OTP Group
First nine months 2015 results

Conference call – 13 November 2015

László Bencsik
Chief Financial and Strategic Officer

In 3Q 2015 the consolidated accounting after tax profit was HUF -3.7 billion. In 3Q the adjustments related mainly to the FX-loans. The quarterly adjusted after tax profit declined by 15% q-o-q, but improved by 3% y-o-y

	9M 14	9M 15	Y-o-Y	3Q 14	2Q 15	3Q 15	Q-o-Q	Y-o-Y
	in HUF billion			in HUF billion				
Consolidated after tax profit (accounting)	**-113.2**	**36.5**	**132%**	**34.1**	**38.2**	**-3.7**	**-110%**	**-111%**
Adjustments (total)	**-221.0**	**-67.2**	**70%**	**0.6**	**-2.4**	**-38.3**		
Dividends and net cash transfers (after tax)	0.1	0.2	70%	0.0	0.1	0.1	11%	154%
Goodwill/investment impairment charges (after tax)	-11.6	2.7	123%	0.0	2.7	0.0	-100%	
Special banking tax and one-off financial transaction tax (after tax)	-30.2	-29.1	-3%	-0.3	-0.2	-0.2	8%	--43%
Effect of acquisitions (after tax)	4.1	1.6	-62%	0.1	0.0	0.0		-100%
Actual and expected one-off impact of regulatory changes related to consumer contracts in Hungary (after tax)	-168.4	-3.0	-98%	7.7	-3.9	1 -6.5	-64%	-183%
Risk cost created toward Crimean exposures from 2Q 2014 (after tax)	-8.3	0.0	100%	-0.1	0.0	-0.1	-490%	8%
Risk cost created toward exposures to Donetsk and Luhansk from 3Q 2014 (after tax)	-6.8	-1.9	72%	-6.8	-1.1	0.3	132%	105%
Revaluation of reverse mortgage portfolio of OTP Life Annuity Ltd. (after tax)		-5.5			0.0	0.0		
Expected one-off impact of regulatory changes related to CHF consumer contracts in Croatia (after tax)		-6.3				2 -6.3		
One-off impact of regulatory changes related to FX consumer contracts in Serbia (after tax)		-0.2				-0.1		
Expected one-off impact of the CHF mortgage loan conversion program in Romania (after tax)		-25.5				3 -25.5		
Consolidated adjusted after tax profit	**107.8**	**103.6**	**-4%**	**33.5**	**40.6**	**34.6**	**-15%**	**3%**

1 The amount is mainly related to the expected one-off gross loss on the conversion of FX consumer loans at Merkantil Bank and Car, but also includes the impact of the settlement of HUF loans executed in 3Q.

2 The expected one-off impact of regulatory changes related to CHF loans in Croatia is HUF 7.9 billion before tax and HUF 6.3 billion after tax. This includes both the expected one-off negative gross impact of the regulatory changes, and the positive impact of the release of provisions created earlier for such purpose. In 4Q 2015 further provisions created for such purpose will be released (HUF 0.7 billion).

3 In November 2015 OTP Bank approved a conversion programme to be offered by the Romanian subsidiary to its retail CHF mortgage borrowers. The expected one-off negative impact of conversion programme in Romania is HUF 25.5 billion (after tax).

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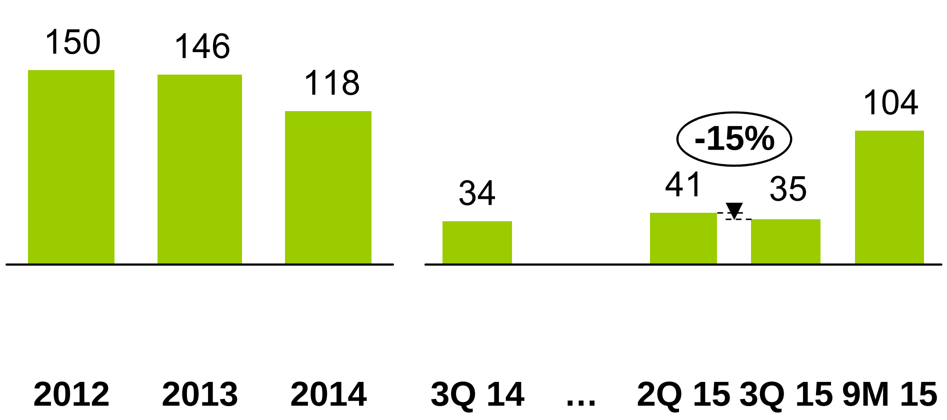
In 9M 2015 the consolidated before tax profit without one-off items (-8%) was mostly influenced by y-o-y 12% lower net interest income and moderating risk costs (-15% y-o-y)

