q 2016	Q-o-Q	Y-o-Y
ROA	-9.5%	3.7%	13.3%p	-19.9%	4.9%	5.2%	0.3%p	25.1%p
ROE	n/a	n/a		n/a	n/a	n/a		
Total income margin	11.72%	13.05%	1.33%p	9.97%	13.17%	11.58%	-1.59%p	1.61%p
Net interest margin	7.94%	9.44%	1.50%p	8.07%	9.61%	7.83%	-1.78%p	-0.24%p
Cost/income ratio	35.1%	37.1%	2.0%p	44.0%	38.8%	40.9%	2.2%p	-3.1%p
Net loans to deposits (FX-adjusted)	99%	87%	-13%p	99%	86%	87%	0%p	-13%p
FX rates (in HUF)	9M 2015	9M 2016	Y-o-Y	3Q 2015	2Q 2016	3Q 2016	Q-o-Q	Y-o-Y
HUF/UAH (closing)	13.1	10.7	-19%	13.1	11.5	10.7	-7%	-19%
HUF/UAH (average)	13.1	11.0	-16%	12.9	11.0	11.0	0%	-15%

- ***9M 2016 adjusted net after tax profit exceeded HUF 8 billion (o/w 3Q 2016: HUF 3.8 billion)***
- ***The profitable operation was mainly shaped by favourable credit quality trends coupled with lower risk costs supported by the base effect of the portfolio clean up in 2015***
- ***DPD90+ ratio dropped by 8.9 pps y-o-y due to NPL sales and write-offs; provisioning coverage increased to 117% (+6.3 pps y-o-y)***
- ***FX-adjusted performing loans eroded by 4% y-o-y, while deposits increased by 8% respectively***

The financial performance and indicators of OTP Bank Ukraine in HUF terms were significantly distorted by the HUF/UAH exchange rate moves: in 3Q 2016 the closing rate of HUF appreciated by 7% q-o-q and by 19% y-o-y against the Ukrainian hryvnia. The 9M average rate strengthened by 15% y-o-y and the 3Q by the same magnitude y-o-y, respectively; q-o-q it remained stable against UAH. Therefore local currency P&L and balance sheet dynamics are materially different from those in HUF terms.

OTP Bank Ukraine posted HUF 8 billion adjusted[11] after tax in 9M 2016 marking a sharp improvement compared to the loss in the base periods. In 3Q HUF 3.8 billion was realized, the volatility in 2016 quarterly corporate taxes to a great extent was due to the positive or negative impact of deferred tax assets.

Given the significant FX rate movements, we analyse the P&L developments in UAH terms.

9M 2016 operating result in UAH terms remained stable y-o-y (-17% in HUF), total income improved by 3% y-o-y. As a result of favourable asset quality trends, but also due to base effect related to the portfolio clean up in 2015 overall risk costs dropped substantially (-80% y-o-y).

9M 2016 net interest income increased by 10% y-o-y in UAH. This improvement was reasoned by several factors: on one hand there was a drop in interest expenses due to the conversion of intra-group financing and subordinated debt into equity in December 2015. Furthermore, it was positive that the pace of dollar-based mortgage loans' restructuring decelerated compared to the previous quarters (in case of loans involved in the bank's own restructuring programme, the total NPV decline for the whole duration of the restructured loan is accounted for in one sum on the net interest income line at the time of the restructuring). By September the loans originally targeted through the programme have been already restructured. At the end of September the net performing USD mortgage loan volumes stood at HUF 6.2 billion, whereas the UAH denominated net performing mortgages amounted to HUF 14.0 billion.

However, in 3Q 2016 net interest income eroded by 15% q-o-q in UAH terms. It is partially reasoned by the bank changing its methodology[12] on booking interest income on impaired exposures in July and August 2016 (different timing for different product categories). Such change will have a negative forward-looking impact in the bank's standalone income statement starting from July (roughly HUF 1.5 billion/quarter according to estimations).

The net fee and commission income in 9M surged by 36% in UAH terms due to the repayment of a subordinated debt facility to third party in 4Q 2015, as no further fee expenses occurred (the Ukrainian subsidiary used to pay a guarantee fee to OTP Bank as guarantor).

Regarding the net non-interest revenues, the y-o-y change was mainly shaped by base effect: in 1Q 2015 a large one-off FX gain was realized due to the FX rate wavering.

Operating expenses increased by 8% y-o-y in hryvnia terms amid declining inflation (in the first 9M the average CPI was 14.5%). The y-o-y growth was partly induced by base salary increase and also by higher expert and regulatory expenses.

9M total risk costs in UAH dropped by around 4/5 on a yearly basis. Such a decline was partially shaped by no major big ticket provisions occurring already in 2016: in 1Q 2015 high risk costs were set aside since the sharp weakening of the hryvnia against the USD triggered additional provisioning need in case of covered loans denominated in FX. Also, in 3Q 2015 the bank made provisions for the corporate exposures especially for those originated before the financial crisis (so called legacy book). Favourable credit quality trends in previous quarters were also manifesting through the declining non-performing volumes (FX-adjusted DPD90+ volume growth excluding the impact of loan sales and write-offs in HUF billion: 1Q 2015: 6, 2Q: 7, 3Q: -1, 4Q:-1, 1Q 2016: 0, 2Q:1, 3Q: 8). The deterioration (higher amount) observed in 3Q was related to a single large corporate exposure.

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[11] *As one-off items not related to the normal course of business activity, the risk costs created in relation to the Crimean exposures from 2Q 2014 until 4Q 2015, as well as risk costs made for exposures to Donetsk and Luhansk counties from 3Q 2014 to 4Q 2015 were eliminated from the Ukrainian P&L and shown amongst the adjustment items on consolidated level. Balance sheet lines were not adjusted for these items.*

[12] According to the old method the bank recognized interest revenues based on gross loan volumes. Simultaneously, risk costs were created for the booked interest revenues in line with the provision coverage level. In line with the new methodology interest revenues based on net loan volumes. Further details are available in 'Supplementary Data' section of the report.

In the first nine months around HUF 34 billion equivalent non-performing loans were sold or written off, of that HUF 7 billion in 3Q respectively. The DPD90+ increased by 1.0 pp to 44.9%, the provision coverage ratio of DPD90+ loans shrank by 6.1 pps q-o-q to 117.1% (+6.3 pps y-o-y).

Regarding lending activity mortgage disbursement has not been resumed yet. New credit card sales generated only limited volume increase. New cash loans sales kept increasing in 3Q, their volume grew by 10% q-o-q supported by general market trends and seasonality.

The total performing loan portfolio – both for the retail book and corporate exposures – eroded q-o-q and y-o-y (FX-adjusted).

Deposits (adjusted for the FX-effect) expanded by 3% over the quarter and by 8% y-o-y amid offered deposit rates declining further.

The standalone IFRS capital adequacy ratio of the Ukrainian Banking Group according to local calculation rules stood at 12.5% at the end of September 2016.

The shareholders' equity of the Ukrainian banking group under IFRS was HUF 23 billion at the end of September 2016. The Ukrainian shareholders' equity includes that of 3 entities: the Bank, the Leasing and Factoring companies' equity. Accordingly, the standalone equity of the Bank under IFRS reached HUF 25 billion by September 2016, whereas the equity of the Leasing Company comprised -HUF 1 billion. As for the Factoring company its equity increased from -HUF 54 billion by June 2016 to -HUF 1 billion by September as a result of a capital increase, simultaneously bulk of the intragroup funding was repaid. A temporary change in local regulation made it possible to implement such debt into equity conversion in a rapid way without facing major FX exchange risk. Accordingly, in case of the Ukrainian Factoring USD 187 million capital increase was implemented through several steps, simultaneously bulk of the USD 207 million exposure towards OTP Bank (in fact USD 187 million) has been repaid.

As a result, by September 2016 the total amount of intragroup exposure against the Ukrainian group members dropped to HUF 52 billion q-o-q and were as follows: there was an outstanding exposure of USD 137 million against the Leasing Company, USD 30 million against the bank, and USD 20 million against the Factoring unit, respectively.

The system-wide solution for the problem of households' FX housing loans is still on the agenda.

OTP BANK ROMANIA

Performance of OTP Bank Romania:

Main components of P&L account in HUF mn	9M 2015	9M 2016	Y-o-Y	3Q 2015	2Q 2016	3Q 2016	Q-o-Q	Y-o-Y
After tax profit without the effect of adjustments	2,503	2,205	-12%	1,378	989	599	-39%	-57%
Income tax	0	-327		-1	378	-163		
Profit before income tax	2,503	2,532	1%	1,379	611	762	25%	-45%
Operating profit	6,474	6,472	0%	1,959	2,087	2,321	11%	18%
Total income	22,187	20,041	-10%	7,327	6,522	6,571	1%	-10%
Net interest income	17,666	15,172	-14%	6,809	4,918	5,083	3%	-25%
Net fees and commissions	2,841	2,570	-10%	891	878	967	10%	9%
Other net non-interest income	1,681	2,300	37%	-373	727	520	-28%	-239%
Operating expenses	-15,713	-13,569	-14%	-5,368	-4,435	-4,250	-4%	-21%
Total provisions	-3,971	-3,940	-1%	-580	-1,476	-1,559	6%	169%
Provision for possible loan losses	-4,435	-3,985	-10%	-1,019	-1,616	-1,420	-12%	39%
Other provision	464	45	-90%	439	140	-139	-200%	-132%
Main components of balance sheet closing balances in HUF mn	**2015**	**9M 2016**	**YTD**	**3Q 2015**	**2Q 2016**	**3Q 2016**	**Q-o-Q**	**Y-o-Y**
Total assets	646,042	574,360	-9%	632,832	611,143	574,360	-6%	-9%
Gross customer loans	546,148	517,228	-6%	551,829	529,399	517,228	-2%	-6%
Gross customer loans (FX-adjusted)	541,281	517,228	-5%	544,351	521,282	517,228	-1%	-5%
Retail loans	401,979	376,005	-6%	397,955	375,795	376,005	0%	-6%
Corporate loans	139,302	141,222	-4%	146,396	145,487	141,222	-3%	-4%
Allowances for possible loan losses	-72,305	-74,889	6%	-70,639	-78,116	-74,889	-4%	6%
Allowances for possible loan losses (FX-adjusted)	-71,595	-74,889	7%	-69,821	-76,831	-74,889	-3%	7%
Deposits from customers	334,346	327,077	2%	321,038	342,845	327,077	-5%	2%
Deposits from customer (FX-adjusted)	332,647	327,077	4%	315,123	337,955	327,077	-3%	4%
Retail deposits	256,204	248,307	3%	240,729	249,283	248,307	0%	3%
Corporate deposits	76,443	78,770	6%	74,394	88,672	78,770	-11%	6%
Liabilities to credit institutions	201,187	164,360	-18%	246,192	180,998	164,360	-9%	-33%
Total shareholders' equity	46,667	43,726	-4%	45,414	43,528	43,726	0%	-4%
Loan Quality	**9M 2015**	**9M 2016**	**Y-o-Y**	**3Q 2015**	**2Q 2016**	**3Q 2016**	**Q-o-Q**	**Y-o-Y**
90+ days past due loan volume (in HUF million)	90,779	92,336	2%	90,779	98,931	92,336	-7%	2%
90+ days past due loans/gross customer loans (%)	16.5%	17.9%	1.4%p	16.5%	18.7%	17.9%	-0.8%p	1.4%p
Cost of risk/average gross loans (%)	1.21%	1.00%	-0.21%p	0.72%	1.23%	1.08%	-0.15%p	0.36%p
Cost of risk/average (FX-adjusted) gross loans (%)	1.20%	1.01%	-0.20%p	0.74%	1.25%	1.09%	-0.16%p	0.35%p
Total provisions/90+ days past due loans (%)	77.8%	81.1%	3.3%p	77.8%	79.0%	81.1%	2.1%p	3.3%p
Performance Indicators (%)	**9M 2015**	**9M 2016**	**Y-o-Y**	**3Q 2015**	**2Q 2016**	**3Q 2016**	**Q-o-Q**	**Y-o-Y**
ROA	0.6%	0.5%	-0.1%p	0.9%	0.7%	0.4%	-0.3%p	-0.5%p
ROE	8.3%	6.5%	-1.8%p	11.4%	9.3%	5.5%	-3.8%p	-6.0%p
Total income margin	5.35%	4.39%	-0.96%p	4.53%	4.32%	4.41%	0.09%p	-0.12%p
Net interest margin	4.26%	3.32%	-0.94%p	4.21%	3.26%	3.41%	0.16%p	-0.80%p
Cost/income ratio	70.8%	67.7%	-3.1%p	73.3%	68.0%	64.7%	-3.3%p	-8.6%p
Net loans to deposits (FX-adjusted)	151%	135%	-15%p	151%	132%	135%	4%p	-15%p
FX rates (in HUF)	**9M 2015**	**9M 2016**	**Y-o-Y**	**3Q 2015**	**2Q 2016**	**3Q 2016**	**Q-o-Q**	**Y-o-Y**
HUF/RON (closing)	70.9	69.3	-2%	70.9	70.0	69.3	-1%	-2%
HUF/RON (average)	69.6	69.6	0%	70.4	69.7	69.7	0%	-1%

- ***The bank posted HUF 2.2 billion net profit in 9M***
- ***9M pre-tax profit increased by 1% y-o-y while in 3Q it improved by 25% supported by higher core revenues and ongoing cost reduction***
- ***With its own conversion scheme being completed the FX-adjusted retail loan book already stabilized in 3Q q-o-q; the y-o-y decline partially the result of the principal reduction caused by the CHF mortgage conversion programme***

OTP Bank Romania posted HUF 2.2 billion profit after tax in 9M 2016 underpinning a y-o-y 12% decline due to higher corporate tax burden. The before-tax profit did actually increased by 1% y-o-y. The HUF 0.6 billion after-tax earnings realized in 3Q felt short of the previous quarter by 39% influenced by volatile corporate tax burden, whereas the before-tax profit demonstrated a 25% increase q-o-q.

9M operating profit practically remained flat y-o-y. Total income dropped by 10% y-o-y, within that net interest income eroded by 14%[13] partially due to the CHF mortgage conversion programme (partial principal write offs resulted in lower volumes and the converted loans carried lower interest). 9M net

[13] 2016 9M and 3Q net interest income, as well the other net non-interest income is difficult to reconcile y-o-y due to a methodological change effective from 1Q 2016. Accordingly, the total revaluation result from intragroup swap deals – earlier booked partly within net interest income, but also within other net non-interest income – will be presented on the net interest income line on a net base.

interest margin decreased by 94 pps y-o-y (9M: 3.32%). The net interest income in 3Q however increased by 3% q-o-q.

