OTP Bank Plc.

Summary of the first quarter 2017 results

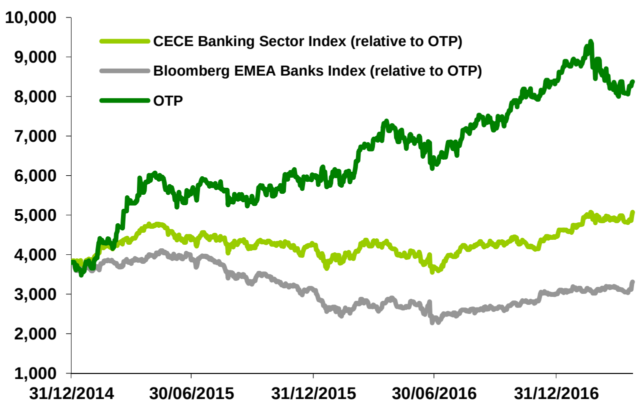
(English translation of the original report submitted
to the Budapest Stock Exchange)

Budapest, 12 May 2017

CONSOLIDATED FINANCIAL HIGHLIGHTS[1] AND SHARE DATA

Main components of the Statement of recognised income in HUF million	1Q 2016	4Q 2016	1Q 2017	Q-o-Q	Y-o-Y
Consolidated after tax profit	**34,253**	**26,474**	**52,859**	**100%**	**54%**
Adjustments (total)	**-13,344**	**-1,809**	**-13,902**	**669%**	**4%**
Consolidated adjusted after tax profit without the effect of adjustments	**47,598**	**28,283**	**66,762**	**136%**	**40%**
Pre-tax profit	63,985	37,516	76,204	103%	19%
Operating profit	84,610	85,011	88,721	4%	5%
Total income	177,501	193,622	188,756	-3%	6%
Net interest income	129,041	133,184	132,180	-1%	2%
Net fees and commissions	38,819	48,217	44,549	-8%	15%
Other net non-interest income	9,641	12,221	12,026	-2%	25%
Operating expenses	-92,891	-108,611	-100,035	-8%	8%
Total risk costs	-20,794	-47,575	-12,475	-74%	-40%
One off items	169	80	-42	-152%	-125%
Corporate taxes	-16,388	-9,233	-9,442	2%	-42%
Main components of balance sheet closing balances in HUF million	1Q 2016	4Q 2016	1Q 2017	Q-o-Q	Y-o-Y
Total assets	10,729,882	11,307,665	11,390,214	1%	6%
Total customer loans (net, FX adjusted)	**5,455,445**	**5,741,265**	**5,778,811**	**1%**	**6%**
Total customer loans and advances (gross)	**6,428,215**	**6,680,504**	**6,708,882**	**0%**	**4%**
Total customer loans (gross, FX adjusted)	**6,484,330**	**6,687,782**	**6,708,882**	**0%**	**3%**
Allowances for possible loan losses	-1,004,737	-944,273	-930,071	-2%	-7%
Allowances for possible loan losses (FX adjusted)	-1,028,885	-946,518	-930,071	-2%	-10%
Total customer deposits (FX adjusted)	**7,963,498**	**8,531,588**	**8,441,077**	**-1%**	**6%**
Issued securities	236,644	146,900	263,629	79%	11%
Subordinated loans	242,125	77,458	76,565	-1%	-68%
Total shareholders' equity	1,232,515	1,420,650	1,436,232	1%	17%
Indicators based on adjusted earnings %	1Q 2016	4Q 2016	1Q 2017	Q-o-Q	Y-o-Y
ROE (from accounting net earnings)	11.1%	7.5%	15.0%	7.5%p	3.9%p
ROE (from accounting net earnings, on 12.5% CET1 ratio)	11.8%	9.3%	18.3%	9.0%p	6.5%p
ROE (from adjusted net earnings)	15.4%	8.0%	18.8%	10.8%p	3.4%p
ROA (from adjusted net earnings)	1.8%	1.0%	2.4%	1.4%p	0.6%p
Operating profit margin	3.14%	3.03%	3.20%	0.16%p	0.06%p
Total income margin	6.58%	6.90%	6.80%	-0.10%p	0.22%p
Net interest margin	4.79%	4.75%	4.76%	0.02%p	-0.02%p
Cost-to-asset ratio	3.45%	3.87%	3.61%	-0.27%p	0.16%p
Cost/income ratio	52.3%	56.1%	53.0%	-3.1%p	0.7%p
Risk cost to average gross loans	1.32%	1.80%	0.65%	-1.15%p	-0.67%p
Total risk cost-to-asset ratio	0.77%	1.70%	0.45%	-1.25%p	-0.32%p
Effective tax rate	25.6%	24.6%	12.4%	-12.2%p	-13.2%p
Net loan/(deposit+retail bond) ratio (FX adjusted)	67%	67%	68%	1%p	0%p
Capital adequacy ratio (consolidated, IFRS) - Basel3	15.9%	16.0%	18.5%	2.4%p	2.6%p
Tier1 ratio - Basel3	13.2%	13.5%	16.0%	2.5%p	2.8%p
Common Equity Tier1 ('CET1') ratio - Basel3	13.2%	13.5%	16.0%	2.5%p	2.8%p
Share Data	1Q 2016	4Q 2016	1Q 2017	Q-o-Q	Y-o-Y
EPS diluted (HUF) (from unadjusted net earnings)	128	101	202	99%	57%
EPS diluted (HUF) (from adjusted net earnings)	178	108	255	136%	43%
Closing price (HUF)	6,926	8,400	8,093	-4%	17%
Highest closing price (HUF)	6,926	8,411	9,396	12%	36%
Lowest closing price (HUF)	5,714	7,249	8,093	12%	42%
Market Capitalization (EUR billion)	6.2	7.6	7.3	-3%	19%
Book Value Per Share (HUF)	4,402	5,074	5,129	1%	17%
Tangible Book Value Per Share (HUF)	3,832	4,487	4,534	1%	18%
Price/Book Value	1.6	1.7	1.6	-5%	0%
Price/Tangible Book Value	1.8	1.9	1.8	-5%	-1%
P/E (trailing, from accounting net earnings)	20.3	11.6	10.3	-12%	-50%
P/E (trailing, from adjusted net earnings)	13.9	11.7	10.3	-12%	-26%
Average daily turnover (EUR million)	20	13	15	11%	-26%
Average daily turnover (million share)	1.0	0.5	0.5	2%	-48%

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 this report.
From 1Q 2017 the calculation methodology of certain performance indicators has been changed. In this report indicators according to the new methodology have been presented for the base periods, too. The summary about the methodological change in the calculation formula as well as a table containing the relevant indicators according to the old and new methodology can be found in the Supplementary Data section.

SUMMARY – OTP BANK'S RESULTS FOR FIRST QUARTER 2017

Summary of the first quarter 2017 results of OTP Bank Plc. has been prepared on the basis of its unaudited separate and consolidated condensed IFRS financial statements for 31 March 2017 or derived from that. At presentation of first quarter 2017 report of OTP Bank we applied International Financial Reporting Standards adopted by the European Union.

SUMMARY OF THE FIRST QUARTER 2017

The Hungarian GDP growth outlook for 2017 has shaped favourably – the Government expects 4.1% economic expansion and the management of OTP Bank also forecasts over 4% growth. During the last couple of months the analyst consensus for 2017 GDP growth climbed up. On 2 May the draft budget for 2018 has been submitted to the Parliament with the following macroeconomic cornerstones: 4.3% GDP growth, 2.4% fiscal deficit and inflation around 3%.

The growth is robust even in international context, and it couples with favourable macroeconomic indicators: the steadily low unemployment rate and strong wage dynamics indicate further increase in household consumption with the external position remaining stable and supporting the local currency.

The balanced macroeconomic environment and the headline inflation hovering within the target range of the Central Bank facilitate a loose monetary policy for longer period of time. The key policy rate has remained unchanged at 0.9% since May 2016 and the market doesn't anticipate a rate hike before the second half of 2018. The 3M BUBOR currently stands at 16 bps, ytd it dropped by 19 bps due to the liquidity management measures of NBH.

It is positive, too that the major external markets enjoy improving business climate outlook: 1Q economic indicators within the Eurozone demonstrate stable growth, and concerns around election outcome eased a lot.

In Hungary the turnaround in lending activity did take place already in 2016, net loan flows turned into positive on sector level and for 2017 one can expect an overall growth in volumes. Out of new disbursement the most dynamic improvement is expected in case of mortgage loans, in terms of contracted volumes OTP forecasts 40% y-o-y growth. The housing market demonstrates an ongoing pick-up: the supply of newly-built properties is gradually gaining strength, the steady increase in housing construction permits and the housing price increase started in 2014 reflect a steadily favourable trend.

For the next couple of years it is crucial that economies of both Hungary and most of the countries in the CEE region entered into a new phase of a sustainable economic recovery where the engine of the overall growth will be less so the net export, but rather investments and picking up loan demand. The CEE region enjoys fairly similar trends what have manifested in Hungary: household consumption is becoming stronger and property markets demonstrate convincing signs of recovery. GDP growth may be at 3% or above. The only country where one might have some concern is Romania where the loose fiscal policy, double-digit wage increases heralded by the Government might push budget deficit above 3% of GDP.

In Russia the stable oil price, the strengthening Rouble and the disinflation facilitated base rate cuts: in March CBR cut the base rate by 25 bps and by another 50 bps on 29 April, thus bringing down the policy rate to 9.25%. For the rest of the year markets do expect further easing steps. The economy showed a sign of moderate growth in 4Q 2016: it already grew by 0.1%. For 2017 the expected growth rate is 1.5%. It is positive that in 1Q 2017 retail turnover also started increasing. On the back of the improving macro performance, in February Moody's changed the outlook on the 'Ba1' sovereign rating from negative to stable, and in March S&P followed suit, changing the outlook from stable to positive (BB+).

Against previous periods the Ukrainian hryvna remained fairly stable against USD. In April a new tranche of USD 1 billion was transferred by IMF, and EU also remitted EUR 600 million for Ukraine. Those transfers boosted foreign currency reserves; as a result, Ukraine postponed its planned EUR bond issuance. Amid an average 14% inflation in 1Q 2017 the central bank cut the base rate by 100 bps to 13%. For 2017 the official growth forecast is 1.9%

Demonstrating the Ukrainian and Russian subsidiaries' performance in HUF terms, the cross currency moves had diverging impacts: while the average rate of UAH dropped only by 3.2% q-o-q and 3.0% y-o-y against HUF, the Rouble appreciated by 8.5% q-o-q and by 30.5% y-o-y, respectively.

Consolidated earnings: HUF 66.8 billion adjusted after tax profit, stable net interest margin, improving adjusted ROE (18.8%)

The consolidated accounting profit was HUF 53 billion (+54% y-o-y). In line with the management's guidance only one material adjustment items appeared in 1Q 2017, namely the banking tax in the amount of HUF 14.7 billion (after tax). This amount includes the full-year Hungarian levy booked already in 1Q in a lump-sum, as well as the quarterly part of the Slovakian banking tax. Besides, there were three minor adjustment items in this period:

- Impairment was booked in relation to the investments in OTP Life Annuity Ltd. and R.E. FOUR d.o.o. Novi Sad (Serbia) and as a result, a positive tax shield of HUF 0.5 billion added to the Group's IFRS accounting profit.
- Based on the ruling of the Hungarian Supreme Court on 16 December 2016 related to a fine imposed earlier by the Hungarian Competition Authority, a HUF 1.9 billion positive item emerged already in 4Q 2016 (after tax). Related to this, an interest revenue of HUF 194 million (HUF 177 million after tax) occurred on this line in 1Q 2017.
- HUF 139 million dividends and net cash transfers (after tax).

As a result, the total amount of adjustment items within 1Q 2017 accounting profit represented -HUF 13.9 billion (after tax)

Starting from 1Q 2017 two methodology changes have occurred: on one hand the methodology of calculating some performance indicators has been changed. Accordingly, while the numerator remained the same, the formula of how the averages are calculated in the denominator has changed. Against the old method when OTP Bank calculated the average as the arithmetic average of closing balance sheet items for the previous period and the current period, under the new method the calendar day-weighted averages of the average balance sheet items in periods (for example months in case of quarters) comprising the given period are used in the denominators. In the 1Q Stock Exchange Report all indicators were calculated and presented according to the new methodology. The summary of the change, as well as the time series of the affected indicators under the old and new methodology are shown within the Supplementary Data section in the Stock Exchange Report.

Furthermore, there was a change in the number of companies comprising OTP Core (the Hungarian operation) and the following companies were consolidated from 1Q 2017: OTP Card Factory Ltd, OTP Real Estate Lease Ltd, OTP Facility Management Ltd. and MONICOMP Ltd. The cumulative gross loan portfolio of these companies represented HUF 22.7 billion at the end of 1Q 2017, whereas their aggregated 1Q 2017after tax profit reached HUF 0.5 billion. This change had no impact at all on the consolidated balance sheet and P&L.

In 1Q 2017 OTP Group posted HUF 66.8 billion adjusted after-tax profit (+136% q-o-q and +40% y-o-y). Key components of the improvement: on one hand the significant decline in risk costs and the effective tax rate moderated, too, since effective from 1 January 2017 the corporate tax rate in Hungary dropped to 9%. As a result, the consolidated effective tax rate in 1Q 2017 was 12.4%. The consolidated profit before tax exceeded HUF 76 billion (twice as much as in 4Q 2016).

The adjusted ROE increased to 18.8%. The accounting ROE was 15% and had the CET1 ratio been 12.5%, a level targeted by OTP's management, the accounting ROE would have reached 18.3%.

Total income (without one-off items) for the period declined by 3% q-o-q and grew by 6% y-o-y. Within that the net interest income moderated by 1% q-o-q, whereas it improved by 2% y-o-y. The quarterly decline is partially reasoned by a calendar effect. Also, in 4Q 2016 at OTP Core a one-off item added HUF 1.9 billion to the net interest income (for further details see: OTP Core section in OTP Group's Summary of 4Q 2016 Results). On the other hand, the q-o-q dynamics were supported by the stronger Russian NII in HUF terms due to the stronger RUB in the period.

The consolidated net interest margin was 4.76% and remained stable q-o-q. However, in 4Q 2016 the consolidated net interest income was distorted by eliminations of around HUF 5 billion (see Full year 2016 results conference call presentation, page 23). This elimination was related to the intragroup FX swap deals concluded between OTP Bank and DSK Bank and was booked for the whole year in one lump-sum in 4Q 2016. Consequently the adjusted 4Q 2016 NIM would have been 4.93%, thus the q/q NIM erosion would have been 16 bps. However, that particular item didn't influence 2016 annual NIM (2016 annual NIM reached 4.78% and the NIM marginally declined to 4.76% in 1Q 2017). In 1Q 2017 one can see a quarterly NIM decline at the Hungarian, Bulgarian and Russian operations, whereas there was an improvement at the Ukrainian, Croatian and Romanian subsidiaries. The reasons behind margin compression at different Group members are explained in the separate sections of subsidiaries.

Net fees and commissions declined by 8% q-o-q, but had a good run y-o-y (+15%). The quarterly decline can be explained mainly by the following reasons: at OTP Core there was a HUF 1.6 billion negative item (the full annual card-related financial transaction tax was paid and booked in 1Q in a lump-sum); furthermore, OTP Fund Management also suffered a 73% q-o-q setback reasoned by base effect (success fees were booked in 4Q 2016).

Other net non-interest income declined q-o-q; their 1Q amount (HUF 12 billion) was somewhat above last year's quarterly average.

Operating expenses moderated by 8% q-o-q due to seasonality (+8% y-o-y). Meaningful cost savings were realized at OTP Core (HUF 6.7 billion), in Ukraine (HUF 0.9 billion), in Bulgaria (HUF 0.8 billion) and in Romania (HUF 0.3 billion).

Since total income eroded by 3% and operating costs dropped by 8%, the operating profit improved by 4% q-o-q (+5% y-o-y).

Out of the 1Q consolidated net earnings 67% was made by the Hungarian operation. The highest profit was achieved by OTP Core (HUF 40.8 billion), the second best by DSK Bank (HUF 13.4 billion), followed by the Russian and Ukrainian subsidiaries (HUF 7.6 and 3.3 billion, respectively). The Romanian subsidiary posted HUF 1.3 billion profit, its second best quarterly earnings on record. The Slovakian, Serbian and Montenegrin subsidiaries realized altogether HUF 0.2 billion profit. The Croatian subsidiary turned into red (-HUF 1.9 billion) as a result of provisions made on a significant corporate exposure.

Similar to previous quarters Touch Bank posted a loss again (HUF 2.3 billion).

The FX-adjusted consolidated gross loan portfolio was stable q-o-q, but grew by 3% y-o-y. Given the significant volume of sold and written off non-performing exposures, volume trends of performing (DPD0-90) loans give a more realistic picture. Accordingly, DPD0-90 volumes grew by 1% q-o-q and by 8% y-o-y. Within that the performing portfolio at OTP Core advanced by 3.0% q-o-q and by 13% y-o-y; the increase is partly explained by the effect of the companies being consolidated into OTP Core from 1Q 2017. Also, in Croatia the performing book also increase (+3%), true, due to asset re-classification. On yearly basis, apart from the Hungarian book, the increase in Russia (5.6%), Bulgaria (4.4%), Croatia (7.4%) and Serbia (14.6%) is worth mentioning. It was positive that at Touch Bank one could see a material q-o-q pick up in loan volumes.

As for the major product segments, on consolidated level the performing mortgage book suffered a marginal setback q-o-q (-0.4%), but y-o-y the increase was 7.2% supported also by the AXA portfolio take-over. All other categories demonstrated q-o-q growth: the consumer book increased by 0.1%, the SME book by 2.4% and the large corporate portfolio by 2.7%, respectively. The y-o-y developments were more material: +3.4, 15.5 and 9.7%, respectively.

Out of individual performances OTP Core excelled itself with a 6.1% performing SME loan volume increase and 5.7% large corporate growth q-o-q, at DSK Bank corporate exposures advanced by 2% and the Romanian consumer book by 5.1%. At Touch Bank loan volumes quadrupled q-o-q and exceeded HUF 6.9 billion.

The FX-adjusted deposit book declined by 1% q-o-q. Out of the major Group members OTP Core and Russia suffered outflows (-1% and -7% respectively), on the other hand the Bulgarian and Ukrainian deposits grew (+2% and +3%). As a result the consolidated net loan-to-(deposit+retail bonds) ratio increased by 1 pp and reached 68%.

The volume of issued securities surged by 79% q-o-q. The outstanding volume of subordinated bonds reflects only the impact of cross currency moves; no buyback happened during 1Q. Also, in 1Q – partly due to regulatory requirements – OTP Mortgage Bank issued HUF 192 billion covered bonds.

The consolidated volume of securities reached almost HUF 3,200 billion by end of March 2017 (+HUF 263 billion q-o-q), 89% of that exposure is government papers.

At the end of 1Q 2017 the Group' liquidity position was comfortably stable: operative liquidity reserves comprised EUR 8.3 billion equivalent.

As for the credit quality trends, the development of DPD90+ volumes gives a comprehensive picture: DPD90+ volume growth (adjusted for FX and the effect of sales and write offs) reached only HUF 3.4 billion. The biggest inflow was registered in Russia (HUF 8.3 billion), but even this amount fell short of the quarterly average of HUF 12 billion in 2016. At the same time DPD90+ volumes declined in Hungary, Bulgaria and even in Ukraine. The consolidated DPD90+ ratio declined to 14.1% (-0.6 pp q-o-q). In 1Q altogether HUF 40 billion non-performing portfolio was sold or written off (FX-adjusted). The ratio of total provisions to DPD90+ volumes went up to 98.8% (+2.0 pps q-o-q).

Total risk cost dropped to HUF 12.5 billion in 1Q 2017, within that provisions for loan losses dropped by two third q-o-q. In 1Q the consolidated risk cost rate melted down to 65 bps (-115 bps q-o-q).

OTP Core: HUF 40.8 billion adjusted net earnings as a result of improving operating profit, provision release and lower corporate tax burden; eroding NIM, declining DPD90+ ratio, improving credit quality

Starting from 1Q 2017 four additional Hungarian firms were consolidated into OTP Core (for further details see: OTP Core section).

The adjusted after tax profit of **OTP Core** (basic activity in Hungary) reached HUF 40.8 billion in 1Q 2017, underpinning a 72% q-o-q increase (+41% y-o-y), despite the 1Q decline of total income.

The after tax profit was positively affected by the Hungarian corporate tax being cut uniformly from 19% to 9% effective from 1 January 2017. The profit before tax improved by 54% q-o-q.

The operating profit advanced by 17% q-o-q: the lower quarterly total income (-1% q-o-q) was more than offset by 12% lower operating expenses. The net interest income declined by 5% q-o-q (-HUF 3.3 billion) shaped by calendar and base effects, and also by the declining interest environment (3M BUBOR used as reference rate on average dropped by 39 bps q-o-q). On the other hand NII was supported by higher interest income booked on longer duration government papers. The net interest margin eroded by 18 bps q-o-q. Net fee and commission income melted down by 4 q-o-q. In 1Q on the total risk cost line HUF 8 billion was released.

The loan portfolio quality demonstrated stable picture: the FX-adjusted DPD90+ volumes (without sales and write offs) declined by HUF 3 billion. The DPD90+ ratio came down by 0.7 pp and reached 9.1%. The coverage of DPD90+ loans by total provisions stood at 83.8%.

As a result of the turnaround in lending activity, performing loan volumes already grew by 12% in 2016. Apparently the trend has been continuing and the performing book increased by 3% q-o-q (+13% y-o-y). For a long period of time it was the first quarter when all segments posted a q-o-q growth: the mortgage book grew by 0.7%; true, similar to 4Q 2016 when the AXA take-over boosted the portfolio, in 1Q the above mentioned inclusion of four Hungarian companies into OTP Core had its positive impact with OTP Real Estate Lease adding HUF 16 billion performing mortgages. Without that technical inflow performing mortgage volumes would have dropped by 0.7% q-o-q. In 1Q the performing consumer portfolio grew by 2%. Both the micro and small enterprise portfolio and the large cap corporate book posted a faster growth (+6% q-o-q).

In line with the management's expectations new mortgage applications and originations continued to be strong with 50% and 48% y-o-y growth, respectively. Out of new mortgage loan flows OTP Bank's market share was 29.5% in 1Q.

The FX-adjusted deposit book including retail bonds declined by 1% q-o-q. As a result, the net loan-to-(deposit + retail bonds) ratio grew to 51% (+2 pps q-o-q and + 4 pps y-o-y, adjusted for the FX-effect).

OTP Fund Management posted HUF 1.0 billion profit in 1Q, practically the same as in the base period. The q-o-q decline is reasoned by base effect: a substantial success fee was booked in 4Q. The normal fee income related to on-going business remained stable; the volume of total assets under management didn't change either (HUF 1,522 billion). The company retained its market leading position with 23.9% market share (+0.5 pp q-o-q).

In 1Q ***Merkantil Group*** posted HUF 1.9 billion adjusted profit which demonstrates a substantial q-o-q and y-o-y improvement due to a material drop in risk costs. Besides, operating expenses also declined by 10% q-o-q. The FX-adjusted performing loan book marginally moderated q-o-q, but grew by more than 2% y-o-y.

Foreign subsidiaries: another favourable quarterly performance at the Bulgarian, Russian and Ukrainian subsidiaries, improving profitability in Romania; in Croatia prudent provisioning on a significant corporate exposure turned the bank into red

The ***Bulgarian subsidiary*** posted a strong quarterly result again, the HUF 13.4 billion profit underpins an almost three times higher q-o-q net earnings (-3% y-o-y). The q-o-q better profit was due to a drop in risk costs. The operating profit eroded by 10% q-o-q (-6% y-o-y): weaker total income (-9% q-o-q) was only partially offset by lower operating expenses. The net interest margin (3.92%) dropped substantially (-47 bps q-o-q). Almost half of the q-o-q margin erosion was related to one-off items (for details: see DSK Bank section). Net interest income declined by 9% q-o-q.

The FX-adjusted performing loan portfolio increased by 4% y-o-y (+0.3% q-o-q). Due to strong disbursement activity corporate volumes expanded by 2% q-o-q and by 14% y-o-y. Their market share (7.5%) was stable. Despite the y-o-y increasing origination volumes in consumer lending and mortgages, the performing loan portfolio grew only in the latter segment (+0.1% q-o-q and +0.2% y-o-y).

FX-adjusted deposits grew faster than loans; as a result the net loan-to-deposit ratio shrank to 64%.

The credit quality remained stable, similar to previous quarters DPD90+ volumes (without sales and write offs, FX-adjusted) declined again (-HUF 1.4 billion). The DPD90+ ratio moderated further (11.3%. -0.2 pp q-o-q), whereas the coverage of DPD90+ loans with total provisions was 110%. Parallel with the NIM erosion the risk cost rate depleted to 0.16% (1Q 2016: 0.46%, 4Q 2016: 2.83%)

The bank's ROE reached 21.8% in 1Q 2017.

Supported by the improving macroeconomic conditions, too, in 1Q 2017 the ***Russian subsidiary*** posted HUF 7.6 billion profit after tax underpinning a substantial increase both q-o-q and y-o-y. Due to such good performance which was the best since 1Q 2013 the bank's ROE surged to 23.4% Given the massive cross currency moves and the material appreciation of RUB against HUF (+8.5% q-o-q and +30.5% y-o-y), earning trends in RUB terms provide a more realistic picture.

Accordingly, operating income improved by 7% q-o-q as a result of higher total income (+2% q-o-q) and lower operational expenses (-6% q-o-q). Since performing loan volumes declined, the net interest income came down, too by 2% q-o-q. As for the y-o-y dynamics, NII grew by 2%, boosted by y-o-y 92 bps higher NIM and bigger performing loan volumes. As a result of strengthening disbursement activity, but also due to a methodology change, the net fees and commission income surged by 50% y-o-y (+33% q-o-q) – for details see: OTP Bank Russia section.