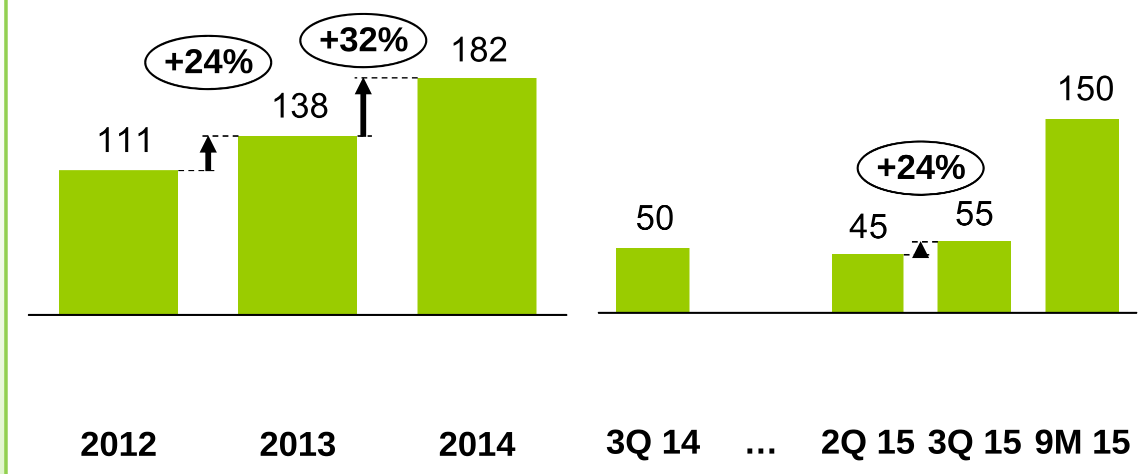
	9M 14	9M 15	Y-o-Y	3Q 14	2Q 15	3Q 15	Q-o-Q	Y-o-Y
	in HUF billion				in HUF billion			
Consolidated adjusted after tax profit	**107.8**	**103.6**	**-4%**	**33.5**	**40.6**	**34.6**	**-15%**	**3%**
Corporate tax	-22.2	-18.5	-17%	-8.8	-11.0	-5.2	-52%	-40%
O/w tax shield of subsidiary investments	*3.1*	*1.2*	*-61%*	*1.7*	*-4.3*	*2.5*	*-158%*	*44%*
Before tax profit	130.0	122.1	-6%	42.3	51.6	39.9	-23%	-6%
Total one-off items	1.6	3.7	133%	-1.0	2.5	1.5	-39%	-249%
Revaluation result of FX swaps at OTP Core	-1.8	-0.7	-62%	-1.0	-	-		
Gain on the repurchase of own capital instruments	0.0	0.0		0.0	0.0	0.0		
Result of the Treasury share swap agreement	3.4	4.4	31%	0.0	2.5	1.5	-39%	
Before tax profit without one-off items	**128.4**	**118.4**	**-8%**	**43.3**	**49.1**	**38.3**	**-22%**	**-11%**
Operating profit w/o one-off items	325.9	286.4	-12%	108.5	94.4	96.5	2%	-11%
Total income w/o one-off items	631.0	572.1	-9%	209.7	191.1	191.4	0%	-9%
Net interest income w/o one-off items	480.4	420.4	-12%	159.7	140.0	137.7	-2%	-14%
Net fees and commissions	125.1	123.8	-1%	41.6	43.9	42.6	-3%	2%
Other net non interest income without one-offs	25.5	27.9	9%	8.4	7.3	11.1	53%	31%
Operating costs	-305.1	-285.7	-6%	-101.2	-96.8	-94.9	-2%	-6%
Total risk costs	-197.5	-168.0	-15%	-65.2	-45.3	-58.2	28%	-11%

Diverging trends remained in place across the Group in 3Q 2015: the CEE operation continued to be profitable, whereas the Ukrainian and Russian operations suffered significant aggregated loss in 3Q

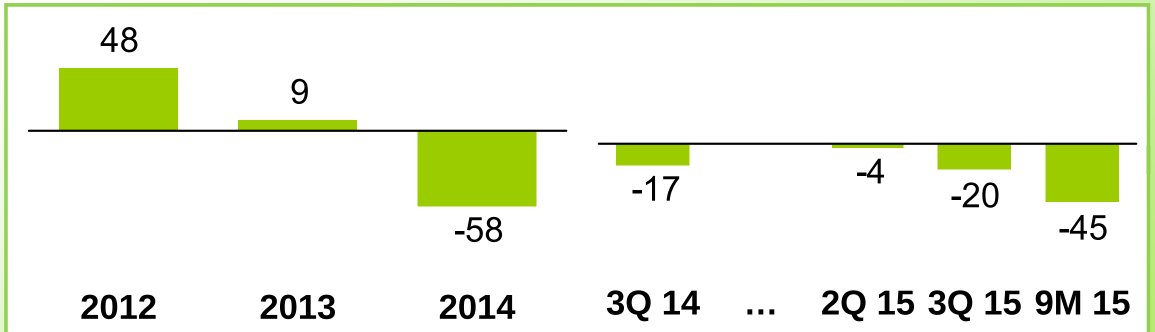
Consolidated adjusted after tax profit
(in HUF billion)



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



Adjusted after tax results in Russia and Ukraine
(in HUF billion)



[1] Total result of CEE operations does not include the result of Corporate Centre, foreign asset management companies, other Hungarian and foreign subsidiaries and eliminations. Their aggregated results amounted to HUF -8.8 bn in 2012, -0.9 bn in 2013 and -6.8 bn in 2014 and 0.0 bn in 3Q 2014, -0.3 bn in 2Q 2015, -1.1 bn in 3Q 2015, -1.1 bn in 9M 2015, respectively.