9M net fee and commission income (-10% y-o-y) was negatively affected by a new regulation on interchange fees in accordance with an EU directive, effective since December 2015[14]. Furthermore, in 1Q 2016 the bank was charged by a one-off guarantee fee in connection with loans originated by Banca Millennium under the Prima Casa programme in 2015. In 3Q fees and commission advanced by 10% q-o-q as a result of a one-off revenues from card companies.

Other net non-interest income grew by 37% y-o-y.

For the first 9M operating expenses declined by 14% y-o-y. Cost developments were positively affected by better capitalizing on cost synergies related to the Banca Millennium acquisition. Administrative expenses were reduced by 22% y-o-y mainly as a result of saving on IT and property-related costs. During the last twelve months 40 branches were closed down (of them 8 units in 9M). Since the number of employees declined personal expenses moderated, too (-8% y-o-y). In 3Q operating expenses decreased by another 4% q-o-q induced by IT and property-linked expense cuts and lower amortization costs. On the other hand, marketing costs grew q-o-q as the business activity picked up.

Total risk costs did not change materially y-o-y (-1%), within that however provisions for potential loan losses moderated by 10%, thus 9M risk cost rate decreased to 100 pps.

In 3Q the DPD90+ volume increase (FX adjusted without sold and written off loans) remained moderate similar to 2Q (in HUF billion, 2016 2Q: 0.3, 3Q: 0.5). At the same time the overall DPD90+ volume declined by more than HUF 6.5 billion q-o-q as a result of sale and write offs. The DPD90+ ratio eroded by 0.8 pp q-o-q (17.9%). The DPD90+ coverage increased to 81.1%, the highest level since 2009.

The FX-adjusted gross loan portfolio eroded by 1% q-o-q and by 5% ytd attributed to the conversion programme (through negative volume effect). The FX-adjusted retail book already stabilized in 3Q q-o-q as a result of accelerating lending activity and the phase-out of the one-off negative impact of the conversion programme. Due to the Government sponsored Prima Casa programme new mortgage origination increased dynamically in 3Q: new disbursements increased by 176% q-o-q and by 668% y-o-y. The mortgage portfolio however stagnated q-o-q. Cash loan volumes in 3Q already advanced by 3% q-o-q supported by the massive pick-up in new origination (+43% q-o-q); but the book still declined by 5% y-o-y.

The total FX-adjusted deposit volumes advanced by 4% y-o-y, however declined by 3% q-o-q (due to corporate outflows). The decline in deposit rates continued.

According to the local regulation the Bank's standalone capital adequacy ratio stood at 15.3% at the end of September, implying a 0.3 pp q-o-q improvement.

[14] From December 2015 the interchange fee cannot exceed 0.2% in case of debit cards and 0.3% in case of credit card transactions.

OTP BANKA HRVATSKA (CROATIA)

Performance of OTP banka Hrvatska:

Main components of P&L account in HUF mn	9M 2015	9M 2016	Y-o-Y	3Q 2015	2Q 2016	3Q 2016	Q-o-Q	Y-o-Y
After tax profit without the effect of adjustments	2,441	3,581	47%	1,120	1,326	1,409	6%	26%
Income tax	1,673	-882	-153%	-6	-320	-354	10%	
Profit before income tax	768	4,463	481%	1,126	1,646	1,762	7%	57%
Operating profit	7,421	9,949	34%	3,102	3,318	3,898	17%	26%
Total income	20,730	23,566	14%	7,556	7,859	8,438	7%	12%
Net interest income	15,124	16,882	12%	5,152	5,684	5,836	3%	13%
Net fees and commissions	3,902	3,939	1%	1,434	1,303	1,454	12%	1%
Other net non-interest income	1,703	2,745	61%	970	872	1,148	32%	18%
Operating expenses	-13,309	-13,617	2%	-4,454	-4,541	-4,541	0%	2%
Total provisions	-6,653	-5,486	-18%	-1,977	-1,672	-2,135	28%	8%
Provision for possible loan losses	-5,487	-4,057	-26%	-1,860	-1,166	-1,368	17%	-26%
Other provision	-1,166	-1,428	23%	-116	-506	-767	52%	559%
Main components of balance sheet closing balances in HUF mn	**2015**	**9M 2016**	**YTD**	**3Q 2015**	**2Q 2016**	**3Q 2016**	**Q-o-Q**	**Y-o-Y**
Total assets	649,870	653,480	1%	663,563	640,465	653,480	2%	-2%
Gross customer loans	470,862	459,131	-2%	467,229	471,914	459,131	-3%	-2%
Gross customer loans (FX-adjusted)	467,422	459,131	-2%	464,250	461,812	459,131	-1%	-1%
Retail loans	298,443	301,902	1%	297,035	299,923	301,902	1%	2%
Corporate loans	168,819	157,099	-7%	167,038	161,749	157,099	-3%	-6%
Car financing loans	161	130	-19%	177	141	130	-8%	-27%
Allowances for possible loan losses	-43,905	-48,435	10%	-42,158	-47,401	-48,435	2%	15%
Allowances for possible loan losses (FX-adjusted)	-43,940	-48,435	10%	-42,302	-46,436	-48,435	4%	14%
Deposits from customers	509,317	520,367	2%	520,630	502,953	520,367	3%	0%
Deposits from customer (FX-adjusted)	504,059	520,367	3%	517,212	491,788	520,367	6%	1%
Retail deposits	446,353	452,017	1%	454,262	434,456	452,017	4%	0%
Corporate deposits	57,706	68,350	18%	62,950	57,332	68,350	19%	9%
Liabilities to credit institutions	48,974	45,705	-7%	52,696	49,364	45,705	-7%	-13%
Total shareholders' equity	69,563	74,165	7%	66,516	73,633	74,165	1%	11%
Loan Quality	**9M 2015**	**9M 2016**	**Y-o-Y**	**3Q 2015**	**2Q 2016**	**3Q 2016**	**Q-o-Q**	**Y-o-Y**
90+ days past due loan volume (in HUF million)	62,365	57,726	-7%	62,365	60,487	57,726	-5%	-7%
90+ days past due loans/gross customer loans (%)	13.3%	12.6%	-0.8%p	13.3%	12.8%	12.6%	-0.2%p	-0.8%p
Cost of risk/average gross loans (%)	1.57%	1.17%	-0.40%p	1.57%	1.00%	1.17%	0.17%p	-0.40%p
Cost of risk/average (FX-adjusted) gross loans	1.58%	1.17%	-0.41%p	1.59%	1.02%	1.18%	0.16%p	-0.41%p
Total provisions/90+ days past due loans (%)	67.6%	83.9%	16.3%p	67.6%	78.4%	83.9%	5.5%p	16.3%p
Performance Indicators (%)	**9M 2015**	**9M 2016**	**Y-o-Y**	**3Q 2015**	**2Q 2016**	**3Q 2016**	**Q-o-Q**	**Y-o-Y**
ROA	0.5%	0.7%	0.2%p	0.7%	0.8%	0.9%	0.0%p	0.2%p
ROE	4.7%	6.7%	1.9%p	6.4%	7.3%	7.6%	0.2%p	1.2%p
Total income margin	4.20%	4.83%	0.63%p	4.57%	4.96%	5.19%	0.22%p	0.62%p
Net interest margin	3.07%	3.46%	0.39%p	3.11%	3.59%	3.59%	0.00%p	0.47%p
Cost/income ratio	64.2%	57.8%	-6.4%p	58.9%	57.8%	53.8%	-4.0%p	-5.1%p
Net loans to deposits (FX-adjusted)	82%	79%	-3%p	82%	84%	79%	-6%p	-3%p
FX rates (in HUF)	**9M 2015**	**9M 2016**	**Y-o-Y**	**3Q 2015**	**2Q 2016**	**3Q 2016**	**Q-o-Q**	**Y-o-Y**
HUF/HRK (closing)	40.9	41.1	1%	40.9	42.0	41.1	-2%	1%
HUF/HRK (average)	40.6	41.4	2%	41.2	41.8	41.5	-1%	1%

- ***HUF 3.6 billion net profit in 9M (+47% y-o-y) as a result of operating profit increasing and risk costs declining***
- ***The 3Q net interest income grew by 3% q-o-q supported by further decreasing funding cost***
- ***FX-adjusted loan volumes decreased by 1% q-o-q , within that mortgage loans grew by 3%***
- ***The DPD90+ ratio declined to 12.6%, the coverage improved***

OTP banka Hrvatska posted HUF 3.6 billion adjusted[15] after tax profit in 9M 2016 underpinning a 47% increase compared to the base period. Adjusting the base period figures with the one-off items[16] that emerged in 2Q 2015, however, the 9M

[15] On 18 September 2015 the Croatian Parliament adopted amendments to the Consumer Lending Act, which determined the conditions of the conversion of CHF denominated retail loans into EUR at an exchange rate valid at origination. The one-off negative impact due to the amendments of the Act has been eliminated from the OBH P&L and booked on consolidated level within adjustment items. Balance sheet data have not been adjusted.
Furthermore, the gain on sale of Visa Europe shares booked in 2Q 2016 have been eliminated from the OBH P&L and are booked on consolidated level within adjustment items. Balance sheet data have not been adjusted.

[16] In 2Q 2015 the after tax profit was positively affected by income tax refund, which tax was imposed on badwill of the Banco Popolare Croatia acquisition in 2Q 2014 (it was shown on consolidated level, among adjustments) and the Bank utilized the BPC's deferred tax of former years (these two items improved the profit by HUF +1.5 billion on income tax line). Another item emerged on other risk cost line in relation to the provision on litigation of the Bank's predecessor in the amount of HUF

profit surged by 75% y-o-y. The quarterly profit in 3Q was HUF 1.4 billion, which represent a 6% q-o-q growth.

The y-o-y 34% higher operating profit in 9M was supported by increasing total income (+14%) as well as contained operating expenses (+2% in HUF terms, while in HRK terms expenses were stable). The cost-to-income ratio declined y-o-y by 6 pps to 58%. Higher y-o-y net interest income (+12%) was supported by lower funding costs; as a result, the net interest margin improved to 3.46% (+39 bps y-o-y). The 61% y-o-y growth in other net non-interest income is related mainly to a property sale and also to one-off loss posted in 1Q 2015. The CHF fixing exerted a HUF 360 million negative effect on other non-interest income as a reflection of lower principal part of the repayments due to the fixing.

The 3Q operating profit grew dynamically (+17% q-o-q, +26% y-o-y). Net interest income increased by 3% q-o-q (+13% y-o-y) as a result of interest expenses dropping on the back of lower deposit interest rates despite deposit volumes increasing by 6% q-o-q, on an FX-adjusted basis. Net fees and commission income grew by 12% q-o-q, mostly due to seasonal effects (y-o-y no change). Operating expenses were flat q-o-q in 3Q as a result of stringent cost control, 3Q cost/income ratio stood at 54%.

Portfolio quality trends are promising: FX-adjusted DPD90+ volume excluding the impact of sold/written-off non-performing loans declined in 3Q by HUF 1.4 billion. The 3Q improvement is mostly related to effective collection in the corporate segment. The DPD90+ ratio decreased to 12.6% (-0.2 pp q-o-q and -0.8 pp y-o-y). 9M risk costs dropped by 26% y-o-y, while in 3Q risk cost increased by 17% q-o-q. The DPD90+ coverage improved by 5.5 pps q-o-q and by 16.3 pps y-o-y, and reached 83.9%. The quarterly growth of other risk cost is reasoned by provisions created for legal proceedings.

FX-adjusted gross loans decreased by 1% both on the quarterly as well as yearly comparison. Retail loans increased by 1%, while corporate exposure declined by 3% q-o-q. The conversion of CHF mortgages with a principal discount happened mostly in the first quarter of 2016 (by the end of March around 84%, by the end of September 87% of the total eligible book was already converted), so it had no major negative impact on the gross loan volumes in the 3Q. New mortgage loan disbursements have been on the rise since March 2016 and remained strong in 3Q as well. Thus the amount of disbursed volumes in 9M 2016 was about 2.8 times the amount lent in the base period. Mortgage volumes grew by 3% q-o-q (FX-adjusted), whereas consumer loan volumes diminished by 1.6%.

FX-adjusted total deposits grew by 6% q-o-q, and by 1% y-o-y. The retail deposit base increased by 4% q-o-q mainly due to higher sight deposit placements. The corporate segment grew by 19% q-o-q and by 6% y-o-y on an FX-adjusted basis. Net loan-to-deposit ratio decreased by 6 pps to 79% q-o-q.

1.4 billion (the after tax effect was HUF -1.1 billion). Adjusting 2Q 2015 after tax profit with the impact of the above items would result in a PAT of about HUF 850 million in 2Q 2015.