Credit quality trends remained positive: the DPD90+ ratio shrank below 20% and reached the lowest level for the last seven quarters (19.4%); at the same time its total provision coverage improved by 4.9 pps despite q-o-q flat risk costs in HUF (-7% in RUB terms). In 1Q the sale and write off of non-performing assets represented RUB 2.8 billion. The quarterly risk cost rate was 7.9%. During the last three months the FX-adjusted DPD90+ inflow (adjusted for sales and write offs) was only HUF 8 billion much lower than the HUF 12 billion quarterly average in 2016.

The FX-adjusted performing portfolio declined by 2% q-o-q, but advanced by 6% y-o-y. Compared to the base period POS and cash loan disbursement activity picked up (newly originated POS volumes increased by 18% y-o-y), the cross-sale of credit card loans was resumed from February. The FX-adjusted deposit book eroded by 8% q-o-q, as a result by end of March the net loan-to-deposit ratio increased to 114%.

Despite ***Touch Bank*** remained a loss-making entity (1Q 2017: -HUF 2.3 billion, there were several encouraging signs: the performing loan book increased four folds q-o-q and due to increasing NII total income turned into positive for the first time. Stronger business activity and client acquisition however was coupled with higher operating expenses (+7% q-o-q in RUB terms).

The ***Ukrainian subsidiary*** posted HUF 3.3 billion profit in 1Q 2017 (+60% q-o-q and +287% y-o-y). Given the relative stability of UAH against HUF, this time there were no meaningful differences between P&L items' dynamics in the two currencies.

Operating income increased by 17% q-o-q. Within total revenues net interest income eroded mildly (-1% q-o-q); operating expenses increased by 6% amid an average inflation of 14% in 1Q. Simultaneously total risk costs halved q-o-q.

The quarterly ROE reached 52.4% in 1Q 2017, the highest within OTP Group.

The 1Q NIM grew by 11 bps q-o-q and the risk cost rate improved a lot; in 1Q there was even a provision release on the provision for loan losses line.

The FX-adjusted performing portfolio declined marginally q-o-q (+1.8% y-o-y), within that the consumer book kept on growing (+1.5% q-o-q, +18.2% y-o-y). There was a strong seasonality in disbursement activity: new POS volumes, cash loans and corporate volumes all shrank q-o-q. On a pilot base car financing was resumed, though volumes remained marginal.

The DPD90+ ratio came down to 41.2% (-0.7 pp q-o-q), its total provision coverage was 119%, similar to levels seen in 4Q and 1Q 2016. The DPD90+ volumes (FX-adjusted, without the effect of sales and write-offs) decreased by HF 3.2 billion.

The banks liquidity showed favourable trends: FX-adjusted deposits grew by 3% q-o-q and surged by 19% y-o-y. Excess liquidity was invested into central bank instruments. The net loan-to-deposit ratio was 81%.

The outstanding intragroup exposure towards the Ukrainian operation eroded further q-o-q and represented HUF 44.6 billion equivalent at end-March 2017.

The ***Romanian subsidiary*** realized HUF 1.3 billion net profit against HUF 550 million losses in the previous quarter and HUF 616 million profit in the base period. The 1Q ROE reached 12.2%.

Operating income improved materially (+42% q-o-q): it was supported by higher total income on one hand (+8%) – within that both NII and net fees and commission income grew (+4% and + 16% respectively) – at the same time operating expenses moderated by 7% q-o-q. Higher quarterly NII was supported by improving net interest margins (1Q: 3.67%, +13 bps q-o-q). Total risk costs dropped by 57% q-o-q.

FX-adjusted performing loan volumes remained stable q-o-q and grew by 2% y-o-y. Significant expansion was realized in the RON-denominated consumer volumes (+5% q-o-q and +9% y-o-y). FX-adjusted deposits melted down by 3% q-o-q and the net loan-to-deposit ratio increased to 137%. The DPD90+ ratio was 17.7% (+0.3 pp q-o-q); its total provision coverage kept increasing (81.9%).

The ***Croatian subsidiary*** posted of loss of HUF 1.8 billion in 1Q. The negative earnings were due to provisions made on a large corporate exposure.

On 2 May 2017, based on the acquisition agreement on purchasing 100% shareholding of Splitska banka d.d., member of Société Générale Group signed on 20 December 2016 between OTP banka Hrvatska, the Croatian subsidiary of OTP Bank and Société Générale Group, the financial closure of the transaction has been completed. The purchase price was EUR 425 million. The current interim management report does not incorporate the impact of the transaction, it will be reported in the Company's 2017 second quarter earnings.

Total income marginally eroded q-o-q. This and the higher operating expenses (+9% q-o-q) partly related to the costs of the Splitska banka acquisition pushed operating results lower by 13% q-o-q. It was positive, however that due to improving NIM (1Q:

3.75%, +13 bps q-o-q) and higher performing loan book the quarterly NII could increase. New disbursements were strong in case of cash loans and mortgages, too. The DPD90+ ratio decreased (11.7%); the coverage ratio grew to 97.6%

The ***Slovakian subsidiary*** posted HUF 90 million profit after tax. The q-o-q improving performance was due to the declining operating expenses (-7% q-o-q); during the quarter total income was weaker by 2%. Despite the declining interest rate environment the bank's NIM remained stable (3.08%). The performing loan book declined marginally (-1% q-o-q). The credit quality deteriorated: the DPD90+ ratio grew to 11.7%, the coverage ratio was stable (72.2%).

The ***Serbian subsidiary*** suffered a marginal loss in 1Q 2017. Operating results almost halved q-o-q, shaped by lower total income (-5% q-o-q) and somewhat higher operating expenses. The quarterly NIM (4.75%) improved both q-o-q and y-o-y. As a result of on-going portfolio clean up and the stable underlying credit quality the DPD90+ ratio kept on decreasing (31.4%), its coverage with total provisions reached 74%. The FX-adjusted performing loan book grew by 1% q-o-q (+15% y-o-y), within that the consumer book showed the best performance (+3% q-o-q).

The **Montenegrin subsidiary** posted HUF 82 million after tax profit in 1Q. The operating result improved by 18% q-o-q; lower total income (-6% q-o-q) was offset by decreasing operating expenses (-11% q-o-q). The DPD90+ ratio moderated by 3 pps (39.4%), while the coverage ratio increased to 96.7%. FX-adjusted performing loan volumes grew by 2% q-o-q, within that the corporate book increased by 5%, whereas retail volumes remained flat.

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

By the end of March 2017 the consolidated Common Equity Tier1 ratio under IFRS was 16.0% (+2.5 pp q-o-q). Neither the quarterly net result was included, nor was the accrued dividend amount deducted from the regulatory capital when calculating the IFRS consolidated capital adequacy ratios. Including those items the CET1 ratio would be 16.6%.

OTP Bank's standalone Common Equity Tier1 ratio stood at 29.5% in March 2017 which includes the retained earnings for the period. Since OTP Bank switched from Hungarian Accounting Standards into IFRS from January 2017 the 1Q CET1 can't be compared to previous periods.

Credit rating, shareholder structure

There has been no change in the outstanding ratings of OTP Bank and OTP Mortgage Bank. Accordingly, OTP Bank's long-term foreign-currency deposit rating was 'Baa3' by Moody's, the outlook is stable. OTP Mortgage Bank holds a 'Ba1' local-currency issuer rating at Moody's with positive outlook; its foreign-currency denominated mortgage bond rating was 'Baa1'.

From S&P the rating of OTP Bank and OTP Mortgage Bank was 'BB+' with stable outlook.

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

Regarding the ownership structure of the Bank, by 31 March 2017 the following investors had more than 5% influence (voting rights) in the Company: MOL (the Hungarian Oil and Gas Company, 8.69%), the Rahimkulov family (8.35%), OPUS Securities S.A. (5.25%) and Groupama S.A. (5.23%).

On 22 March 2017 Groupama S.A. sold 8.26 million OTP shares.

POST BALANCE SHEET EVENTS

Hungary

- On 12 April 2017 the Annual General Meeting of OTP Bank Plc's elected Mr. Antal György Kovács into the Bank's Board of Directors until the Annual General Meeting closing the 2020 business year of the Company, but no later than 30 April 2021.
- On 12 April 2017 the Annual General Meeting of OTP Bank Plc. elected Mr. Tibor Tolnay, Dr. Gábor Horváth, Mr. András Michnai, Mrs. Ágnes Rudas, Mr. Dominique Uzel and Dr. Márton Gellért Vági to the member of the Bank's Supervisory Board until the Annual General Meeting closing the 2019 business year of the Company, but no later than 30 April 2020.
- On 12 April 2017 the Annual General Meeting of OTP Bank Plc. elected Dr. Gábor Horváth, Mr. Tibor Tolnay, Mr. Dominique Uzel and Dr. Márton Gellért Vági to the members of the Bank's Audit Committee until the Annual General Meeting closing the 2019 business year of the Company, but no later than 30 April 2020.
- On 2 May 2017 the minister of National Economy submitted the draft of the 2018 budget to the Parliament. The highlight figures are: 4.3% GDP growth, 2.4% budget deficit and around 3% average inflation. Final voting is expected to occur on 15 June 2017.
- Effective from 3 May 2017 Mr. György Kiss-Haypál was appointed as deputy Chief Executive Officer to run the Credit Approval and Risk Management Division.

Russia

- On 28 April 2017 CBR cut the base rate by 50 bps to 9.25%.

Romania

- On 21 April 2017 Moody's Investors Service changed the outlook of the country's rating of 'Baa3' from positive to stable.

Croatia

- On 2 May 2017 OTP Bank Plc. announced that, based on the acquisition agreement on purchasing 100% shareholding of Splitska banka d.d., member of Société Générale Group signed on 20 December 2016 between OTP banka Hrvatska, the Croatian subsidiary of OTP Bank and Société Générale Group, the financial closure of the transaction has been completed. The integration process is expected to be completed by summer 2018.

Slovakia

- On 7 April 2017 Moody's Investors Service changed the outlook on Slovakia's rating to positive from stable and affirmed the 'A2' issuer and senior unsecured ratings.

CONSOLIDATED AFTER TAX PROFIT BREAKDOWN BY SUBSIDIARIES (IFRS)[2]

in HUF million	1Q 2016	4Q 2016	1Q 2017	Q-o-Q	Y-o-Y
Consolidated after tax profit	**34,253**	**26,474**	**52,859**	**100%**	**54%**
Adjustments (total)	**-13,344**	**-1,809**	**-13,902**	**669%**	**4%**
Consolidated adjusted after tax profit without the effect of adjustments	**47,597**	**28,283**	**66,762**	**136%**	**40%**
Banks total without one-off items[1]	45,412	24,896	63,608	155%	40%
OTP CORE (Hungary)[2]	28,898	23,819	40,848	71%	41%
Corporate Centre (after tax)[3]	-1,637	-1,605	1,137	-171%	-169%
OTP Bank Russia[4]	2,609	4,565	7,553	65%	190%
Touch Bank (Russia)[5]	-1,054	-1,968	-2,259	15%	114%
OTP Bank Ukraine[6]	856	2,065	3,311	60%	287%
DSK Bank (Bulgaria)[7]	13,784	4,679	13,391	186%	-3%
OBR (Romania)[8]	616	-550	1,308	-338%	112%
OTP banka Srbija (Serbia)[9]	30	-155	-6	-96%	-121%
OBH (Croatia)[10]	846	202	-1,847		-318%
OBS (Slovakia)[11]	351	-2,644	90	-103%	-74%
CKB (Montenegro)[12]	112	-3,511	82	-102%	-27%
Leasing	788	787	2,053	161%	161%
Merkantil Bank + Car, adj. (Hungary)[13]	502	640	1,942	204%	287%
Foreign leasing companies (Croatia, Bulgaria, Romania)[14]	286	148	111	-25%	-61%
Asset Management	1,048	3,897	1,087	-72%	4%
OTP Asset Management (Hungary)	1,017	3,896	1,046	-73%	3%
Foreign Asset Management Companies (Ukraine, Romania, Bulgaria)[15]	30	0	41		33%
Other Hungarian Subsidiaries	657	-719	5	-101%	-99%
Other Foreign Subsidiaries (Slovakia, United Kingdom, Montenegro, Romania, Serbia, Croatia, Belize)[16]	18	44	51	16%	188%
Eliminations	-327	-622	-42	-93%	-87%
Total adjusted after tax profit of HUNGARIAN subsidiaries[17]	29,110	25,408	44,936	77%	54%
Total adjusted after tax profit of FOREIGN subsidiaries[18]	18,486	2,875	21,825	659%	18%
Share of foreign profit contribution, %	39%	10%	33%	222%	-16%

[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	1Q 2016	4Q 2016	1Q 2017	Q-o-Q	Y-o-Y
Consolidated after tax profit	**34,253**	**26,474**	**52,859**	**100%**	**54%**
Adjustments (total)	**-13,344**	**-1,809**	**-13,902**	**669%**	**4%**
Dividends and net cash transfers (after tax)	68	11	139		103%
Goodwill/investment impairment charges (after tax)	0	784	512	-35%	
Special tax on financial institutions (after corporate income tax)	-13,413	-183	-14,730		10%
Impact of fines imposed by the Hungarian Competition Authority (after tax)	0	1,922	177	-91%	
Corporate tax impact of switching to IFRS from HAR in Hungary	0	1,711	0	-100%	
Revaluation of deferred taxes recognized in the P&L due to the corporate tax rate cut in Hungary	0	-6,054	0	-100%	
Consolidated adjusted after tax profit without the effect of adjustments	**47,598**	**28,283**	**66,762**	**136%**	**40%**
Before tax profit	**63,985**	**37,516**	**76,204**	**103%**	**19%**
Operating profit	**84,610**	**85,011**	**88,721**	**4%**	**5%**
Total income	**177,501**	**193,622**	**188,756**	**-3%**	**6%**
Net interest income	**129,041**	**133,184**	**132,180**	**-1%**	**2%**
Net fees and commissions	**38,819**	**48,217**	**44,549**	**-8%**	**15%**
Other net non-interest income	**9,641**	**12,221**	**12,026**	**-2%**	**25%**
Foreign exchange result, net	3,311	40	4,955		50%
Gain/loss on securities, net	3,192	816	1,719	111%	-46%
Net other non-interest result	3,139	11,364	5,352	-53%	71%
Operating expenses	**-92,891**	**-108,611**	**-100,035**	**-8%**	**8%**
Personnel expenses	-45,383	-48,915	-49,560	1%	9%
Depreciation	-10,433	-11,876	-9,722	-18%	-7%
Other expenses	-37,074	-47,820	-40,753	-15%	10%
Total risk costs	**-20,794**	**-47,575**	**-12,475**	**-74%**	**-40%**
Provision for loan losses	-20,745	-29,522	-10,647	-64%	-49%
Other provision	-49	-18,053	-1,828	-90%	
Total one-off items	**169**	**80**	**-42**	**-152%**	**-125%**
Gain on the repurchase of own Upper and Lower Tier2 Capital	0	0	0		
Result of the treasury share swap at OTP Core	169	80	-42	-152%	-125%
Corporate taxes	**-16,388**	**-9,233**	**-9,442**	**2%**	**-42%**
Indicators (%)	2016 1Q	2016 4Q	2017 1Q	Q-o-Q	Y-o-Y
ROE (from accounting net earnings)	11.1%	7.5%	15.0%	7.5%p	3.9%p
ROE (from accounting net earnings, on 12.5% CET1 ratio)	11.8%	9.3%	18.3%	9.0%p	6.5%p
ROE (from adjusted net earnings)	15.4%	8.0%	18.8%	10.8%p	3.4%p
ROA (from adjusted net earnings)	1.8%	1.0%	2.4%	1.4%p	0.6%p
Operating profit margin	3.14%	3.03%	3.20%	0.16%p	0.06%p
Total income margin	6.58%	6.90%	6.80%	-0.10%p	0.22%p
Net interest margin	4.79%	4.75%	4.76%	0.02%p	-0.02%p
Net fee and commission margin	1.44%	1.72%	1.61%	-0.11%p	0.17%p
Net other non-interest income margin	0.36%	0.44%	0.43%	0.00%p	0.08%p
Cost-to-asset ratio	3.45%	3.87%	3.61%	-0.27%p	0.16%p
Cost/income ratio	52.3%	56.1%	53.0%	-3.1%p	0.7%p
Risk cost for loan losses-to-average gross loans	1.32%	1.80%	0.65%	-1.15%p	-0.67%p
Risk cost for loan losses-to-average FX adjusted gross loans	1.47%	1.83%	0.65%	-1.18%p	-0.82%p
Total risk cost-to-asset ratio	0.77%	1.70%	0.45%	-1.25%p	-0.32%p
Effective tax rate	25.6%	24.6%	12.4%	-12.2%p	-13.2%p
Non-interest income/total income	27%	31%	30%	-1%p	3%p
EPS base (HUF) (from unadjusted net earnings)	128	101	202	99%	57%
EPS diluted (HUF) (from unadjusted net earnings)	128	101	202	99%	57%
EPS base (HUF) (from adjusted net earnings)	178	108	255	136%	43%
EPS diluted (HUF) (from adjusted net earnings)	178	108	255	136%	43%

Comprehensive Income Statement	1Q 2016	4Q 2016	1Q 2017	Q-o-Q	Y-o-Y
Consolidated after tax profit	34,253	26,474	52,859	100%	54%
Fair value adjustment of securities available-for-sale (recognised directly through equity)	6,630	5,591	4,970	-11%	-25%
Fair value adjustment of derivative financial instruments designated as cash-flow hedge	0	0	0		
Fair value adjustment of strategic open FX position hedging net investment in foreign operations	-350	-372	543	-246%	-255%
Foreign currency translation difference	4,825	17,636	10,736	-39%	123%
Change of actuarial losses (IAS 19)	0	61	0	-100%	
Net comprehensive income	**45,359**	**49,390**	**69,108**	**40%**	**52%**
o/w Net comprehensive income attributable to equity holders	45,233	49,190	68,890	40%	52%
Net comprehensive income attributable to non-controlling interest	126	200	218	9%	73%
Average exchange rate of the HUF (in forint)	1Q 2016	4Q 2016	1Q 2017	Q-o-Q	Y-o-Y
HUF/EUR	312	309	309	0%	-1%
HUF/CHF	285	286	289	1%	2%
HUF/USD	283	287	290	1%	3%

CONSOLIDATED BALANCE SHEET

Main components of balance sheet in HUF million	1Q 2016	4Q 2016	1Q 2017	Q-o-Q	Y-o-Y
TOTAL ASSETS	**10,729,882**	**11,307,665**	**11,390,214**	**1%**	**6%**
Cash and amount due from banks	1,806,940	1,625,357	1,351,267	-17%	-25%
Placements with other banks	248,349	363,530	347,441	-4%	40%
Financial assets at fair value	254,232	293,106	309,807	6%	22%
Securities available-for-sale	1,453,579	1,527,093	1,669,298	9%	15%
Net customer loans	5,423,478	5,736,231	5,778,811	1%	7%
Net customer loans (FX adjusted[1])	**5,455,445**	**5,741,265**	**5,778,811**	**1%**	**6%**
Gross customer loans	6,428,215	6,680,504	6,708,882	0%	4%
Gross customer loans (FX adjusted[1])	**6,484,330**	**6,687,782**	**6,708,882**	**0%**	**3%**
o/w Retail loans	4,269,383	4,416,271	4,402,411	0%	3%
Retail mortgage loans (incl. home equity)	2,258,789	2,349,860	2,332,063	-1%	3%
Retail consumer loans	1,520,441	1,549,178	1,542,352	0%	1%
SME loans	490,154	517,233	527,997	2%	8%
Corporate loans	1,953,856	2,007,541	2,047,274	2%	5%
Loans to medium and large corporates	1,869,151	1,934,027	1,962,113	1%	5%
Municipal loans	84,705	73,513	85,161	16%	1%
Car financing loans	210,182	217,330	219,674	1%	5%
Bills and accrued interest receivables related to loans	50,908	46,641	39,523	-15%	-22%
Allowances for loan losses	-1,004,737	-944,273	-930,071	-2%	-7%
Allowances for loan losses (FX adjusted[1])	-1,028,885	-946,518	-930,071	-2%	-10%
Equity investments	9,232	9,837	10,041	2%	9%
Securities held-to-maturity	902,560	1,114,227	1,218,822	9%	35%
Premises, equipment and intangible assets, net	348,764	355,516	360,314	1%	3%
o/w Goodwill, net	98,050	104,282	107,573	3%	10%
Premises, equipment and other intangible assets, net	250,714	251,234	252,740	1%	1%
Other assets	282,748	282,769	344,412	22%	22%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**10,729,882**	**11,307,665**	**11,390,214**	**1%**	**6%**
Liabilities to credit institutions and governments	477,832	543,774	491,895	-10%	3%
Customer deposits	7,936,527	8,540,584	8,441,077	-1%	6%
Customer deposits (FX adjusted[1])	**7,963,498**	**8,531,588**	**8,441,077**	**-1%**	**6%**
o/w Retail deposits	5,634,561	6,134,654	6,131,567	0%	9%
Household deposits	4,737,202	5,137,967	5,139,836	0%	8%
SME deposits	897,360	996,688	991,731	0%	11%
Corporate deposits	2,310,660	2,381,290	2,298,100	-3%	-1%
Deposits to medium and large corporates	1,682,429	1,840,122	1,763,914	-4%	5%
Municipal deposits	628,231	541,168	534,186	-1%	-15%
Accrued interest payable related to customer deposits	18,276	15,644	11,410	-27%	-38%
Issued securities	236,644	146,900	263,629	79%	11%
o/w Retail bonds	62,743	36,921	19,875	-46%	-68%
Issued securities without retail bonds	173,901	109,978	243,754	122%	40%
Other liabilities	604,238	578,300	680,817	18%	13%
Subordinated bonds and loans[2]	242,125	77,458	76,565	-1%	-68%
Total shareholders' equity	**1,232,515**	**1,420,650**	**1,436,232**	**1%**	**17%**
Indicators	1Q 2016	4Q 2016	1Q 2017	Q-o-Q	Y-o-Y
Loan/deposit ratio (FX adjusted[1])	81%	78%	79%	1%p	-2%p
Net loan/(deposit + retail bond) ratio (FX adjusted[1])	67%	67%	68%	1%p	0%p
90+ days past due loan volume	1,086,453	975,952	941,546	-4%	-13%
90+ days past due loans/gross customer loans	17.0%	14.7%	14.1%	-0.6%p	-2.9%p
Total provisions/90+ days past due loans	92.5%	96.8%	98.8%	2.0%p	6.3%p
Consolidated capital adequacy - Basel3	1Q 2016	4Q 2016	1Q 2017	Q-o-Q	Y-o-Y
Capital adequacy ratio (consolidated, IFRS)	15.9%	16.0%	18.5%	2.4%p	2.6%p
Tier1 ratio	13.2%	13.5%	16.0%	2.5%p	2.8%p
Common Equity Tier1 ('CET1') capital ratio	13.2%	13.5%	16.0%	2.5%p	2.8%p
Regulatory capital (consolidated)	1,064,183	1,079,064	1,249,151	16%	17%
o/w Tier1 Capital	881,189	911,328	1,082,678	19%	23%
o/w Common Equity Tier1 capital	881,189	911,328	1,082,678	19%	23%
Tier2 Capital	182,994	167,736	166,473	-1%	-9%
o/w Hybrid Tier2	90,563	89,935	89,935	0%	-1%
Consolidated risk weighted assets (RWA) (Credit&Market&Operational risk)	6,693,455	6,730,467	6,768,003	1%	1%
o/w RWA (Credit risk)	5,235,513	5,344,636	5,552,337	4%	6%
RWA (Market & Operational risk)	1,457,943	1,385,831	1,215,665	-12%	-17%
Closing exchange rate of the HUF (in forint)	1Q 2016	4Q 2016	1Q 2017	Q-o-Q	Y-o-Y
HUF/EUR	314	311	309	-1%	-2%
HUF/CHF	287	289	289	0%	0%
HUF/USD	277	294	289	-2%	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.
[2] The ICES bonds are considered as Tier2 debt, but accounting-wise they are treated as part of the shareholders' equity.