The 9M profit of the CEE operation improved by 4% y-o-y. The aggregated result of Russia and Ukraine continued to be a drag on the overall Group performance. Weak performance in Ukraine is reasoned by elevated risk cost made mainly on legacy corporate exposures

	9M 14	9M 15	Y-o-Y	3Q 14	2Q 15	3Q 15	Q-o-Q	Y-o-Y
	in HUF billion				in HUF billion			
Consolidated adjusted after tax profit	**107.8**	**103.6**	**-4%**	**33.5**	**40.6**	**34.6**	**-15%**	**3%**
CEE operation (adjusted)	**144.0**	**149.8**	**4%**	**50.1**	**44.5**	**55.4**	**24%**	**11%**
OTP Core (Hungary)	102.0	95.5	-6%	35.3	29.8	36.3	22%	3%
DSK (Bulgaria)	33.4	41.9	25%	11.9	10.2	14.1	39%	19%
OBR (Romania)	2.4	2.5	4%	0.7	0.7	1.4	91%	88%
OBH (Croatia)	0.5	2.4	426%	0.0	1.2	1.1	-10%	
OBS (Slovakia)	0.7	1.1	50%	0.2	0.3	0.4	68%	161%
OBSrb (Serbia)	0.1	0.4	539%	0.0	0.1	0.1	8%	286%
CKB (Montenegro)	1.2	1.2	-5%	0.7	0.5	0.7	38%	-2%
Leasing (HUN, RO, BG, CR)	0.4	1.6	318%	0.2	0.7	0.5	-26%	150%
OTP Fund Management (Hungary)	3.3	3.2	-3%	1.2	1.0	0.8	-20%	-28%
Russian and Ukrainian operation (adjusted)	**-34.8**	**-45.0**	**-29%**	**-16.6**	**-3.6**	**-19.8**	**-447%**	**-19%**
OBRU (Russia)	-12.7	-17.9	-40%	-5.7	-4.2	-2.2	-47%	61%
OBU (Ukraine)	-22.0	-27.1	-23%	-10.9	0.6	-17.5		-62%
Corporate Centre	**-1.2**	**-2.7**	**126%**	**0.0**	**-1.0**	**-1.4**	**32%**	

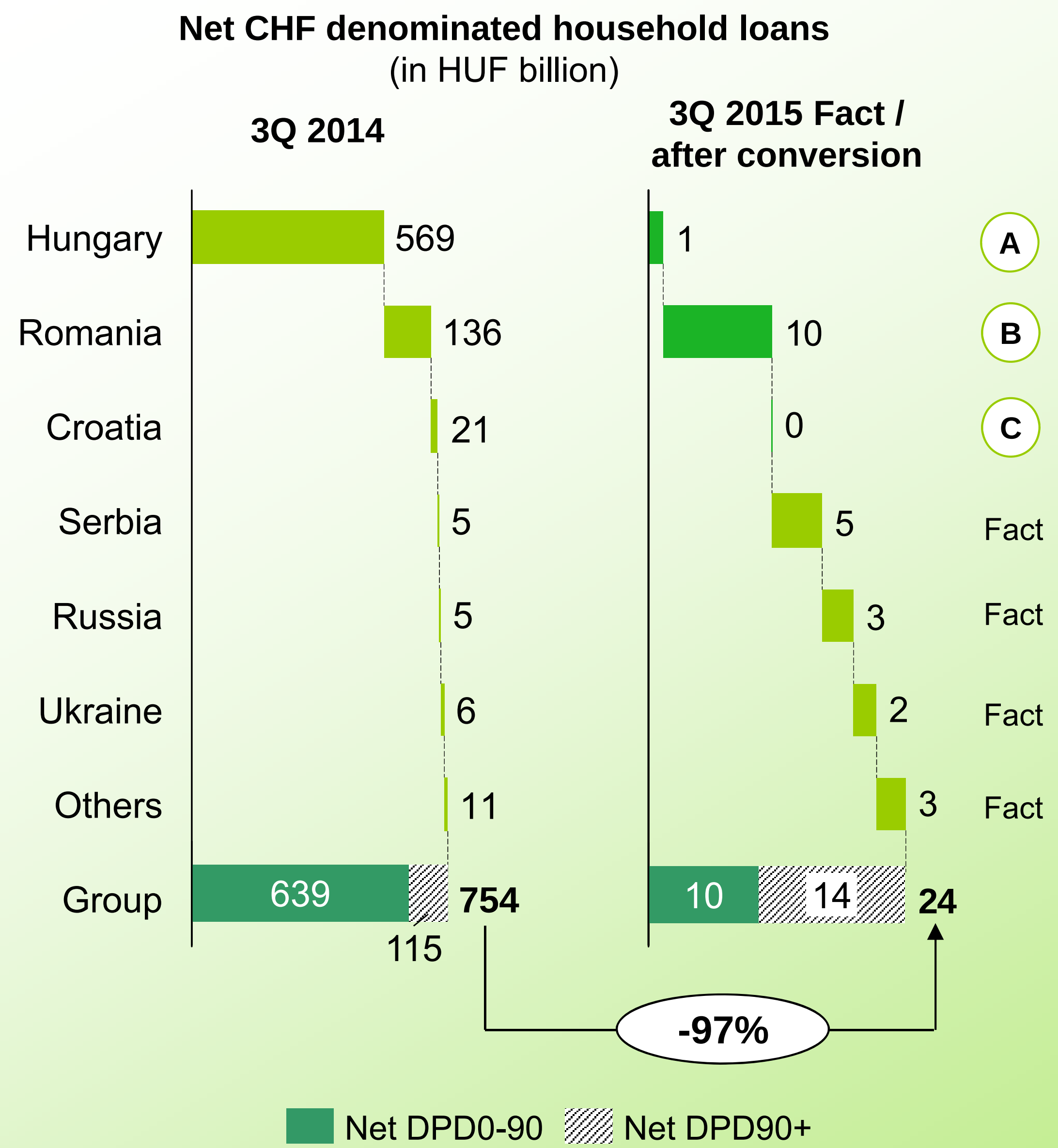
Status of CHF denominated retail loans at OTP Group members – 1