OTP BANKA SLOVENSKO (SLOVAKIA)

Performance of OTP Banka Slovensko*:

Main components of P&L account in HUF mn	9M 2015	9M 2016	Y-o-Y	3Q 2015	2Q 2016	3Q 2016	Q-o-Q	Y-o-Y
After tax profit without the effect of adjustments	1,123	421	-63%	428	-55	124	-326%	-71%
Income tax	-380	-197	-48%	-150	-20	-61	199%	-59%
Profit before income tax	1,503	618	-59%	578	-34	185	-638%	-68%
Operating profit	5,083	5,092	0%	1,893	1,678	1,786	6%	-6%
Total income	13,133	13,360	2%	4,470	4,527	4,444	-2%	-1%
Net interest income	10,838	10,795	0%	3,660	3,644	3,523	-3%	-4%
Net fees and commissions	2,569	2,285	-11%	875	787	819	4%	-6%
Other net non-interest income	-274	279	-202%	-65	96	102	6%	-256%
Operating expenses	-8,050	-8,268	3%	-2,578	-2,850	-2,658	-7%	3%
Total provisions	-3,581	-4,474	25%	-1,314	-1,712	-1,601	-6%	22%
Provision for possible loan losses	-3,603	-4,410	22%	-1,307	-1,679	-1,564	-7%	20%
Other provision	22	-63	-388%	-8	-33	-37	13%	374%
Main components of balance sheet closing balances in HUF mn	**2015**	**9M 2016**	**YTD**	**3Q 2015**	**2Q 2016**	**3Q 2016**	**Q-o-Q**	**Y-o-Y**
Total assets	450,819	444,503	-1%	466,713	461,750	444,503	-4%	-5%
Gross customer loans	382,500	378,612	-1%	377,012	389,206	378,612	-3%	0%
Gross customer loans (FX-adjusted)	377,651	378,612	0%	371,996	380,578	378,612	-1%	2%
Retail loans	311,319	320,468	3%	308,272	316,202	320,468	1%	4%
Corporate loans	66,192	58,072	-12%	63,559	64,280	58,072	-10%	-9%
Allowances for possible loan losses	-22,702	-26,771	18%	-25,091	-25,799	-26,771	4%	7%
Allowances for possible loan losses (FX-adjusted)	-22,414	-26,771	19%	-24,758	-25,227	-26,771	6%	8%
Deposits from customers	385,082	356,010	-8%	397,357	367,278	356,010	-3%	-10%
Deposits from customer (FX-adjusted)	380,056	356,010	-6%	392,092	359,140	356,010	-1%	-9%
Retail deposits	357,655	330,397	-8%	350,161	329,701	330,397	0%	-6%
Corporate deposits	22,401	25,613	14%	41,931	29,439	25,613	-13%	-39%
Liabilities to credit institutions	11,113	7,406	-33%	10,271	7,553	7,406	-2%	-28%
Subordinated debt	6,265	6,185	-1%	5,643	6,327	6,185	-2%	10%
Total shareholders' equity	30,430	30,046	-1%	30,184	30,870	30,046	-3%	0%
Loan Quality	**9M 2015**	**9M 2016**	**Y-o-Y**	**3Q 2015**	**2Q 2016**	**3Q 2016**	**Q-o-Q**	**Y-o-Y**
90+ days past due loan volume (in HUF million)	40,936	41,397	1%	40,936	41,230	41,397	0%	1%
90+ days past due loans/gross customer loans (%)	10.9%	10.9%	0.1%p	10.9%	10.6%	10.9%	0.3%p	0.1%p
Cost of risk/average gross loans (%)	1.29%	1.55%	0.26%p	1.38%	1.74%	1.62%	-0.12%p	0.24%p
Cost of risk/average (FX-adjusted) gross loans	1.31%	1.56%	0.25%p	1.40%	1.78%	1.64%	-0.14%p	0.24%p
Total provisions/90+ days past due loans (%)	61.3%	64.7%	3.4%p	61.3%	62.6%	64.7%	2.1%p	3.4%p
Performance Indicators (%)	**9M 2015**	**9M 2016**	**Y-o-Y**	**3Q 2015**	**2Q 2016**	**3Q 2016**	**Q-o-Q**	**Y-o-Y**
ROA	0.3%	0.1%	-0.2%p	0.4%	0.0%	0.1%	0.2%p	-0.3%p
ROE	5.0%	1.9%	-3.1%p	5.6%	-0.7%	1.6%	2.3%p	-4.0%p
Total income margin	3.77%	3.99%	0.21%p	3.78%	3.97%	3.90%	-0.07%p	0.12%p
Net interest margin	3.11%	3.22%	0.11%p	3.09%	3.19%	3.09%	-0.10%p	0.00%p
Cost/income ratio	61.3%	61.9%	0.6%p	57.7%	62.9%	59.8%	-3.1%p	2.1%p
Net loans to deposits (FX-adjusted)	89%	99%	10%p	89%	99%	99%	0%p	10%p
FX rates (in HUF)	**9M 2015**	**9M 2016**	**Y-o-Y**	**3Q 2015**	**2Q 2016**	**3Q 2016**	**Q-o-Q**	**Y-o-Y**
HUF/EUR (closing)	313.3	309.2	-1%	313.3	316.2	309.2	-2%	-1%
HUF/EUR (average)	309.0	312.1	1%	311.9	313.4	311.2	-1%	0%

*P&L account lines and indicators are adjusted for banking tax and Deposit Protection Fund contributions. The securities gain realized by the bank on the sale of the VISA Europe shares in 2Q 2016 was eliminated from OTP Banka Slovensko P&L and shown among the adjustment items on consolidated level.

- ***The y-o-y 63% drop in 9M 2016 adjusted after-tax profit of HUF 421 million was due to the increasing risk cost (+25% y-o-y)***
- ***Stable DPD90+ ratio (10.9%), improving coverage ratio (64.7%; +3.4%-points y-o-y)***
- ***Improving net interest margin (9M: 3.22%,+11 pps), 2% y-o-y increase of the FX-adjusted loan book***

The **OTP Banka Slovensko** posted HUF 124 million adjusted after tax profit in 3Q 2016 , thus its 9M 2016 adjusted after tax profit grew to HUF 421 million (-63% y-o-y). The sharp increase (+25% y-o-y) of loan loss provisioning in 9M 2016 was the major reason for the weaker performance; operating income remained stable. In 3Q, however operating income already increased by 6% q-o-q while risk costs decreased by 6%.

The 9M 2016 net interest income stagnated y-o-y. Net interest margin improved (+11 bps), because the weight of loans increased in the balance sheet (total assets declined by 4% in 9M, but gross customer loans grew by 2% y-o-y) and funding cost was lower as a result of moderating deposit interest rates. In 3Q net interest income decreased by 3% q-o-q, because lower interest income accrued on mortgages couldn't be offset by further declining deposit rates.

In 9M 2016 net fees and commissions income dropped by 11% y-o-y due to lower lending related income. The Slovakian government introduced a cap on prepayment fee effective from end of March 2016 (in most cases at 1% of the prepaid loan amount). However, in 3Q 2016 net fees and commissions income improved by 4% q-o-q as a result of higher income realized on deposits and transactions on newly introduced retail account packages.

9M operating expenses grew by 3% y-o-y due to the increase of personnel costs. The 7% decrease of quarterly operating expenses was mainly attributable to lower salaries and marketing expenses.

In 9M 2016 the total risk cost grew by 25% y-o-y. The reason behind decreasing quarterly risk cost (-6% q-o-q) was mainly due to higher provisioning in the retail segment.

The FX-adjusted DPD90+ formation in 3Q 2016 was HUF 1.0 billion (without the effect of non-performing loan sales and write-offs) against the quarterly average of HUF 1.4 billion during the last 5 quarters. The DPD90+ ratio increased by 0.3 pp on a quarterly basis to 10.9% (+0.1 pp y-o-y). The DPD90+ coverage ratio (64.7%) increased on a quarterly and a yearly basis as well (+2.1 pps q-o-q and +3.4 pps y-o-y).

The FX-adjusted loan book expanded by 2% on a yearly basis due to the intensifying retail lending (+4% y-o-y). In the last two quarters the increase of newly disbursed mortgage loans was related to intensified early repayments and loan refinancing. Volume decreased by q-o-q and y-o-y, too. Disbursement of cash loans declined q-o-q, however their FX-adjusted volume improved by 20% q-o-q. The corporate loan book eroded by 9% y-o-y.

The FX-adjusted deposit volume shrank on a yearly and a quarterly basis as well (-9% y-o-y and -1% q-o-q). After two consecutive quarterly decrease retail deposit already stabilized in 3Q. The volume of corporate deposits comprising 7% of the deposit book decreased by 13% q-o-q.

The standalone IFRS capital adequacy ratio stood at 13.36% at the end of September 2016.

OTP BANKA SRBIJA (SERBIA)

Performance of OTP banka Srbija:

Main components of P&L account in HUF mn	9M 2015	9M 2016	Y-o-Y	3Q 2015	2Q 2016	3Q 2016	Q-o-Q	Y-o-Y
After tax profit without the effect of adjustments	374	194	-48%	137	88	76	-14%	-45%
Income tax	0	0	-100%	0	0	0	-100%	-100%
Profit before income tax	374	194	-48%	137	88	76	-14%	-45%
Operating profit	801	446	-44%	240	136	166	22%	-31%
Total income	6,155	5,727	-7%	2,077	1,928	1,910	-1%	-8%
Net interest income	4,847	4,298	-11%	1,641	1,427	1,465	3%	-11%
Net fees and commissions	1,260	1,219	-3%	403	406	413	2%	3%
Other net non-interest income	48	211	335%	33	94	32	-66%	-2%
Operating expenses	-5,354	-5,282	-1%	-1,837	-1,792	-1,744	-3%	-5%
Total provisions	-426	-251	-41%	-103	-47	-90	90%	-13%
Provision for possible loan losses	-423	-299	-29%	-34	-81	-91	12%	167%
Other provision	-3	47		-69	34	1	-97%	-101%
Main components of balance sheet closing balances in HUF mn	**2015**	**9M 2016**	**YTD**	**3Q 2015**	**2Q 2016**	**3Q 2016**	**Q-o-Q**	**Y-o-Y**
Total assets	119,224	131,092	10%	112,481	122,534	131,092	7%	17%
Gross customer loans	108,327	109,979	2%	103,977	108,259	109,979	2%	6%
Gross customer loans (FX-adjusted)	106,027	109,979	4%	101,106	105,781	109,979	4%	9%
Retail loans	45,133	47,507	5%	44,810	46,338	47,507	3%	6%
Corporate loans	60,894	62,472	3%	56,297	59,443	62,472	5%	11%
Allowances for possible loan losses	-31,835	-28,001	-12%	-31,793	-29,941	-28,001	-6%	-12%
Allowances for possible loan losses (FX-adjusted)	-31,083	-28,001	-10%	-30,705	-29,252	-28,001	-4%	-9%
Deposits from customers	73,385	83,577	14%	66,128	77,787	83,577	7%	26%
Deposits from customer (FX-adjusted)	71,945	83,577	16%	64,462	76,013	83,577	10%	30%
Retail deposits	44,241	48,234	9%	43,566	46,039	48,234	5%	11%
Corporate deposits	27,705	35,344	28%	20,895	29,974	35,344	18%	69%
Liabilities to credit institutions	10,234	11,718	14%	9,333	8,340	11,718	40%	26%
Subordinated debt	2,532	2,497	-1%	2,532	2,557	2,497	-2%	-1%
Total shareholders' equity	29,377	28,838	-2%	30,609	29,414	28,838	-2%	-6%
Loan Quality	**9M 2015**	**9M 2016**	**Y-o-Y**	**3Q 2015**	**2Q 2016**	**3Q 2016**	**Q-o-Q**	**Y-o-Y**
90+ days past due loan volume (in HUF million)	44,161	37,842	-14%	44,161	39,882	37,842	-5%	-14%
90+ days past due loans/gross customer loans (%)	42.5%	34.4%	-8.1%p	42.5%	36.8%	34.4%	-2.4%p	-8.1%p
Cost of risk/average gross loans (%)	0.56%	0.37%	-0.19%p	0.13%	0.30%	0.33%	0.03%p	0.20%p
Cost of risk/average (FX-adjusted) gross loans	0.57%	0.37%	-0.20%p	0.13%	0.31%	0.33%	0.02%p	0.20%p
Total provisions/90+ days past due loans (%)	72.0%	74.0%	2.0%p	72.0%	75.1%	74.0%	-1.1%p	2.0%p
Performance Indicators (%)	**9M 2015**	**9M 2016**	**Y-o-Y**	**3Q 2015**	**2Q 2016**	**3Q 2016**	**Q-o-Q**	**Y-o-Y**
ROA	0.5%	0.2%	-0.2%p	0.5%	0.3%	0.2%	0.0%p	-0.3%p
ROE	1.6%	0.9%	-0.8%p	1.8%	1.2%	1.0%	-0.2%p	-0.7%p
Total income margin	7.41%	6.11%	-1.30%p	7.50%	6.28%	5.99%	-0.29%p	-1.51%p
Net interest margin	5.84%	4.59%	-1.25%p	5.93%	4.65%	4.59%	-0.06%p	-1.33%p
Cost/income ratio	87.0%	92.2%	5.2%p	88.5%	93.0%	91.3%	-1.6%p	2.9%p
Net loans to deposits (FX-adjusted)	109%	98%	-11%p	109%	101%	98%	-3%p	-11%p
FX rates (in HUF)	**9M 2015**	**9M 2016**	**Y-o-Y**	**3Q 2015**	**2Q 2016**	**3Q 2016**	**Q-o-Q**	**Y-o-Y**
HUF/RSD (closing)	2.6	2.5	-4%	2.6	2.6	2.5	-2%	-4%
HUF/RSD (average)	2.6	2.5	-1%	2.6	2.5	2.5	-1%	-3%

- ***HUF 194 million profit in 9M due to y-o-y almost halving operating profit and risk cost decreasing by 41%***
- ***The DPD90+ ratio decreased to 34.4% (-8.1 pps y-o-y) with a coverage at 74%***
- ***Performing loans expanded by 24%, while gross loans grew by 9% y-o-y, FX-adjusted***

OTP banka Srbija posted HUF 194 million adjusted[17] profit in 9M 2016 as opposed to the HUF 374 million profit in the base period. In 3Q 2016 profit sunk by 14% on the quarterly basis as a result of operating profit growing by 22% and higher risk cost q-o-q.

The y-o-y 44% decline of operating profit in 9M 2016 is reasoned by the 7% drop in total income, while operating expenses decreased by 1% y-o-y. Net interest income decreased by 11% y-o-y, the net interest margin shrank by 125 bps at the same time. This was partly the repercussion of the significantly lower interest rate environment: the Serbian base rate decreased by 400 bps to 4% between the beginning of 2015 and end of 3Q 2016. Also, the changes of the balance sheet did not help either: total deposits grew more on an FX-adjusted basis

[17] *Due to a series of decisions on FX mortgages made by the central bank on 24 February 2015 the bank suffered a loss of HUF 209 million before tax in 9M 2015 and a total of HUF 211 million in 2015. Those losses were taken out of the P&L of the Serbian subsidiary and were presented on consolidated level within adjustment items.*

than the performing loans portfolio. The net fee and commission income sank by 3% on yearly basis. The 9M profit development was favourably affected by the y-o-y 41% drop of risk cost, owing to the improvement of portfolio quality compared to the base period.

Concerning the quarterly P&L developments, the 14% q-o-q decline of after tax profit is reasoned by the 90% q-o-q growth of risk cost, while operating profit improved by 22%. The higher risk cost is partly due to base effect: other risk cost improved the before-tax profit in 2Q by HUF 34 million mostly as a result of one-off provision release. Net interest income grew q-o-q by 3%, net fee and commission income increased by 2% owing to the favourable lending dynamics. The 3% quarterly moderation of operating expenses was due to the lower personnel expenses and moderate marketing activity. The number of employees decreased q-o-q by 2 to 640 in 3Q.

The DPD90+ ratio decreased to 34.4% (-2.4 pps q-o-q, -8.1 pps y-o-y). The improvement of the ratio was positively affected by around HUF 3.9 billion non-performing loan sale/write-offs during the last 4 quarters (out of which HUF 1.5 billion in 3Q 2016). The provision coverage of DPD90+ loans changed to 74% (-1.1 pps q-o-q, +2.0 pps y-o-y).