OTP BANK'S HUNGARIAN CORE BUSINESS

OTP Core Statement of recognized income:

Main components of the Statement of recognised income in HUF million	1Q 2016	4Q 2016	1Q 2017	Q-o-Q	Y-o-Y
After tax profit without the effect of adjustments	28,898	23,819	40,848	71%	41%
Corporate income tax	-10,798	-6,160	-5,179	-16%	-52%
Pre-tax profit	39,696	29,978	46,026	54%	16%
Operating profit	40,294	32,493	38,033	17%	-6%
Total income	88,475	89,149	87,926	-1%	-1%
Net interest income	58,402	60,936	57,586	-5%	-1%
Net fees and commissions	22,742	25,261	24,249	-4%	7%
Other net non-interest income	7,331	2,951	6,091	106%	-17%
Operating expenses	-48,180	-56,656	-49,893	-12%	4%
Total risk costs	-767	-2,595	8,035	-410%	
Provisions for possible loan losses	-36	3,409	6,988	105%	
Other provisions	-731	-6,003	1,048	-117%	-243%
Total one-off items	169	80	-42	-152%	-125%
Gain on the repurchase of own Upper and Lower Tier2 Capital	0	0	0	0%	0%
Revaluation result of the treasury share swap agreement	169	80	-42	-152%	-125%
Revenues by Business Lines					
RETAIL					
Total income	61,520	58,421	56,661	-3%	-8%
Net interest income	40,503	35,813	34,641	-3%	-14%
Net fees and commissions	19,969	21,595	21,157	-2%	6%
Other net non-interest income	1,048	1,012	863	-15%	-18%
CORPORATE					
Total income	9,417	11,282	9,081	-20%	-4%
Net interest income	6,431	7,264	6,086	-16%	-5%
Net fees and commissions	2,680	3,722	2,743	-26%	2%
Other net non-interest income	306	296	252	-15%	-18%
Treasury ALM					
Total income	16,516	17,633	18,863	7%	14%
Net interest income	11,468	17,859	16,858	-6%	47%
Net fees and commissions	93	-55	349	-732%	275%
Other net non-interest income	4,954	-170	1,655	-1073%	-67%
Indicators (%)	1Q 2016	4Q 2016	1Q 2017	Q-o-Q	Y-o-Y
ROE	9.6%	7.3%	12.6%	5.3%p	3.0%p
ROA	1.7%	1.3%	2.3%	1.0%p	0.6%p
Operating profit margin (operating profit / avg. total assets)	2.4%	1.8%	2.2%	0.3%p	-0.2%p
Total income margin	5.24%	5.04%	4.99%	-0.05%p	-0.24%p
Net interest margin	3.46%	3.45%	3.27%	-0.18%p	-0.19%p
Net fee and commission margin	1.35%	1.43%	1.38%	-0.05%p	0.03%p
Net other non-interest income margin	0.43%	0.17%	0.35%	0.18%p	-0.09%p
Operating costs to total assets ratio	2.9%	3.2%	2.8%	-0.4%p	0.0%p
Cost/income ratio	54.5%	63.6%	56.7%	-6.8%p	2.3%p
Cost of risk/average gross loans[1]	0.01%	-0.54%	-1.07%	-0.54%p	-1.08%p
Cost of risk/average gross loans[1] (FX adjusted)	0.01%	-0.54%	-1.07%	-0.54%p	-1.08%p
Effective tax rate	27.2%	20.5%	11.3%	-9.3%p	-16.0%p

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

- ***In 1Q 2017 OTP Core posted HUF 40.8 billion adjusted profit (+41% y-o-y); the significant improvement was supported to a great extent by the drop in effective corporate tax burden; the profit before tax expanded by 16% y-o-y***
- ***The quarterly net interest income eroded by 1% y-o-y; the q-o-q 5% decline was explained by technical factors, too. The net interest margin narrowed both q-o-q and y-o-y***
- ***After a release on the total risk cost line in 2Q and 3Q 2016, in 1Q 2017 further provisions were released***
- ***Favourable credit quality trends remained in place, the DPD90+ ratio dropped to 9.1%, its coverage increased q-o-q***

Note on methodological change: the scope of companies comprising OTP Core was extended by the following companies from 1Q 2017: OTP Card Factory Ltd, OTP Real Estate Lease Ltd, OTP Facility Management Ltd. and MONICOMP Ltd. (earlier these entities' results were presented within Other Hungarian Subsidiaries).

The aggregated gross loan portfolio of these companies that became part of OTP Core from 1Q 2017 amounted to HUF 22.7 billion, while the performing loan volumes represented HUF 18.6 billion (of which HUF 16.4 billion mortgages, HUF 0.2 billion consumer loans, HUF 1.6 billion micro and small enterprise exposures and HUF 0.3 billion corporate loans). The consolidation of these entities into OTP Core had a total after tax impact of HUF 0.5 billion in 1Q 2017.

P&L developments

Without the effect of adjustment items[3] **OTP Core** posted a profit after tax of HUF 40.8 billion in 1Q 2017 underpinning a 71% q-o-q increase (+41% y-o-y).

The effective corporate income tax rate for the first quarter was 11.3%, marking a sharp drop both q-o-q and y-o-y (1Q 2016: 27.2%, 4Q 2016: 20.5%). The main reason behind was that effective from 1 January 2017 the Hungarian corporate tax rate was reduced uniformly to 9%. Also, the tax shield effect on the revaluation of subsidiary investments resulted in additional tax payment[4] both in 1Q and 4Q 2016 (1Q: HUF 0.5 billion, 4Q: HUF 1.7 billion). Since the switch from Hungarian Accounting Standards into IFRS financials happened from January 2017 in Hungary, from 1Q 2017 the corporate tax line of OTP Core won't be distorted by this tax shield effect related to the HUF exchange rate movements.

The profit before tax improved by 16% y-o-y as the decline in operating result was more than offset by the improvement in total risk costs. On quarterly basis the profit before tax surged by 54% on the back of lower operating expenses and total risk costs, while the total income moderated q-o-q.

On the total risk costs line a release of HUF 8.0 billion was recognized in 1Q 2017 versus HUF 0.8 billion created in 1Q 2016 and HUF 2.6 billion set aside in 4Q 2016. Within that, on the provisions for possible loan losses line a release of HUF 7.0 billion was recognized in 1Q 2017.

The trend of credit quality improvement continued: the DPD90+ volumes adjusted for FX rate movements and sales and write offs declined by HUF 3 billion in 1Q 2017, versus HUF 11 billion decline in 2015 and HUF 5 billion in 2016 (latter adjusted for the technical effect of the AXA portfolio take-over). The overall DPD90+ volumes declined by HUF 41 billion y-o-y and by HUF 12 billion q-o-q. These changes were influenced by non-performing loan sales and write offs, too: HUF 48 billion exposures were sold or written off during the last twelve months, of which HUF 13 billion in 1Q 2017. As a result, the DPD90+ ratio moderated by 0.7 pp q-o-q and by 2.6 pps y-o-y to 9.1%. The provision coverage ratio calculated as total provisions/ DPD90+ loans (83.8%) improved by 1.1 pps q-o-q.

Total income eroded by 1% q-o-q, within that the net interest income declined by 5% q-o-q. The latter was driven by technical and base effects, too. On one hand the calendar effect explains a 2% q-o-q decline. Furthermore, in 4Q there was an NII-boosting item of HUF 1.9 billion, which was neutral to the net result because it influenced only the structure of revenues; the other net non-interest income dropped by the same magnitude (for more details see: OTP Core section in the Summary of 4Q 2016 Results). Furthermore, the net interest income was negatively influenced by the diminishing interbank interest rates (the average 3M BUBOR rate dropped by 39 bps q-o-q in 1Q, and its closing value decreased by 19 bps over the last quarter). On the other hand, it was positive for interest revenues that the liquidity reserves have been gradually shifting toward longer duration and higher yielding Hungarian government bonds, and

[3] Adjustments emerged in the presented periods: special tax on financial institutions, dividends and net cash transfers, goodwill impairment charges, impact of fines imposed by the Hungarian Competition Authority, the corporate tax impact of switching to IFRS from HAR in Hungary as well as the revaluation of deferred taxes recognized in the P&L due to the corporate tax rate cut in Hungary.

[4] In 1Q and 4Q 2016 the closing rate of HUF typically depreciated q-o-q against the functional currencies of the subsidiary investments. Therefore a revaluation gain was realized under Hungarian Accounting Standards when translating the value of these subsidiary investments into HUF, increasing the corporate tax base. So, the corporate income tax both under HAS and IFRS was higher in these periods (ceteris paribus).

this trend continued in 1Q, too. As a result of the consolidation of AXA portfolio by 1 November 2016, 4Q 2016 income statement of OTP Core was boosted by only two months revenues, whereas in 1Q the whole quarterly revenues appeared already.

The net interest margin eroded by 19 bps y-o-y and by 18 bps q-o-q. Adjusted for the above mentioned HUF 1.9 billion item, the quarterly NIM would have melted down only by 7 bps. The yearly decline was mainly driven by the declining interest rate environment that took its toll through lower deposit margins and lower gross interest income on customer loans. The structural changes within the loan book also had a negative NIM-effect, as the share of corporate exposures with lower margins increased.

In 1Q 2017 the net fee and commission income increased by 7% y-o-y. The improvement was mainly due to stronger card-related fees induced by growing transactional turnover. However, the deposit and transaction-related fee income improved further, too. Apart from seasonality the quarterly decline of net fees and commissions was explained by the fact that similar to previous years, the financial transaction tax on card transactions had to be paid in a lump-sum in the first quarter for the whole year, based on the annual volume of previous year's transactions. This item amounted to HUF 1.6 billion in 1Q 2017 (similar to 1Q 2016). On the other hand, the quarterly dynamics were positively affected by base effect: the annual amount of refunds related to the usage of credit cards was booked in one lump-sum in 4Q 2016 (explaining around HUF 1.3 billion q-o-q increase).

The other net non-interest income dropped by 17% y-o-y. The q-o-q change was mainly induced by a base effect (in 4Q there was a HUF 1.9 billion decline in other revenues due to the above mentioned item, and a HUF 0.5 billion gain was realized on government securities).

The operating expenses grew by 4% y-o-y, while the 12% q-o-q drop was mainly due to seasonality.

The consolidation of the above-mentioned four Hungarian entities into OTP Core from 1Q 2017 did not have a material impact on the dynamics of operating expenses due to eliminations, however it did influence the structure of operating costs (as a result, personnel costs grew by HUF 1.1 billion q-o-q, while administrative expenses declined). The total number of employees at OTP Core increased by 551 people q-o-q, despite the four new entities added 591 people.

The y-o-y increase in operating expenses was fuelled by higher marketing costs and higher contributions paid to regulatory bodies. Regarding the y-o-y cost dynamics, the take-over of the Hungarian businesses of AXA had an impact mainly on personnel costs y-o-y (in 1Q 2017 HUF 0.4 billion personal costs emerged due to the take-over). Also, at OTP Bank there was an average base salary increase of 4% in April 2016, however its effect for 1Q 2017 operating costs was counterbalanced by the 5 pps cut in social and health care contributions effective from 1 January 2017.

In 2017 OTP Bank will be paying HUF 1.4 billion into the Compensation Fund (established in order to indemnify the victims of Quaestor and Hungaria Securities Ltd.). The whole annual amount of HUF 1.4 billion was already accounted for in 1Q 2017, in line with IFRS standards. However the *de-facto* payment will be made in 3 tranches: in March, May and July. The total amount of contribution paid into the Compensation Fund can be deducted immediately from the nominal amount of banking tax, or from the nominal amount of financial transaction tax, or from the nominal amount of corporate tax burden. Due to the deductibility, in the adjusted P&L structure the Compensation Fund contributions booked in 1Q 2017 were presented partly within the banking tax and partly within the financial transaction tax.

On 9 March 2017 the National Bank of Hungary published an announcement according to which NHB is going to introduce a "customer-friendly housing loan" certification and only those banks whose housing loan products meet certain conditions laid down by NBH can use the "customer-friendly housing loan" approval rating. The details of those particular conditions haven't been published. The central bank suggested that it started intensive consultations with market participants as well as with the representatives of customers on finalizing the details of the certification. Those consultations are still going on.

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

Main components of balance sheet closing balances in HUF mn	4Q 2016	4Q 2016	1Q 2017	Q-o-Q	Y-o-Y
Total Assets	6,920,680	7,247,297	7,281,170	0%	5%
Net customer loans	2,196,970	2,398,694	2,462,973	3%	12%
Net customer loans (FX adjusted)	**2,193,067**	**2,396,065**	**2,462,973**	**3%**	**12%**
Gross customer loans	2,437,706	2,610,277	2,667,329	2%	9%
Gross customer loans (FX adjusted)	**2,433,339**	**2,607,305**	**2,667,329**	**2%**	**10%**
Retail loans	1,608,384	1,748,266	1,764,599	1%	10%
Retail mortgage loans (incl. home equity)	1,138,188	1,274,886	1,279,935	0%	12%
Retail consumer loans	323,327	315,356	316,758	0%	-2%
SME loans	146,869	158,024	167,906	6%	14%
Corporate loans	824,955	859,039	902,730	5%	9%
Loans to medium and large corporates	801,596	835,626	873,163	4%	9%
Municipal loans	23,359	23,413	29,567	26%	27%
Provisions	-240,736	-211,583	-204,356	-3%	-15%
Provisions (FX adjusted)	**-240,272**	**-211,241**	**-204,356**	**-3%**	**-15%**
Deposits from customers + retail bonds	4,568,904	4,942,606	4,868,019	-2%	7%
Deposits from customers + retail bonds (FX adjusted)	**4,567,554**	**4,934,294**	**4,868,019**	**-1%**	**7%**
Retail deposits + retail bonds	2,834,601	3,196,013	3,210,646	0%	12%
Household deposits + retail bonds	2,336,250	2,630,858	2,635,146	0%	12%
o/w: Retail bonds	62,743	36,921	19,875	-99%	-100%
SME deposits	498,352	565,155	575,500	2%	15%
Corporate deposits	1,732,953	1,738,281	1,657,374	-5%	-4%
Deposits to medium and large corporates	1,158,746	1,228,768	1,159,826	-6%	0%
Municipal deposits	574,207	509,514	497,548	-2%	-13%
Liabilities to credit institutions	442,823	329,442	288,139	-13%	-35%
Issued securities without retail bonds	197,431	192,097	299,280	56%	48%
Total shareholders' equity	1,202,418	1,312,464	1,303,288	-1%	8%
Loan Quality	4Q 2016	4Q 2016	1Q 2017	Q-o-Q	Y-o-Y
90+ days past due loan volume (in HUF million)	285,253	255,841	243,919	-4.7%	-14.5%
90+ days past due loans/gross customer loans (%)	11.7%	9.8%	9.1%	-0.7%p	-2.6%p
Total provisions/90+ days past due loans (%)	84.4%	82.7%	83.8%	1.1%p	-0.6%p
Market Share[1] (%)	4Q 2016	4Q 2016	1Q 2017	Q-o-Q	Y-o-Y
Loans	18.9%	20.2%	20.3%	0.1%p	1.2%p
Deposits	26.4%	26.5%	27.2%	0.7%p	1.7%p
Total Assets	25.2%	24.5%	25.0%	0.5%p	-1.0%p
Performance Indicators (%)	4Q 2016	4Q 2016	1Q 2017	Q-o-Q	Y-o-Y
Net loans to (deposits + retail bonds) (FX adjusted)	48%	49%	51%	2%p	4%p
Leverage (closing Shareholder's Equity/Total Assets)	17.4%	18.1%	17.9%	-0.2%p	0.0%p
Leverage (closing Total Assets/Shareholder's Equity)	5.8x	5.5x	5.6x	0.1x	0.0x
Capital adequacy ratio (OTP Bank, non-consolidated, Basel3, HAS until 4Q 2016, IFRS from 1Q 2017)	25.9%	27.7%	32.2%	4.5%p	6.3%p
Common Equity Tier1 ratio (OTP Bank, non-consolidated, Basel3, HAS until 4Q 2016, IFRS from 1Q 2017)	22.4%	24.8%	29.5%	4.7%p	7.1%p

[1] Due to the cessation of the Supervisory Balance Sheet data provision by the National Bank of Hungary from 1Q 2017, the methodology for the calculation of market share data has been amended, resulting in retroactive changes for the base periods. The source of market data is the Monetary Statistics of the National Bank of Hungary in case of all periods presented in the table. OTP volumes are calculated as the aggregated figures of OTP Bank, OTP Mortgage Bank, OTP Building Society and Merkantil Bank – based on the Supervisory Balance Sheet data provision until 4Q 2016, while from 1Q 2017 OTP figures are based on a newly established data provision related to the Monetary statistics of the National Bank of Hungary.

- ***After 12% increase of performing loans in 2016 (5% adjusted for the AXA deal), in 1Q the performing book kept growing (+3% q-o-q), of which the entities consolidated into OTP Core from 1Q 2017 accounted for around 1 pp growth***
- ***The corporate segment remained the engine of organic growth: the performing SME book advanced by 15% y-o-y and the large corporate loans by 12% (FX-adjusted)***
- ***The performing consumer book grew by 2% q-o-q***
- ***New mortgage disbursements surged by 48% y-o-y; adjusted for technical effects mortgage volumes eroded by 0.7% q-o-q***

Balance sheet trends

Loan volumes kept on growing in 1Q 2017 following the lending turnaround in 2016 at the Hungarian operation of OTP. OTP Core's FX-adjusted gross loan portfolio increased by 2% q-o-q, whereas in the last twelve months it grew by 10%. However, due to the sales and write-offs of non-performing loans, the performing (DPD0-90) loan volume developments are more illustrative: they advanced by 3% q-o-q and by 13% y-o-y. The y-o-y dynamics were heavily influenced by the take-over of the AXA portfolio: adjusted for the AXA-volumes the y-o-y increase of performing loans would be 6%. Similarly, the q-o-q performing loan growth of OTP Core would be 2% without the technical effect of companies consolidated into OTP Core from 1Q 2017.

The organic portfolio expansion was fuelled mainly by the corporate sector: the performing SME book advanced by 15% y-o-y, whereas the large corporate exposure grew by 12% over the same period. During the last three months both segments demonstrated a dynamic 6% increase.

In 2016 the National Bank of Hungary launched the third, so called "phasing out" stage of the Funding for Growth Scheme, under which the deadline for concluding loan contracts was 31 March 2017. According to the data published by the NBH on 5 April 2017 the Hungarian credit institutions participating in the scheme have granted loans to Hungarian micro and SME companies in the amount of HUF 685 billion since the beginning of 2016, whereas OTP contracted for HUF 102 billion under the scheme.

Within the household segment performing mortgage loan volumes grew by 0.7% q-o-q. However, adjusted for the effect of the newly consolidated entities the book shrank by 0.7%. The performing mortgage volumes in the books of those companies (predominantly at OTP Real Estate Lease Ltd.) amounted to HUF 16.4 billion. Mortgage volumes increased by 15% y-o-y; however, adjusted for the effects of AXA takeover and the newly consolidated companies the performing mortgage portfolio eroded by 1%.

New mortgage disbursements showed a favourable trend and surged by 48% y-o-y. In 1Q the Bank originated HUF 35.6 billion mortgages, marking a 7% q-o-q decline. OTP Bank's market share in new mortgage loan contractual amounts reached 29.5% in 1Q 2017 (+4.4 pps y-o-y).

As for the new mortgage applications, volumes at OTP Bank represented HUF 66.6 billion (+2% q-o-q and +50% y-o-y). State subsidized housing loan applications represented HUF 22.4 billion, up by 30% y-o-y due to the demand generated by the Housing Subsidy Scheme for Families (CSOK).

OTP Bank experienced strong business activity as for the extended CSOK: in 1Q 2017 close to 2,300 applications were registered (in 2016 around 10,500 in total) with a value of over HUF 8 billion. Applicants also combined CSOK with subsidized or market-based loan applications in the amount of HUF 13 billion in 1Q 2017.

Performing consumer loan volumes advanced by 2% both q-o-q and y-o-y. Within that cash loan volume growth was fairly strong, underpinning a 5% increase q-o-q and 18% y-o-y, respectively. On the contrary, POS, credit card and overdraft loan volumes all shrank y-o-y. OTP's market share in the cash loan segment remained strong both in terms of the stock and new disbursements. At the end of March the Bank had a market share of 32.8% in total cash loan volumes. Due to strong origination activity (+25% q-o-q) OTP Bank's market share in new cash loan disbursement reached 36.6% in 1Q.

FX-adjusted deposit volumes (including retail bonds) increased by 7% y-o-y, however they shrank by 1% q-o-q after a strong performance in 4Q 2016 (+8% q-o-q). The quarterly erosion was due to corporate deposit outflow (-6% q-o-q). The trend-line volume growth of retail deposits (including retail bonds) continued: for the last three months they grew by 0.5%, and advanced by 12% y-o-y.

According to the decision of the Monetary Council taken in December 2016 the maximum amount of 3 months deposits placed with the central bank at the end of March 2017 was reduced to HUF 750 billion. At the end of June 2017 the limit was set at HUF 500 billion. At the end of March OTP Bank kept HUF 185 billion in 3 months central bank deposits. As for the distribution of the liquidity reserves of the Bank, during the last twelve months a gradual shift was recognizable towards longer duration Hungarian government securities.

The reason for the q-o-q decline in shareholders' equity was that the due amount for dividend has been shifted from equity into other short term liabilities at the end of 1Q.

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	1Q 2016	4Q 2016	1Q 2017	Q-o-Q	Y-o-Y
After tax profit w/o dividends and net cash transfer	1,017	3,896	1,046	-73%	3%
Income tax	-184	-791	-102	-87%	-44%
Profit before income tax	1,202	4,687	1,149	-75%	-4%
Operating profit	1,202	4,465	1,149	-74%	-4%
Total income	1,588	5,612	1,539	-73%	-3%
Net interest income	0	0	0		
Net fees and commissions	1,586	5,613	1,538	-73%	-3%
Other net non-interest income	1	-2	0	-111%	-86%
Operating expenses	-386	-1,146	-390	-66%	1%
Other provisions	0	222	0		
Main components of balance sheet closing balances in HUF mn	1Q 2016	4Q 2016	1Q 2017	Q-o-Q	Y-o-Y
Total assets	13,215	17,780	18,046	1%	37%
Total shareholders' equity	9,479	14,995	10,701	-29%	13%
Asset under management in HUF bn	1Q 2016	4Q 2016	1Q 2017	Q-o-Q	Y-o-Y
Assets under management, total (w/o duplicates)	**1,520**	**1,530**	**1,522**	**0%**	**0%**
Retail investment funds (closing, w/o duplicates)	1,010	1,000	994	-1%	-2%
Volume of managed assets (closing, w/o duplicates)	510	530	529	0%	4%
Volume of investment funds (with duplicates)	1,138	1,153	1,176	2%	3%
money market	334	295	276	-6%	-17%
bond	403	412	367	-11%	-9%
mixed	22	25	34	36%	56%
security	109	123	133	8%	22%
guaranteed	99	61	66	8%	-34%
other	171	237	301	27%	76%

The OTP Fund Management posted HUF 1.0 billion profit in 1Q 2017 which is 3% higher y-o-y. The 73% decline compared to 4Q 2016 can be explained by the accounted performance fees generated by the fund management activities in 4Q 2016.

The effective income tax rate declined to 8.9% in 1Q; the profit before income tax decreased by 4% y-o-y. The operating profit also declined by 4%, which is the result of the 3% y-o-y decrease in total income and 1% y-o-y rise in operating expenses. The net fees and commissions came down by 3% y-o-y, while q-o-q we see 73% decline due to the above mentioned performance fees booked in 4Q 2016.

Considering the whole market, in 1Q 2017 the assets under management of BAMOSZ members increased q-o-q.

Assets under management at the Company expanded by 3% y-o-y and 2% q-o-q. The structural shift among the different types of investment funds influenced the assets of OTP Fund Management, similar to the whole market during the quarter. The volume of money market funds and bond funds shrunk, while the mixed funds, equity funds, guaranteed funds and other asset classes grew. The market share of OTP Fund Management (without duplications) was 23.9%, by 1.1 pps higher y-o-y. The Company retained its market leading position.

MERKANTIL GROUP (HUNGARY)

Performance of Merkantil Bank and Car:

Main components of P&L account in HUF mn	1Q 2016	4Q 2016	1Q 2017	Q-o-Q	Y-o-Y
After tax profit without the effect of adjustments	502	640	1,942	204%	287%
Income tax	0	-43	-56	29%	
Profit before income tax	502	683	1,998	193%	298%
Operating profit	1,416	2,665	1,546	-42%	9%
Total income	2,884	4,292	3,009	-30%	4%
Net interest income	4,099	5,063	2,779	-45%	-32%
Net fees and commissions	-239	-236	-128	-46%	-46%
Other net non-interest income	-976	-535	359	-167%	-137%
Operating expenses	-1,468	-1,627	-1,464	-10%	0%
Total provisions	-915	-1,982	452	-123%	-149%
Provision for possible loan losses	-886	-761	559	-173%	-163%
Other provision	-29	-1,222	-106	-91%	273%
Main components of balance sheet closing balances in HUF mn	1Q 2016	4Q 2016	1Q 2017	Q-o-Q	Y-o-Y
Total assets	342,553	349,891	351,217	0%	3%
Gross customer loans	277,290	286,296	282,564	-1%	2%
Gross customer loans (FX-adjusted)	277,074	286,138	282,564	-1%	2%
Retail loans	22,098	25,473	25,791	1%	17%
Corporate loans	86,697	87,208	83,903	-4%	-3%
Car financing loans	168,280	173,458	172,871	0%	3%
Allowances for possible loan losses	-36,722	-37,051	-36,415	-2%	-1%
Allowances for possible loan losses (FX-adjusted)	-36,726	-37,048	-36,415	-2%	-1%
Deposits from customers	12,121	34,554	31,173	-10%	157%
Deposits from customer (FX-adjusted)	12,121	34,554	31,173	-10%	157%
Retail deposits	5,455	28,494	25,446	-11%	366%
Corporate deposits	6,666	6,060	5,726	-6%	-14%
Liabilities to credit institutions	268,618	286,401	287,526	0%	7%
Issued securities	34,928	3	3	0%	-100%
Total shareholders' equity	21,995	24,530	26,400	8%	20%
Loan Quality	1Q 2016	4Q 2016	1Q 2017	Q-o-Q	Y-o-Y
90+ days past due loan volume (in HUF million)	32,313	32,356	32,353	0%	0%
90+ days past due loans/gross customer loans (%)	11.7%	11.3%	11.3%	0.1%p	-0.2%p
Cost of risk/average gross loans (%)	1.30%	1.08%	-0.80%	-1.88%p	-2.10%p
Cost of risk/average (FX-adjusted) gross loans	1.30%	1.08%	-0.80%	-1.88%p	-2.10%p
Total provisions/90+ days past due loans (%)	113.6%	114.5%	112.6%	-2.0%p	-1.1%p
Performance Indicators (%)	1Q 2016	4Q 2016	1Q 2017	Q-o-Q	Y-o-Y
ROA	0.6%	0.7%	2.3%	1.5%p	1.7%p
ROE	9.6%	10.5%	31.3%	20.8%p	21.7%p
Total income margin	3.45%	5.02%	3.49%	-1.53%p	0.04%p
Net interest margin	4.91%	5.92%	3.22%	-2.70%p	-1.68%p
Cost/income ratio	50.9%	37.9%	48.6%	10.7%p	-2.3%p

The **Merkantil Bank and Car** posted HUF 2 billion aggregated adjusted after tax profit in the first quarter of 2017, amounting to four times the result for the same period of previous year and three times the result for the last quarter.