Hungary	In 3Q 2015 the notification and **settlement** of existing and expired **HUF consumer contracts** with OTP Bank, Merkantil and Flat Lease clients has been **completed.** Also, on 19 August 2015 the Hungarian government and the Hungarian Banking Association reached an agreement on the **conversion of FX denominated car loans and consumer loans into HUF** (regulated by Act No. CXLV of 2015 on the conversion of FX consumer contracts). At OTP Core and Merkantil the net FX denominated consumer and car loan volumes stood at HUF 69.5 billion at end-September (HUF 70.7 billion gross volumes at Merkantil and HUF 23.3 billion at OTP Bank respectively). Pursuant to the law, the applicable exchange rates for the conversion were the spot market rates on 19 August 2015 (official exchange rates of the National Bank of Hungary on 19 August 2015: 287.2 HUF/CHF and 309.2 HUF/EUR, respectively). However, based on the agreement a subsidy will be given to clients: the subsidy equals to the difference between the FX rates used for the conversion of FX mortgage loans (256.5 HUF/CHF, 309.0 HUF/EUR) and the 19 August 2015 FX rates, and it will be borne by the banks and the state. From the clients' point of view the conversion is not mandatory. OTP Group has purchased the necessary CHF amount for the conversion at the tender held by the central bank on 24 August 2015 at 287.2 CHFHUF exchange rate. The closing balance sheets at 3Q 2015 shows these volumes as FX. The settlement date is 1 December 2015. The expected gross loss of the conversion has been recognized in 3Q accounts (on consolidated level among the adjustment items).
Romania	In November 2015 OTP Bank approved a **conversion programme** to be offered by the Romanian subsidiary (OBR) to its **retail CHF mortgage borrowers**. The set-up and implementation of such programme was reasoned predominantly by the increasing legal and regulatory risk, however the weakening credit profile of existing customers due to the strengthening of CHF played a role, too. Simultaneously, only a decreasing share of borrowers with floating rate CHF mortgage loans opted for using the preferential interest rates being offered by OBR from January 2015. The conversion programme is available for those retail customers who have CHF mortgage loans originated by OBR and have less than 90 days of delinquency at the time of application. Thus the programme might be available for around 10,500 customers. Applications can be submitted between December 2015 and end-February 2016. According to the terms clients will be offered partial debt forgiveness (discount) from their actual obligation and then the remaining part will be converted into RON or EUR at the effective cross currency rates of the National Bank of Romania at the signing of the modified contract. The basic principle of the scale of discount is that it should provide a tailored solution to each client through which the monthly instalment of the client should not exceed the level of December 2014. While setting up the conversion programme OTP Bank Romania incorporated the relevant guidance of the National Bank of Romania for dealing with CHF mortgage borrowers. Also, the interest rate levels of the converted new RON or EUR loans will be in line with the currently prevailing market-based mortgage lending rates in Romania. Assuming that all eligible clients will participate, the **expected one-off negative impact** of the programme is **HUF 30 billion (before tax).** This was booked in 3Q 2015 on consolidated level among adjustments. The expected FX need of the discount has been purchased on the market.

Status of CHF denominated retail loans at OTP Group members – 2

Croatia	On 18 September 2015 the Croatian Parliament adopted amendments to the Consumer Lending Act which determined the conditions of the **conversion of CHF denominated retail loans into EUR** at an exchange rate valid at origination. The net CHF household loans stood at HUF 23 billion in 3Q 2015. The Act is effective from 30 September. Out of the expected total **one-off negative impact**, **around HUF 7.9 billion before tax (HUF 6.3 billion after tax)** was booked in 3Q on consolidated level as an adjustment item. In 4Q 2015 further provisions created for such purpose will be released (HUF 0.7 billion). OTP made its estimate on the potential loss assuming a 100% participation of clients even though the scheme is optional. The calculated FX need of the conversion has been already purchased on the market. OTP Banka Croatia starts sending out notification letters to clients on 13 November and they will have 30 days to accept the terms. We expect the whole procedure being completed by 1Q 2016.
Ukraine	In early September a **draft legislation on the restructuring of FX mortgages** was published, prepared by the central bank with the involvement and agreement of the local banks. Accordingly, those clients can apply for the restructuring within a pre-set period of time stipulated by the draft who were not yet delinquent in early 2014, however were in the DPD30+ category by July 2015. The loan restructuring includes a conversion at market rate and also certain, conditional debt forgiveness (ranging between 25-100%). After the conversion the new loans in UAH for the first 3 years will have an interest burden not exceeding the FX interest rate levels at origination, after 3 years they will carry a rate of MUIRD (the local retail loan index) + 3.0%. The proposal does not involve the already converted loans. By the end of 3Q OTP Bank Ukraine had HUF 13 billion net performing FX (mainly USD) mortgage loans. At OTP Bank Ukraine clients holding a net FX mortgage portfolio of HUF 6 billion equivalent are eligible to participate in the scheme. Parallel with this, OTP Bank Ukraine continued to offer its **own restructuring programme** to its FX mortgage borrowers. Under the scope of the Bank's own programme the volume of FX mortgage loans converted into UAH at market FX rate got close to HUF 20 billion by 3Q 2015. Restructured volumes declined q-o-q. Under the scheme the Bank offers either certain debt forgiveness and/or an interest rate concession at the beginning of the maturity.
Serbia	In line with Serbian **central bank's decision on CHF mortgages** banks had to reimburse overcharges arising from unilateral interest rate changes. OTP Bank Serbia suffered a HUF 104 million loss in 1Q 2015 due to the refund and an additional HUF 104 million was paid back to customers in 3Q 2015. The additional payment was related to a more accurate calculation methodology banks have to apply when calculating the due amounts. The net outstanding CHF mortgage loan volume stood at HUF 5 billion at 3Q 2015 at OTP Bank Serbia.