The loan portfolio shows favourable trend, the FX-adjusted loan book expanded by 9% y-o-y and by 4% q-o-q, the change of performing loan volumes was +24% and +8%, respectively. The yearly dynamics were driven by the growth of the corporate segment (with respect to the FX-adjusted gross loans: +11% y-o-y, +5% q-o-q). Retail volumes could increase, too (+6% y-o-y, +3% q-o-q). In 3Q 2016 cash loan disbursements grew on the quarterly basis. Gross consumer loans expanded by 3% q-o-q and by 9% y-o-y on an FX-adjusted basis. Both retail mortgage and SME loans grew by 2% q-o-q adjusted to FX changes. FX-adjusted total deposits surged significantly by 30% y-o-y and by 10% q-o-q, mainly due to changes in the corporate deposit base (+69% y-o-y, +18% q-o-q). Retail deposits also increased (+11% y-o-y, +5% q-o-q, FX-adjusted), mainly in the sight deposit segment. Net loan-to-deposit ratio declined to 98% (-3 pps q-o-q, -11 pps y-o-y).

The capital adequacy ratio of the bank stood at 23.1% at the end of 3Q (-2.2 pps q-o-q).

CRNOGORSKA KOMERCIJALNA BANKA (MONTENEGRO)

Performance of CKB:

Main components of P&L account in HUF mn	9M 2015	9M 2016	Y-o-Y	3Q 2015	2Q 2016	3Q 2016	Q-o-Q	Y-o-Y
After tax profit w/o dividends and net cash transfer	1,187	1,661	40%	652	143	1,406	883%	116%
Income tax	0	0		0	0	0		
Profit before income tax	1,187	1,661	40%	652	143	1,406	883%	116%
Operating profit	2,659	2,241	-16%	915	682	999	47%	9%
Total income	7,920	7,608	-4%	2,692	2,502	2,792	12%	4%
Net interest income	5,538	5,260	-5%	1,789	1,787	1,744	-2%	-3%
Net fees and commissions	2,177	2,011	-8%	803	690	760	10%	-5%
Other net non-interest income	204	337	65%	101	25	289		187%
Operating expenses	-5,260	-5,367	2%	-1,777	-1,820	-1,793	-1%	1%
Total provisions	-1,472	-580	-61%	-263	-539	407	-176%	-255%
Provision for possible loan losses	-1,675	-496	-70%	-402	-320	265	-183%	-166%
Other provision	203	-84	-141%	138	-219	143	-165%	3%
Main components of balance sheet closing balances in HUF mn	**2015**	**9M 2016**	**YTD**	**3Q 2015**	**2Q 2016**	**3Q 2016**	**Q-o-Q**	**Y-o-Y**
Total assets	199,800	198,770	-1%	205,039	193,168	198,770	3%	-3%
Gross customer loans	149,775	144,468	-4%	152,127	151,029	144,468	-4%	-5%
Gross customer loans (FX-adjusted)	147,876	144,468	-2%	150,102	147,680	144,468	-2%	-4%
Retail loans	72,139	71,452	-1%	72,649	71,889	71,452	-1%	-2%
Corporate loans	75,738	73,016	-4%	77,453	75,791	73,016	-4%	-6%
Allowances for possible loan losses	-52,991	-52,665	-1%	-52,038	-54,174	-52,665	-3%	1%
Allowances for possible loan losses (FX-adjusted)	-52,319	-52,665	1%	-51,346	-52,973	-52,665	-1%	3%
Deposits from customers	148,117	145,931	-1%	152,166	139,783	145,931	4%	-4%
Deposits from customer (FX-adjusted)	146,015	145,931	0%	150,139	136,621	145,931	7%	-3%
Retail deposits	112,795	112,264	0%	113,273	108,706	112,264	3%	-1%
Corporate deposits	33,220	33,667	1%	36,866	27,915	33,667	21%	-9%
Liabilities to credit institutions	21,829	21,440	-2%	22,511	21,945	21,440	-2%	-5%
Subordinated debt	0	0		0	0	0		
Total shareholders' equity	23,091	24,538	6%	23,366	23,635	24,538	4%	5%
Loan Quality	**9M 2015**	**9M 2016**	**Y-o-Y**	**3Q 2015**	**2Q 2016**	**3Q 2016**	**Q-o-Q**	**Y-o-Y**
90+ days past due loan volume (in HUF million)	65,456	61,379	-6%	65,456	65,038	61,379	-6%	-6%
90+ days past due loans/gross customer loans (%)	43.0%	42.5%	-0.5%p	43.0%	43.1%	42.5%	-0.6%p	-0.5%p
Cost of risk/average gross loans (%)	1.44%	0.45%	-0.99%p	1.04%	0.85%	-0.71%	-1.57%p	-1.76%p
Cost of risk/average (FX-adjusted) gross loans	1.47%	0.45%	-1.01%p	1.06%	0.87%	-0.72%	-1.59%p	-1.78%p
Total provisions/90+ days past due loans (%)	79.5%	85.8%	6.3%p	79.5%	83.3%	85.8%	2.5%p	6.3%p
Performance Indicators (%)	**9M 2015**	**9M 2016**	**Y-o-Y**	**3Q 2015**	**2Q 2016**	**3Q 2016**	**Q-o-Q**	**Y-o-Y**
ROA	0.8%	1.1%	0.3%p	1.3%	0.3%	2.9%	2.6%p	1.6%p
ROE	6.9%	9.3%	2.4%p	11.2%	2.5%	23.2%	20.8%p	12.0%p
Total income margin	5.28%	5.10%	-0.18%p	5.36%	5.22%	5.67%	0.45%p	0.31%p
Net interest margin	3.69%	3.53%	-0.17%p	3.56%	3.73%	3.54%	-0.19%p	-0.02%p
Cost/income ratio	66.4%	70.5%	4.1%p	66.0%	72.7%	64.2%	-8.5%p	-1.8%p
Net loans to deposits (FX-adjusted)	66%	63%	-3%p	66%	69%	63%	-6%p	-3%p
FX rates (in HUF)	**9M 2015**	**9M 2016**	**Y-o-Y**	**3Q 2015**	**2Q 2016**	**3Q 2016**	**Q-o-Q**	**Y-o-Y**
HUF/EUR (closing)	313.3	309.2	-1%	313.3	316.2	309.2	-2%	-1%
HUF/EUR (average)	309.0	312.2	1%	311.9	313.4	311.2	-1%	0%

- ***Due to the y-o-y 61% decline of total risk cost CKB reached HUF 1.7 billion after tax profit in 9M 2016 (+40% y-o-y)***
- ***9M operating income dropped by 16% mainly as a result of lower core banking revenues***
- ***The DPD90+ ratio improved by 0.5 pp y-o-y (42.5%), its coverage increased***
- ***The FX-adjusted gross loan portfolio declined by 4% y-o-y; the deposit portfolio decreased at the same extent***

The Montenegrin **CKB Bank** posted HUF 1.7 billion after tax profit in 9M 2016 underpinning a 40% y-o-y increase. The pick-up of the 3Q result of HUF 1.4 billion is mainly due to a release of provisions, but the operating profit improved q-o-q, too.

The total income fell short of the last year's by 4%. The decline was mainly due to the y-o-y 5% decrease of net interest income and the 8% y-o-y fall of net fees and commissions. Narrowing net interest margin and the declining DPD0-90 loan volume had negative impact on net interest income.

The operating expenses grew by 2% y-o-y in 9M 2016, primarily due to higher personnel expenses. The 3Q expenses declined by 1% q-o-q.

Total provisions declined by 61% y-o-y in 9M 2016, The risk cost rate dropped to 45bp. In 3Q HUF 0.4 billion risk cost were written back. It is favourable that the DPD90+ volumes decreased by HUF 1.9 billion (FX adjusted without sold and written off loans), which was connected mainly to corporate sector. There was no material sell or write-offs of non-performing loans in 3Q.

The DPD90+ ratio (42.5%) improved in 3Q and the figure declined by 0.5 pp on an annual basis. The coverage increased further and it stood at 85.8% at the end of 3Q (+6.3 pps y-o-y).

The FX-adjusted gross loan book declined by 2% q-o-q, and by 4% y-o-y. The corporate loans suffered higher erosion (-6% y-o-y), while in the case of retail loans the extent of decline was moderate (-2% y-o-y).

The FX-adjusted deposit portfolio decreased by 3% y-o-y, however it increased by 7% q-o-q. The latter is due to the expansion of corporate deposit, where the seasonal effects played important role (tourist season). As a result the FX adjusted net loans to deposits ratio dropped to 63% (-3.0 pps y-o-y).

The capital adequacy ratio calculated according to local requirements stood at 19.75% at the end of 9M 2016.

STAFF LEVEL AND OTHER INFORMATION

The closing staff number of OTP Group (including the number of employed selling agents) was 31,201 as of 30 September 2016. In the first nine months of the year the headcount decreased in Russia and Hungary, while increased in Bulgaria and the Ukraine.

OTP Group provides services through 1,308 branches and more than 3,920 ATMs in 9 countries of the CEE-region. In Hungary, OTP Bank has an extensive distribution network, which includes 370 branches and 1,892 ATM terminals. The Bank (Hungary) has close to 59 thousands POS terminals.

	30/09/2016				31/12/2015			
	Branches[2]	ATM	POS	Headcount (closing)	Branches	ATM	POS	Headcount (closing)
OTP Core	370	1,892	58,931	8,124	375	1,895	55,288	8,142
DSK Group	374	885	5,720	4,628	383	874	5,207	4,502
OTP Bank Russia (w/o employed agents)	134	265	1,540	4,686	134	233	1,751	4,787
Touch Bank (Russia)	0	0	0	270	0	0	0	219
OTP Bank Ukraine (w/o employed agents)	83	115	198	2,172	85	105	315	2,146
OTP Bank Romania	100	146	3,393	1,125	108	150	2,848	1,139
OTP banka Hrvatska	104	273	2,285	1,109	110	247	2,048	1,082
OTP Banka Slovenko	61	140	219	678	60	141	216	678
OTP banka Srbija	53	119	2,674	640	56	128	2,248	633
CKB	29	85	4,942	426	29	84	4,895	431
Foreign subsidiaries, total	**938**	**2,028**	**20,971**	**15,733**	**965**	**1,962**	**19,528**	**15,615**
Other Hungarian and foreign subsidiaries[1]				1,066				1,206
OTP Group (w/o employed agents)				**24,924**				**24,963**
OTP Bank Russia - employed agents				*5,766*				*6,328*
OTP Bank Ukraine - employed agents				*511*				*423*
OTP Group (aggregated)	**1,308**	**3,920**	**79,902**	**31,201**	**1,340**	**3,857**	**74,816**	**31,713**

[1] Due to the changes of the data provider group members, the historical employee figures of the other Hungarian and foreign subsidiaries are not comparable.
[2] Starting from 3Q 2016 a new branch count calculation method has been applied. Under the new method only branches with active employees are included into the branch number. Therefore, the 3Q branch numbers are not comparable with the previous periods.

PERSONAL AND ORGANIZATIONAL CHANGES

In the first half 2016 there was no change in the composition of Audit Committee and the Auditor of the Bank.

In accordance with the decision of the Board of Directors of the Bank, effective from 25 January 2016 Mr. András Tibor Johancsik has been in charge of running the IT and Operations Division as the Head of it, furthermore from 24 February 2016 his Deputy CEO nomination came into force.

OTP Bank's Board of Directors member Mr. Péter Braun passed away on 7 April 2016

From 14 April 2016, Mr. György Kovács Antal's membership in the Supervisory Board ceased.

From 14 April 2016, the memberships of Mr. Zsolt Hernádi and Mr. István Kocsis in the Board of Directors ceased.

The employment of Dr. Antal Pongrácz, Deputy Chairman, Deputy CEO and Head of Staff Division, as well as that of Dr István Gresa, Deputy CEO and Head of the Credit Approval and Risk Management Division ceased on 14 April 2016 due to their retirement. Effective from 15 April 2016 the Chairman and CEO of the Bank entrusted Mr. György Kiss-Haypál to run the Credit Approval and Risk Management Division (according to the terms of the Act on Financial Institutions this position will not be deemed as executive).

The Annual General Meeting appointed Dr. Sándor Csányi, Mr. Mihály Baumstark, Dr. Tibor Bíró, Mr. Tamás György Erdei, Dr. István Gresa, Mr. Antal György Kovács, Dr. Antal Pongrácz, Dr. László Utassy, Dr. József Vörös, Mr. László Wolf as member of the Board of Directors of the Company until the Annual General Meeting closing the 2020 business year of the Company, but no later than 30 April 2021.

The Annual General Meeting appointed Mrs. Ágnes Rudas, as member of the Supervisory Board of the Company until the Annual General Meeting closing the 2016 business year of the Company, but no later than 30 April 2017.