The profit before tax nearly tripled q-o-q, mainly due to the release of provisions for possible loan losses.

In 1Q the total income increased by 4% y-o-y, but dropped by 30% q-o-q, mainly due to the base effect: a one-off item of HUF 1.5 billion[5] (the whole annual amount) was booked in 4Q 2016. This one-off item explains HUF 1.1 billion q-o-q decline in revenues, affecting the net interest income line. (At the same time this item also had an impact on other risk costs.)

The quarterly development of the structure of revenues was influenced by two items of rather technical nature. On one hand, the abolishment of the structural adjustment from 2017 related to intragroup securities transactions affecting the net interest income and other net non-interest income lines of the consolidated P&L without on-off items caused HUF 650 million NII decrease q-o-q (other net non-interest income increased at the same time). On the other hand, due to the switch of IFRS certain items – previously treated as fee expenses – have been reclassified into NII starting from 1Q 2017. This had a negative effect of HUF 250 million on quarterly NII.

[5] Formerly, the booked but unpaid interest income in case of exposures with over 30 days delinquency was booked as suspended off-balance sheet interest pursuant to HAR (and not recognized in the income statement). In December 2016 the switching to IFRS induced the realization of suspended interests on the net interest income line within the income statement.

Operating costs stagnated on a yearly basis, while the 10% savings observed in q-o-q comparison can be attributed to a decrease in marketing costs and deductible taxes.

In 1Q DPD90+ volumes (adjusted for FX rate changes and sold and written off volumes) remained stable against an average growth of HUF 1.3 billion for the last four quarters. The ratio of DPD90+ loans decreased by 0.2 pp q-o-q to 11.4%, while the coverage ratio remained stable (112.6%).

The FX-adjusted loan portfolio expanded by 2% on a yearly basis due to the favourable origination activity. The volume of retail loans increased on a quarterly and yearly basis, as well (+1% q-o-q and +17% y-o-y), corporate loans eroded by 4% q-o-q. The volume of car-financing loans went up by 3% y-o-y. Total new loan origination increased by 13% y-o-y (-15% q-o-q), albeit within that the volume of newly disbursed car loans expanded by 15% y-o-y (+3% q-o-q). Merkantil Bank and Car is a market leader both in terms of new loan disbursements and outstanding volumes.

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	1Q 2016	4Q 2016	1Q 2017	Q-o-Q	Y-o-Y
After tax profit without the effect of adjustments	13,784	4,679	13,391	186%	-3%
Income tax	-1,546	-382	-1,496	292%	-3%
Profit before income tax	15,330	5,061	14,887	194%	-3%
Operating profit	16,815	17,505	15,776	-10%	-6%
Total income	27,103	28,762	26,278	-9%	-3%
Net interest income	21,456	20,317	18,392	-9%	-14%
Net fees and commissions	5,813	6,582	6,394	-3%	10%
Other net non-interest income	-166	1,862	1,492	-20%	-997%
Operating expenses	-10,288	-11,256	-10,502	-7%	2%
Total provisions	-1,485	-12,445	-890	-93%	-40%
Provision for possible loan losses	-1,334	-8,356	-466	-94%	-65%
Other provision	-151	-4,089	-423	-90%	181%
Main components of balance sheet closing balances in HUF mn	**1Q 2016**	**4Q 2016**	**1Q 2017**	**Q-o-Q**	**Y-o-Y**
Total assets	1,801,090	1,852,901	1,895,337	2%	5%
Gross customer loans	1,158,596	1,151,210	1,144,119	-1%	-1%
Gross customer loans (FX-adjusted)	1,138,568	1,142,647	1,144,119	0%	0%
Retail loans	836,282	818,488	816,883	0%	-2%
Corporate loans	302,286	324,159	327,236	1%	8%
Allowances for possible loan losses	-162,640	-142,386	-141,609	-1%	-13%
Allowances for possible loan losses (FX-adjusted)	-159,906	-141,323	-141,609	0%	-11%
Deposits from customers	1,484,787	1,547,669	1,563,146	1%	5%
Deposits from customer (FX-adjusted)	1,464,196	1,535,520	1,563,146	2%	7%
Retail deposits	1,244,634	1,318,976	1,336,916	1%	7%
Corporate deposits	219,562	216,544	226,230	4%	3%
Liabilities to credit institutions	12,808	21,782	32,077	47%	150%
Total shareholders' equity	214,876	247,267	212,740	-14%	-1%
Loan Quality	**1Q 2016**	**4Q 2016**	**1Q 2017**	**Q-o-Q**	**Y-o-Y**
90+ days past due loan volume (in HUF million)	169,418	131,889	129,209	-2%	-24%
90+ days past due loans/gross customer loans (%)	14.6%	11.5%	11.3%	-0.2%p	-3.3%p
Cost of risk/average gross loans (%)	0.46%	2.83%	0.16%	-2.67%p	-0.30%p
Cost of risk/average (FX-adjusted) gross loans (%)	0.46%	2.84%	0.16%	-2.68%p	-0.30%p
Total provisions/90+ days past due loans (%)	96.0%	108.0%	109.6%	1.6%p	13.6%p
Performance Indicators (%)	**1Q 2016**	**4Q 2016**	**1Q 2017**	**Q-o-Q**	**Y-o-Y**
ROA	3.1%	1.0%	2.9%	1.8%p	-0.2%p
ROE	22.0%	7.6%	21.8%	14.2%p	-0.1%p
Total income margin	6.04%	6.21%	5.60%	-0.61%p	-0.44%p
Net interest margin	4.78%	4.39%	3.92%	-0.47%p	-0.86%p
Cost/income ratio	38.0%	39.1%	40.0%	0.8%p	2.0%p
Net loans to deposits (FX-adjusted)	67%	65%	64%	-1%p	-3%p
FX rates (in HUF)	**1Q 2016**	**4Q 2016**	**1Q 2017**	**Q-o-Q**	**Y-o-Y**
HUF/BGN (closing)	160.6	159.0	157.8	-1%	-2%
HUF/BGN (average)	159.5	158.2	158.1	0%	-1%

- ***HUF 13.4 billion profit (-3% y-o-y), resulting from operating profit decreasing by 6% and total provisions by 40% y-o-y respectively***
- ***Net interest margin further eroded q-o-q, partly due to one-off items***
- ***Loan quality ratios developed favourably: DPD90+ ratio decreased q-o-q, the provision coverage grew***
- ***Volume of gross loans was stable y-o-y, while performing loans grew by 4%; deposit base increased by 7% (FX-adjusted)***

DSK Group posted an after tax profit of HUF 13.4 billion in 1Q 2017, which is higher by 186% q-o-q due to the base effect of the higher provisions in 4Q, and lower by 3% compared to the 1Q 2016 record profit.

Operating profit and within that total income decreased both y-o-y and q-o-q. Within total income net interest income shrank by 14% y-o-y, because lower net interest income realised mainly on household loans could not be fully counterbalanced by lower interest expenses on deposits.

Net interest margin eroded by 47 bps q-o-q to 3.92% (without the below detailed two one-off items representing HUF 1.05 billion from the quarterly net interest income decline it would have shrank by 24 bps), while it decreased by 90 bps y-o-y.

The continuing repricing and refinancing of mortgage loans that resulted in lower margins negatively affected the net interest income. Furthermore, methodology changes also generated NII reduction: items related to the fair value adjustment of derivative instruments previously being accounted for on the other net non-interest income line have been reclassified to the NII line since the beginning of the year (this had a q-o-q negative NII impact of about HUF 0.95 billion, but was neutral to total income). Also, 1Q NII was negatively affected by lower yields realised on liquid assets: on one hand, DSK Bank holds securities issued by OTP Bank, which had a massive nominal one-off interest rate reduction in 4Q 2016 (HUF -0.1 billion effect q-o-q), on the other hand Bulgarian government yields also dropped in 1Q.

Net fee and commission income improved by 10% y-o-y mainly due to the growth of deposit and transactions-related fee revenues.

Operating expenses decreased by 7% q-o-q, mainly as a result of lower marketing and IT cost. The y-o-y 2% growth is mostly related to personnel expenses increasing. Cost-to-income ratio increased by 2% to 40% y-o-y, as a result of shrinking total income and increasing operating expenses.

In 1Q total risk cost totalled to HUF 0.9 billion (-40% y-o-y, -93% q-o-q). The quarterly drop is mainly due to base effect: in the previous quarter provision for loan losses grew by about HUF 4 billion due to a methodological change, and other risk cost was boosted by certain provisions for potential future losses. Risk cost rate was 16 bps in 1Q narrowing by 30 bps y-o-y. The volume of DPD90+ loans moderated by 2% q-o-q without any meaningful non-performing loan sale or write-off, mostly related quality improvements in the corporate and mortgage loan portfolios. The FX-adjusted DPD90+ volume changes excluding the impact of loan sales and write-offs remained favourable (in HUF billion: 1Q 2016: 1, 2Q: 0, 3Q: -2, 4Q: -2, 1Q 2017: -1.4). The DPD90+ ratio decreased by 0.2 pp to 11.3% q-o-q. The total provision coverage of DPD90+ loans improved to 109.6% (+1.6 pps q-o-q, +13.6 pps y-o-y).

FX-adjusted gross loans were stable q-o-q and y-o-y as well, while performing (DPD0-90) loan portfolio growth exceeded 4% y-o-y (+0.3% q-o-q). Mortgage loan origination in 1Q slightly exceeded the 2016 quarterly average disbursement volume, the performing mortgage loan book was practically stable y-o-y and q-o-q on an FX-adjusted basis. With respect to cash loans, disbursements advanced by 5% y-o-y and by 14% q-o-q in 1Q; FX-adjusted performing consumer loan portfolio was stable y-o-y and decreased by about 1% q-o-q as a result of higher prepayments. The nominal interest rates of new household loans show a diminishing trend.

The corporate and SME loan disbursement almost doubled y-o-y and increased by 68% q-o-q, mainly due to the strong corporate lending. The performing corporate loan portfolio grew by 2% q-o-q and advanced by 14% in the last 12 months.

The FX-adjusted deposit base, with q-o-q further decreasing average interest rates, advanced by 2% q-o-q and by 7% y-o-y. Retail deposits kept on increasing, while corporate deposits saw a 4% growth after the 15% quarterly decline in 4Q. Thus the y-o-y change was 3% (FX-adjusted). Net loan-to-deposit ratio further decreased (1Q: 64%).

The capital adequacy ratio of DSK Bank calculated in accordance with local regulation stood at 17.5% at the end of March. The reason behind the q-o-q decrease of shareholders' equity was the reclassification of dividend payable to the mother company into short-term liabilities.

OTP BANK RUSSIA

Performance of OTP Bank Russia:

Main components of P&L account in HUF mn	1Q 2016	4Q 2016	1Q 2017	Q-o-Q	Y-o-Y
After tax profit w/o dividends and net cash transfer	2,609	4,565	7,553	65%	190%
Income tax	-745	-1,986	-2,218	12%	198%
Profit before income tax	3,354	6,551	9,771	49%	191%
Operating profit	13,367	16,866	19,630	16%	47%
Total income	22,972	29,761	32,847	10%	43%
Net interest income	20,443	25,445	27,093	6%	33%
Net fees and commissions	2,898	3,916	5,663	45%	95%
Other net non-interest income	-370	400	92	-77%	-125%
Operating expenses	-9,605	-12,894	-13,217	3%	38%
Total provisions	-10,013	-10,315	-9,859	-4%	-2%
Provision for possible loan losses	-9,923	-9,683	-9,725	0%	-2%
Other provision	-90	-632	-134	-79%	49%
Main components of balance sheet closing balances in HUF mn	**1Q 2016**	**4Q 2016**	**1Q 2017**	**Q-o-Q**	**Y-o-Y**
Total assets	475,408	622,666	612,958	-2%	29%
Gross customer loans	403,117	490,086	508,938	4%	26%
Gross customer loans (FX-adjusted)	500,472	526,006	508,938	-3%	2%
Retail loans	460,719	483,931	466,379	-4%	1%
Corporate loans	38,439	40,846	41,326	1%	8%
Car financing loans	1,314	1,228	1,233	0%	-6%
Gross DPD0-90 customer loans (FX-adjusted)	388,624	419,979	410,455	-2%	6%
Retail loans	357,159	384,134	373,934	-3%	5%
Allowances for possible loan losses	-102,177	-116,458	-120,651	4%	18%
Allowances for possible loan losses (FX-adjusted)	-126,191	-124,787	-120,651	-3%	-4%
Deposits from customers	288,419	345,241	340,151	-1%	18%
Deposits from customer (FX-adjusted)	353,191	367,893	340,151	-8%	-4%
Retail deposits	306,466	298,794	285,445	-4%	-7%
Corporate deposits	46,726	69,099	54,707	-21%	17%
Liabilities to credit institutions	35,640	91,641	70,632	-23%	98%
Issued securities	1,090	1,038	690	-33%	-37%
Subordinated debt	22,225	24,778	25,902	4%	17%
Total shareholders' equity	89,729	125,190	139,104	11%	55%
Loan Quality	**1Q 2016**	**4Q 2016**	**1Q 2017**	**Q-o-Q**	**Y-o-Y**
90+ days past due loan volume (in HUF million)	90,710	99,024	98,483	-1%	9%
90+ days past due loans/gross customer loans (%)	22.5%	20.2%	19.4%	-0.9%p	-3.2%p
Cost of risk/average gross loans (%)	10.38%	8.47%	7.89%	-0.58%p	-2.49%p
Cost of risk/average (FX-adjusted) gross loans (%)	10.26%	8.14%	7.58%	-0.56%p	-2.68%p
Total provisions/90+ days past due loans (%)	112.6%	117.6%	122.5%	4.9%p	9.9%p
Performance Indicators (%)	**1Q 2016**	**4Q 2016**	**1Q 2017**	**Q-o-Q**	**Y-o-Y**
ROA	2.2%	3.3%	5.0%	1.7%p	2.8%p
ROE	11.9%	15.6%	23.4%	7.8%p	11.4%p
Total income margin	19.17%	21.40%	21.81%	0.41%p	2.63%p
Net interest margin	17.06%	18.29%	17.99%	-0.31%p	0.92%p
Cost/income ratio	41.8%	43.3%	40.2%	-3.1%p	-1.6%p
Net loans to deposits (FX-adjusted)	106%	109%	114%	5%p	8%p
FX rates (in HUF)	**1Q 2016**	**4Q 2016**	**1Q 2017**	**Q-o-Q**	**Y-o-Y**
HUF/RUB (closing)	4.1	4.8	5.2	8%	26%
HUF/RUB (average)	3.8	4.6	4.9	9%	30%

- ***HUF 7.6 billion after tax profit in 1Q, mainly due to the further improvement of operating profit***
- ***Total risk cost in 1Q was around the previous year's quarterly average, risk cost rate improved by about 0.6 pp q-o-q***
- ***Performing loans grew by 6% y-o-y due to the outstanding POS and cash loan origination; total deposits shrank (-8% q-o-q) as a result of lowered deposit interest rates***
- ***Cost-to-income ratio improved by 1.6% y-o-y to 40.2%***

The HUF denominated financial figures of OTP Bank Russia are distorted by the HUF/RUB moves: the 1Q 2017 closing exchange rate showed an 8% q-o-q and 26% y-o-y rouble strengthening; while the 1Q average rate strengthened by 9% q-o-q and by 30% y-o-y respectively. Therefore local currency P&L dynamics can be materially different from those in HUF terms.

OTP Bank Russia posted HUF 7.6 billion after tax profit in 1Q 2017, which is a material improvement both on the yearly and quarterly comparison (in RUB terms +123% and +52%, respectively).

As for the rouble denominated profit dynamics, due to the 10% y-o-y growth of total income operating profit increased by 13% y-o-y, while operating expenses advanced by 6%. Net interest income grew by 2% in RUB terms y-o-y, thanks to the further diminishing funding cost. NII was positively influenced by the 6% y-o-y growth of FX-adjusted performing loans, at the same time interest rates on loans decreased. On the whole net interest margin grew by 0.9 pp to 18.0% y-o-y.

1Q net fee and commission income surged by 50% y-o-y in RUB terms. Although F&C income on credit card loans was lower due to the y-o-y 21% drop of the performing portfolio, insurance fee income on cash loans combined with insurance and other products grew considerably y-o-y. Furthermore methodology change also boosted this line. From the beginning of 2017 discounts paid to retail agents related to product sale and certain agent bonuses previously treated as fee expense are now capitalised and treated as part of the amortised cost of the loans, thus these expenses will amortise through interest payment on loans during their lifetime. The net result of methodology changes was RUB 291 million q-o-q in 1Q, including this, the fee and commission expenses dropped by 41% y-o-y in RUB terms.

1Q 2017 operating expenses grew by 6% y-o-y in RUB terms with 1Q average inflation staying at 4.6%. Without the impact of a methodology change[6] effective since 3Q 2016 the y-o-y cost dynamics would have been 4% in RUB terms. Cost-to-income ratio stood at 40.2% in 1Q, improved by 1.6 pps y-o-y. Number of branches was stable y-o-y, while number of the Bank's employees (without agents) decreased by 3% y-o-y to 4,771 people (+1% q-o-q).

On the quarterly basis 1Q operating profit in RUB terms improved by 7%, as a result of total income growing by 2% and operating expenses decreasing by 6%. Net interest income decreased by 2%, mainly due to diminishing interest income reasoned by seasonally lower performing loan book, which could not be counterbalanced by lower average deposit interest rates. In 1Q net fee and commission income advanced q-o-q by 33% in local currency, entirely caused by the aforementioned methodology change. Operating expenses in 1Q dropped by 6% q-o-q in RUB terms, mainly due material expenses decreasing as a result of seasonally low business activity and falling depreciation costs due to base effect. Personnel expenses, however, grew by 10% q-o-q in RUB terms, partly due to the regressive nature of wage-related taxes.

After the preceding quarter's record low value (HUF 7 billion) in the last 5 years the quarterly inflow of FX-adjusted DPD90+ loans excluding the impact of sold/written-off loans was favourable again in 1Q (HUF 8 billion). DPD 90+ ratio decreased by 0.9 pp to 19.4% (-3.2 pps y-o-y). The improvement of the ratio was supported by the sale/write-off of non-performing loans in the amount of RUB 2.8 billion in 1Q (RUB 9 billion in the last 4 quarters). Total risk cost totalled to around the previous year's quarterly average in 1Q, decreased by 24% in RUB terms y-o-y (-12% q-o-q). Thus risk cost rate stayed below 8% (7.9%). DPD90+ coverage at the end of 1Q stood at 122.5% (+5 pps q-o-q, +10 pps y-o-y).

Loan volumes grew nicely y-o-y in most segments, except for the credit card loans. FX-adjusted performing (DPD0-90) consumer loan portfolio increased by 6% y-o-y and dropped by 3% due to the low season. POS lending strengthened, the 1Q 2017 disbursements were higher by 18% y-o-y. Thanks to this and the favourable disbursement dynamics in the second half of last year, the FX-adjusted performing POS loan volumes advanced by 19% y-o-y (-5% q-o-q due to normal seasonality). The erosion of the FX-adjusted performing card loan volumes continued (-5% q-o-q, -21% y-o-y). The 1Q volume of disbursed cash loans increased by 88% y-o-y, the FX-adjusted volume of performing cash loans increased by 20% y-o-y and by 4% q-o-q respectively.

---

[6] Since 3Q 2016 deposit protection fund contributions have been reclassified from the other net non-interest income line to operating expenses. This item amounted to HUF 0.3 billion in 1Q 2017.

FX-adjusted performing corporate loan volumes grew further in 1Q (+2% q-o-q, +16% y-o-y), due to the favourable development of working capital financing and commercial factoring.

Total deposit base shrank by 8% q-o-q (-4% y-o-y), as a result of lowered deposit interest rates both retail and corporate term deposit volumes decreased. FX-adjusted net loan-to-deposit ratio stood at 114% at the end of 1Q 2017.

The capital adequacy ratio of the bank calculated in line with local regulation stood at 17.3% at the end of March (+4 pps y-o-y).

TOUCH BANK (RUSSIA)

Performance of Touch Bank:

Main components of P&L account in HUF mn	1Q 2016	4Q 2016	1Q 2017	Q-o-Q	Y-o-Y
After tax profit w/o dividends and net cash transfer	-1,054	-1,968	-2,259	15%	114%
Income tax	263	490	558	14%	112%
Profit before income tax	-1,317	-2,458	-2,817	15%	114%
Operating profit	-1,298	-2,434	-2,665	9%	105%
Total income	-26	-8	158		
Net interest income	29	76	218	187%	664%
Net fees and commissions	-51	-89	-68	-24%	34%
Other net non-interest income	-4	6	8	38%	-299%
Operating expenses	-1,272	-2,426	-2,823	16%	122%
Total provisions	-19	-24	-152	521%	706%
Provision for possible loan losses	-1	-24	-153	545%	
Other provision	-18	-1	1	-219%	-105%
Main components of balance sheet closing balances in HUF mn	**1Q 2016**	**4Q 2016**	**1Q 2017**	**Q-o-Q**	**Y-o-Y**
Total assets	11,090	26,141	28,059	7%	153%
Gross customer loans	81	1,609	6,953	332%	
Gross customer loans (FX-adjusted)	101	1,733	6,953	301%	
Retail loans	101	1,733	6,953	301%	
Corporate loans	0	0	0		
Allowances for possible loan losses	-1	-36	-198	453%	
Allowances for possible loan losses (FX-adjusted)	-1	-39	-198	413%	
Deposits from customers	7,526	20,455	21,398	5%	184%
Deposits from customer (FX-adjusted)	9,449	22,015	21,398	-3%	126%
Retail deposits	9,449	22,015	21,398	-3%	126%
Corporate deposits	0	0	0		
Liabilities to credit institutions	0	0	0		
Subordinated debt	0	0	0		
Total shareholders' equity	3,518	5,585	6,509	17%	85%
Loan Quality	**1Q 2016**	**4Q 2016**	**1Q 2017**	**Q-o-Q**	**Y-o-Y**
90+ days past due loan volume (in HUF million)	0	5	21	313%	
90+ days past due loans/gross customer loans (%)	0.0%	0.3%	0.3%	0.0%p	0.3%p
Cost of risk/average gross loans (%)	8.16%	8.52%	17.32%	8.80%p	9.16%p
Cost of risk/average (FX-adjusted) gross loans	6.47%	7.70%	16.81%	9.10%p	10.34%p
Performance Indicators (%)	**1Q 2016**	**4Q 2016**	**1Q 2017**	**Q-o-Q**	**Y-o-Y**
Total income margin	-1.14%	-0.13%	2.41%	2.54%p	3.55%p
Net interest margin	1.24%	1.34%	3.33%	1.99%p	2.09%p
Net loans to deposits (FX-adjusted)	1%	8%	32%	24%p	31%p
FX rates (in HUF)	**1Q 2016**	**4Q 2016**	**1Q 2017**	**Q-o-Q**	**Y-o-Y**
HUF/RUB (closing)	4.1	4.8	5.2	8%	26%
HUF/RUB (average)	3.8	4.6	4.9	9%	30%

- ***HUF 2.3 billion loss in 1Q 2017, +6% q-o-q in RUB terms due to increasing customer acquisition costs***
- ***Intensifying business activity, about 89 thousand activated cards, q-o-q fourfold growth of RUB loan volumes (HUF 7 billion in 1Q); net loan-to-deposit ratio up to 32%***

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.

Touch Bank reported HUF 2.3 billion loss in 1Q 2017. The RUB denominated loss grew by 6% q-o-q and 65% y-o-y, mainly as a result of growing costs related to customer acquisition.

Total income turned positive in 1Q thanks to the higher net interest income generated by growing loan portfolio. Due to the strengthening lending activity agent fees and credit bureau fees also increased, as a result net fee and commission income remained still in the red.

Operating expenses increased by 7% in RUB terms on the quarterly comparison, which is still the major factor in the bank's profitability. The operating expenses closely related to the banking operation (personnel expenses, depreciation, not client acquisition related operating expenses) moderated q-o-q by more than 10% in RUB terms, while marketing cost, which is a key driver behind operating expenses grew half as big again q-o-q due to the advertising campaigns launched on TV, radio and online.

Lending conditions are strict, the DPD90+ ratio of the loan portfolio, which is not yet seasoned, was 0.3%, nevertheless around HUF 150 million risk cost was made in 1Q for possible loan losses in the form of so-called IBNR (incurred but not reported) reserves.

New client acquisition was supported by intensive advertising campaigns and was continued through various sales channels. In 1Q 2017 the number of activated cards grew by 43% q-o-q to almost 89 thousand (+189% y-o-y).

Credit card and revolving cash loan origination accelerated. In 1Q 2017, owing to the active marketing the FX-adjusted loan volumes grew q-o-q by more than fourfold (almost HUF 7 billion).

FX-adjusted deposit volumes decreased by 3% q-o-q (1Q: HUF 21.4 billion), mainly due to lowered deposit interest rates.