CHF denominated household loans practically disappeared from the books. In Hungary FX consumer and car loan will be converted to HUF in 4Q 2015. In Croatia and Romania Swiss franc loan conversion will take place in coming quarters



A In **Hungary** (including OTP Core, Merkantil Bank + Car, OTP Flat Lease) 3Q 2015 household CHF loan exposure reflects the remaining net CHF mortgage loan volumes (HUF 1 billion) only, because all residual FX household loans (including consumer and car loans) will be converted in 4Q 2015, pursuant to Act No. CXLV of 2015 on the conversion of FX consumer contracts.

B In **Romania** 3Q 2015 household CHF exposure was based on the assumption that all eligible clients will participate in the CHF mortgage loan conversion programme designed by OBR. The programme is expected to be launched from December 2015.

C In **Croatia** all retail CHF loans will be converted into EUR by the virtue of law. We anticipate that 100% of the Croatian subsidiaries' CHF mortgage borrowers will opt for the conversion, therefore the 3Q net CHF loan volume was set to zero.

In 3Q total revenues remained stable q-o-q, the Russian decrease was influenced by the depreciation of RUB. In Hungary and Bulgaria the q-o-q total revenue growth was fuelled mainly by other net non-interest income

	TOTAL INCOME – 3Q 2015 without one-off items (HUF billion)	Y-o-Y change (%)	Q-o-Q change (%)	FX adjusted Y-o-Y change of DPD0-90 loans (%)	FX adjusted Y-o-Y change of deposits (%)
OTP Group	191	-9%	0%	-7%	5%
OTP CORE (Hungary)	96	2%	4%	-12%	2%
DSK (Bulgaria)	29	10%	8%	2%	16%
OBRu (Russia)	27	-41%/-15%[1]	-19%/-4%[1]	-23%	-17%
OBU (Ukraine)	9	-25%/9%[1]	17%	-30%	2%
OBH (Croatia)	8	6%	8%	4%	-3%
OBS (Slovakia)	4	2%	4%	5%	5%
OBR (Romania)	7	21%/-4%[2]	-2%	26%/-1%[2]	57%/18%[2]
CKB (Montenegro)	3	-13%	-3%	-13%	0%
OBSrb (Serbia)	2	-5%	2%	22%	20%
Other[3]	7	-23%	-16%		

Contribution of foreign subsidiaries: **47%**

[1] Changes in local currency.
[2] Adjusted for the effect of Banca Millennium consolidation
[3] Other group members and eliminations

3Q net interest income declined by 2% q-o-q on the back of lower Russian contribution explained by base effect and FX-translation effect. The yearly decline in Russia was mainly reasoned by contracting performing loan volumes

NET INTEREST INCOME – 3Q 2015 (HUF billion)	Share	NII	Y-o-Y (HUF bn)	Y-o-Y (%)	Q-o-Q (HUF bn)	Q-o-Q (%)
OTP Group	100%	138	-22	-14%	-2	-2%
OTP CORE (Hungary)	46%	63	-3	-5% (1)	0	1%
DSK (Bulgaria)	16%	23	3	13% (2)	1	3%
OBRU (Russia)	17%	23	-18	-44% (3)	-6	-20%
OBU (Ukraine)	5%	7	-2	-22%	2	31% (4)
OBH (Croatia)	4%	5	1	11%	0	2%
OBS (Slovakia)	3%	4	0	1%	0	3%
OBR (Romania)	5%	7	2	35%	1	24% (5)
CKB (Montenegro)	1%	2	0	-18%	0	-5%
OBSrb (Serbia)	1%	2	0	20%	0	3%
Merkantil (Hungary)	3%	5	1	18%	0	11%

1 At OTP Core the settlement and conversion as well as the lower interest rate environment were the main reasons for the y-o-y lower net interest income.

2 In Bulgaria the y-o-y improvement is explained by lower cost of funding: excess liquidity at DSK Bank enabled efficient deposit pricing.

3 In RUB terms the 9M Russian NII declined by 17% y-o-y, reflecting mainly the 23% contraction of performing loans (FX-adjusted).

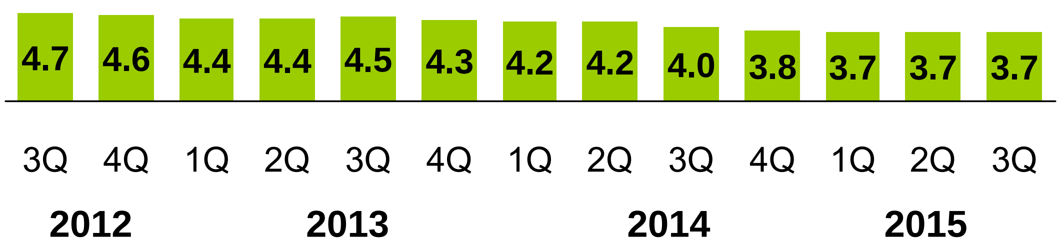
4 In Ukraine the quarterly jump from a low 2Q base was reasoned by the interest rate settlement of restructured mortgage loans.

5 The q-o-q growth was almost fully explained by the revaluation result of FX swaps booked on the NII line. This was largely offset amongst other income.