FINANCIAL DATA

SEPARATE AND CONSOLIDATED IFRS STATEMENT OF FINANCIAL POSITION

in HUF million	OTP Bank			Consolidated		
	30/09/2016	30/09/2015	change	30/09/2016	30/09/2015	change
Cash, amounts due from banks and balances with the National Bank of Hungary	1,134,250	1,477,834	-23%	1,645,754	1,969,462	-16%
Placements with other banks, net of allowance for placement losses	953,175	626,423	52%	395,755	260,259	52%
Financial assets at fair value through profit or loss	245,356	269,928	-9%	265,013	250,854	6%
Securities available-for-sale	1,453,137	1,324,937	10%	1,618,352	1,127,029	44%
Loans, net of allowance for loan losses	1,735,780	1,777,669	-2%	5,480,609	5,485,605	0%
Investments in subsidiaries, associates and other investments	672,868	620,886	8%	10,446	27,023	-61%
Securities held-to-maturity	830,842	836,526	-1%	906,836	918,413	-1%
Property, equipments and intangible assets	90,738	95,044	-5%	343,806	350,792	-2%
Other assets	113,484	128,502	-12%	286,168	301,032	-5%
TOTAL ASSETS	**7,229,631**	**7,157,748**	**1%**	**10,952,739**	**10,690,468**	**2%**
Amounts due to banks and Hungarian Government, deposits from the National Bank of Hungary and other banks	1,073,212	921,027	17%	774,595	584,401	33%
Deposits from customers	4,337,668	4,215,897	3%	8,009,324	7,809,436	3%
Liabilities from issued securities	140,441	148,106	-5%	212,918	246,925	-14%
Financial liabilities at fair value through profit or loss	81,881	224,024	-63%	62,835	156,884	-60%
Other liabilities	275,242	251,495	9%	438,173	408,262	7%
Subordinated bonds and loans	116,820	272,140	-57%	82,809	258,506	-68%
TOTAL LIABILITIES	**6,025,265**	**6,032,689**	**0%**	**9,580,654**	**9,464,414**	**1%**
Share capital	28,000	28,000	0%	28,000	28,000	0%
Retained earnings and reserves	1,024,249	1,022,892	0%	1,225,993	1,216,496	1%
Net earnings for the year	163,972	83,494	96%	175,723	36,811	377%
Treasury shares	-11,855	-9,327	27%	-60,722	-58,194	4%
Non-controlling interest	0	0		3,092	2,942	5%
TOTAL SHAREHOLDERS' EQUITY	**1,204,366**	**1,125,059**	**7%**	**1,372,086**	**1,226,054**	**12%**
TOTAL LIABILTITIES AND SHAREHOLDERS' EQUITY	**7,229,631**	**7,157,748**	**1%**	**10,952,739**	**10,690,468**	**2%**

SEPARATE AND CONSOLIDATED IFRS STATEMENT OF RECOGNIZED INCOME

in HUF million	OTP Bank			Consolidated		
	9M 2016	9M 2015	change	9M 2016	9M 2015	change
Loans	87,874	98,489	-11%	375,005	443,825	-16%
Placements with other banks	63,661	126,702	-50%	46,310	96,422	-52%
Amounts due from banks and balances with the National Banks	8,261	22,744	-64%	8,278	23,448	-65%
Securities held for trading	0	0		0	0	-100%
Securities available-for-sale	30,825	37,817	-18%	32,167	21,372	51%
Securities held-to-maturity	30,871	29,175	6%	35,476	34,019	4%
Other interest income	0	0		5,784	5,894	-2%
Interest income	*221,492*	*314,927*	*-30%*	*503,021*	*624,980*	*-20%*
Amounts due to banks, the Hungarian Government, deposits from the National Banks and other banks	-69,867	-126,672	-45%	-48,428	-99,163	-51%
Deposits from customers	-11,946	-23,888	-50%	-50,236	-85,438	-41%
Liabilities from issued securities	-1,090	-1,521	-28%	-3,567	-5,038	-29%
Subordinated bonds and loans	-12,395	-12,433	0%	-9,392	-10,106	-7%
Other interest expense	0	0		-4,327	-5,009	-14%
Interest expense	*-95,298*	*-164,515*	*-42%*	*-115,950*	*-204,753*	*-43%*
NET INTEREST INCOME	**126,194**	**150,413**	**-16%**	**387,071**	**420,227**	**-8%**
Provision for impairment on loans	-5,087	-20,486	-75%	-54,992	-233,652	-76%
Provision for impairment on placement losses	0	-2	-78%	-67	6	
Provision for impairment on loans and placement losses	-5,088	-20,488	-75%	-55,058	-233,646	-76%
NET INRETEST INCOME AFTER PROVISION FOR IMPAIRMENT ON LOAN AND PLACEMENT LOSSES	121,106	129,924	-7%	332,013	186,580	78%
Income from fees and commissions	139,787	138,026	1%	196,509	189,931	3%
Expense from fees and commissions	-18,117	-17,292	5%	-34,123	-31,640	8%
NET PROFIT FROM FEES AND COMMISSIONS	121,670	120,734	1%	162,386	158,291	3%
Foreign exchange gains, net (-)/(+)	4,235	10,485	-60%	20,409	85,171	-76%
Gains / (losses) on securities, net	34,453	21,405	61%	19,932	9,008	121%
Gains on real estate transactions	195	131	49%	1,421	1,566	-9%
Dividend income	90,465	58,597	54%	3,311	3,317	0%
Other operating income	2,988	1,844	62%	8,508	12,069	-30%
Other operating expense	-11,759	-72,699	-84%	-9,736	-75,588	-87%
NET OPERATING RESULT	120,576	19,762	510%	43,845	35,544	23%
Personnel expenses	-67,473	-64,082	5%	-142,528	-139,324	2%
Depreciation and amortization	-16,335	-15,621	5%	-32,552	-31,321	4%
Other administrative expenses	-103,403	-109,553	-6%	-162,459	-177,921	-9%
OTHER ADMINISTRATIVE EXPENSES	-187,211	-189,256	-1%	-337,538	-348,567	-3%
PROFIT BEFORE INCOME TAX	**176,142**	**81,165**	**117%**	**200,705**	**31,849**	**530%**
Income tax	-12,169	2,329	-623%	-24,727	4,629	-634%
NET PROFIT FOR THE PERIODS	**163,972**	**83,494**	**96%**	**175,978**	**36,478**	**382%**
From this, attributable to non-controlling interest	0	0		-255	333	-177%
NET PROFIT FOR THE PERIODS ATTRIBUTABLE OWNERS OF THE COMPANY	**163,972**	**83,494**	**96%**	**175,723**	**36,811**	**377%**

SEPARATE AND CONSOLIDATED IFRS STATEMENT OF CASH FLOWS

in HUF million	OTP Bank			Consolidated		
	30/09/2016	30/09/2015	change	30/09/2016	30/09/2015	change
OPERATING ACTIVITIES						
Profit before income tax	176,142	81,166	117%	200,705	31,850	530%
Adjustments to reconcile income before income taxes to net cash provided by operating activities						
Income tax paid	-264	-3,559	-93%	-10,464	-13,128	-20%
Goodwill impairment	0	0	0%	0	0	0%
Depreciation and amortization	16,334	15,621	5%	32,552	31,321	4%
Provision for impairment / Release of provision	5,170	36,817	-86%	24,249	110,530	-78%
Share-based payment	2,798	2,858	-2%	2,798	2,858	-2%
Unrealized (losses) / gains on fair value adjustment of securities held for trading	-11,513	-11,414	0%	-11,511	-11,414	0%
Unrealized losses on fair value adjustment of derivative financial instruments	10,413	-12,832	-181%	10,379	2,111	392%
Changes in operating assets and liabilities	-133,950	-32,826	308%	-69,689	115,891	-160%
Net cash provided by operating activities	**65,130**	**75,831**	**-14%**	**179,019**	**270,019**	**-34%**
INVESTING ACTIVITIES						
Net cash used in investing activities	**-288,012**	**-178,978**	**61%**	**-393,615**	**-494,578**	**-20%**
FINANCING ACTIVITIES						
Net cash used in financing activities	**26,851**	**-310,569**	**-109%**	**15,538**	**-245,860**	**-106%**
Net increase in cash and cash equivalents	**-196,031**	**-413,716**	**-53%**	**-199,058**	**-470,419**	**-58%**
Cash and cash equivalents at the beginning of the period	1,238,858	1,762,727	0%	1,427,292	2,003,324	-29%
Cash and cash equivalents at the end of the period	**1,042,827**	**1,349,011**	**-23%**	**1,228,234**	**1,532,905**	**-20%**
Analysis of cash and cash equivalents						
Cash, amounts due from banks and balances with the National Banks	1,326,197	1,897,778	-30%	1,878,960	2,307,632	-19%
Compulsory reserve established by the National Banks	-87,339	-135,051	-35%	-451,668	-304,308	48%
Cash and cash equivalents at the beginning of the period	**1,238,858**	**1,762,727**	**0%**	**1,427,292**	**2,003,324**	**-29%**
Cash, amounts due from banks and balances with the National Banks	1,134,250	1,477,834	-23%	1,645,754	1,969,461	-16%
Compulsory reserve established by the National Banks	-91,423	-128,823	-29%	-417,520	-436,556	-4%
Cash and cash equivalents at the end of the period	**1,042,827**	**1,349,011**	**-23%**	**1,228,234**	**1,532,905**	**-20%**

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY (IFRS)

in HUF million	Share capital	Capital reserve	Share based payment reserve	Retained earnings and reserves	Put option reserves	Treasury shares	Non-controlling interest	Total
Balance as at 1 January 2015	**28,000**	**52**	**20,897**	**1,323,277**	**-55,468**	**-55,941**	**3,349**	**1,264,166**
Net profit for the year	--	--	--	36,811		--	-333	36,478
Other comprehensive income				-25,611			-73	-25,684
Share-based payment	--	--	2,858			--	--	2,858
Treasury shares								
Dividend for the year 2013	--	--	--	-40,600		--	--	-40,600
Put option								
Treasury shares								
– sale						21,937		21,937
– loss on sale				-6,919				-6,919
– volume change						-24,191		-24,191
Payment to ICES holders				-1,990				-1,990
Balance as at 30 September 2015	**28,000**	**52**	**23,755**	**1,284,968**	**-55,468**	**-58,195**	**2,943**	**1,226,055**

in HUF million	Share capital	Capital reserve	Share based payment reserve	Retained earnings and reserves	Put option reserves	Treasury shares	Non-controlling interest	Total
Balance as at 1 January 2016	**28,000**	**52**	**24,707**	**1,291,738**	**-55,468**	**-58,021**	**2,651**	**1,233,659**
Net profit for the year	--	--	--	175,723		--	255	175,978
Other comprehensive income				13,862			186	14,048
Share-based payment	--	--	2,798			--	--	2,798
Treasury shares								
Dividend for the year 2012	--	--	--	-46,200		--	--	-46,200
Put option								
Treasury shares								
– sale						9,280		9,280
– loss on sale				-3,775				-3,775
– volume change						-11,982		-11,982
Payment to ICES holders				-1,720				-1,720
Balance as at 30 September 2016	**28,000**	**52**	**27,505**	**1,429,628**	**-55,468**	**-60,723**	**3,092**	**1,372,086**

Ownership structure of OTP Bank Plc.

as at 30 September 2016

Description of owner	Total equity					
	1 January 2016			30 September 2016		
	%[1]	%[2]	Qty	%[1]	%[2]	Qty
Domestic institution/company	20.31%	20.58%	56,865,293	20.67%	20.95%	57,865,096
Foreign institution/company	63.77%	64.62%	178,546,741	63.53%	64.41%	177,870,074
Domestic individual	5.95%	6.03%	16,656,480	4.67%	4.73%	13,069,282
Foreign individual	0.43%	0.44%	1,215,093	0.22%	0.22%	619,016
Employees, senior officers	1.37%	1.38%	3,825,466	1.34%	1.36%	3,749,962
Treasury shares	1.31%	0.00%	3,677,506	1.37%	0.00%	3,843,393
Government held owner[3]	0.09%	0.09%	238,312	0.08%	0.08%	224,518
International Development Institutions[4]	0.01%	0.01%	38,242	0.02%	0.02%	49,715
Other[5]	6.76%	6.85%	18,936,877	8.11%	8.22%	22,708,954
TOTAL	**100.00%**	**100.00%**	**280,000,010**	**100.00%**	**100.00%**	**280,000,010**

[1] Voting rights
[2] Beneficial ownership
[3] E.g.: State Privatization Holding Co. Ltd., Social Security, Municipality, 100% state-owned companies, Pension Reform and Debt Reduction Fund etc.
[4] E.g.: EBRD, EIB, etc.
[5] Non-identified shareholders according to the shareholders' registry.

Number of treasury shares held in the year under review (2016)

	1 January	31 March	30 June	30 September	31 December
Company	1,603,946	1,575,975	1,644,899	1,769,833	
Subsidiaries	2,073,560	2,073,560	2,073,560	2,073,560	
TOTAL	3,677,506	3,649,535	3,718,459	3,843,393	

Shareholders with over/around 5% stake as at 30 September 2016

Name	Number of shares	Voting rights	Beneficial ownership
Megdet, Timur and Ruszlan Rahimkulov	23,782,242	8.49%	8.61%
MOL (Hungarian Oil and Gas Company Plc.)	24,000,000	8.57%	8.69%
Groupama Group	22,705,504	8.11%	8.22%

Senior officers, strategic employees and their shareholding of OTP shares as at 30 September 2016

Type[1]	Name	Position	No. of shares held
IT	Dr. Sándor Csányi [2]	Chairman and CEO	416,753
IT	Mihály Baumstark	member	44,800
IT	Dr. Tibor Bíró	member	31,956
IT	Tamás Erdei	member	35,239
IT	Dr. István Gresa	member	124,728
IT	Antal Kovács	member, Deputy CEO	26,324
IT	Dr. Antal Pongrácz	member	70,077
IT	Dr. László Utassy	member	258,921
IT	Dr. József Vörös	member	156,114
IT	László Wolf	member, Deputy CEO	591,360
FB	Ágnes Rudas	member	141,138
FB	Tibor Tolnay	Chairman	54
FB	Dr. Gábor Horváth	member	0
FB	András Michnai	member	100
FB	Dominique Uzel	member	0
FB	Dr. Márton Gellért Vági	member	0
SP	László Bencsik	Chief Financial and Strategic Officer, Deputy CEO	30,033
SP	András Tibor Johancsik	Deputy CEO	0
TOTAL No. of shares held by management:			**1,927,597**

[1] Employee in strategic position (SP), Board Member (IT), Supervisory Board Member (FB)
[2] Number of OTP shares owned by Mr Csányi directly or indirectly: 2,216,753

OFF-BALANCE SHEET ITEMS ACCORDING TO IFRS (consolidated, in HUF million)[1]

a) Contingent liabilities

	30/09/2016	30/09/2015
Commitments to extend credit	1,254,052	1,118,969
Guarantees arising from banking activities	451,019	373,165
Confirmed letters of credit	11,676	19,002
Legal disputes (disputed value)	32,584	52,143
Contingent liabilities related to OTP Mortgage Bank	--	--
Other	289,994	315,630
Total:	**2,039,325**	**1,878,909**

[1] Those financial undertakings, which are important from valuation perspectives however not booked within the balance sheet (such as surety, guarantees, pledge related obligations, etc.)