OTP BANK UKRAINE

Performance of OTP Bank Ukraine:

Main components of P&L account in HUF mn	1Q 2016	4Q 2016	1Q 2017	Q-o-Q	Y-o-Y
After tax profit without the effect of adjustments	856	2,065	3,311	60%	287%
Income tax	-2,806	-92	-617	571%	-78%
Profit before income tax	3,662	2,157	3,928	82%	7%
Operating profit	7,167	4,284	5,031	17%	-30%
Total income	10,616	8,800	8,671	-1%	-18%
Net interest income	8,017	5,867	5,836	-1%	-27%
Net fees and commissions	1,998	2,457	2,214	-10%	11%
Other net non-interest income	601	477	621	30%	3%
Operating expenses	-3,449	-4,517	-3,639	-19%	6%
Total provisions	-3,506	-2,127	-1,104	-48%	-69%
Provision for possible loan losses	-4,465	-2,049	161	-108%	-104%
Other provision	959	-78	-1,264		-232%
Main components of balance sheet closing balances in HUF mn	**1Q 2016**	**4Q 2016**	**1Q 2017**	**Q-o-Q**	**Y-o-Y**
Total assets	272,892	307,117	320,750	4%	18%
Gross customer loans	394,301	381,662	367,784	-4%	-7%
Gross customer loans (FX-adjusted)	405,180	374,804	367,784	-2%	-9%
Retail loans	203,864	161,552	157,579	-2%	-23%
Corporate loans	177,915	191,967	188,449	-2%	6%
Car financing loans	23,401	21,285	21,756	2%	-7%
Gross DPD0-90 customer loans (FX-adjusted)	212,236	217,785	216,108	-1%	2%
Retail loans	50,120	49,316	48,120	-2%	-4%
Corporate loans	150,795	156,274	155,199	-1%	3%
Car financing loans	11,320	12,195	12,789	5%	13%
Allowances for possible loan losses	-225,338	-189,450	-180,478	-5%	-20%
Allowances for possible loan losses (FX-adjusted)	-232,238	-185,868	-180,478	-3%	-22%
Deposits from customers	190,661	228,568	231,073	1%	21%
Deposits from customer (FX-adjusted)	193,958	225,125	231,073	3%	19%
Retail deposits	117,143	105,703	100,763	-5%	-14%
Corporate deposits	76,814	119,422	130,310	9%	70%
Liabilities to credit institutions	95,188	46,270	45,131	-2%	-53%
Subordinated debt	8,300	0	0		-100%
Total shareholders' equity	-36,501	24,243	27,849	15%	-176%
Loan Quality	**1Q 2016**	**4Q 2016**	**1Q 2017**	**Q-o-Q**	**Y-o-Y**
90+ days past due loan volume (in HUF million)	187,188	160,009	151,671	-5%	-19%
90+ days past due loans/gross customer loans (%)	47.5%	41.9%	41.2%	-0.7%p	-6.2%p
Cost of risk/average gross loans (%)	4.46%	2.09%	-0.17%	-2.26%p	-4.64%p
Cost of risk/average (FX-adjusted) gross loans (%)	4.31%	2.05%	-0.18%	-2.23%p	-4.49%p
Total provisions/90+ days past due loans (%)	120.4%	118.4%	119.0%	0.6%p	-1.4%p
Performance Indicators (%)	**1Q 2016**	**4Q 2016**	**1Q 2017**	**Q-o-Q**	**Y-o-Y**
ROA	1.2%	2.7%	4.4%	1.7%p	3.2%p
ROE	-9.6%	32.3%	52.4%	20.1%p	61.9%p
Total income margin	15.30%	11.45%	11.50%	0.05%p	-3.80%p
Net interest margin	11.56%	7.63%	7.74%	0.11%p	-3.81%p
Cost/income ratio	32.5%	51.3%	42.0%	-9.4%p	9.5%p
Net loans to deposits (FX-adjusted)	89%	84%	81%	-3%p	-8%p
FX rates (in HUF)	**1Q 2016**	**4Q 2016**	**1Q 2017**	**Q-o-Q**	**Y-o-Y**
HUF/UAH (closing)	10,6	10,8	10,7	-1%	1%
HUF/UAH (average)	11,0	11,1	10,7	-3%	-3%

- ***The highest Group-level ROE (52.4%) in 1Q***
- ***Improving profitability in 1Q mainly due to lower risk costs supported by favourable credit quality trends and q-o-q moderating operational expenses***
- ***DPD90+ ratio dropped by 6.2 pps y-o-y partly due to non-performing loan sales and write-offs, the coverage ratio is stable at 119%***
- ***FX-adjusted performing loans increased by 2% y-o-y, while deposits advanced by 19%***

The financial performance and indicators of OTP Bank Ukraine in HUF terms were only marginally distorted by the HUF/UAH exchange rate moves: in 1Q 2017 the closing rate of UAH depreciated only 1% q-o-q, but appreciated by the same magnitude y-o-y. The quarterly average rate weakened by 3% both q-o-q and y-o-y. As a result, there might be some difference in local currency P&L and balance sheets dynamics versus those in HUF terms.

OTP Bank Ukraine posted HUF 3.3 billion adjusted after tax profit in 1Q 2017 marking a sharp turnaround against the base period. The profit before tax increased by 7% and reached HUF 3.9 billion. The quarterly ROE surged to 52.4%, the highest level across the Group.

As mentioned, during the period there were only moderate changes in the HUF/UAH exchange rate, we rather analyse the P&L developments in UAH terms.

1Q operating results dropped by 28% y-o-y, the key reason being the y-o-y 25% decline in net interest income. The q-o-q better (+21%) operating profit was mainly due to lower operating expenses.

The y-o-y dynamics in net interest income were negatively influenced by a methodology change on booking interest income on impaired exposures in July and August 2016. This change had a negative impact on net interest income, but also lowered the risk costs in the bank's standalone income statement staring from July 2016.

In 1Q 2017 net interest income increased by 3% q-o-q in UAH. The better NII was partly reasoned by the repayment of an USD 30 million intragroup subordinated facility at the end of November (the related interest expenditure dropped out).

At the end of 1Q 2017 the net performing USD mortgage loan volumes comprised HUF 5.1 billion, whereas the UAH denominated net performing mortgages amounted to HUF 13.5 billion. By the end of February 2017 the restructured USD mortgage loan volumes reached USD 110 million equivalent under the bank's own programme.

Net fees and commissions surged by 14% in UAH terms induced by increasing income generated on corporate and credit card-related transactions. Higher other net non-interest revenues were supported by stronger FX gains.

Operating expenses increased by 9% y-o-y amid a 14% average inflation in 1Q. The sharp q-o-q drop (-17%) was reasoned by lower personnel expenses (bonus payments booked in 4Q) and advisory costs.

Total risk costs dropped by 46% q-o-q (-68% y-o-y). Such a positive development was supported by favourable credit quality trends: against the increase in DPD90+ inflows booked for the last three quarters in 1Q the DPD90+ volumes (FX-adjusted and excluding the impact of loan sales and write-offs) declined (in HUF billion 2016: HUF 11 billion in total, o/w 4Q 2016: 3.1, 1Q 2017:-3.2). Other risk costs booked in 1Q were related to litigations.

In 1Q 2017 HUF 1.9 billion equivalent of non-performing loans were sold or written off. The DPD90+ ratio shrank to 41.2% (-0.7 pp q-o-q and -6.2 pps y-o-y). The total provision coverage of DPD90+ loans increased to 119% (+0.6 pp q-o-q).

The FX-adjusted total performing loan book grew by 2% y-o-y, within that the volume of retail loans eroded by 4% y-o-y. Mortgage disbursements have not been resumed yet, whereas credit card sale generated only limited volume increase. New POS sales surged by 83% y-o-y. On a pilot base car financing has been re-started. Within the retail segment performing consumer loan volumes expanded by 18.2% y-o-y. The volume of POS loans comprising 58% of the total consumer loan portfolio increased by 58% y-o-y.

Performing corporate exposures grew by 3% y-o-y, however eroded by 1% q-o-q.

Deposits (adjusted for the FX-effect) expended by 3% q-o-q and leaped by 19% y-o-y amid further declining offered deposit rates. The volume of retail deposits dropped by 5% q-o-q and by 12% y-o-y. Corporate deposits increased on a quarterly and yearly basis, as well (+9% and +70% respectively).

The standalone capital adequacy ratio of the Ukrainian Banking Group according to local standards stood at 14.0% by the end of March 2017.

The shareholders' equity of the Ukrainian operation under IFRS was HUF 27.8 billion at the end of March 2017. The Ukrainian shareholders' equity includes that of three entities: the Bank, the Leasing and Factoring companies' equity. Accordingly, the standalone equity of the Bank under IFRS reached HUF 28.3 billion at the end of March 2017, whereas the equity of the Leasing Company comprised HUF 0.1 billion. As for the Factoring company its equity was -HUF 0.6 billion. By March 2017 the total gross amount of intragroup funding exposure toward the Ukrainian group members decreased to HUF 44.6 billion (HUF -58.8 billion y-o-y) and were as follows: there was an outstanding exposure of USD 137 million toward the Leasing Company and the remaining USD 18 million toward the Factoring unit, respectively.

OTP BANK ROMANIA

Performance of OTP Bank Romania:

Main components of P&L account in HUF mn	1Q 2016	4Q 2016	1Q 2017	Q-o-Q	Y-o-Y
After tax profit without the effect of adjustments	616	-550	1,308	-338%	112%
Income tax	-543	-156	-575	269%	6%
Profit before income tax	1,159	-394	1,883	-578%	62%
Operating profit	2,064	2,073	2,949	42%	43%
Total income	6,948	6,603	7,158	8%	3%
Net interest income	5,170	5,144	5,330	4%	3%
Net fees and commissions	725	661	769	16%	6%
Other net non-interest income	1,053	799	1,060	33%	1%
Operating expenses	-4,884	-4,530	-4,210	-7%	-14%
Total provisions	-905	-2,467	-1,065	-57%	18%
Provision for possible loan losses	-949	-1,556	-1,026	-34%	8%
Other provision	44	-911	-39	-96%	-189%
Main components of balance sheet closing balances in HUF mn	**1Q 2016**	**4Q 2016**	**1Q 2017**	**Q-o-Q**	**Y-o-Y**
Total assets	603,767	588,188	588,209	0%	-3%
Gross customer loans	528,710	524,576	520,174	-1%	-2%
Gross customer loans (FX-adjusted)	518,916	520,399	520,174	0%	0%
Retail loans	380,281	379,141	381,576	1%	0%
Corporate loans	138,635	141,258	138,598	-2%	0%
Allowances for possible loan losses	-73,192	-74,645	-75,287	1%	3%
Allowances for possible loan losses (FX-adjusted)	-72,405	-74,225	-75,287	1%	4%
Deposits from customers	329,982	336,991	325,251	-3%	-1%
Deposits from customer (FX-adjusted)	322,304	333,949	325,251	-3%	1%
Retail deposits	245,048	253,468	243,442	-4%	-1%
Corporate deposits	77,256	80,481	81,809	2%	6%
Liabilities to credit institutions	181,960	167,372	180,216	8%	-1%
Total shareholders' equity	42,371	42,510	43,726	3%	3%
Loan Quality	**1Q 2016**	**4Q 2016**	**1Q 2017**	**Q-o-Q**	**Y-o-Y**
90+ days past due loan volume (in HUF million)	98,867	91,328	91,925	1%	-7%
90+ days past due loans/gross customer loans (%)	18.7%	17.4%	17.7%	0.3%p	-1.0%p
Cost of risk/average gross loans (%)	0.71%	1.19%	0.80%	-0.39%p	0.08%p
Cost of risk/average (FX-adjusted) gross loans (%)	0.71%	1.19%	0.80%	-0.39%p	0.10%p
Total provisions/90+ days past due loans (%)	74.0%	81.7%	81.9%	0.2%p	7.9%p
Performance Indicators (%)	**1Q 2016**	**4Q 2016**	**1Q 2017**	**Q-o-Q**	**Y-o-Y**
ROA	0.4%	-0.4%	0.9%	1.3%p	0.5%p
ROE	5.8%	-5.0%	12.2%	17.2%p	6.4%p
Total income margin	4.47%	4.55%	4.93%	0.39%p	0.46%p
Net interest margin	3.33%	3.54%	3.67%	0.13%p	0.34%p
Cost/income ratio	70.3%	68.6%	58.8%	-9.8%p	-11.5%p
Net loans to deposits (FX-adjusted)	139%	134%	137%	3%p	-2%p
FX rates (in HUF)	**1Q 2016**	**4Q 2016**	**1Q 2017**	**Q-o-Q**	**Y-o-Y**
HUF/RON (closing)	70.2	68.5	67.9	-1%	-3%
HUF/RON (average)	69.5	68.6	68.4	0%	-2%

- ***In 1Q 2017 the bank posted HUF 1.3 billion profit after tax; ROE reached 12.2%***
- ***Operating profit surged by 43% y-o-y as a result of higher total income (+3%) and strong operating cost management (-14%)***
- ***Net interest margin improved both q-o-q and y-o-y***
- ***The retail loan portfolio kept increasing in 1Q, supported by improving mortgage and outstanding cash loan disbursements***

OTP Bank Romania posted HUF 1.3 billion net earnings in 1Q 2017, more than twice as much as in 1Q 2016.

Operating profit surged by 43% y-o-y as a result of 3% higher total income and 14% lower operating costs. Within total income net interest income grew by 3%. The reason was that the impact of the CHF mortgage conversion resulting in lower margins has been already incorporated into the base figures and the net interest margin – supported also by lower funding costs – could increase by 34 bps y-o-y. Furthermore, the higher share of consumer loans (+9% y-o-y) within the performing loan volumes (+2% y-o-y, FX adjusted) also had a positive impact on net interest margin.

In 1Q net interest income grew by 4% q-o-q. In line with general market trends deposit rates shrank q-o-q. This and the increase of the average performing loan volumes (within that the q-o-q higher volumes of high-margin consumer loans) had a positive impact on NII.

Net fees and commissions advanced by 6% y-o-y, whereas q-o-q they improved by 17%. The substantial quarterly increase is reasoned by base effect: in 4Q there was a reclassification of discounts earned after certain banking products and services. Latter was booked within marketing costs before and the cumulative amount was shifted into fee and commission expenses in one lump sum in 4Q 2016.

Other net non-interest income grew by 1% y-o-y; the q-o-q 33% increase was supported by a single gain from a property sale.

Operating costs moderated by 14% y-o-y as a result of stringent cost control. Amortization costs dropped by 59% y-o-y and administrative expenses also declined by 12% y-o-y partly as a result of savings realized on real estates.

Total risk costs increased by 18% y-o-y influenced both by higher provisions for possible loan losses and other provisions. However, q-o-q total risk costs dropped by 57% to a great extent due to the base effect of other provisions made for litigations in 4Q. The risk cost rate melted down to 80 bps (-39 bps q-o-q).

DPD90+ volumes adjusted for FX changes and without sales and write offs grew by HUF 1.6 billion in 1Q. New inflows occurred mainly in the corporate segment. During 1Q HUF 0.4 billion non-performing assets were sold/written off. The DPD90+ ratio was 17.7% (-1.0 pp y-o-y); their coverage grew by 7.9 pps y-o-y to 81.9%.

Gross loan volumes adjusted for FX changes did not change either y-o-y or q-o-q; both the corporate book and the retail portfolio stagnated. The quarterly drop of 2% in corporate exposure was off-set by higher retail volumes (+1.0% q-o-q). As a result of intensifying business activity cash loan disbursement advanced by 10% q-o-q and their volumes increased by 5% q-o-q (FX-adjusted).The large corporate segment also showed pick up on new disbursements results (+32% q-o-q). The new mortgage disbursements volume shows also a substantial y-o-y increase (+by 238%); within such good performance the state subsidized Prima Casa Programme played role, too.

FX-adjusted deposit volumes increased by 1% y-o-y, but dropped by 4% q-o-q mainly due to retail outflows (-4% q-o-q).

According to local regulation the Bank's standalone capital adequacy ratio stood at 16.3% at the end of March 2017 (+1.9 pps q-o-q).

OTP BANKA HRVATSKA (CROATIA)

Performance of OTP banka Hrvatska:

Main components of P&L account in HUF mn	1Q 2016	4Q 2016	1Q 2017	Q-o-Q	Y-o-Y
After tax profit without the effect of adjustments	846	202	-1,847		-318%
Income tax	-209	17	417		-300%
Profit before income tax	1,055	184	-2,264		-315%
Operating profit	2,733	3,589	3,140	-13%	15%
Total income	7,269	7,876	7,818	-1%	8%
Net interest income	5,362	5,918	5,955	1%	11%
Net fees and commissions	1,183	1,391	1,301	-6%	10%
Other net non-interest income	724	568	562	-1%	-22%
Operating expenses	-4,535	-4,287	-4,678	9%	3%
Total provisions	-1,678	-3,405	-5,404	59%	222%
Provision for possible loan losses	-1,523	-1,273	-5,011	294%	229%
Other provision	-155	-2,131	-393	-82%	154%
Main components of balance sheet closing balances in HUF mn	1Q 2016	4Q 2016	1Q 2017	Q-o-Q	Y-o-Y
Total assets	632,916	649,063	639,423	-1%	1%
Gross customer loans	465,437	471,346	483,195	3%	4%
Gross customer loans (FX-adjusted)	459,382	470,727	483,195	3%	5%
Retail loans	294,414	307,664	313,232	2%	6%
Corporate loans	164,823	162,931	169,844	4%	3%
Allowances for possible loan losses	-45,907	-50,051	-55,397	11%	21%
Allowances for possible loan losses (FX-adjusted)	-45,549	-50,364	-55,397	10%	22%
Deposits from customers	496,611	515,450	508,805	-1%	2%
Deposits from customer (FX-adjusted)	493,300	513,901	508,805	-1%	3%
Retail deposits	438,265	448,565	442,540	-1%	1%
Corporate deposits	55,035	65,336	66,265	1%	20%
Liabilities to credit institutions	50,000	44,141	40,802	-8%	-18%
Total shareholders' equity	71,560	74,026	72,917	-1%	2%
Loan Quality	1Q 2016	4Q 2016	1Q 2017	Q-o-Q	Y-o-Y
90+ days past due loan volume (in HUF million)	62,857	57,127	56,771	-1%	-10%
90+ days past due loans/gross customer loans (%)	13.5%	12.1%	11.7%	-0.4%p	-1.8%p
Cost of risk/average gross loans (%)	1.33%	1.09%	4.29%	3.20%p	2.97%p
Cost of risk/average (FX-adjusted) gross loans (%)	1.34%	1.10%	4.30%	3.20%p	2.95%p
Total provisions/90+ days past due loans (%)	73.0%	87.6%	97.6%	10.0%p	24.5%p
Performance Indicators (%)	1Q 2016	4Q 2016	1Q 2017	Q-o-Q	Y-o-Y
ROA	0.5%	0.1%	-1.2%	-1.3%p	-1.7%p
ROE	4.9%	1.1%	-10.0%	-11.1%p	-14.9%p
Total income margin	4.59%	4.80%	4.92%	0.12%p	0.32%p
Net interest margin	3.39%	3.61%	3.75%	0.14%p	0.36%p
Cost/income ratio	62.4%	54.4%	59.8%	5.4%p	-2.6%p
Net loans to deposits (FX-adjusted)	84%	82%	84%	2%p	0%p
FX rates (in HUF)	1Q 2016	4Q 2016	1Q 2017	Q-o-Q	Y-o-Y
HUF/HRK (closing)	41.7	41.1	41.5	1%	-1%
HUF/HRK (average)	41.0	41.1	41.4	1%	1%

- ***HUF 1.8 billion loss in Q1 as a result of rising risk costs***
- ***Improvement in net interest margin (y-o-y +36 bps, q-o-q +14 bps) mainly reflects the effect of steadily declining funding costs***
- ***FX-adjusted loan volumes grew by 3% q-o-q***
- ***The DPD90+ ratio decreased q-o-q and y-o-y, its coverage improved***

On 2 May 2017, based on the acquisition agreement on purchasing 100% shareholding of Splitska banka d.d., member of Société Générale Group signed on 20 December 2016 between OTP banka Hrvatska, the Croatian subsidiary of OTP Bank and Société Générale Group, the financial closure of the transaction has been completed. The purchase price was EUR 425 million. Current interim management report does not incorporate the impact of the transaction, it will be reported in the Company's 2017 second quarter earnings.

In the first quarter of 2017, **OTP banka Hrvatska** closed with loss of HUF 1.8 billion, which was driven by a significant increase in provision for possible loan losses related to a large corporate exposure.

Underlying portfolio quality trends remained favourable in 1Q: the FX-adjusted DPD90+ volume formation excluding the impact of sold/written-off loans declined by HUF 0.5 billion, similarly to the previous quarter. The DPD90+ ratio (11.7%) shrank by 0.4 pp q-o-q. In the last four quarters HUF 0.2 billion non-performing portfolio was sold or written-off, of which HUF 0.1 billion in 1Q. As a result, total provision coverage ratio of DPD90+ loans improved to 97.6% by 10 pps q-o-q and 24,5 pps y-o-y.

Operating profit advanced by 15% y-o-y, as a result of higher total income (+7% y-o-y), while operating expenses grew by 3%. Cost income ratio improved by 2.6 pps y-o-y. Rising net interest income (+11% y-o-y) was partly reasoned by improving net margin due to decreasing funding costs, and partly by growing loan volumes. Net interest margin improved to 3.75% (+36 bps y-o-y, + 14 bps q-o-q). Net fee and commissions increased by 10% y-o-y. Other net non-interest income declined (-22% y-o-y).

Concerning the quarterly P&L developments, the 13% decline in operating profit was caused by rising operating expenses coupled with moderately lower total income.

1% q-o-q increase of net interest income was mainly due to moderating interest expenses. Net fees and commissions declined by 6% q-o-q, mostly due to seasonal effects. Within operating expenses the q-o-q increase in material costs was caused partly by seasonal effects and partly by advisory costs and increasing fees paid to supervisory bodies. Personal expenses increased by 3% q-o-q, while the number of employees q-o-q grew by 2.5%.

On quarterly basis the total provisions increased by 59%. Improvement in other provision (-82% q-o-q) was mainly due to base effect: in 4Q 2016 provisions were made on litigation.

The FX-adjusted loan book expanded by 5% y-o-y and by 3% q-o-q. Retail loans showed 2% FX-adjusted increase q-o-q, partly due to successful cash loan campaign conducted in 1Q; consumer loans advanced by 3% q-o-q. FX-adjusted mortgage loan portfolio grew by 11% y-o-y (+1% q-o-q). On yearly comparison loan disbursements advanced well, all segments showed volume growth: cash loans advanced by 39% and mortgage loans by 5%. Due to a technical reclassification corporate volumes increased q-o-q by 4% (a bill of exchange earlier booked within financial assets has been moved to corporate loan line); without this item corporate loan portfolio would have grown by +0.5% q-o-q

FX-adjusted deposit base decreased by 1% q-o-q, while on yearly basis it grew by 3%. Retail deposits y-o-y thrived by 1% (q-o-q -1%), within that sight deposits increased by 27%, while term deposits decreased by 11% (adjusted for FX-effect). Corporate deposits surged by 20% (+1% q-o-q). Net loan to deposits ratio grew by 2 pps to 84% q-o-q, while y-o-y it was fairly stable.

The capital adequacy ratio of the bank stood at 16.5% at the end of 1Q (+0.9 pp q-o-q).

The corporate tax rate was decreased to 18% from 20% effective from 1 January 2017.

OTP BANKA SLOVENSKO (SLOVAKIA)

Performance of OTP Banka Slovensko*:

Main components of P&L account in HUF mn	1Q 2016	4Q 2016	1Q 2017	Q-o-Q	Y-o-Y
After tax profit without the effect of adjustments	351	-2,644	90	-103%	-74%
Income tax	-116	454	-50	-111%	-57%
Profit before income tax	467	-3,097	140	-105%	-70%
Operating profit	1,628	1,689	1,801	7%	11%
Total income	4,388	4,533	4,437	-2%	1%
Net interest income	3,628	3,462	3,412	-1%	-6%
Net fees and commissions	679	987	933	-6%	37%
Other net non-interest income	81	83	92	11%	13%
Operating expenses	-2,761	-2,844	-2,636	-7%	-5%
Total provisions	-1,161	-4,786	-1,661	-65%	43%
Provision for possible loan losses	-1,167	-4,577	-1,636	-64%	40%
Other provision	6	-209	-26	-88%	-525%
Main components of balance sheet closing balances in HUF mn	1Q 2016	4Q 2016	1Q 2017	Q-o-Q	Y-o-Y
Total assets	456,310	453,720	444,108	-2%	-3%
Gross customer loans	386,649	388,926	384,442	-1%	-1%
Gross customer loans (FX-adjusted)	379,931	386,025	384,442	0%	1%
Retail loans	313,258	325,102	324,982	0%	4%
Corporate loans	66,559	60,863	59,411	-2%	-11%
Car financing loans	-23,919	-31,462	-32,481	3%	36%
Allowances for possible loan losses	-23,504	-31,228	-32,481	4%	38%
Allowances for possible loan losses (FX-adjusted)	383,878	366,976	353,455	-4%	-8%
Deposits from customers	377,572	364,200	353,455	-3%	-6%
Deposits from customer (FX-adjusted)	343,052	338,931	327,594	-3%	-5%
Retail deposits	34,520	25,269	25,861	2%	-25%
Corporate deposits	7,936	8,104	8,432	4%	6%
Liabilities to credit institutions	6,287	6,223	6,178	-1%	-2%
Issued securities	30,613	27,339	27,126	-1%	-11%
Subordinated debt	456,310	453,720	444,108	-2%	-3%
Total shareholders' equity	386,649	388,926	384,442	-1%	-1%
Loan Quality	1Q 2016	4Q 2016	1Q 2017	Q-o-Q	Y-o-Y
90+ days past due loan volume (in HUF million)	39,112	43,451	44,990	4%	15%
90+ days past due loans/gross customer loans (%)	10.1%	11.2%	11.7%	0.5%p	1.6%p
Cost of risk/average gross loans (%)	1.23%	4.78%	1.72%	-3.06%p	0.49%p
Cost of risk/average (FX-adjusted) gross loans (%)	1.23%	4.80%	1.72%	-3.07%p	0.49%p
Total provisions/90+ days past due loans (%)	61.2%	72.4%	72.2%	-0.2%p	11.0%p
Performance Indicators (%)	1Q 2016	4Q 2016	1Q 2017	Q-o-Q	Y-o-Y
ROA	0.3%	-2.3%	0.1%	2.4%p	-0.2%p
ROE	4.6%	-36.0%	1.3%	37.3%p	-3.3%p
Total income margin	3.91%	4.01%	4.01%	0.00%	0.10%
Net interest margin	3.23%	3.07%	3.08%	0.02%p	-0.15%p
Cost/income ratio	62.9%	62.7%	59.4%	-3.3%p	-3.5%p
Net loans to deposits (FX-adjusted)	94%	97%	100%	2%p	5%p
FX rates (in HUF)	1Q 2016	4Q 2016	1Q 2017	Q-o-Q	Y-o-Y
HUF/EUR (closing)	314.2	311.0	308.7	-1%	-2%
HUF/EUR (average)	311.9	309.4	309.2	0%	-1%

* Note: P&L lines and performance indicators are adjusted for the banking tax, Deposit Protection Fund contributions and payments into the Resolution Fund.