At OTP Core and DSK Bank margins remained fairly stable in 3Q. In Russia the q-o-q margin erosion was attributable to base effect and FX translation effect. In Ukraine the margin path was determined by the USD mortgage restructurings

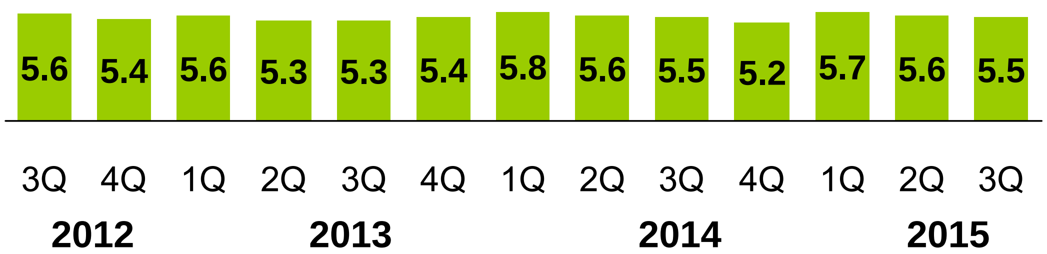
Net interest margin (%)

OTP Core Hungary

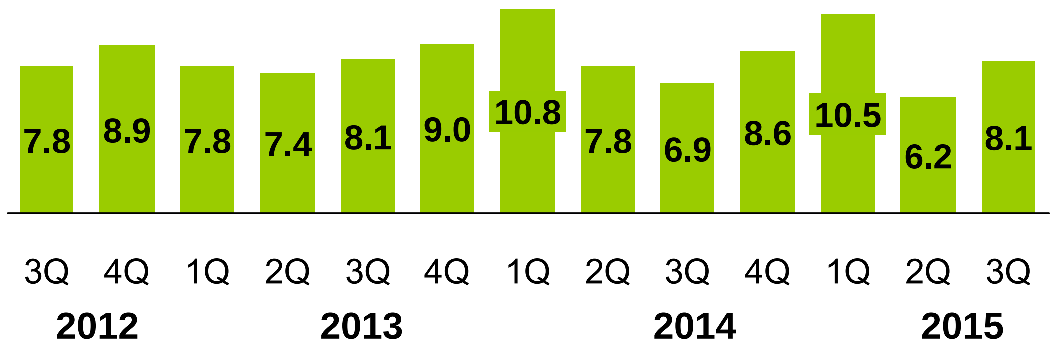


OTP Bank Russia

DSK Bank Bulgaria



OTP Bank Ukraine



* In 3Q 2015 the weakening of the RUB exerted a 130 bps negative impact on net interest margin. In 3Q the average RUBHUF rate weakened by 15% (pushing down the net interest income in HUF terms by the same magnitude *ceteris paribus*), whereas the closing rate changed by 16%, therefore the average total asset (the denominator of the NIM) declined by only 8%.

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In 3Q 2015 the consolidated net loan to deposit ratio declined further (-3 ppts q-o-q)

Loan to deposit ratio, % (30 September 2015)

Net loan to deposit / Gross loan to deposit (100% marked)

Change of net loan to deposit ratio, FX-adjusted

	Net loan to deposit	Gross loan to deposit	Q-o-Q	Y-o-Y
OTP Group*	69%	84%	-3%p	-10%p
OTP CORE* (Hungary)	48%	55%	-3%p	-9%p
OBRU (Russia)	107%	144%	7%p	-9%p
DSK (Bulgaria)	71%	83%	-4%p	-11%p
OBU (Ukraine)	98%	243%	-18%p	-82%p
OBR (Romania)	150%	172%	0%p	-39%p
OBH (Croatia)	82%	90%	-3%p	6%p
OBS (Slovakia)	89%	95%	0%p	-1%p
OBSrb (Serbia)	109%	157%	-8%p	-1%p
CKB (Montenegro)	66%	100%	-5%p	-8%p

At OTP Core the 9 ppts y-o-y decline was mainly the result of shrinking loan book, but the expansion of the total deposit book played a role, too. Household loan volumes were to a great extent influenced by the settlement with clients. Municipality loans decreased notably y-o-y due to prepayments by the State.

In Russia the key driver behind the q-o-q increase was the 10% FX-adjusted deposit outflow.

The ratio dropped the most in Ukraine y-o-y due to net loan volumes declining partly as a reflection of suspended lending activity in several segments and also to elevated provisioning, while FX-adjusted deposit volumes grew by 2% y-o-y due to strong corporate deposit inflow.

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

At OTP Core the quarterly decline of mortgages moderated. The Russian and Ukrainian performing volumes continued to decline at a fast pace

DPD0-90 volumes

Q-o-Q loan volume changes in 3Q 2015, adjusted for FX-effect

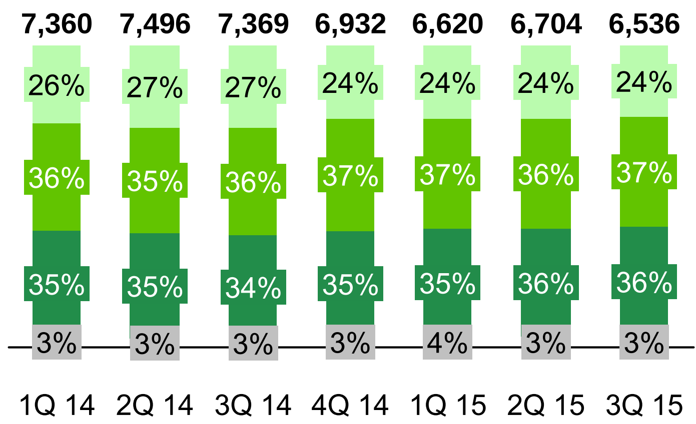
	Cons.	Core (Hungary)	DSK (Bulgaria)	OBRu (Russia)	OBU (Ukraine)	OBR (Romania)	OBH (Croatia)	OBS (Slovakia)	OBSr (Serbia)	CKB (Montenegro)
Total	-2%	-3%	1%	-3%	-2%	-2%	0%	1%	4%	-3%
Consumer	-1%	-1%	0%	-4%	-5%	-2%	-1%	8%	1%	3%
Mortgage	-3%	-4%	0%	-4%	-5%	-2%	-1%	-1%	0%	-2%
Corporate[1]	-1%	-3% / -3%[2]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