SECURITY ISSUANCES ON GROUP LEVEL BETWEEN 01/10/2015 AND 30/09/2016

Issuer	Type of security	Security name	Date of issue	Date of maturity	Ccy	Outstanding consolidated debt (in original currency or HUF million) 30/09/2016	Outstanding consolidated debt (in HUF million) 30/09/2016
OTP Bank Plc.	Retail bond	OTP EUR 1 2016/X	30/10/2015	13/11/2016	EUR	14,305,900	4,423
OTP Bank Plc.	Retail bond	OTP EUR 1 2016/XI	11/11/2015	25/11/2016	EUR	8,278,100	2,559
OTP Bank Plc.	Retail bond	OTP EUR 1 2016/XII	27/11/2015	11/12/2016	EUR	5,789,400	1,790
OTP Bank Plc.	Retail bond	OTP EUR 1 2016/XIII	30/12/2015	13/01/2017	EUR	25,461,700	7,871
OTP Bank Plc.	Retail bond	OTP EUR 1 2017/I	29/01/2016	12/02/2017	EUR	14,619,900	4,520
OTP Bank Plc.	Retail bond	OTP_VK_USD_1_2017/I	29/01/2016	29/01/2017	USD	3,885,900	1,074
OTP Bank Plc.	Retail bond	OTP EUR 1 2017/II	12/02/2016	26/02/2017	EUR	4,395,500	1,359
OTP Bank Plc.	Retail bond	OTP EUR 1 2017/III	26/02/2016	12/03/2017	EUR	7,477,200	2,312
OTP Bank Plc.	Retail bond	OTP EUR 1 2017/IV	18/03/2016	01/04/2017	EUR	6,559,600	2,028
OTP Bank Plc.	Retail bond	OTP_VK_USD_1_2017/II	18/03/2016	18/03/2017	USD	1,973,100	545
OTP Bank Plc.	Retail bond	OTP EUR 1 2017/V	15/04/2016	29/04/2017	EUR	8,688,200	2,686
OTP Bank Plc.	Retail bond	OTP EUR 1 2017/VI	27/05/2016	10/06/2017	EUR	11,824,700	3,656
OTP Bank Plc.	Retail bond	OTP_VK_USD_1_2017/III	27/05/2016	27/05/2017	USD	6,281,400	1,736
OTP Bank Plc.	Retail bond	OTP EUR 1 2017/VII	10/06/2016	24/06/2017	EUR	3,626,500	1,121
OTP Bank Plc.	Retail bond	OTP EUR 1 2017/VIII	01/07/2016	15/07/2017	EUR	6,819,700	2,108
OTP Bank Plc.	Retail bond	OTP EUR 1 2017/IX	10/08/2016	24/08/2017	EUR	8,672,800	2,681
OTP Bank Plc.	Retail bond	OTP EUR 1 2017/X	16/09/2016	30/09/2017	EUR	4,460,900	1,379
OTP Bank Plc.	Retail bond	OTP_VK_USD_1_2017/IV	16/09/2016	17/09/2017	USD	1,455,900	402
OTP Banka Slovensko	Mortgage bond	OTP XXVII.	17/12/2015	16/12/2016	EUR	0	0
OTP Banka Slovensko	Mortgage bond	OTP XXVIII.	30/03/2016	29/03/2017	EUR	0	0
OTP Banka Slovensko	Mortgage bond	OTP XXIX.	28/09/2016	27/09/2017	EUR	0	0
OTP Banka Slovensko	Corporate bond	Bonds OTP III.	29/06/2016	29/06/2021	EUR	0	0
OTP Banka Slovensko	Corporate bond	Bonds OTP II.	29/02/2016	28/02/2017	EUR	0	0

SECURITY REDEMPTIONS ON GROUP LEVEL BETWEEN 01/10/2015 AND 30/09/2016

Issuer	Type of security	Security name	Date of issue	Date of maturity	Ccy	Outstanding consolidated debt (in original currency or HUF million) 30/09/2015	Outstanding consolidated debt (in HUF million) 30/09/2015
OTP Bank Plc.	Retail bond	OTP TBSZ2015/I	26/02/2010	30/12/2015	HUF	5,362	5,362
OTP Bank Plc.	Corporate bond	OTP 2016/Fx	22/03/2013	24/03/2016	HUF	670	670
OTP Bank Plc.	Retail bond	OTP TBSZ 4 2015/I	13/01/2012	15/12/2015	HUF	469	469
OTP Bank Plc.	Corporate bond	OTP 2015/Hx	28/12/2012	27/12/2015	HUF	152	152
OTP Bank Plc.	Retail bond	OTP OJK 2016/I	26/08/2011	26/08/2016	HUF	57	57
OTP Bank Plc.	Retail bond	OTP TBSZ 4 2015/II	21/12/2012	15/12/2015	HUF	46	46
OTP Bank Plc.	Corporate bond	OTP 2015/Gx	08/11/2012	16/11/2015	HUF	0	0
OTP Bank Plc.	Retail bond	OTP EUR 1 2016/III	20/03/2015	03/04/2016	EUR	13,029,400	4,082
OTP Bank Plc.	Retail bond	OTP EUR 1 2015/XX	03/10/2014	17/10/2015	EUR	12,917,800	4,047
OTP Bank Plc.	Retail bond	OTP EUR 1 2016/VI	29/05/2015	12/06/2016	EUR	10,270,000	3,218
OTP Bank Plc.	Retail bond	OTP EUR 1 2016/VII	30/06/2015	14/07/2016	EUR	10,128,400	3,173
OTP Bank Plc.	Retail bond	OTP EUR 1 2016/I	30/01/2015	13/02/2016	EUR	10,101,600	3,165
OTP Bank Plc.	Retail bond	OTP EUR 1 2015/XXV	19/12/2014	02/01/2016	EUR	9,229,300	2,892
OTP Bank Plc.	Retail bond	OTP EUR 1 2016/II	20/02/2015	06/03/2016	EUR	8,343,100	2,614
OTP Bank Plc.	Retail bond	OTP EUR 1 2015/XXI	22/10/2014	05/11/2015	EUR	8,152,000	2,554
OTP Bank Plc.	Retail bond	OTP EUR 1 2016/IV	10/04/2015	24/04/2016	EUR	7,186,100	2,252
OTP Bank Plc.	Retail bond	OTP EUR 1 2016/VIII	24/07/2015	07/08/2016	EUR	6,161,600	1,931
OTP Bank Plc.	Retail bond	OTP EUR 1 2015/XXIII	14/11/2014	28/11/2015	EUR	5,388,600	1,688
OTP Bank Plc.	Retail bond	OTP EUR 1 2015/XXIV	28/11/2014	12/12/2015	EUR	4,987,500	1,563
OTP Bank Plc.	Retail bond	OTP EUR 1 2015/XXVI	09/01/2015	23/01/2016	EUR	4,297,700	1,347
OTP Bank Plc.	Retail bond	OTP EUR 1 2016/V	24/04/2015	08/05/2016	EUR	3,590,100	1,125
OTP Bank Plc.	Retail bond	OTP EUR 1 2015/XXII	31/10/2014	14/11/2015	EUR	3,110,300	975
OTP Bank Plc.	Retail bond	OTP_VK_USD_1_2016/I	24/04/2015	24/04/2016	USD	3,288,400	918
OTP Bank Plc.	Retail bond	OTP_VK_USD_1_2016/III	25/09/2015	25/09/2016	USD	3,030,300	846
OTP Bank Plc.	Retail bond	OTP EUR 2 2015/XXI	31/10/2013	31/10/2015	EUR	2,299,000	720
OTP Bank Plc.	Corporate bond	OTP 2015/Fx	21/12/2012	23/12/2015	EUR	2,073,900	650
OTP Bank Plc.	Retail bond	OTP EUR 2 2015/XXIV	20/12/2013	20/12/2015	EUR	1,548,200	485
OTP Bank Plc.	Retail bond	OTP EUR 2 2016/XV	30/07/2014	30/07/2016	EUR	1,546,000	484
OTP Bank Plc.	Corporate bond	OTP 2016/Cx	22/04/2011	22/04/2016	EUR	1,424,200	446
OTP Bank Plc.	Retail bond	OTP EUR 2 2016/XVII	29/08/2014	29/08/2016	EUR	1,314,600	412
OTP Bank Plc.	Retail bond	OTP EUR 2 2015/XXIII	29/11/2013	29/11/2015	EUR	1,197,400	375
OTP Bank Plc.	Retail bond	OTP EUR 2 2015/XXII	15/11/2013	15/11/2015	EUR	1,151,800	361
OTP Bank Plc.	Retail bond	OTP EUR 2 2016/XVIII	12/09/2014	12/09/2016	EUR	987,600	309
OTP Bank Plc.	Retail bond	OTP EUR 2 2016/III	14/02/2014	14/02/2016	EUR	947,000	297
OTP Bank Plc.	Retail bond	OTP EUR 2 2016/I	17/01/2014	17/01/2016	EUR	894,500	280
OTP Bank Plc.	Corporate bond	OTP 2015/Cx	27/12/2010	29/12/2015	EUR	846,700	265
OTP Bank Plc.	Retail bond	OTP EUR 2 2016/II	31/01/2014	31/01/2016	EUR	822,100	258
OTP Bank Plc.	Retail bond	OTP_VK_USD_1_2016/II	24/07/2015	24/07/2016	USD	882,300	246
OTP Bank Plc.	Retail bond	OTP EUR 2 2016/V	14/03/2014	14/03/2016	EUR	724,700	227
OTP Bank Plc.	Retail bond	OTP EUR 2 2016/VII	11/04/2014	11/04/2016	EUR	713,200	223
OTP Bank Plc.	Retail bond	OTP EUR 2 2016/IV	28/02/2014	28/02/2016	EUR	640,500	201
OTP Bank Plc.	Retail bond	OTP EUR 2 2016/XI	06/06/2014	06/06/2016	EUR	639,500	200
OTP Bank Plc.	Retail bond	OTP EUR 2 2016/XII	20/06/2014	20/06/2016	EUR	634,700	199
OTP Bank Plc.	Retail bond	OTP EUR 2 2016/IX	09/05/2014	09/05/2016	EUR	606,700	190
OTP Bank Plc.	Retail bond	OTP EUR 2 2016/X	23/05/2014	23/05/2016	EUR	597,500	187
OTP Bank Plc.	Retail bond	OTP EUR 2 2016/XIII	04/07/2014	04/07/2016	EUR	462,000	145
OTP Bank Plc.	Retail bond	OTP EUR 2 2016/XVI	08/08/2014	08/08/2016	EUR	367,300	115
OTP Bank Plc.	Retail bond	OTP EUR 2 2016/XIV	18/07/2014	18/07/2016	EUR	313,300	98
OTP Bank Plc.	Retail bond	OTP EUR 2 2015/XX	11/10/2013	11/10/2015	EUR	297,300	93
OTP Bank Plc.	Retail bond	OTP EUR 2 2016/VI	21/03/2014	21/03/2016	EUR	210,400	66
OTP Bank Plc.	Retail bond	OTP EUR 2 2016/VIII	18/04/2014	18/04/2016	EUR	200,700	63
OTP Bank Plc.	Corporate bond	OTP LT2 2016	17/09/2006	19/09/2016	EUR	500,000,000	156,660
OTP Mortgage Bank	Mortgage bond	OJB2016_I	03/02/2006	03/02/2016	HUF	1,254	1,254
OTP Mortgage Bank	Mortgage bond	OJB2016_III	17/02/2009	17/02/2016	HUF	0	0
OTP Mortgage Bank	Mortgage bond	OJB2016_II	31/08/2006	31/08/2016	HUF	4,663	4,663
OTP Mortgage Bank	Mortgage bond	OJB2016_J	18/04/2006	28/09/2016	HUF	67	67
OTP Mortgage Bank	Mortgage bond	OMB2016_I	25/10/2013	25/10/2016	EUR	0	0
OTP Banka Slovensko	Mortgage bond	OTP VII.	21/12/2005	21/12/2015	EUR	22,472,284	7,041
OTP Banka Slovensko	Mortgage bond	OTP XXV.	28/09/2012	28/09/2016	EUR	7,962,000	2,495
OTP Banka Slovensko	Mortgage bond	OTP XXVI.	30/03/2015	29/03/2016	EUR	0	0

RELATED-PARTY TRANSACTIONS

The compensation of key management personnel, such as the members of the Board of Directors, members of the Supervisory Board, key employees of the Bank and its major subsidiaries involved in the decision-making process in accordance with the compensation categories defined in IAS 24 Related party disclosures, is summarised below.

Compensations (in HUF million)	9M 2015	9M 2016	Y-o-Y	3Q 2015	2Q 2016	3Q 2016	Q-o-Q	Y-o-Y
Total	**7,490**	**9,286**	**24%**	**2,557**	**4,999**	**2,538**	**-49%**	**-1%**
Short-term employee benefits	5,363	7,120	33%	1,883	4,202	1,850	-56%	-2%
Share-based payment	1,707	1,747	2%	569	583	582	0%	2%
Other long-term employee benefits	399	393	-2%	105	188	106	-44%	1%
Termination benefits	21	26	24%	0	26	0	-100%	
Redundancy payments								
Loans provided to companies owned by members of the management[1] or their family members (normal course of business)	18,161	25,912	43%	18,161	30,848	25,912	-16%	43%
Credit lines of the members of Board of Directors and the Supervisory Board and their close family members (at normal market conditions)	310	298	-4%	310	315	298	-5%	-4%
Commitments to extend credit and guarantees	15,921	29,372	84%	15,921	25,994	29,372	13%	84%
Loans provided to unconsolidated subsidiaries	2,038	2,173	7%	2,038	2,121	2,173	2%	7%

[1] Members of the Board of Directors and the Supervisory Board, senior officers and the auditor of the company

SUPPLEMENTARY DATA

FOOTNOTES OF THE TABLE 'CONSOLIDATED AFTER TAX PROFIT BREAKDOWN BY SUBSIDIARIES (IFRS)

General note: regarding OTP Core and other subsidiaries, profit after tax is calculated without received dividends and net cash transfers. Dividends and net cash transfers received from non-group member companies are shown on a separate line in one sum in the table, regardless to the particular receiver or payer group member company.

(1) OTP Core, Corporate Centre and foreign banks aggregated, excluding one-timers.

(2) OTP Core is an economic unit for measuring the result of core business activity of OTP Group in Hungary. Financials of OTP Core are calculated from the partially consolidated IFRS financial statements of the companies engaged in OTP Group's underlying banking operation in Hungary. These companies include OTP Bank Hungary Plc., OTP Mortgage Bank Ltd, OTP Building Society Ltd, OTP Factoring Ltd, OTP Financial Point Ltd., and companies providing intragroup financing. The consolidated accounting results of these companies are segmented into OTP Core and Corporate Centre. Latter is a virtual entity.

(3) Within OTP Group, the Corporate Centre acts as a virtual entity established by the equity investment of OTP Core for managing the wholesale financing activity for all the subsidiaries within OTP Group but outside OTP Core. Therefore the balance sheet of the Corporate Centre is funded by the equity and intragroup lending received from OTP Core, the intragroup lending received from other subsidiaries, and the subordinated debt and senior notes arranged by OTP Bank under its running EMTN program. From this funding pool, the Corporate Centre is to provide intragroup lending to, and hold equity stakes in OTP subsidiaries outside OTP Core. Main subsidiaries financed by Corporate Centre are as follows: Hungarians: Merkantil Bank Ltd, Merkantil Car Ltd, Merkantil Leasing Ltd, OTP Real Estate Leasing Ltd, OTP Fund Management Ltd, OTP Real Estate Fund Management Ltd, OTP Life Annuity Ltd; foreigners: banks, leasing companies, factoring companies.