- ***HUF 90 million adjusted after tax profit supported by q-o-q improving operating profit and lower risk cost***
- ***Higher DPD90+ ratio (11.7%), stable coverage ratio (72.2%; +11.0 pps y-o-y)***
- ***Stable net interest margin, 1% y-o-y increase of the FX-adjusted loan book***

The **OTP Banka Slovensko** reached HUF 90 million adjusted after tax profit in 1Q 2017 versus HUF 2.6 billion loss in the previous quarter, supported by 7% q-o-q improvement in operating profit and 65% lower risk cost.

The increase of the 1Q operating profit is a result of the 7% decrease in the operating expenses. Operating income decreased by 2% q-o-q.

The 1Q net interest income decreased on a quarterly and a yearly basis as well (-1% q-o-q and -6% y-o-y). The net interest margin (3.08%) improved slightly q-o-q, since the lower interest income on loans and liquid assets were counterbalanced by lower funding cost as a result of deposit interest rate cuts.

In 1Q 2017 net fees and commission income dropped by 6% q-o-q, while grew by 37% y-o-y, partly due to higher income realized on prepayments and transactions on newly introduced retail account packages and cards.

In 1Q 2017 the operating expenses dropped by 7% q-o-q due to the decrease of operational costs related to lower marketing cost.

The total risk cost declined by 65% q-o-q in 1Q 2017, however it increased by 43% y-o-y.

The FX adjusted DPD90+ loan book grew by HUF 1.9 billion (without the effect of non-performing loan sales and write-offs), during 2016 the quarterly deterioration average was HUF 1.5 billion. The DPD90+ ratio increased by 0.5 pp to 11.7% q-o-q (+1.6 pp y-o-y). The DPD90+ coverage ratio (72.2%) remained stable q-o-q, improved by 11.0 pps y-o-y. In 1Q 2017 around HUF 0.5 billion equivalent non-performing loans were sold or written off.

The FX-adjusted loan book eroded by 1% q-o-q, within that the erosion of corporate volumes was bigger. Opposite to declining consumer loans, mortgage loans rose slightly q-o-q. On a yearly basis the increase of SME performing portfolio was the most significant.

The FX-adjusted deposit volume eroded by 6% y-o-y, compared to the previous quarter 3% decline can be observed. The latter is reasoned by the 3% drop in the volume of retail deposits; the volume of corporate deposits comprising 7% of the deposit book increased by 13% y-o-y.

The capital adequacy ratio stood at 13.1% at the end of 1Q 2017.

OTP BANKA SRBIJA (SERBIA)

Performance of OTP banka Srbija:

Main components of P&L account in HUF mn	1Q 2016	4Q 2016	1Q 2017	Q-o-Q	Y-o-Y
After tax profit without the effect of adjustments	30	-155	-6	-96%	-121%
Income tax	0	34	0	-100%	-100%
Profit before income tax	30	-189	-6	-97%	-121%
Operating profit	144	251	136	-46%	-6%
Total income	1,890	1,993	1,889	-5%	0%
Net interest income	1,406	1,471	1,424	-3%	1%
Net fees and commissions	399	434	411	-5%	3%
Other net non-interest income	85	88	54	-39%	-36%
Operating expenses	-1,745	-1,741	-1,753	1%	0%
Total provisions	-115	-440	-143	-68%	25%
Provision for possible loan losses	-127	-591	-122	-79%	-4%
Other provision	13	151	-20	-113%	-260%
Main components of balance sheet closing balances in HUF mn	**1Q 2016**	**4Q 2016**	**1Q 2017**	**Q-o-Q**	**Y-o-Y**
Total assets	124,196	123,279	121,461	-1%	-2%
Gross customer loans	105,988	108,704	106,738	-2%	1%
Gross customer loans (FX-adjusted)	104,030	107,611	106,738	-1%	3%
Retail loans	45,284	47,695	48,166	1%	6%
Corporate loans	58,746	59,916	58,572	-2%	0%
Allowances for possible loan losses	-31,035	-26,349	-24,797	-6%	-20%
Allowances for possible loan losses (FX-adjusted)	-30,278	-26,064	-24,797	-5%	-18%
Deposits from customers	81,331	78,583	72,998	-7%	-10%
Deposits from customer (FX-adjusted)	79,609	77,846	72,998	-6%	-8%
Retail deposits	44,424	47,810	48,683	2%	10%
Corporate deposits	35,185	30,035	24,315	-19%	-31%
Liabilities to credit institutions	7,107	8,572	13,373	56%	88%
Subordinated debt	2,539	2,511	2,491	-1%	-2%
Total shareholders' equity	29,194	28,805	28,451	-1%	-3%
Loan Quality	**1Q 2016**	**4Q 2016**	**1Q 2017**	**Q-o-Q**	**Y-o-Y**
90+ days past due loan volume (in HUF million)	41,089	35,504	33,496	-6%	-18%
90+ days past due loans/gross customer loans (%)	38.8%	32.7%	31.4%	-1.3%p	-7.4%p
Cost of risk/average gross loans (%)	0.48%	2.14%	0.46%	-1.68%p	-0.02%p
Cost of risk/average (FX-adjusted) gross loans (%)	0.48%	2.14%	0.46%	-1.68%p	-0.02%p
Total provisions/90+ days past due loans (%)	75.5%	74.2%	74.0%	-0.2%p	-1.5%p
Performance Indicators (%)	**1Q 2016**	**4Q 2016**	**1Q 2017**	**Q-o-Q**	**Y-o-Y**
ROA	0.1%	-0.5%	0.0%	0.5%p	-0.1%p
ROE	0.4%	-2.1%	-0.1%	2.1%p	-0.5%p
Total income margin	6.24%	6.23%	6.30%	0.07%p	0.06%p
Net interest margin	4.65%	4.60%	4.75%	0.15%p	0.10%p
Cost/income ratio	92.4%	87.4%	92.8%	5.4%p	0.4%p
Net loans to deposits (FX-adjusted)	93%	105%	112%	7%p	20%p
FX rates (in HUF)	**1Q 2016**	**4Q 2016**	**1Q 2017**	**Q-o-Q**	**Y-o-Y**
HUF/RSD (closing)	2.6	2.5	2.5	-1%	-3%
HUF/RSD (average)	2.5	2.5	2.5	-1%	-2%

- ***Negative result in the first quarter of 2017***
- ***The DPD90+ ratio decreased to 31.4% with stable coverage at 74%***
- ***FX-adjusted performing loans and gross loans expanded y-o-y by 15% and 3%, respectively***
- ***Net loans to deposit increased by 7pps to 112% due to corporate deposit outflow***

OTP banka Srbija realized HUF 6 million loss vis-a-vis HUF 155 million loss in the previous period and HUF 30 million profit after tax posted in 1Q 2016.

Operating profit decreased by HUF 8 million (-6%) y-o-y, while total income and operating expenses remained stable y-o-y.

Net interest income increased by 1% y-o-y, net interest margin widened by 10 bps y-o-y. Net fees and commissions grew by 3% on a yearly basis. Other net non-interest income declined by 36% y-o-y.

Operating expenses remained stable y-o-y. Within that personal expenses moderated by 2%; the number of employees y-o-y decreased by 20 people to 612.

Total provisions surged by 25% compared to 1Q 2016, mainly due to litigation related provisions occurring in 1Q 2017.

Concerning the quarterly P&L developments, q-o-q improvement in profit after tax was due to decreasing total provisions (-68%), within that provision for possible loan losses declined by nearly HUF 470 million (-79%). Meanwhile, operating profit moderated by 46% q-o-q. Net interest income diminished by 3% q-o-q mainly caused by seasonal effects; net interest margin q-o-q improved due to the effect of decreasing average total assets. Net fees and commissions declined by 5% q-o-q, mainly due to decreasing transaction turnover in the corporate segment, but card related fee incomes moderated too.

DPD90+ ratio shrank by 1.3 pps to 31.4% q-o-q. The y-o-y 7.4 pps improvement of the indicator can be attributed to sold and writen off loans: in the last four quarters HUF 6.7 billion non-performing portfolio was sold or written-off, of which HUF 1.4 billion in 1Q. Total provision coverage ratio of DPD90+ loans decreased slightly to 74.0% by 0.2 pp q-o-q.

FX-adjusted gross loan portfolio advanced by 3% y-o-y and decreased by 1% q-o-q. Dynamics is determined by the sold and written-off of non-performing loans. Performing loans grew by 1% q-o-q (adjusted for FX-effect), mainly consumer loans increased (+2.5% q-o-q). Although, on a yearly comparison, performing loans surged by 15% that was driven by SME and MLE loans, while retail consumer loans grew by 12% y-o-y. New loan disbursements advanced well on yearly basis: new cash loan disbursement increased by 18%, new morgage loan disbursement nearly quadrupled.

FX-adjusted deposit base decreased 8% y-o-y and by 6% q-o-q, primarily due to corporate deposit outflow (-31% y-o-y, -19% q-o-q). In parallel, liabilities to credit institutions increased. Net loans to deposits ratio increased to 112% (+20 pps y-o-y, +7 pps q-o-q).

The capital adequacy ratio of the bank stood at 23.2% at the end of 1Q (+0.4 pp q-o-q).

CRNOGORSKA KOMERCIJALNA BANKA (MONTENEGRO)

Performance of CKB:

Main components of P&L account in HUF mn	1Q 2016	4Q 2016	1Q 2017	Q-o-Q	Y-o-Y
After tax profit w/o dividends and net cash transfer	112	-3,511	82	-102%	-27%
Income tax	0	2	0	-100%	-100%
Profit before income tax	112	-3,512	82	-102%	-27%
Operating profit	561	443	524	18%	-7%
Total income	2,314	2,413	2,278	-6%	-2%
Net interest income	1,730	1,691	1,623	-4%	-6%
Net fees and commissions	561	611	531	-13%	-5%
Other net non-interest income	24	112	124	11%	427%
Operating expenses	-1,754	-1,970	-1,754	-11%	0%
Total provisions	-448	-3,955	-442	-89%	-1%
Provision for possible loan losses	-440	-3,793	-192	-95%	-56%
Other provision	-8	-163	-250	53%	
Main components of balance sheet closing balances in HUF mn	**1Q 2016**	**4Q 2016**	**1Q 2017**	**Q-o-Q**	**Y-o-Y**
Total assets	192,300	197,562	185,478	-6%	-4%
Gross customer loans	150,907	143,331	137,644	-4%	-9%
Gross customer loans (FX-adjusted)	148,284	142,262	137,644	-3%	-7%
Retail loans	71,654	71,148	71,227	0%	-1%
Corporate loans	76,631	71,114	66,417	-7%	-13%
Allowances for possible loan losses	-53,587	-56,513	-52,454	-7%	-2%
Allowances for possible loan losses (FX-adjusted)	-52,655	-56,091	-52,454	-6%	0%
Deposits from customers	140,579	149,119	138,878	-7%	-1%
Deposits from customer (FX-adjusted)	138,566	147,936	138,878	-6%	0%
Retail deposits	108,756	112,790	108,569	-4%	0%
Corporate deposits	29,811	35,146	30,309	-14%	2%
Liabilities to credit institutions	21,898	20,765	19,181	-8%	-12%
Subordinated debt	0	0	0		
Total shareholders' equity	23,310	21,188	21,143	0%	-9%
Loan Quality	**1Q 2016**	**4Q 2016**	**1Q 2017**	**Q-o-Q**	**Y-o-Y**
90+ days past due loan volume (in HUF million)	64,024	60,801	54,256	-11%	-15%
90+ days past due loans/gross customer loans (%)	42.4%	42.4%	39.4%	-3.0%p	-3.0%p
Cost of risk/average gross loans (%)	1.18%	10.46%	0.56%	-9.90%p	-0.63%p
Cost of risk/average (FX-adjusted) gross loans (%)	1.19%	10.50%	0.56%	-9.94%p	-0.63%p
Total provisions/90+ days past due loans (%)	83.7%	92.9%	96.7%	3.7%p	13.0%p
Performance Indicators (%)	**1Q 2016**	**4Q 2016**	**1Q 2017**	**Q-o-Q**	**Y-o-Y**
ROA	0.2%	-7.1%	0.2%	7.3%p	-0.1%p
ROE	2.0%	-58.8%	1.6%	60.4%p	-0.4%p
Total income margin	4.79%	4.87%	4.84%	-0.03%p	0.05%p
Net interest margin	3.58%	3.41%	3.45%	0.04%p	-0.13%p
Cost/income ratio	75.8%	81.6%	77.0%	-4.6%p	1.2%p
Net loans to deposits (FX-adjusted)	69%	58%	61%	3%p	-8%p
FX rates (in HUF)	**1Q 2016**	**4Q 2016**	**1Q 2017**	**Q-o-Q**	**Y-o-Y**
HUF/EUR (closing)	314.2	311.0	308.7	-1%	-2%
HUF/EUR (average)	311.9	309.4	309.2	0%	-1%

- ***HUF 82 million profit in 1Q 2017***
- ***The operating profit improved by 18% q-o-q mainly due to the cut back of operating expenses***
- ***The DPD90+ rate (39.4%) improved on both the annual and quarterly base***
- ***Gross loan portfolio eroded by 3% q-o-q, but the performing volumes increased by 2% q-o-q; the deposit portfolio declined by 6% q-o-q (FX-adjusted changes)***

The Montenegrin **CKB Bank** posted HUF 82 million after tax profit in 1Q 2017 (-27% y-o-y), in opposite to the HUF 3.5 billion loss in 4Q 2016.

The operating profit improved 18% q-o-q, because in the case of operating expenses there was 11% decline, while the total income decreased by 6% q-o-q. The latter is mainly due to the fall of net fees and commissions (-13% q-o-q) and the 4% q-o-q decline of net interest income. The decreasing interest rate level of new loan disbursement still has negative impact on net interest income.

The decline of operating expenses is due to the decrease of depreciation, personnel expenses and the cut back of administrative expenses. The operating expense remained stable y-o-y.

The total risk cost declined by 89% q-o-q, thus its level is fairly equal to 1Q 2016 level.

The DPD90+ 90 ratio (39.4%) improved by 3 pps on the annual and quarterly base, too. The DPD90+

loan volume decreased by HUF 0.3 billion in 1Q compare to the previous quarter (FX-adjusted and without sales and write offs). During 1Q nearly HUF 6 billion non-performing assets were sold/written off. The coverage of DPD90+ loans increased further and stood at 96.7% at the end of 1Q 2017 (+3.7 pps q-o-q, +13% pps y-o-y)

The FX-adjusted loan portfolio declined in 1Q 2017 (-3% q-o-q, -7% y-o-y). In the background of decrease mainly sold/written off corporate loans stand; the performing loans increased by 2% q-o-q, within that the performing corporate loans by 5% q-o-q respectively.

The FX-adjusted deposit portfolio declined by 6% q-o-q, within that the retail deposits decreased by 4%, while the corporate deposits came down by 14%.

The capital adequacy ratio calculated according to local requirements stood at 20.1% at the end of 1Q 2017.

STAFF LEVEL AND OTHER INFORMATION

The closing staff number of OTP Group (including the number of employed selling agents) was 32,014 as of 31 March 2017.

OTP Group provides services through 1,300 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 364 branches and 1,897 ATM terminals. The Bank (Hungary) has more than 60 thousands POS terminals.

	31/12/2016				31/03/2017			
	Branches	**ATM**	**POS**	**Headcount (closing)**	**Branches**	**ATM**	**POS**	**Headcount (closing)**
OTP Core	367	1,883	59,988	8,293	364	1,897	60,790	8,843
o/w: new OTP Core members from 1Q 2017								591
DSK Group	372	892	5,723	4,679	373	892	5,750	4,684
OTP Bank Russia (w/o employed agents)	134	267	1,446	4,744	134	266	1,237	4,771
Touch Bank (Russia)	0	0	0	268	0	0	0	329
OTP Bank Ukraine (w/o employed agents)	84	118	246	2,151	84	118	246	2,168
OTP Bank Romania	100	147	3,374	1,119	100	147	3,980	1,126
OTP banka Hrvatska	103	273	2,269	1,097	103	253	2,304	1,124
OTP Banka Slovenko	61	142	223	667	61	142	224	668
OTP banka Srbija	52	118	2,303	611	52	118	2,303	612
CKB	29	87	4,991	424	29	87	4,969	422
Foreign subsidiaries, total	**935**	**2,044**	**20,575**	**15,758**	**936**	**2,023**	**21,013**	**15,904**
Other Hungarian and foreign subsidiaries[1]				1,327				746
OTP Group (w/o employed agents)				**25,378**				**26,085**
OTP Bank Russia - employed agents				*6,324*				5,846
OTP Bank Ukraine - employed agents				*633*				675
OTP Group (aggregated)	**1,302**	**3,927**	**80,563**	**32,335**	**1,300**	**3,920**	**81,803**	**32,014**

[1] Due to the changes of the data provider group members, and companies (previously presented among other Hungarian Group members) becoming member of OTP Core from 1Q 2017, the historical employee numbers of Other Hungarian and foreign subsidiaries are not comparable.

PERSONAL AND ORGANIZATIONAL CHANGES

In the first quarter of 2017 there was no change in the composition of the Board of Directors, the Supervisory Board, the Audit Committee and the Auditor of the Bank.

FINANCIAL DATA

SEPARATE AND CONSOLIDATED IFRS STATEMENT OF FINANCIAL POSITION

in HUF million	OTP Bank			Consolidated		
	31/03/2017	31/03/2016	change	31/03/2017	31/03/2016	change
Cash, amounts due from banks and balances with the National Bank of Hungary	637,013	1,332,706	-52%	1,351,267	1,806,940	-25%
Placements with other banks, net of allowance for placement losses	774,590	748,365	4%	347,441	248,349	40%
Financial assets at fair value through profit or loss	278,674	256,837	9%	309,807	254,232	22%
Securities available-for-sale	1,672,719	1,460,466	15%	1,669,298	1,453,579	15%
Loans, net of allowance for loan losses	1,968,949	1,696,265	16%	5,778,811	5,423,478	7%
Investments in subsidiaries, associates and other investments	682,140	666,318	2%	10,041	9,232	9%
Securities held-to-maturity	951,078	818,545	16%	1,218,822	902,560	35%
Property, equipments and intangible assets	90,238	95,241	-5%	360,314	348,764	3%
Other assets	225,017	179,644	25%	344,412	282,748	22%
TOTAL ASSETS	**7,280,419**	**7,254,386**	**0%**	**11,390,214**	**10,729,882**	**6%**
Amounts due to banks and Hungarian Government, deposits from the National Bank of Hungary and other banks	644,649	859,955	-25%	491,895	477,832	3%
Deposits from customers	4,693,061	4,335,308	8%	8,441,077	7,936,527	6%
Liabilities from issued securities	83,718	148,586	-44%	263,629	236,644	11%
Financial liabilities at fair value through profit or loss	74,873	136,774	-45%	62,786	103,810	-40%
Other liabilities	421,445	344,081	22%	618,031	500,427	24%
Subordinated bonds and loans	109,156	273,835	-60%	76,565	242,125	-68%
TOTAL LIABILITIES	**6,026,902**	**6,098,539**	**-1%**	**9,953,982**	**9,497,367**	**5%**
Share capital	28,000	28,000	0%	28,000	28,000	0%
Retained earnings and reserves	1,144,969	1,025,101	12%	1,412,180	1,225,528	15%
Net earnings for the year	89,393	111,889	-20%	52,798	34,221	54%
Treasury shares	-8,844	-9,143	-3%	-60,257	-58,011	4%
Non-controlling interest	0	0		3,510	2,777	26%
TOTAL SHAREHOLDERS' EQUITY	**1,253,517**	**1,155,847**	**8%**	**1,436,232**	**1,232,515**	**17%**
TOTAL LIABILTITIES AND SHAREHOLDERS' EQUITY	**7,280,419**	**7,254,386**	**0%**	**11,390,214**	**10,729,882**	**6%**

SEPARATE AND CONSOLIDATED IFRS STATEMENT OF RECOGNIZED INCOME

in HUF million	OTP Bank 1Q 2017	OTP Bank 1Q 2016	change	Consolidated 1Q 2017	Consolidated 1Q 2016	change
Loans	29,377	30,098	-2%	126,837	127,625	-1%
Placements with other banks	14,912	20,663	-28%	11,830	17,703	-33%
Amounts due from banks and balances with the National Banks	780	4,129	-81%	796	4,149	-81%
Securities held for trading	0	0		0	0	
Securities available-for-sale	7,715	10,880	-29%	8,011	10,063	-20%
Securities held-to-maturity	11,162	10,322	8%	14,367	12,372	16%
Other interest income	0	0		1,965	1,757	12%
Interest income	*63,944*	*76,091*	*-16%*	*163,807*	*173,668*	*-6%*
Amounts due to banks, the Hungarian Government, deposits from the National Banks and other banks	-15,136	-22,803	-34%	-10,906	-18,090	-40%
Deposits from customers	-3,840	-5,064	-24%	-14,647	-18,387	-20%
Liabilities from issued securities	-117	-411	-72%	-991	-1,614	-39%
Subordinated bonds and loans	-797	-4,235	-81%	-601	-3,246	-81%
Other interest expense	0	0		-1,582	-1,542	3%
Interest expense	*-19,890*	*-32,512*	*-39%*	*-28,726*	*-42,879*	*-33%*
Net interest income	**44,055**	**43,579**	**1%**	**135,080**	**130,789**	**3%**
Provision for impairment on loans	-915	-3,681	-75%	-11,765	-35,125	-67%
Provision for impairment on placement losses	1	0	-278%	29	2	
Provision for impairment on loans and placement losses	-915	-3,682	-75%	-11,737	-35,123	-67%
NET INRETEST INCOME AFTER PROVISION FOR IMPAIRMENT ON LOAN AND PLACEMENT LOSSES	43,140	39,897	8%	123,343	95,665	29%
Income from fees and commissions	48,356	42,402	14%	70,168	61,108	15%
Expense from fees and commissions	-6,776	-6,036	12%	-11,597	-10,630	9%
NET PROFIT FROM FEES AND COMMISSIONS	41,580	36,367	14%	58,572	50,478	16%
Foreign exchange gains, net (-)/(+)	1,578	-1,748	-190%	2,913	15,727	-81%
Gains / (losses) on securities, net	863	26,141	-97%	1,677	3,361	-50%
Gains on real estate transactions	56	62	-9%	897	583	54%
Dividend income	77,378	87,058	-11%	171	59	192%
Gains and losses on derivative financial instruments	604	0		-263	0	
Other operating income	2,103	1,068	97%	5,622	3,138	79%
Other operating expense	-3,833	-130		-3,667	-1,939	89%
NET OPERATING RESULT	78,749	112,450	-30%	7,350	20,928	-65%
Personnel expenses	-21,699	-21,242	2%	-49,560	-45,383	9%
Depreciation and amortization	-4,501	-5,050	-11%	-9,722	-10,433	-7%
Other administrative expenses	-44,928	-41,337	9%	-69,598	-63,613	9%
OTHER ADMINISTRATIVE EXPENSES	-71,128	-67,630	5%	-128,881	-119,430	8%
PROFIT BEFORE INCOME TAX	**92,341**	**121,083**	**-24%**	**60,384**	**47,642**	**27%**
Income tax	-2,948	-9,194	-68%	-7,525	-13,388	-44%
NET PROFIT FOR THE PERIODS	**89,393**	**111,889**	**-20%**	**52,859**	**34,253**	**54%**
From this, attributable to non-controlling interest	0	0		-61	-32	88%
NET PROFIT FOR THE PERIODS ATTRIBUTABLE OWNERS OF THE COMPANY	**89,393**	**111,889**	**-20%**	**52,798**	**34,221**	**54%**

SEPARATE AND CONSOLIDATED IFRS STATEMENT OF CASH FLOWS

in HUF million	OTP Bank			Consolidated		
	31/03/2017	31/03/2016	change	31/03/2017	31/03/2016	change
OPERATING ACTIVITIES						
Profit before income tax	92,341	121,083	-24%	60,384	47,642	27%
Adjustments to reconcile income before income taxes to net cash provided by operating activities						
Income tax paid	0	-264		-3,425	-3,525	-3%
Depreciation and amortization	4,501	5,050	-11%	9,722	10,434	-7%
Provision for impairment / Release of provision	3,857	3,067	26%	13,029	13,347	-2%
Share-based payment	843	933	-10%	843	933	-10%
Unrealized (losses) / gains on fair value adjustment of securities held for trading	4,232	-13,237	-132%	4,232	-13,237	-132%
Unrealized losses on fair value adjustment of derivative financial instruments	-4,607	15,189	-130%	13,519	14,387	-6%
Changes in operating assets and liabilities	-234,075	-81,612	187%	-240,048	44,968	-634%
Net cash provided by operating activities	**-132,908**	**50,209**	**-365%**	**-141,744**	**114,949**	**-223%**
INVESTING ACTIVITIES						
Net cash used in investing activities	**-124,663**	**-36,511**	**241%**	**-242,734**	**-60,133**	**304%**
FINANCING ACTIVITIES						
Net cash used in financing activities	**-34,272**	**-13,212**	**159%**	**73,636**	**-93,636**	**-179%**
Net increase in cash and cash equivalents	**-291,843**	**486**		**-310,842**	**-38,820**	**701%**
Cash and cash equivalents at the beginning of the period	880,266	1,238,858	-29%	1,128,610	1,427,292	-21%
Cash and cash equivalents at the end of the period	**588,423**	**1,239,344**	**-53%**	**817,768**	**1,388,472**	**-41%**
Analysis of cash and cash equivalents						
Cash, amounts due from banks and balances with the National Banks	928,846	1,326,197	-30%	1,625,357	1,878,960	-13%
Compulsory reserve established by the National Banks	-48,580	-87,339	-44%	-496,747	-451,668	10%
Cash and cash equivalents at the beginning of the period	**880,266**	**1,238,858**	**-29%**	**1,128,610**	**1,427,292**	**-21%**
Cash, amounts due from banks and balances with the National Banks	637,014	1,332,705	-52%	1,351,267	1,806,938	-25%
Compulsory reserve established by the National Banks	-48,591	-93,361	-48%	-533,499	-418,466	27%
Cash and cash equivalents at the end of the period	**588,423**	**1,239,344**	**-53%**	**817,768**	**1,388,472**	**-41%**