Y-o-Y loan volume changes in 3Q 2015, adjusted for FX-effect

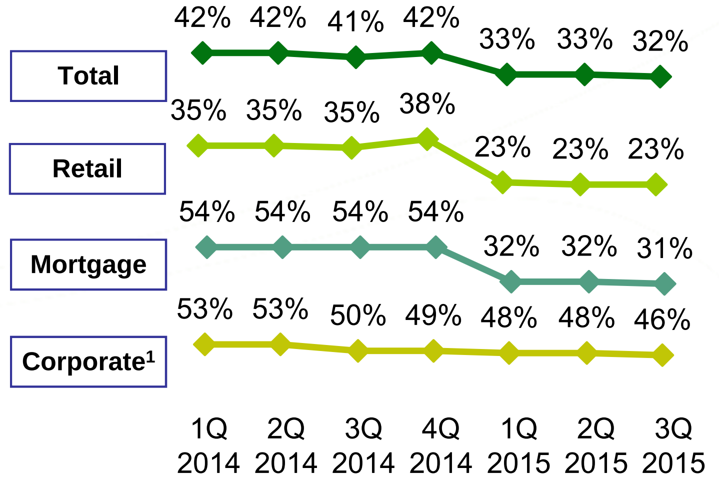
	Cons.	Core (Hungary)	DSK (Bulgaria)	OBRu (Russia)	OBU (Ukraine)	OBR (Romania)	OBH (Croatia)	OBS (Slovakia)	OBSr (Serbia)	CKB (Montenegro)
Total	-7%	-12%	2%	-23%	-30%	26% / -1%[3]	4%	5%	22%	-13%
Consumer	-8%	-10%	0%	-23%	-35%	15% / -1%[3]	0%	38%	5%	7%
Mortgage	-9%	-14%	-4%	-34%	-46%	20% / -9%[3]	-2%	-4%	-4%	-6%
Corporate[1]	-4%	-11% / -8%[2]	11%	-16%	-26%	39% / 11%[3]	15%	5%	46%	-26%
Car financing	-8%				-31%					

Gross loan volumes

Breakdown of the consolidated volumes



Proportion of FX loans in the consolidated loan portfolio



[1] Loans to MSE and MLE clients and local governments.
[2] Loans of the Hungarian group members to Hungarian companies: the estimate for volume change is based on the balance sheet data provision to the central bank, calculated from the „Loans to non-financial and other-financials companies" line.
[3] Excluding the impact of Banca Millennium consolidation

Deposits expanded by 3% y-o-y. The quarterly increase was reasoned by the seasonally high municipal inflow in Hungary and the steadily rising Bulgarian volumes. The deposit volumes in Russia dropped both q-o-q and y-o-y

Q-o-Q deposit volume changes in 3Q 2015, adjusted for FX-effect

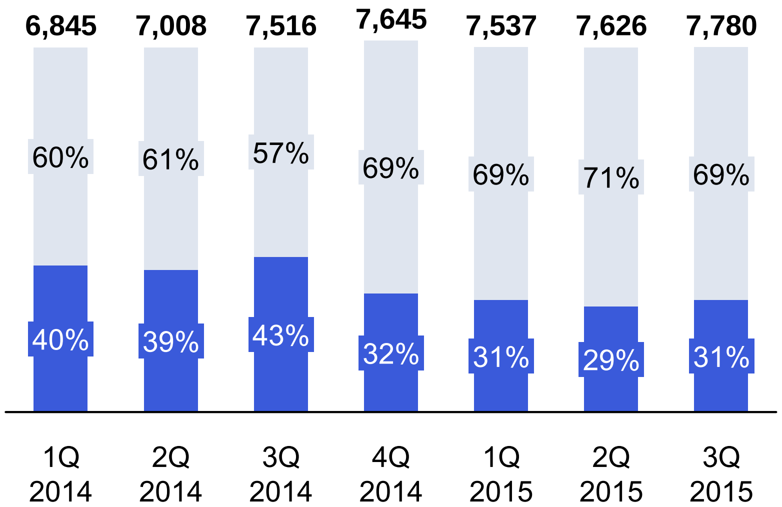
	Cons.	Core (Hungary)	DSK (Bulgaria)	OBRu (Russia)	OBU (Ukraine)	OBR (Romania)	OBH (Croatia)	OBS (Slovakia)	OBSr (Serbia)	CKB (Monte-negro)
Total	3%	4%	6%	-10%	3%	-2%	3%	1%	10%	7%
Retail	0%	1%	2%	-7%	-2%	-1%	1%	-2%	2%	1%
Corporate[1]	8%	7%	21%	-16%	8%	-3%	15%	8%	21%	19%