(4) From 1Q 2015 the performance of OTP Bank Russia does not contain the volumes and financial result of Touch Bank. From 1Q 2015 the statement of recognised income and balance sheet of LLC MFO OTP Finance" was included in the Russian performance.

(5) Touch Bank is part of OTP Bank Russia from legal point of view, and it is operating under the same banking license, but as a separate digital banking business line. In order to provide transparent information Touch Bank is presented as a separate virtual entity.

(6) From 4Q 2008 figures are based on the aggregated financial statements of OTP Bank JSC and LLC OTP Leasing Ukraine, from 4Q 2009 the result of LLC OTP Factoring Ukraine was also aggregated, while in 4Q 2010 the statement of recognised income and balance sheet of LLC OTP Credit was also added.

(7) From 3Q 2010, statements are based on the aggregated financials of DSK Group and the newly established Bulgarian collection company, OTP Factoring Bulgaria LLC. DSK Group balance sheet contains the loans sold to the factoring company at before sale gross value and the related provisions as well.

(8) Net earnings are adjusted with the result of CIRS swap transactions executed with OTP Bank Hungary in relation to interbank financing. Before transfer balance sheet numbers are displayed. From 2Q 2010 the statement of recognised income and balance sheet of OTP Faktoring SRL was included. Banca Millennium was consolidated into OBR's results from 1Q 2015.

(9) Including the financial performance of OTP Factoring Serbia d.o.o from 4Q 2010.

(10) Banco Popolare Croatia was consolidated into OBH's results from 2Q 2014. From 1Q 2015 including the financial result and volumes of OTP Faktoring d.o.o.

(11) From 2012 on P&L data and related indices are adjusted for the special banking tax and the Slovakian Deposit Protection Fund contributions being introduced again in 2014, as well as the contribution into the Resolution Fund.

(12) Including the financial performance of OTP Factoring Montenegro d.o.o.

(13) Aggregated after tax profit of Merkantil Bank and Merkantil Car without dividends, net cash transfer, other adjustment items and provisioning for investments in subsidiaries.

(14) From 4Q 2009: OTP Leasing Romania IFN S.A. (Romania), Z plus d.o.o. (Croatia) (until 3Q 2011), OTP Leasing d.d. (Croatia), DSK Leasing AD (Bulgaria).

(15) LLC AMC OTP Capitol (Ukraine) and OTP Asset Management SAI S.A. (Romania), DSK Asset Management (Bulgaria).

(16) HIF Ltd. (United Kingdom), OTP Faktoring Slovensko (Slovakia) (until 1Q 2011), OTP Buildings (Slovakia), OTP Real Slovensko (Slovakia), Velvin Ventures Ltd. (Belize), Debt Management Project 1 Montenegro d.o.o. (Montenegro), R.E. Four d.o.o., Novi Sad (Serbia), SC Aloha Buzz SRL, SC Favo Consultanta SRL, SC Tezaur Cont SRL (Romania), Cresco d.o.o. (Croatia).

(17) Total Hungarian subsidiaries: sum of the adjusted after tax results of Hungarian group members, Corporate Centre and related eliminations.

(18) Total Foreign subsidiaries: sum of the adjusted after tax profits of foreign subsidiaries and one-off items (after tax).

CALCULATION OF ADJUSTED LINES OF IFRS PROFIT AND LOSS STATEMENTS PRESENTED IN THE REPORT

In order to present Group level trends in a comprehensive way in the Summary, the presented consolidated and separate profit and loss statements of this report were adjusted in the following way, and the adjusted P&Ls are shown and analysed in the Report. Consolidated accounting figures together with Separate accounting figures of OTP Bank are still disclosed in the Financial Data section of the Report.

Adjustments:

- As non-recurring results, the after tax effect of the following items are shown separately on the Statement of Recognised Income: received dividends, received and paid cash transfers, goodwill write-offs, the tax shield effect of investment write-offs, special tax on financial institutions, the one-timer payment compensating the underperformance of the financial transaction tax in 2013, the fine imposed by the Hungarian Competition Authority and the risk cost created in relation to the decision of the Hungarian Competition Authority, the corporate tax impact of the transfer of general risk reserves to retained earnings, the effect of acquisitions, the one-off impact of regulatory changes in relation to consumer contracts and the impact of the related methodological changes in Hungary, the expected one-off impact of regulatory changes related to CHF consumer contracts in Croatia, the one-off impact of regulatory changes related to FX consumer contracts in Serbia, the expected one-off impact of the CHF mortgage loan conversion programme and regulatory changes related to mortgage loans in Romania, the risk cost created toward Crimean exposures from 2Q 2014 until 4Q 2015, the risk cost related toward exposure to Donetsk and Luhansk from 3Q 2014 until 4Q 2015, the expected corporate tax impact of switching to IFRS from HAR in Hungary, gain on the sale of Visa Europe shares, the revaluation of reverse mortgage portfolio of OTP Life Annuity Ltd. simultaneous with regulatory changes, and the net loss from early repayment of FX mortgage loans in Hungary. Beside the Slovakian banking levy, the total amount of the special banking tax includes and the Slovakian Deposit Protection Fund contributions being introduced again in 2014, and the contribution into the Resolution Fund in Slovakia, too.
- Other non-interest income elements stemming from provisioning release in connection with provisions on loans originated before the acquisitions of the subsidiaries have been reclassified to and deducted from the volume of provisions for possible loan losses in the income statement.
- From 2Q 2014 OTP Bank's share in the change in the shareholders' equity of companies consolidated with equity method is reclassified from the After tax dividends and net cash transfers line to the Net other non-interest result (adj.) without one-offs line.
- Other non-interest income is shown together with gains/losses on real estate transactions, but without the above mentioned income from the release of pre-acquisition provisions and without received cash transfers. However other non-interest expenses stemming from non-financial activities are added to the adjusted net other non-interest income line, therefore the latter incorporates the net amount of other non-interest income from non-financial activities.
- Out of other expenses, other provisions are deducted and shown separately as other risk costs in the adjusted income statement. Other provisions contain provisioning on off-balance sheet liabilities and on legal contests, provisioning on securities, shares and other investments as well as provisioning on other assets.
- Other administrative expenses have been adjusted in the following way in order to create a category comprising administrative cost items exclusively. Other costs and expenses and other non-interest expenses were included into the adjusted Other non-interest expenses. At the same time, the following cost items were excluded from adjusted other non-interest expenses: paid cash transfers – except for movie subsidies and cash transfers to public benefit organisations –, Other non-interest expenses stemming from non-financial activities, Special tax on financial institutions and the one-timer payment compensating the underperformance of the financial transaction tax.
- From 4Q 2010 the fee expenses paid by Merkantil Group to car dealers ('dealer fees') were registered as interest expense in the accounting income statement. Earlier this item had been booked as fee expense. From 4Q 2010 to 4Q 2015 dealer fee expenses have been reclassified from net interest income to net fees and commissions – both on the consolidated and on a standalone level.
- Within the aggregated income statement of Merkantil Bank and Car, other risk cost related to leasing companies – as investments of the Merkantil Group – is eliminated. The reason behind is that this provisioning is eliminated in the consolidated income statement of OTP Group, and only the net result of the leasing companies is making part of OTP Group's consolidated net earnings.
- Performing indicators such as cost/income ratio, net interest margin, risk cost to average gross loans as well as ROA and ROE ratios are calculated on the basis of the adjusted profit and loss statement, excluding adjustment items such as received dividends and net cash transfers, goodwill write-offs, the tax shield effect of investment write-offs, special tax on financial institutions, the one-timer payment compensating the underperformance of the financial transaction tax in 2013, the fine imposed by the Hungarian Competition Authority and the risk cost created in relation to the decision of the Hungarian Competition Authority, the corporate tax impact of the transfer of general risk reserves to retained earnings, the effect of Banco Popolare Croatia acquisitions, the one-off impact of regulatory changes in relation to consumer contracts and the impact of the related methodological changes in Hungary, the expected one-off impact of regulatory changes related to CHF consumer contracts in Croatia, the one-off impact of regulatory changes related to FX consumer contracts in Serbia, the expected one-off impact of the CHF mortgage loan conversion programme and regulatory changes related to mortgage loans in Romania, the risk cost created toward Crimean exposures from 2Q 2014 until 4Q

2015, the risk cost related toward exposure to Donetsk and Luhansk from 3Q 2014 until 4Q 2015, the expected corporate tax impact of switching to IFRS from HAR in Hungary, gain on the sale of Visa Europe shares, the revaluation of reverse mortgage portfolio of OTP Life Annuity Ltd. simultaneous with regulatory changes, and the net loss from early repayment of FX mortgage loans in Hungary.

- OTP Group is hedging the revaluation result of the FX provisions on its FX loans and interest claims by keeping hedging open FX positions. In the accounting statement of recognized income, the revaluation of FX provisions is part of the risk costs (within line "Provision for loan losses"), other provisions and net interest income lines, whereas the revaluation result of the hedging open FX positions is made through other non-interest income (within line "Foreign exchange result, net"). The two items have the same absolute amount but an opposite sign. As an adjustment to the accounting statement of income, these items are eliminated from the adjusted P&L. By modifying only the structure of the income statement, this correction does not have any impact on the bottom line net profits.
- In 3Q 2012 and in 2Q 2013, seven subsidiaries of OTP Real Estate Ltd. were for the first time consolidated into OTP Group. The cumulated loss of the companies' previous operation was recognised as Other expenses in the accounting P&L, while loan loss and other provisioning earlier made by OTP Bank and OTP Real Estate in relation to these companies were released. By influencing only the structure of the income statement, the net effect of these two entries was neutral to consolidated net earnings. As an adjustment to the accounting statement of income, these items are eliminated from the adjusted P&L.
- Tax deductible transfers paid by Hungarian group members from 3Q 2012 were reclassified from Other non-interest expenses to Corporate income tax. As a result, the net P&L effect of the transfers (i.e. the paid transfer less the related tax allowances) is recognised in the corporate income tax line of the adjusted P&L.
- From 2012 credit institutions' contribution tax was recognised in the accounting P&L of OTP Group and OTP Core as OTP Core's burden share in the fixed exchange rate scheme provided to Hungarian FX mortgage debtors. The paid contribution tax equals 50% of the forgiveness provided on the interest payments of the clients. In the adjusted P&L the contribution tax is reclassified from other (administrative) expenses and to a lesser extent from other risk cost to net interest income.
- The financial transaction tax paid from the beginning of 2013 in Hungary is reclassified from other (administrative) expenses to net fee and commission income, both on consolidated and OTP Core level.
- Due to regulatory changes related to consumer contracts in Hungary the actual negative effects of the financial settlement with clients and the conversion of FX consumer contracts prescribed by regulatory changes related to consumer contracts in Hungary as well as the impact of the related methodological changes were recognized within the accounting P&L in each quarters of 2015 on the net interest income, net fees and commissions, foreign exchange gains (net), net other non-interest result, other non-interest expenses, provision for loan losses, other risk cost and dividends and net cash transfers lines. These items booked in these periods were eliminated from all of the affected lines and were shown separately among adjustment items on consolidated level, whereas the estimate on the one-off negative impact of regulatory changes related to consumer contracts was booked on the other risk cost line in the accounting P&L. The Romanian and Croatian conversion programmes affect several P&L lines, too.
- The revaluation result booked on Other provisions line due to regulatory changes related to FX mortgage loans in Hungary were moved to the Foreign exchange result line in 4Q 2014.
- In case of OTP Banka Slovensko and OTP Bank Romania the total revaluation result of intra-group swap deals – earlier booked partly within net interest income, but also within other net non-interest income – will be presented on the net interest income line on a net base.
- Starting from 3Q 2016 the Ukrainian subsidiary changed its interest income recognition methodology in case of impaired exposures. According to the old method the bank recognized interest revenues based on gross loan volumes. Simultaneously, risk costs were created for the booked interest revenues in line with the provision coverage level of the underlying exposure, these risk costs were presented on the "Provision for possible loan losses" line.

  According to the new methodology interest revenues are calculated based on net loan volumes. The new methodology was first applied in 3Q 2016, however with a retrospective effect back to January 2016. As a result, the ytd difference between the old and new methods was booked in one sum in the 3Q accounting P&L. The change had neutral effect on earnings, since interest income on the provisioned principal part was eliminated, but at the same time the related risk costs (in the same amount) were released, too.

  For the sake of presenting comparable time series, in the adjusted P&L structure showed in the analytical sections of the report this particular item representing the ytd difference between the old and new methods was eliminated both from the Ukrainian and consolidated Profit and Loss accounts. In periods booked under the new methodology there is no such structural correction.
- Within the report, FX-adjusted statistics for business volume developments and their product breakdown are disclosed, too. For FX adjustment, the closing cross currency rates for the current period were used to calculate the HUF equivalent of loan and deposit volumes in the base periods. Thus the FX adjusted volumes will be different from those published earlier.