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 2016	**28,000**	**52**	**24,707**	**1,291,738**	**-55,468**	**-58,021**	**2,651**	**1,233,659**
Net profit for the year	--	--	--	34,221		--	33	34,254
Other comprehensive income				11,012			93	11,105
Share-based payment	--	--	933			--	--	933
Treasury shares								
Dividend for the year 2015	--	--	--	-46,200		--	--	-46,200
Put option								
Treasury shares								
– sale						15		15
– loss on sale				-15				-15
– volume change						-5		-5
Payment to ICES holders				-1,231				-1,231
Balance as at 31 March 2016	**28,000**	**52**	**25,640**	**1,289,525**	**-55,468**	**-58,011**	**2,777**	**1,232,515**

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 2017	**28,000**	**52**	**28,237**	**1,476,657**	**-55,468**	**-60,121**	**3,292**	**1,420,649**
Net profit for the year	--	--	--	52,798		--	61	52,859
Other comprehensive income				16,092			157	16,249
Share-based payment	--	--	843			--	--	843
Treasury shares								
Dividend for the year 2016	--	--	--	-53,200		--	--	-53,200
Put option								
Treasury shares								
– sale						4		4
– loss on sale				-6				-6
– volume change						-139		-139
Payment to ICES holders				-1,028				-1,028
Balance as at 31 March 2017	**28,000**	**52**	**29,080**	**1,491,313**	**-55,468**	**-60,256**	**3,510**	**1,436,231**

Ownership structure of OTP Bank Plc.

as at 31 March 2017

Description of owner	Total equity					
	At the beginning of actual year			End of actual period		
	%[1]	%[2]	Qty	%[1]	%[2]	Qty
Domestic institution/company	20.20%	20.47%	56,561,346	20.59%	20.87%	57,645,457
Foreign institution/company	64.83%	65.71%	181,528,602	63.61%	64.49%	178,111,403
Domestic individual	4.42%	4.48%	12,364,400	4.97%	5.04%	13,911,432
Foreign individual	0.16%	0.16%	447,025	0.24%	0.24%	659,901
Employees, senior officers	0.79%	0.80%	2,214,853	0.72%	0.73%	2,007,115
Treasury shares[3]	1.33%	0.00%	3,737,768	1.36%	0.00%	3,799,863
Government held owner[4]	0.08%	0.08%	225,928	0.08%	0.08%	226,472
International Development Institutions[5]	0.02%	0.02%	49,715	0.02%	0.02%	47,550
Other[6]	8.17%	8.28%	22,870,373	8.43%	8.54%	23,590,817
TOTAL	**100.00%**	**100.00%**	**280,000,010**	**100.00%**	**100.00%**	**280,000,010**

[1] Ownership share. The data of Domestic individual and Employees, senior officers were revised for the beginning of actual year.
[2] Voting rights
[3] Treasury shares include the aggregated amount of own shares held by the mother company, the subsidiaries and ESOP.
[4] E.g.: State Privatization Holding Co. Ltd., Social Security, Municipality, 100% state-owned companies, Pension Reform and Debt Reduction Fund etc.
[5] E.g.: EBRD, EIB, etc.
[6] Non-identified shareholders according to the shareholders' registry.

Number of treasury shares held in the year under review (2017)

	1 January	31 March
OTP Bank	1,281,704	1,343,799
ESOP	382,504	382,504
Subsidiaries	2,073.560	2,073,560
TOTAL	3,737,768	3,799,863

Shareholders with over/around 5% stake as at 31 March 2017

Name	Number of shares	Ownership	Voting rights
Megdet, Timur and Ruszlan Rahimkulov	23,065,972	8.24%	8.35%
MOL (Hungarian Oil and Gas Company Plc.)	24,000,000	8.57%	8.69%
Groupama Group	14,433,901	5.15%	5.23%
OPUS Securities S.A.	14,496,476	5.18%	5.25%

Senior officers, strategic employees and their shareholding of OTP shares as at 31 March 2017

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	6,439
IT	Dr. István Gresa	member	132,041
IT	Antal Kovács	member, Deputy CEO	22,000
IT	Dr. Antal Pongrácz	member	70,077
IT	Dr. László Utassy	member	214,000
IT	Dr. József Vörös	member	150,114
IT	László Wolf	member, Deputy CEO	587,791
FB	Tibor Tolnay	Chairman	54
FB	Dr. Gábor Horváth	member	0
FB	András Michnai	member	1,280
FB	Ágnes Rudas	member	141,138
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	905
TOTAL No. of shares held by management:			**1,849,381**

[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

	31/03/2017	31/03/2016
Commitments to extend credit	1,324,075	1,155,524
Guarantees arising from banking activities	398,765	415,878
Confirmed letters of credit	13,045	13,467
Legal disputes (disputed value)	44,514	52,112
Contingent liabilities related to OTP Mortgage Bank	-	-
Other	312,163	304,921
Total:	**2,092,562**	**1,941,902**

[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 01/04/2016 AND 31/03/2017

Issuer	Type of security	Security name	Date of issue	Date of maturity	Ccy	Outstanding consolidated debt (in original currency or HUF million) 31/03/2017	Outstanding consolidated debt (in HUF million) 31/03/2017
OTP Bank Plc	Retail bond	OTP_E1_17/5	15/04/2016	29/04/2017	EUR	8,560,100	2,643
OTP Bank Plc	Retail bond	OTP_E1_17/6	27/05/2016	10/06/2017	EUR	11,658,600	3,599
OTP Bank Plc	Retail bond	OTP_VK1_17/3	27/05/2016	27/05/2017	USD	6,017,500	1,737
OTP Bank Plc	Retail bond	OTP_E1_17/7	10/06/2016	24/06/2017	EUR	3,615,700	1,116
OTP Bank Plc	Retail bond	OTP_E1_17/8	01/07/2016	15/07/2017	EUR	6,771,400	2,090
OTP Bank Plc	Retail bond	OTP_E1_17/9	10/08/2016	24/08/2017	EUR	8,544,600	2,638
OTP Bank Plc	Retail bond	OTP_E1_17/10	16/09/2016	30/09/2017	EUR	4,428,700	1,367
OTP Bank Plc	Retail bond	OTP_VK1_17/4	16/09/2016	16/09/2017	USD	1,452,900	419
OTP Bank Plc	Retail bond	OTP_VK1_18/1	20/01/2017	20/01/2018	USD	2,892,200	835
OTP Bank Plc	Retail bond	OTP_VK1_18/2	03/03/2017	03/03/2018	USD	4,329,500	1,250
OTP Mortgage Bank	Mortgage bond	OJB2020_III	23/02/2017	20/05/2020	HUF	40,000	32,112
OTP Mortgage Bank	Mortgage bond	OJB2021_I	15/02/2017	27/10/2021	HUF	122,100	87,600
OTP Mortgage Bank	Mortgage bond	OJB2022_I	24/02/2017	24/05/2022	HUF	30,000	20,944
OTP Banka Slovensko	Mortgage bond	OTP XXIX.	28/09/2016	27/09/2017	EUR	1,000,000	0
OTP Banka Slovensko	Mortgage bond	OTP XXX.	16/12/2016	15/12/2017	EUR	14,000,000	0
OTP Banka Slovensko	Mortgage bond	OTP XXXI.	29/03/2017	28/03/2018	EUR	8,000,000	0
OTP Banka Slovensko	Corporate bond	Bonds OTP III.	29/06/2016	29/06/2021	EUR	45,000,000	0
OTP Banka Slovensko	Corporate bond	Bonds OTP IV.	28/02/2017	27/02/2018	EUR	65,000,000	0

SECURITY REDEMPTIONS ON GROUP LEVEL BETWEEN 01/04/2016 AND 31/03/2017

Issuer	Type of security	Security name	Date of issue	Date of maturity	Ccy	Outstanding consolidated debt (in original currency or HUF million) 31/03/2016	Outstanding consolidated debt (in HUF million) 31/03/2016
OTP Bank Plc.	Corporate bond	OTP 2016/Ax	11/11/2010	03/11/2016	HUF	3,462	3,462
OTP Bank Plc.	Corporate bond	OTP 2016/Bx	16/12/2010	19/12/2016	HUF	2,556	2,556
OTP Bank Plc.	Retail bond	OTP TBSZ2016/I	14/01/2011	15/12/2016	HUF	1,154	1,154
OTP Bank Plc.	Corporate bond	OTP 2017/Ax	01/04/2011	31/03/2017	HUF	4,007	4,007
OTP Bank Plc.	Retail bond	OTP OJK 2016/I	26/08/2011	26/08/2016	HUF	26	26
OTP Bank Plc.	Retail bond	OTP TBSZ2016/II	26/08/2011	15/12/2016	HUF	626	626
OTP Bank Plc.	Retail bond	OTP OJK 2017/I	27/01/2012	27/01/2017	HUF	9	9
OTP Bank Plc.	Corporate bond	OTP 2016/Ex	28/12/2012	27/12/2016	HUF	301	301
OTP Bank Plc.	Retail bond	OTP TBSZ 4 2016/I	18/01/2013	15/12/2016	HUF	156	156
OTP Bank Plc.	Corporate bond	OTP 2016/Cx	22/04/2011	22/04/2016	EUR	1,424,200	447
OTP Bank Plc.	Corporate bond	OTP 2016/Dx	22/12/2011	29/12/2016	EUR	1,081,400	340
OTP Bank Plc.	Retail bond	OTP EUR 2 2016/VII	11/04/2014	11/04/2016	EUR	712,000	224
OTP Bank Plc.	Retail bond	OTP EUR 2 2016/VIII	18/04/2014	18/04/2016	EUR	194,700	61
OTP Bank Plc.	Retail bond	OTP EUR 2 2016/IX	09/05/2014	09/05/2016	EUR	591,300	186
OTP Bank Plc.	Retail bond	OTP EUR 2 2016/X	23/05/2014	23/05/2016	EUR	595,900	187
OTP Bank Plc.	Retail bond	OTP EUR 2 2016/XI	06/06/2014	06/06/2016	EUR	634,500	199
OTP Bank Plc.	Retail bond	OTP EUR 2 2016/XII	20/06/2014	20/06/2016	EUR	586,000	184
OTP Bank Plc.	Retail bond	OTP EUR 2 2016/XIII	04/07/2014	04/07/2016	EUR	431,400	136
OTP Bank Plc.	Retail bond	OTP EUR 2 2016/XIV	18/07/2014	18/07/2016	EUR	312,200	98
OTP Bank Plc.	Retail bond	OTP EUR 2 2016/XV	30/07/2014	30/07/2016	EUR	1,545,000	485
OTP Bank Plc.	Retail bond	OTP EUR 2 2016/XVI	08/08/2014	08/08/2016	EUR	359,000	113
OTP Bank Plc.	Retail bond	OTP EUR 2 2016/XVII	29/08/2014	29/08/2016	EUR	1,314,600	413
OTP Bank Plc.	Retail bond	OTP EUR 2 2016/XVIII	12/09/2014	12/09/2016	EUR	984,700	309
OTP Bank Plc.	Retail bond	OTP EUR 2 2016/XIX	03/10/2014	03/10/2016	EUR	1,907,300	599
OTP Bank Plc.	Retail bond	OTP_VK_USD_2_2016/I	28/11/2014	28/11/2016	USD	6,730,700	1,862
OTP Bank Plc.	Retail bond	OTP EUR 1 2016/III	20/03/2015	03/04/2016	EUR	12,821,200	4,028
OTP Bank Plc.	Retail bond	OTP EUR 1 2016/IV	10/04/2015	24/04/2016	EUR	7,038,700	2,211
OTP Bank Plc.	Retail bond	OTP EUR 1 2016/V	24/04/2015	08/05/2016	EUR	3,577,100	1,124
OTP Bank Plc.	Retail bond	OTP_VK_USD_1_2016/I	24/04/2015	24/04/2016	USD	3,230,300	894
OTP Bank Plc.	Retail bond	OTP EUR 1 2016/VI	29/05/2015	12/06/2016	EUR	10,127,200	3,182
OTP Bank Plc.	Retail bond	OTP EUR 1 2016/VII	30/06/2015	14/07/2016	EUR	9,966,500	3,131
OTP Bank Plc.	Retail bond	OTP EUR 1 2016/VIII	24/07/2015	07/08/2016	EUR	6,071,100	1,907
OTP Bank Plc.	Retail bond	OTP_VK_USD_1_2016/II	24/07/2015	24/07/2016	USD	842,100	233
OTP Bank Plc.	Retail bond	OTP_VK_USD_1_2016/III	25/09/2015	25/09/2016	USD	7,581,900	2,097
OTP Bank Plc.	Retail bond	OTP EUR 1 2016/IX	25/09/2015	09/10/2016	EUR	21,234,000	6,671
OTP Bank Plc.	Retail bond	OTP EUR 1 2016/X	30/10/2015	13/11/2016	EUR	14,778,600	4,643
OTP Bank Plc.	Retail bond	OTP EUR 1 2016/XI	11/11/2015	25/11/2016	EUR	8,830,900	2,774
OTP Bank Plc.	Retail bond	OTP EUR 1 2016/XII	27/11/2015	11/12/2016	EUR	5,981,600	1,879
OTP Bank Plc.	Retail bond	OTP EUR 1 2016/XIII	30/12/2015	13/01/2017	EUR	26,075,800	8,192
OTP Bank Plc.	Retail bond	OTP EUR 1 2017/I	29/01/2016	12/02/2017	EUR	14,858,100	4,668
OTP Bank Plc.	Retail bond	OTP_VK_USD_1_2017/I	29/01/2016	29/01/2017	USD	3,888,400	1,076
OTP Bank Plc.	Retail bond	OTP EUR 1 2017/II	12/02/2016	26/02/2017	EUR	4,445,900	1,397
OTP Bank Plc.	Retail bond	OTP EUR 1 2017/III	26/02/2016	12/03/2017	EUR	7,509,700	2,359
OTP Bank Plc.	Retail bond	OTP_VK_USD_1_2017/II	18/03/2016	18/03/2017	USD	351,600	97
OTP Bank Plc	Corporate bond	OTP LT2 2016	19/09/2006	19/09/2016	EUR	500,000,000	156,660
OTP Mortgage Bank	Mortgage bond	OJB2016_II	31/08/2006	31/08/2016	HUF	4,643	4,643
OTP Mortgage Bank	Mortgage bond	OJB2016_J	18/04/2006	28/09/2016	HUF	34	34
OTP Mortgage Bank	Mortgage bond	OMB2016_I	25/10/2013	25/10/2016	EUR	0	0
OTP Banka Slovensko	Mortgage bond	OTP XXV.	28/09/2012	28/09/2016	EUR	7,962,000	2,501
OTP Banka Slovensko	Mortgage bond	OTP XXVI.	17/12/2015	16/12/2016	EUR	0	0
OTP Banka Slovensko	Mortgage bond	OTP XXVII	30/03/2016	29/03/2017	EUR	0	0
OTP Banka Slovensko	Corporate bond	Bonds OTP II.	29/02/2016	28/02/2017	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	1Q 2016	4Q 2016	1Q 2017	Q/Q	Y/Y
Total	**1,749**	**2,774**	**2,117**	**-24%**	**21%**
Short-term employee benefits	1,068	2,087	1,407	-33%	32%
Share-based payment	582	583	584	0%	0%
Other long-term employee benefits	99	104	117	13%	18%
Termination benefits	0	0	9		
Redundancy payments					
Loans provided to companies owned by the management[1] (normal course of business)	28,222	49,383	100,337	103%	256%
Credit lines of the members of Board of Directors and the Supervisory Board and their close family members (at normal market conditions)	325	326	360	10%	11%
Commitments to extend credit and guarantees	31,036	39,660	35,278	-11%	14%
Loans provided to unconsolidated subsidiaries	2,108	2,196	4,285	95%	103%

[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 (and other adjustment items). 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 certain companies engaged in OTP Group's 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; OTP Bank Employee Stock Ownership Plan Organization was included from 4Q 2016; OTP Card Factory Ltd., OTP Facility Management Llc., MONICOMP Ltd. and OTP Real Estate Lease Ltd. were included from 1Q 2017. 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 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 the result and balance sheet of OTP Factoring Bulgaria LLC was included. 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) OTP Leasing Romania IFN S.A. (Romania), 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 s.r.o. (Slovakia), OTP Real Slovensko s.r.o. (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, impact of fines imposed by 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 corporate tax impact of switching to IFRS from HAR in Hungary, revaluation of deferred taxes recognized in the P&L due to the corporate tax rate cut 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. The special banking tax, however, does not include the special tax levied on the result of investment services in the year of 2017 in Hungary, this item is presented among the operating expenses.
- 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.
- In 4Q 2016 certain components of the result on derivative instruments have been presented on a separate line in the accounting P&L structure: on the Gains and losses on derivative financial instruments line (certain other components were continued to be booked on the net interest income and foreign exchange result line). In the previous accounting and adjusted P&L structure, items currently booked on the Gains and losses on derivative financial instruments line were accounted for on the net interest income, foreign exchange result and gains/losses on securities line. In 4Q 2016 the full annual amounts have been moved in one sum to the Gains and losses on derivative financial instruments line. In the adjusted P&L structure this new line constitutes part of the Net other non-interest result among Other net non-interest income.
- 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 impact of fines imposed by 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 corporate tax impact of switching to IFRS from HAR in Hungary, revaluation of deferred taxes recognized in the P&L due to the corporate tax rate cut 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.
- The Compensation Fund (established in Hungary in order to indemnify the victims of Quaestor and Hungaria Securities Ltd.) contributions booked from 1Q 2017 are recognized on the Other administrative expenses line of the accounting income statement, and are presented on the Special tax on financial institutions line and the financial transaction tax in the adjusted P&L structure.
- 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.

SUMMARY ABOUT THE METHODOLOGICAL CHANGE IN THE CALCULATION FORMULA OF CERTAIN PERFORMANCE INDICATORS

In case of certain performance indicators presented in this *Summary of the 1Q 2017 Results* of OTP Group a new calculation methodology has been introduced. The change affects only the exact calculation formula of how the average balance sheet items (average total assets, average shareholders' equity and average gross loans) are calculated in the denominator of the relevant indicators.

Calculation formula of the average balance sheet items under the old methodology: arithmetic average of closing balance sheet items for the previous period and the current period.

For example, under the old methodology the average 1Q 2017 total assets were calculated as follows: (4Q 2016 closing total assets + 1Q 2017 total assets)/2

Calculation formula of the average balance sheet items under the new methodology: calendar day-weighted average of the average balance sheet items in periods comprising the given period, where *periods comprising the given period* are defined as quarters (and within that months) in case of 1H, 9M and FY periods, and months in case of quarters. Furthermore, the *average of the average balance sheet items* is computed as the arithmetic average of closing balance sheet items for the previous period and the current period.

For example, under the new methodology the average 1Q 2017 total assets were calculated as follows: [((December 2016 closing + January 2017 closing) / 2) * 31 + ((January 2017 closing + February 2017 closing) / 2) * 28 + ((February 2017 closing + March 2017 closing) / 2) * 31)] / 90

Performance indicators affected by the change: where the denominator contains an average calculated from balance sheet items such as total assets, shareholders' equity and gross loans. In this *Summary of the 1Q 2017 Results* the following performance indicators are affected: ROE, ROA, operating profit margin, income margins, cost-to-asset ratio, risk cost for loan losses-to-average gross loans, total risk cost-to-asset ratio.

The new methodology was first used in the *Summary of the 1Q 2017 Results*. **For the sake of historical comparability of time series, performance indicators under the new methodology have been presented in the *Summary of the 1Q 2017 Results* for the base periods, too, i.e. retroactively from 1Q 2016.**

In order to ensure transparency, the above mentioned and few other performance indicators are presented in the below table both under the old and new methodology for the following periods: full-year 2015, each quarters of 2016, full-year 2016 and 1Q 2017.

	Old methodology							New methodology						
	FY 2015	1Q 2016	2Q 216	3Q 2016	4Q 2016	FY 2016	1Q 2017	FY 2015	1Q 2016	2Q 216	3Q 2016	4Q 2016	FY 2016	1Q 2017
Consolidated														
ROE (from adjusted net earnings)	9.6%	15.5%	18.0%	20.5%	8.1%	15.2%	19.0%	9.6%	15.4%	18.0%	20.5%	8.0%	15.4%	18.8%
ROA (from adjusted net earnings)	1.1%	1.8%	2.1%	2.5%	1.0%	1.8%	2.4%	1.1%	1.8%	2.1%	2.5%	1.0%	1.8%	2.4%
ROE (from accounting net earnings)	5.1%	11.2%	22.8%	20.8%	7.5%	15.3%	15.0%	5.1%	11.1%	22.9%	20.8%	7.5%	15.4%	15.0%
ROE (from accounting net earnings, on 12.5% CET1 ratio)	5.3%	12.1%	25.1%	24.2%	9.2%	17.9%	18.7%	5.4%	11.8%	25.1%	24.2%	9.3%	17.6%	18.3%
Operating profit margin	3.34%	3.17%	2.99%	3.18%	3.04%	3.05%	3.17%	3.38%	3.14%	2.97%	3.17%	3.03%	3.08%	3.20%
Total income margin	6.96%	6.66%	6.77%	6.79%	6.92%	6.69%	6.75%	7.03%	6.58%	6.73%	6.76%	6.90%	6.75%	6.80%
Net interest margin	5.11%	4.84%	4.84%	4.80%	4.76%	4.74%	4.72%	5.16%	4.79%	4.81%	4.78%	4.75%	4.78%	4.76%
Net fee and commission margin	1.54%	1.46%	1.63%	1.67%	1.72%	1.60%	1.59%	1.56%	1.44%	1.62%	1.66%	1.72%	1.61%	1.61%
Net other non-interest income margin	0.31%	0.36%	0.29%	0.32%	0.44%	0.35%	0.43%	0.31%	0.36%	0.29%	0.32%	0.44%	0.35%	0.43%
Cost-to-asset ratio	3.62%	3.48%	3.78%	3.61%	3.88%	3.64%	3.57%	3.65%	3.45%	3.76%	3.60%	3.87%	3.67%	3.61%
Risk cost for loan losses-to-average gross loans	3.18%	1.31%	0.87%	0.56%	1.80%	1.13%	0.65%	3.17%	1.32%	0.87%	0.56%	1.80%	1.14%	0.65%
Total risk cost-to-asset ratio	2.04%	0.78%	0.45%	0.47%	1.70%	0.85%	0.45%	2.06%	0.77%	0.45%	0.47%	1.70%	0.85%	0.45%
OTP Core														
ROE	10.3%	9.6%	10.2%	12.3%	7.3%	9.7%	12.7%	10.4%	9.6%	10.1%	12.4%	7.3%	9.8%	12.6%
ROA	1.8%	1.7%	1.8%	2.2%	1.3%	1.7%	2.3%	1.8%	1.7%	1.8%	2.3%	1.3%	1.8%	2.3%
Operating profit margin	2.45%	2.37%	1.92%	2.22%	1.81%	2.05%	2.12%	2.52%	2.39%	1.93%	2.24%	1.84%	2.10%	2.16%
Total income margin	5.28%	5.20%	5.13%	5.21%	4.98%	5.06%	4.91%	5.42%	5.24%	5.16%	5.26%	5.04%	5.17%	4.99%
Net interest margin	3.62%	3.43%	3.41%	3.40%	3.40%	3.36%	3.21%	3.71%	3.46%	3.42%	3.44%	3.45%	3.44%	3.27%
Net fee and commission margin	1.40%	1.34%	1.51%	1.54%	1.41%	1.43%	1.35%	1.44%	1.35%	1.52%	1.56%	1.43%	1.46%	1.38%
Net other non-interest income margin	0.26%	0.43%	0.22%	0.27%	0.16%	0.27%	0.34%	0.27%	0.43%	0.22%	0.27%	0.17%	0.27%	0.35%
Cost-to-asset ratio	2.83%	2.83%	3.21%	3.00%	3.16%	3.01%	2.79%	2.90%	2.85%	3.23%	3.02%	3.20%	3.08%	2.83%
Risk cost for loan losses-to-average gross loans	0.84%	0.01%	-0.62%	-1.13%	-0.54%	-0.56%	-1.08%	0.86%	0.01%	-0.62%	-1.13%	-0.54%	-0.57%	-1.07%
DSK Group (Bulgaria)														
ROE	21.0%	23.7%	25.7%	24.7%	7.6%	18.9%	23.6%	22.3%	22.0%	25.6%	24.9%	7.6%	19.8%	21.8%
ROA	3.1%	3.1%	3.1%	3.2%	1.0%	2.6%	2.9%	3.2%	3.1%	3.2%	3.2%	1.0%	2.6%	2.9%
Operating profit margin	4.32%	3.78%	3.99%	3.79%	3.77%	3.86%	3.41%	4.51%	3.75%	4.03%	3.80%	3.78%	3.84%	3.36%
Total income margin	6.77%	6.09%	6.30%	6.01%	6.20%	6.20%	5.69%	7.06%	6.04%	6.35%	6.03%	6.21%	6.16%	5.60%
Net interest margin	5.24%	4.82%	4.65%	4.54%	4.38%	4.63%	3.98%	5.47%	4.78%	4.69%	4.55%	4.39%	4.60%	3.92%
Net fee and commission margin	1.36%	1.31%	1.53%	1.43%	1.42%	1.43%	1.38%	1.42%	1.29%	1.54%	1.44%	1.42%	1.42%	1.36%
Net other non-interest income margin	0.16%	-0.04%	0.12%	0.04%	0.40%	0.13%	0.32%	0.17%	-0.04%	0.13%	0.04%	0.40%	0.13%	0.32%
Cost-to-asset ratio	2.44%	2.31%	2.31%	2.22%	2.43%	2.33%	2.27%	2.55%	2.29%	2.33%	2.23%	2.43%	2.32%	2.24%
Risk cost for loan losses-to-average gross loans	1.26%	0.46%	0.76%	0.36%	2.84%	1.12%	0.17%	1.29%	0.46%	0.76%	0.36%	2.83%	1.11%	0.16%
OTP Bank Russia														
ROE	-15.0%	11.7%	26.9%	25.3%	15.4%	19.1%	23.2%	-14.5%	11.9%	27.0%	25.9%	15.6%	20.2%	23.4%
ROA	-2.4%	2.1%	5.2%	5.2%	3.2%	3.6%	5.0%	-2.4%	2.2%	5.2%	5.2%	3.3%	4.0%	5.0%
Operating profit margin	10.26%	10.94%	12.45%	12.16%	11.74%	10.95%	12.89%	10.37%	11.16%	12.34%	12.32%	12.13%	12.00%	13.03%
Total income margin	17.98%	18.81%	20.77%	20.78%	20.72%	18.79%	21.56%	18.16%	19.17%	20.59%	21.06%	21.40%	20.59%	21.81%
Net interest margin	15.56%	16.74%	18.31%	17.44%	17.71%	16.25%	17.78%	15.72%	17.06%	18.15%	17.67%	18.29%	17.81%	17.99%
Net fee and commission margin	2.30%	2.37%	2.72%	2.94%	2.73%	2.50%	3.72%	2.33%	2.42%	2.70%	2.98%	2.81%	2.74%	3.76%
Net other non-interest income margin	0.11%	-0.30%	-0.26%	0.41%	0.28%	0.04%	0.06%	0.11%	-0.31%	-0.26%	0.41%	0.29%	0.05%	0.06%
Cost-to-asset ratio	7.72%	7.86%	8.32%	8.62%	8.98%	7.84%	8.68%	7.80%	8.02%	8.25%	8.74%	9.27%	8.59%	8.77%
Risk cost for loan losses-to-average gross loans	17.05%	10.01%	7.02%	6.70%	8.42%	7.69%	7.92%	15.90%	10.38%	7.06%	6.93%	8.47%	8.18%	7.89%
Touch Bank (Russia)														
Total income margin	-4.9%	-1.1%	-2.1%	-0.4%	-0.1%	-0.7%	2.4%	-7.3%	-1.2%	-2.1%	-0.4%	-0.1%	-0.8%	2.4%
Net interest margin	-3.1%	1.2%	1.6%	1.1%	1.3%	1.1%	3.3%	-4.7%	1.3%	1.6%	1.1%	1.4%	1.3%	3.3%
Net fee and commission margin	-1.71%	-2.21%	-3.59%	-1.94%	-1.57%	-1.87%	-1.02%	-2.55%	-2.27%	-3.60%	-1.95%	-1.62%	-2.24%	-1.04%

	Old methodology							New methodology						
	FY 2015	1Q 2016	2Q 216	3Q 2016	4Q 2016	FY 2016	1Q 2017	FY 2015	1Q 2016	2Q 216	3Q 2016	4Q 2016	FY 2016	1Q 2017
Net other non-interest income margin	-0.03%	-0.17%	-0.13%	0.45%	0.10%	0.09%	0.12%	-0.05%	-0.17%	-0.13%	0.46%	0.10%	0.11%	0.12%
OTP Bank Ukraine														
ROE	n/a	n/a	n/a	n/a	34.7%	n/a	51.6%	n/a	n/a	n/a	n/a	32.3%	n/a	52.4%
ROA	-11.3%	1.2%	4.9%	5.2%	2.7%	3.4%	4.3%	-11.5%	1.2%	4.9%	5.0%	2.7%	3.5%	4.4%
Operating profit margin	7.04%	10.19%	8.07%	6.84%	5.70%	7.41%	6.50%	7.20%	10.33%	8.16%	6.54%	5.57%	7.57%	6.68%
Total income margin	11.49%	15.09%	13.17%	11.58%	11.71%	12.43%	11.20%	11.75%	15.30%	13.33%	11.07%	11.45%	12.71%	11.50%
Net interest margin	8.15%	11.40%	9.61%	7.83%	7.81%	8.83%	7.54%	8.33%	11.56%	9.73%	7.49%	7.63%	9.02%	7.74%
Net fee and commission margin	2.21%	2.84%	2.94%	2.99%	3.27%	2.92%	2.86%	2.26%	2.88%	2.97%	2.86%	3.20%	2.98%	2.94%
Net other non-interest income margin	1.13%	0.85%	0.63%	0.76%	0.63%	0.69%	0.80%	1.15%	0.87%	0.63%	0.72%	0.62%	0.71%	0.82%
Cost-to-asset ratio	4.45%	4.90%	5.11%	4.74%	6.01%	5.03%	4.70%	4.55%	4.97%	5.17%	4.53%	5.88%	5.14%	4.83%
Risk cost for loan losses-to-average gross loans	13.32%	4.40%	2.23%	3.31%	2.14%	2.96%	-0.17%	12.60%	4.46%	2.23%	3.33%	2.09%	3.03%	-0.17%
OTP Bank Romania														
ROE	3.6%	5.6%	9.3%	5.5%	-5.1%	3.7%	12.3%	3.0%	5.8%	9.3%	5.5%	-5.0%	3.8%	12.2%
ROA	0.3%	0.4%	0.7%	0.4%	-0.4%	0.3%	0.9%	0.2%	0.4%	0.7%	0.4%	-0.4%	0.3%	0.9%
Operating profit margin	1.08%	1.33%	1.38%	1.56%	1.42%	1.38%	2.03%	0.96%	1.33%	1.40%	1.57%	1.43%	1.43%	2.03%
Total income margin	4.93%	4.47%	4.32%	4.41%	4.52%	4.32%	4.94%	4.38%	4.47%	4.37%	4.44%	4.55%	4.46%	4.93%
Net interest margin	4.08%	3.33%	3.26%	3.41%	3.52%	3.29%	3.67%	3.63%	3.33%	3.29%	3.43%	3.54%	3.40%	3.67%
Net fee and commission margin	0.67%	0.47%	0.58%	0.65%	0.45%	0.52%	0.53%	0.60%	0.47%	0.59%	0.65%	0.45%	0.54%	0.53%
Net other non-interest income margin	0.18%	0.68%	0.48%	0.35%	0.55%	0.50%	0.73%	0.16%	0.68%	0.49%	0.35%	0.55%	0.52%	0.73%
Cost-to-asset ratio	3.85%	3.14%	2.94%	2.85%	3.10%	2.93%	2.90%	3.42%	3.15%	2.97%	2.87%	3.12%	3.03%	2.90%
Risk cost for loan losses-to-average gross loans	1.35%	0.71%	1.23%	1.08%	1.19%	1.03%	0.80%	1.21%	0.71%	1.24%	1.08%	1.19%	1.05%	0.80%
OTP banka Hrvatska (Croatia)														
ROE	4.2%	4.8%	7.3%	7.6%	1.1%	5.3%	-10.2%	4.3%	4.9%	7.4%	7.6%	1.1%	5.2%	-10.0%
ROA	0.5%	0.5%	0.8%	0.9%	0.1%	0.6%	-1.2%	0.5%	0.5%	0.8%	0.9%	0.1%	0.6%	-1.2%
Operating profit margin	1.66%	1.71%	2.10%	2.40%	2.19%	2.08%	1.98%	1.68%	1.73%	2.10%	2.39%	2.19%	2.10%	1.98%
Total income margin	4.30%	4.56%	4.96%	5.19%	4.81%	4.84%	4.92%	4.33%	4.59%	4.98%	5.17%	4.80%	4.89%	4.92%
Net interest margin	3.12%	3.36%	3.59%	3.59%	3.61%	3.51%	3.75%	3.15%	3.39%	3.60%	3.58%	3.61%	3.54%	3.75%
Net fee and commission margin	0.81%	0.74%	0.82%	0.89%	0.85%	0.82%	0.82%	0.82%	0.75%	0.82%	0.89%	0.85%	0.83%	0.82%
Net other non-interest income margin	0.36%	0.45%	0.55%	0.71%	0.35%	0.51%	0.35%	0.37%	0.46%	0.55%	0.70%	0.35%	0.51%	0.35%
Cost-to-asset ratio	2.63%	2.84%	2.87%	2.79%	2.62%	2.76%	2.94%	2.66%	2.87%	2.88%	2.78%	2.61%	2.78%	2.94%
Risk cost for loan losses-to-average gross loans	1.45%	1.31%	1.00%	1.17%	1.09%	1.13%	4.27%	1.46%	1.33%	1.00%	1.17%	1.09%	1.15%	4.29%
OTP Bank Slovensko (Slovakia)														
ROE	3.1%	4.6%	-0.7%	1.6%	-36.7%	-7.7%	1.3%	3.1%	4.6%	-0.7%	1.6%	-36.0%	-7.4%	1.3%
ROA	0.2%	0.3%	0.0%	0.1%	-2.3%	-0.5%	0.1%	0.2%	0.3%	0.0%	0.1%	-2.3%	-0.5%	0.1%
Operating profit margin	1.44%	1.44%	1.47%	1.57%	1.50%	1.50%	1.63%	1.42%	1.45%	1.47%	1.57%	1.50%	1.50%	1.63%
Total income margin	3.86%	3.89%	3.97%	3.90%	4.02%	3.96%	4.01%	3.81%	3.91%	3.98%	3.90%	4.01%	3.95%	4.01%
Net interest margin	3.18%	3.22%	3.19%	3.09%	3.07%	3.15%	3.08%	3.14%	3.23%	3.20%	3.09%	3.07%	3.15%	3.08%
Net fee and commission margin	0.74%	0.60%	0.69%	0.72%	0.87%	0.72%	0.84%	0.73%	0.61%	0.69%	0.72%	0.87%	0.72%	0.84%
Net other non-interest income margin	-0.06%	0.07%	0.08%	0.09%	0.07%	0.08%	0.08%	-0.06%	0.07%	0.08%	0.09%	0.07%	0.08%	0.08%
Cost-to-asset ratio	2.42%	2.45%	2.50%	2.33%	2.52%	2.46%	2.38%	2.39%	2.46%	2.50%	2.33%	2.52%	2.45%	2.38%
Risk cost for loan losses-to-average gross loans	1.37%	1.22%	1.74%	1.62%	4.74%	2.33%	1.72%	1.40%	1.23%	1.75%	1.63%	4.78%	2.35%	1.72%
OTP banka Srbija (Serbia)														
ROE	-1.3%	0.4%	1.2%	1.0%	-2.1%	0.1%	-0.1%	-1.3%	0.4%	1.2%	1.0%	-2.1%	0.1%	-0.1%
ROA	-0.3%	0.1%	0.3%	0.2%	-0.5%	0.0%	0.0%	-0.4%	0.1%	0.3%	0.2%	-0.5%	0.0%	0.0%
Operating profit margin	1.13%	0.48%	0.44%	0.52%	0.79%	0.57%	0.45%	1.19%	0.49%	0.43%	0.51%	0.79%	0.56%	0.45%
Total income margin	7.31%	6.24%	6.28%	5.99%	6.23%	6.37%	6.26%	7.69%	6.44%	6.05%	5.92%	6.25%	6.16%	6.30%
Net interest margin	5.60%	4.65%	4.65%	4.59%	4.60%	4.76%	4.72%	5.90%	4.79%	4.48%	4.54%	4.62%	4.60%	4.75%
Net fee and commission margin	1.53%	1.32%	1.32%	1.30%	1.36%	1.36%	1.36%	1.61%	1.36%	1.28%	1.28%	1.36%	1.32%	1.37%
Net other non-interest income margin	0.18%	0.28%	0.31%	0.10%	0.27%	0.25%	0.18%	0.19%	0.29%	0.30%	0.10%	0.28%	0.24%	0.18%

	Old methodology							New methodology						
	FY 2015	1Q 2016	2Q 216	3Q 2016	4Q 2016	FY 2016	1Q 2017	FY 2015	1Q 2016	2Q 216	3Q 2016	4Q 2016	FY 2016	1Q 2017
Cost-to-asset ratio	6.18%	5.77%	5.84%	5.47%	5.45%	5.79%	5.81%	6.50%	5.95%	5.63%	5.41%	5.47%	5.60%	5.85%
Risk cost for loan losses-to-average gross loans	0.89%	0.48%	0.30%	0.33%	2.15%	0.82%	0.46%	0.90%	0.48%	0.31%	0.33%	2.14%	0.83%	0.46%
CKB (Montenegro)														
ROE	4.0%	1.9%	2.5%	23.2%	-61.1%	-8.4%	1.6%	4.0%	2.0%	2.5%	23.5%	-58.8%	-7.9%	1.6%
ROA	0.5%	0.2%	0.3%	2.9%	-7.0%	-0.9%	0.2%	0.5%	0.2%	0.3%	2.9%	-7.1%	-1.0%	0.2%
Operating profit margin	1.59%	1.15%	1.42%	2.03%	0.89%	1.35%	1.11%	1.62%	1.16%	1.45%	2.03%	0.89%	1.38%	1.11%
Total income margin	5.29%	4.75%	5.22%	5.67%	4.85%	5.04%	4.82%	5.40%	4.79%	5.30%	5.67%	4.87%	5.16%	4.84%
Net interest margin	3.65%	3.55%	3.73%	3.54%	3.39%	3.50%	3.44%	3.73%	3.58%	3.79%	3.54%	3.41%	3.58%	3.45%
Net fee and commission margin	1.51%	1.15%	1.44%	1.54%	1.23%	1.32%	1.12%	1.54%	1.16%	1.46%	1.54%	1.23%	1.35%	1.13%
Net other non-interest income margin	0.12%	0.05%	0.05%	0.59%	0.22%	0.23%	0.26%	0.13%	0.05%	0.05%	0.59%	0.23%	0.23%	0.26%
Cost-to-asset ratio	3.70%	3.60%	3.80%	3.64%	3.96%	3.69%	3.71%	3.77%	3.63%	3.86%	3.64%	3.98%	3.78%	3.73%
Risk cost for loan losses-to-average gross loans	1.47%	1.18%	0.85%	-0.71%	10.49%	2.93%	0.56%	1.49%	1.18%	0.86%	-0.72%	10.46%	2.90%	0.56%
Merkantil Bank and Car (Hungary)														
ROE	7.9%	9.4%	9.2%	16.4%	10.5%	11.4%	30.9%	9.0%	9.6%	9.2%	16.4%	10.5%	11.5%	31.3%
ROA	0.5%	0.6%	0.6%	1.1%	0.7%	0.8%	2.2%	0.5%	0.6%	0.6%	1.1%	0.7%	0.8%	2.3%
Operating profit margin	2.07%	1.69%	1.69%	2.16%	3.08%	2.16%	1.79%	2.13%	1.70%	1.69%	2.16%	3.12%	2.17%	1.79%
Total income margin	4.04%	3.44%	3.46%	3.85%	4.96%	3.93%	3.48%	4.16%	3.45%	3.46%	3.85%	5.02%	3.95%	3.49%
Net interest margin	5.49%	4.88%	4.51%	4.47%	5.85%	4.93%	3.21%	5.64%	4.91%	4.51%	4.47%	5.92%	4.95%	3.22%
Net fee and commission margin	-0.79%	-0.28%	-0.31%	-0.30%	-0.27%	-0.29%	-0.15%	-0.81%	-0.29%	-0.31%	-0.30%	-0.28%	-0.29%	-0.15%
Net other non-interest income margin	-0.66%	-1.16%	-0.74%	-0.32%	-0.62%	-0.71%	0.42%	-0.68%	-1.17%	-0.74%	-0.32%	-0.63%	-0.71%	0.42%
Cost-to-asset ratio	1.98%	1.75%	1.77%	1.70%	1.88%	1.77%	1.69%	2.03%	1.76%	1.77%	1.70%	1.90%	1.78%	1.70%
Risk cost for loan losses-to-average gross loans	1.88%	1.29%	1.33%	1.16%	1.07%	1.20%	-0.80%	1.87%	1.30%	1.33%	1.15%	1.08%	1.21%	-0.80%

ADJUSTMENTS OF CONSOLIDATED IFRS P&L LINES

in HUF million	1Q 16	2Q 16	3Q 16	4Q 16 Audited	2016 Audited	1Q 17
Net interest income	**130,789**	**129,338**	**126,945**	**132,658**	**519,729**	**135,080**
(-) Revaluation result of FX provisions	255	229	75	264	823	343
(+) 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	791	-440	-120
(+) Structural correction related to the amendment of interest income recognition methodology in Ukraine in 3Q 2016			3,484	0	3,484	0
(-) Netting of interest revenues on DPD90+ loans with the related provision (booked on the Provision for loan losses line) at OTP Core						2,437
Net interest income (adj.)	**129,041**	**129,067**	**130,657**	**133,184**	**521,949**	**132,180**
Net fees and commissions	**50,478**	**54,902**	**57,006**	**60,605**	**222,991**	**58,572**
(+) Financial Transaction Tax	-11,660	-11,382	-11,595	-12,388	-47,025	-14,022
Net fees and commissions (adj.)	**38,819**	**43,520**	**45,411**	**48,217**	**175,966**	**44,549**
Foreign exchange result	**15,727**	**-3,172**	**7,854**	**8,896**	**29,305**	**2,913**
(-) Revaluation result of FX positions hedging the revaluation of FX provisions	13,909	-8,510	3,340	8,065	16,804	-1,923
(-) 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	791	-440	-120
Foreign exchange result (adj.)	**3,311**	**5,379**	**4,211**	**40**	**12,941**	**4,955**
Gain/loss on securities, net	**3,361**	**16,213**	**358**	**896**	**20,828**	**1,677**
(-) Gain on the sale of Visa Europe shares		15,924	0	0	15,924	0
Gain/loss on securities, net (adj.) with one-offs	**3,361**	**290**	**358**	**896**	**4,904**	**1,677**
(-) Revaluation result of the treasury share swap agreement (booked as Gain on securities, net (adj.) at OTP Core)	169	-83	-917	80	-751	-42
Gain/loss on securities, net (adj.) without one-offs	**3,192**	**373**	**1,275**	**816**	**5,655**	**1,719**
Gains and losses on real estate transactions	**583**	**714**	**124**	**502**	**1,923**	**897**
(+) Other non-interest income	**3,138**	**2,481**	**2,889**	**9,196**	**17,704**	**5,622**
(+) Gains and losses on derivative financial instruments				**6,838**	**6,838**	**-263**
(-) Received cash transfers	10	17	5	5	37	1
(-) Non-interest income from the release of pre-acquisition provisions	194	210	120	210	735	116
(+) Other other non-interest expenses	-22,063	-5,445	-466	-1,247	-29,221	-1,044
(+) Change in shareholders' equity of companies consolidated with equity method	1	-177	276	-264	-163	32
(-) One-off impact of regulatory changes related to CHF consumer contracts in Croatia	-8,720	-244	-116	11	-9,068	-36
(-) One-off impact of the CHF mortgage loan conversion programme and regulatory changes related to mortgage loans in Romania	-12,965	-4,412	-484	-486	-18,347	-58
(-) Impact of fines imposed by the Hungarian Competition Authority				3,922	3,922	194
(-) Netting of refunds related to legal cases (accounted for on the Net other non-interest result line) with the release of provisions created earlier for these cases (accounted for on the Other provisions line) from 1Q 2017 at OTP Bank Romania						-325
Net other non-interest result (adj.) with one-offs	**3,139**	**2,001**	**3,299**	**11,364**	**19,803**	**5,352**
(-) 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
Net other non-interest result (adj.) without one-offs	**3,139**	**2,001**	**3,299**	**11,364**	**19,803**	**5,352**
Provision for loan losses	**-35,123**	**-8,902**	**-11,033**	**-38,414**	**-93,472**	**-11,737**
(+) Non-interest income from the release of pre-acquisition provisions	194	210	120	210	735	116
(-) Revaluation result of FX provisions	-14,184	8,290	-3,433	-8,321	-17,648	1,558
(-) Expected one-off impact of regulatory changes related to CHF consumer contracts in Croatia	0	0	-574	0	-574	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	-361	-4,776	-95
(+) Structural correction related to the amendment of interest income recognition methodology in Ukraine in 3Q 2016			-3,484	0	-3,484	0
(+) Netting of interest revenues on DPD90+ loans with the related provision (booked on the Provision for loan losses line) at OTP Core						2,437
Provision for loan losses (adj.)	**-20,745**	**-13,879**	**-9,077**	**-29,522**	**-73,223**	**-10,647**

in HUF million	1Q 16	2Q 16	3Q 16	4Q 16 Audited	2016 Audited	1Q 17
Dividend income	**59**	**2,834**	**419**	**-258**	**3,054**	**171**
(+) Received cash transfers	10	17	5	5	37	1
(+) Paid cash transfers	-516	-3,091	-4,690	-4,834	-13,131	-494
(-) Sponsorships, subsidies and cash transfers to public benefit organisations	-516	-3,091	-4,689	-4,834	-13,130	-492
(-) Dividend income of swap counterparty shares kept under the treasury share swap agreement	0	2,841	0	0	2,841	0
(-) Change in shareholders' equity of companies consolidated with equity method	1	-177	276	-264	-163	32
After tax dividends and net cash transfers	**68**	**186**	**146**	**11**	**412**	**139**
Income taxes	**-13,388**	**-12,425**	**1,086**	**-9,217**	**-33,944**	**-7,525**
(-) Corporate tax impact of goodwill/investment impairment charges	0	2,214	8,555	784	11,552	512
(-) Corporate tax impact of the special tax on financial institutions	2,968	47	52	52	3,120	1,423
(+) Tax deductible transfers	-31	-1,894	-4,116	-3,523	-9,565	0
(-) Corporate tax impact of the effect of fines imposed by the Hungarian Competition Authority	0	0	0	0	0	-17
(-) Corporate tax impact of the gain on the sale of Visa Europe shares		-2,764	0	0	-2,764	0
(-) Corporate tax impact of switching to IFRS from HAR in Hungary			-7,477	1,711	-5,766	0
(-) Revaluation of deferred taxes recognized in the P&L due to the corporate tax rate cut in Hungary				-6,054	-6,054	0
Corporate income tax (adj.)	**-16,388**	**-13,816**	**-4,159**	**-9,233**	**-43,596**	**-9,442**
Other operating expense, net	**-1,939**	**-484**	**-7,313**	**-26,669**	**-36,405**	**-3,667**
(-) Other costs and expenses	-1,135	-1,627	-1,514	-1,364	-5,639	-838
(-) Other non-interest expenses	-22,579	-8,536	-5,156	-6,080	-42,351	-1,538
(-) Revaluation result of FX provisions	20	-9	18	-8	22	22
(-) Expected one-off impact of regulatory changes related to CHF consumer contracts in Croatia	8,720	244	690	-11	9,642	36
(-) Expected one-off impact of the CHF mortgage loan conversion programme and regulatory changes related to mortgage loans in Romania	12,965	7,515	1,796	847	23,123	153
(-) Impact of fines imposed by the Hungarian Competition Authority	119	119	555	-2,000	-1,207	0
(-) Netting of refunds related to legal cases (accounted for on the Net other non-interest result line) with the release of provisions created earlier for these cases (accounted for on the Other provisions line) from 1Q 2017 at OTP Bank Romania						325
Other provisions (adj.)	**-49**	**1,810**	**-3,703**	**-18,053**	**-19,995**	**-1,828**
Other administrative expenses	**-63,613**	**-49,152**	**-49,693**	**-57,769**	**-220,228**	**-69,598**
(+) Other costs and expenses	-1,135	-1,627	-1,514	-1,364	-5,639	-838
(+) Other non-interest expenses	-22,579	-8,536	-5,156	-6,080	-42,351	-1,538
(-) Paid cash transfers	-516	-3,091	-4,690	-4,834	-13,131	-494
(+) Film subsidies and cash transfers to public benefit organisations	-516	-3,091	-4,689	-4,834	-13,130	-492
(-) Other other non-interest expenses	-22,063	-5,445	-466	-1,247	-29,221	-1,044
(-) Special tax on financial institutions (recognised as other administrative expenses)	-16,381	-215	-238	-235	-17,069	-16,153
(-) Tax deductible transfers	-31	-1,894	-4,116	-3,523	-9,565	0
(-) Financial Transaction Tax	-11,660	-11,382	-11,595	-12,388	-47,025	-14,022
(-) Impact of fines imposed by the Hungarian Competition Authority	-119	-119	-555	0	-793	0
Other non-interest expenses (adj.)	**-37,074**	**-40,259**	**-39,393**	**-47,820**	**-164,545**	**-40,753**

OTP Bank Plc.
Postal address: P.O.Box: 501 Budapest H-1876 Hungary
Phone: +36 1 473 5460
Fax: +36 1 473 5951
E-mail: investor.relations@otpbank.hu
Internet: www.otpbank.hu