ADJUSTMENTS OF CONSOLIDATED IFRS P&L LINES

in HUF million	1Q 15	2Q 15	3Q 15	9M 15	4Q 15 Audited	2015 Audited	1Q 16	2Q 16	3Q 16	9M 16
Net interest income	**141,741**	**141,147**	**137,339**	**420,227**	**130,204**	**550,430**	**130,789**	**129,338**	**126,945**	**387,071**
(-) Agent fees paid to car dealers by Merkantil Group	-454	-929	-381	-1,763	-322	-2,084	-	-	0	0
(+) Credit institutions' contribution tax paid in relation to the fixed exchange rate scheme	-232	0	0	-232	0	-232	0	0	0	0
(+) Other risk costs recognised in relation to the fixed exchange rate scheme	0	0	0	0	0	0	0	0	0	0
(-) One-off impact of regulatory changes in relation to consumer contracts and the impact of the related methodological changes in Hungary	-85	2,098	45	2,057	-2,754	-697	0	0	0	0
(-) Revaluation result of FX provisions							255	229	75	559
(+) Presentation of the revaluation result of intra-group swaps on the net interest income line realized at the Romanian and Slovakian operations							-1,492	-42	303	-1,231
(+) Structural correction related to the amendment of interest income recognition methodology in Ukraine in 3Q 2016									3,484	3,484
Net interest income (adj.) with one-offs	**142,048**	**139,978**	**137,675**	**419,701**	**133,279**	**552,980**	**129,041**	**129,067**	**130,657**	**388,765**
(-) Revaluation result of FX swaps at OTP Core (booked within net interest income)	-679	-	-	-679	-	-679	-	-	-	-
Net interest income (adj.) without one-offs	**142,727**	**139,978**	**137,675**	**420,380**	**133,279**	**553,659**	**129,041**	**129,067**	**130,657**	**388,765**
Net fees and commissions	**49,142**	**55,168**	**53,981**	**158,291**	**55,581**	**213,872**	**50,478**	**54,902**	**57,006**	**162,386**
(+) Agent fees paid to car dealers by Merkantil Group	-454	-929	-381	-1,763	-322	-2,084	-	-	0	0
(+) Financial Transaction Tax	-11,395	-10,880	-10,990	-33,266	-11,810	-45,076	-11,660	-11,382	-11,595	-34,636
(-) One-off impact of regulatory changes in relation to consumer contracts and the impact of the related methodological changes in Hungary		-539	0	-539	0	-539	0	0	0	0
Net fees and commissions (adj.)	**37,293**	**43,898**	**42,610**	**123,801**	**43,449**	**167,250**	**38,819**	**43,520**	**45,411**	**127,750**
Foreign exchange result	**93,329**	**-14,947**	**6,789**	**85,171**	**31,511**	**116,682**	**15,727**	**-3,172**	**7,854**	**20,409**
(-) Revaluation result of FX positions hedging the revaluation of FX provisions	89,413	-21,675	-290	67,447	29,367	96,814	13,909	-8,510	3,340	8,739
(-) One-off impact of regulatory changes in relation to consumer contracts and the impact of the related methodological changes in Hungary		1,321	0	1,321	0	1,321	0	0	0	0
(-) Expected one-off impact of regulatory changes related to CHF consumer contracts in Croatia			70	70	0	70	0	0	0	0
(-) Presentation of the revaluation result of intra-group swaps on the net interest income line realized at the Romanian and Slovakian operations							-1,492	-42	303	-1,231
Foreign exchange result (adj.) with one-offs	**3,917**	**5,408**	**7,008**	**16,333**	**2,144**	**18,476**	**3,311**	**5,379**	**4,211**	**12,901**
(-) Non-recurring FX-gains and losses (booked within Foreign exchange gains, net at OTP Core)	0	0	0	0	0	0	0	0	0	0
Foreign exchange result (adj.) without one-offs	**3,917**	**5,408**	**7,008**	**16,333**	**2,144**	**18,476**	**3,311**	**5,379**	**4,211**	**12,901**
Gain/loss on securities, net	**4,059**	**538**	**4,412**	**9,008**	**2,607**	**11,616**	**3,361**	**16,213**	**358**	**19,932**
(-) Gain on the sale of Visa Europe shares								15,924	0	15,924
Gain/loss on securities, net (adj.) with one-offs	**4,059**	**538**	**4,412**	**9,008**	**2,607**	**11,616**	**3,361**	**290**	**358**	**4,008**
(-) Revaluation result of the treasury share swap agreement (booked as Gain on securities, net (adj) at OTP Core)	352	78	1,527	1,957	462	2,418	169	-83	-917	-831
Gain/loss on securities, net (adj.) without one-offs	**3,707**	**460**	**2,885**	**7,052**	**2,145**	**9,197**	**3,192**	**373**	**1,275**	**4,839**

in HUF million	1Q 15	2Q 15	3Q 15	9M 15	4Q 15 Audited	2015 Audited	1Q 16	2Q 16	3Q 16	9M 16
Gains and losses on real estate transactions	**484**	**644**	**437**	**1,566**	**159**	**1,725**	**583**	**714**	**124**	**1,421**
(+) Other non-interest income	**4,191**	**4,741**	**3,137**	**12,069**	**9,180**	**21,248**	**3,138**	**2,481**	**2,889**	**8,508**
(-) Received cash transfers	0	2	6	8	0	9	10	17	5	32
(-) Non-interest income from the release of pre-acquisition provisions	368	2,643	786	3,796	-2,278	1,518	194	210	120	525
(+) Other other non-interest expenses	-137,729	-27,953	-7,920	-173,602	-9,125	-182,726	-22,063	-5,445	-466	-27,974
(+) Change in shareholders' equity of companies consolidated with equity method	237	490	-58	668	22	690	1	-177	276	101
(-) Badwill booked in relation to acquisitions	1,845	0	0	1,845	0	1,845	0	0	0	0
(-) One-off impact of regulatory changes in relation to consumer contracts and the impact of the related methodological changes in Hungary	-136,832	-26,119	-6,285	-169,236	-1,184	-170,420	0	0	0	0
(-) One-off impact of regulatory changes related to FX consumer contracts in Serbia	-104	0	-104	-209	-2	-211	0	0	0	0
(-) Adjustment of the one-off reclassification between Net other non-interest result and Other provisions in 4Q 2015					1,868	1,868				
(-) One-off impact of regulatory changes related to CHF consumer contracts in Croatia							-8,720	-244	-116	-9,080
(-) One-off impact of the CHF mortgage loan conversion programme and regulatory changes related to mortgage loans in Romania							-12,965	-4,412	-484	-17,861
Net other non-interest result (adj.) with one-offs	**1,906**	**1,396**	**1,195**	**4,497**	**1,832**	**6,329**	**3,139**	**2,001**	**3,299**	**8,439**
(-) Gain on the repurchase of own Upper and Lower Tier2 Capital (booked as Net other non-interest result (adj) at OTP Core and at the Corporate Centre)	0	0	0	0	0	0	0	0	0	0
Net other non-interest result (adj.) without one-offs	**1,906**	**1,396**	**1,195**	**4,497**	**1,832**	**6,329**	**3,139**	**2,001**	**3,299**	**8,439**
Provision for loan losses	**-151,153**	**-27,142**	**-55,351**	**-233,646**	**-85,036**	**-318,683**	**-35,123**	**-8,902**	**-11,033**	**-55,058**
(+) Non-interest income from the release of pre-acquisition provisions	368	2,643	786	3,796	-2,278	1,518	194	210	120	525
(-) Revaluation result of FX provisions	-88,402	21,943	145	-66,314	-29,469	-95,783	-14,184	8,290	-3,433	-9,328
(-) Risk cost created toward Crimean exposures from 2Q 2014 until 4Q 2015	68	20	-146	-58	-182	-240	0	0	0	0
(-) Risk cost created toward exposures to Donetsk and Luhansk from 3Q 2014 until 4Q 2015	-1,307	-1,249	295	-2,261	-424	-2,684	0	0	0	0
(-) Expected one-off impact of regulatory changes related to CHF consumer contracts in Croatia			2,058	2,058	0	2,058	0	0	-574	-574
(-) One-off impact of regulatory changes in relation to consumer contracts and the impact of the related methodological changes in Hungary					-8,852	-8,852	0	0	0	0
(-) Expected one-off impact of the CHF mortgage loan conversion programme and regulatory changes related to mortgage loans in Romania								-3,103	-1,312	-4,415
(+) Structural correction related to the amendment of interest income recognition methodology in Ukraine in 3Q 2016									-3,484	-3,484
Provision for loan losses (adj.)	**-61,145**	**-45,213**	**-56,917**	**-163,275**	**-48,388**	**-211,663**	**-20,745**	**-13,879**	**-9,077**	**-43,701**
After tax dividends and net cash transfers	**-4,406**	**-1,606**	**-2,765**	**-8,777**	**-3,731**	**-12,508**	**-447**	**-240**	**-4,266**	**-4,953**
(-) Sponsorships, subsidies and cash transfers to public benefit organisations	-4,645	-4,601	-2,787	-12,033	-3,440	-15,473	-516	-3,091	-4,689	-8,296
(-) Dividend income of swap counterparty shares kept under the treasury share swap agreement	0	2,433	0	2,433	0	2,433	0	2,841	0	2,841
(-) Change in shareholders' equity of companies consolidated with equity method	237	490	-58	668	22	690	1	-177	276	101
(-) One-off impact of regulatory changes in relation to consumer contracts and the impact of the related methodological changes in Hungary					-303	-303	0	0	0	0
After tax dividends and net cash transfers	**2**	**72**	**80**	**154**	**-10**	**144**	**68**	**186**	**146**	**401**

in HUF million	1Q 15	2Q 15	3Q 15	9M 15	4Q 15 Audited	2015 Audited	1Q 16	2Q 16	3Q 16	9M 16
Income taxes	**7,328**	**-5,709**	**3,010**	**4,629**	**-1,481**	**3,148**	**-13,388**	**-12,425**	**1,086**	**-24,727**
(-) Corporate tax impact of goodwill/investment impairment charges	0	2,701	0	2,701	3,982	6,683	0	2,214	8,555	10,768
(-) Corporate tax impact of the special tax on financial institutions	6,429	52	56	6,536	73	6,609	2,968	47	52	3,068
(+) Tax deductible transfers	-2,938	-4,378	-2,133	-9,449	-2,750	-12,200	-31	-1,894	-4,116	-6,041
(-) Corporate tax impact of the risk cost created in relation to the decision of the Hungarian Competition Authority	0	0	0	0	151	151	0	0	0	0
(-) Corporate tax impact of the badwill booked in relation to acquisitions	-295	0	0	-295	0	-295	0	0	0	0
(-) Corporate tax impact of the one-off effect of regulatory changes in relation to consumer contracts and the impact of the related methodological changes in Hungary	-931	-2,071	0	-3,002	-1,171	-4,173	0	0	0	0
(-) Corporate tax impact of risk cost created toward Crimean exposures from 2Q 2014 until 4Q 2015	3	6	42	52	19	71	0	0	0	0
(-) Corporate tax impact of risk cost created toward exposures to Donetsk and Luhansk from 3Q 2014 until 4Q 2015	134	196	37	368	59	426	0	0	0	0
(-) Corporate tax impact of revaluation of reverse mortgage portfolio of OTP Life Annuity Ltd. simultaneous with regulatory changes	1,299	0	0	1,299	0	1,299	0	0	0	0
(-) Corporate tax impact of the expected one-off impact of regulatory changes related to CHF consumer contracts in Croatia			1,583	1,583	0	1,583	0	0	0	0
(-) Corporate tax impact of the expected one-off impact of the CHF mortgage loan conversion programme and regulatory changes related to mortgage loans in Romania			4,408	4,408	0	4,408	0	0	0	0
(-) Corporate tax impact of the gain on the sale of Visa Europe shares								-2,764	0	-2,764
(-) Expected corporate tax impact of switching to IFRS from HAR in Hungary									-7,477	-7,477
Corporate income tax (adj.)	**-2,249**	**-10,971**	**-5,249**	**-18,469**	**-7,344**	**-25,813**	**-16,388**	**-13,816**	**-4,159**	**-34,363**
Other operating expense, net	**-9,433**	**-12,943**	**-53,212**	**-75,588**	**893**	**-74,695**	**-1,939**	**-484**	**-7,313**	**-9,736**
(-) Other costs and expenses	-10,461	-1,345	-1,192	-12,998	-1,212	-14,211	-1,135	-1,627	-1,514	-4,276
(-) Other non-interest expenses	-142,376	-32,593	-10,734	-185,704	-12,884	-198,588	-22,579	-8,536	-5,156	-36,271
(-) One-off impact of regulatory changes in relation to consumer contracts and the impact of the related methodological changes in Hungary	154,576	21,368	-216	175,729	21,840	197,569	0	0	0	0
(-) Revaluation of reverse mortgage portfolio of OTP Life Annuity Ltd. simultaneous with regulatory changes (booked within other risk cost)	-6,838	0	0	-6,838	0	-6,838	0	0	0	0
(-) Revaluation result of FX provisions	-1,010	-267	144	-1,133	102	-1,031	20	-9	18	30
(-) Expected one-off impact of regulatory changes related to CHF consumer contracts in Croatia			-10,042	-10,042	0	-10,042	8,720	244	690	9,654
(-) Expected one-off impact of the CHF mortgage loan conversion programme and regulatory changes related to mortgage loans in Romania			-29,900	-29,900	72	-29,828	12,965	7,515	1,796	22,276
(-) Risk cost created in relation to the decision of the Hungarian Competition Authority					-813	-813	119	119	555	793
(-) Adjustment of the one-off reclassification between Net other non-interest result and Other provisions in 4Q 2015					-1,868	-1,868	0	0	0	0
Other provisions (adj.)	**-3,323**	**-106**	**-1,272**	**-4,701**	**-4,345**	**-9,046**	**-49**	**1,810**	**-3,703**	**-1,942**
Other administrative expenses	**-81,927**	**-47,874**	**-48,120**	**-177,921**	**-54,326**	**-232,248**	**-63,613**	**-49,152**	**-49,693**	**-162,459**
(+) Other costs and expenses	-10,461	-1,345	-1,192	-12,998	-1,212	-14,211	-1,135	-1,627	-1,514	-4,276
(+) Other non-interest expenses	-142,376	-32,593	-10,734	-185,704	-12,884	-198,588	-22,579	-8,536	-5,156	-36,271
(-) Paid cash transfers	-4,647	-4,640	-2,815	-12,102	-3,760	-15,862	-516	-3,091	-4,690	-8,297
(+) Film subsidies and cash transfers to public benefit organisations	-4,645	-4,601	-2,787	-12,033	-3,440	-15,473	-516	-3,091	-4,689	-8,296
(-) Other other non-interest expenses	-137,729	-27,953	-7,920	-173,602	-9,125	-182,726	-22,063	-5,445	-466	-27,974
(-) Special tax on financial institutions (recognised as other administrative expenses)	-35,173	-235	-253	-35,661	-330	-35,992	-16,381	-215	-238	-16,834
(-) Tax deductible transfers	-2,938	-4,378	-2,133	-9,449	-2,750	-12,200	-31	-1,894	-4,116	-6,041
(-) Credit institutions' contribution tax paid in relation to the fixed exchange rate scheme	-232	0	0	-232	0	-232	0	0	0	0
(-) Financial Transaction Tax	-11,395	-10,880	-10,990	-33,266	-11,810	-45,076	-11,660	-11,382	-11,595	-34,636
(-) Risk cost created in relation to the decision of the Hungarian Competition Authority	0	0	0	0	0	0	-119	-119	-555	-793
(-) One-off impact of regulatory changes in relation to consumer contracts and the impact of the related methodological changes in Hungary	-9,312	0	0	-9,312	0	-9,312	0	0	0	0
(-) Expected one-off impact of the CHF mortgage loan conversion programme and regulatory changes related to mortgage loans in Romania					-72	-72	0	0	0	0
Other non-interest expenses (adj.)	**-37,983**	**-38,327**	**-38,723**	**-115,033**	**-44,016**	**-159,048**	**-37,074**	**-40,259**	**-39,393**	**-116,726**

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