Y-o-Y deposit volume changes in 3Q 2015, adjusted for FX-effect

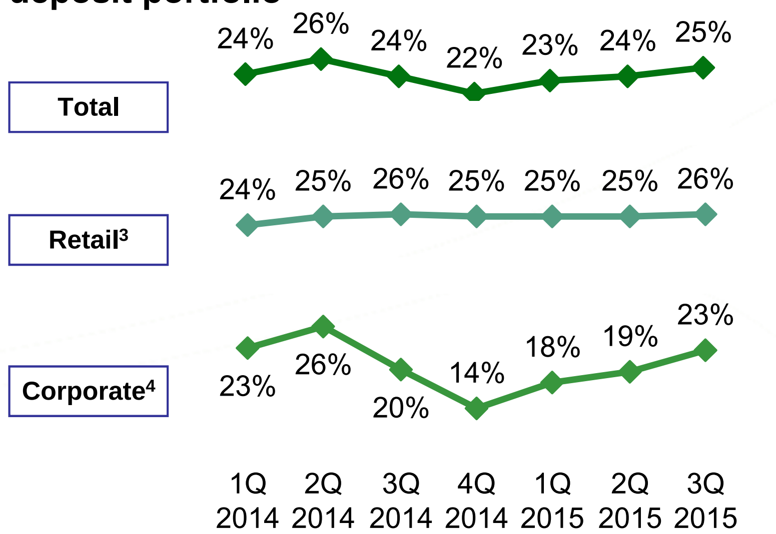
	Cons.	Core (Hungary)	DSK (Bulgaria)	OBRu (Russia)	OBU (Ukraine)	OBR (Romania)	OBH (Croatia)	OBS (Slovakia)	OBSr (Serbia)	CKB (Monte-negro)
Total	5%	2%	16%	-17%	2%	57% / 18%[2]	-3%	5%	20%	0%
Retail	7%	11%	15%	-18%	-22%	54% / 10%[2]	-6%	2%	10%	-6%
Corporate[1]	2%	-5%	20%	-14%	36%	61% / 28%[2]	15%	13%	34%	14%

Breakdown of consolidated customer deposits

(in HUF billion)



Proportion of FX deposits in the consolidated deposit portfolio



[1] including SME, LME and municipality deposits
[2] excluding the impact of Banca Millennium consolidation
[3] including households' deposits and SME deposits
[4] including LME and municipality deposits

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Consolidated FX-adjusted operating costs in 3Q increased by 2%, mainly related to OTP Core's 6% cost growth, and the acquisition of Banca Millennium in Romania

OPERATING COSTS – 3Q 2015 (HUF billion)	Share	Operating costs	Y-o-Y (HUF bn)	Y-o-Y (%)	Y-o-Y (FX-adj., HUF bn)	Y-o-Y (FX-adj., %)
OTP Group	100%	95	-6	-6%	2	2%
OTP CORE (Hungary)	52%	49	3	6%	3	6% (1)
DSK (Bulgaria)	11%	10	0	2%	0	2%
OBRU (Russia)	12%	12	-8	-42%	-2	-16% (2)
OBU (Ukraine)	4%	4	-2	-31%	0	0%
OBH (Croatia)	5%	4	-1	-19%	-1	-20%
OBS (Slovakia)	3%	3	0	-8%	0	-8%
OBR (Romania)	6%	5	2	61%	2	62% (3)
CKB (Montenegro)	2%	2	0	-3%	0	-3%
OBSrb (Serbia)	2%	2	0	-4%	0	-2%
Merkantil (Hungary)	2%	2	0	3%	0	3%

1. In 3Q operating costs of OTP Core went up by HUF 2.7 billion y-o-y. Contributions into the Deposit and Investor Protection Funds as well as Resolution Fund increased by HUF 1.1 billion. In 3Q HUF 0.4 billion operating costs emerged due to the settlement.

2. Despite the high inflation and the additional costs of Touch Bank, Russian costs declined y-o-y due to the lower scale of operation and the cost reduction programme commenced last year.

3. FX-adjusted operating expenses in Romania went up by 62% y-o-y as a result of the consolidation of the operating expenses of Banca Millennium (HUF 1.6 billion in 3Q 2015), and the acquisition related costs (HUF 0.6 billion in 3Q 2015).

OTP Core

The 9M performance of OTP Core was driven by lower net interest income y-o-y, the 3Q result was supported by higher other net non-interest revenues

OTP CORE (in HUF billion)	9M 14	9M 15	Y-o-Y	3Q 14	2Q 15	3Q 15	Q-o-Q	Y-o-Y
Before tax profit without one-off items	**121.2**	**113.2**	**-7%**	**41.9**	**37.9**	**39.6**	**4%**	**-6%**
Operating profit w/o one-off items	142.6	130.1	-9%	47.6	43.6	46.9	7%	-2%
Total income w/o one-off items	285.1	274.6	-4%	94.2	92.1	95.7	4%	2%
Net interest income w/o one-off items	1 199.8	189.9	-5%	66.6	62.9	63.3	1%	-5%
Net fees and commissions	70.8	72.5	2%	23.3	25.6	25.5	0%	10%
Other net non-interest income without one-offs	14.5	12.2	-16%	4.3	2 3.6	7.0	92%	62%
Operating costs	3 -142.5	-144.5	1%	-46.3	-48.5	-48.9	1%	6%
Total risk costs	-21.4	-16.9	-21%	-6.0	-5.7	-7.2	28%	20%

1 The net interest income dropped by 5% y-o-y reasoned mainly by the impact of the settlement and conversion, but declining yield environment took its toll, too. In 3Q the net interest margin remained stable q-o-q (3.7%).

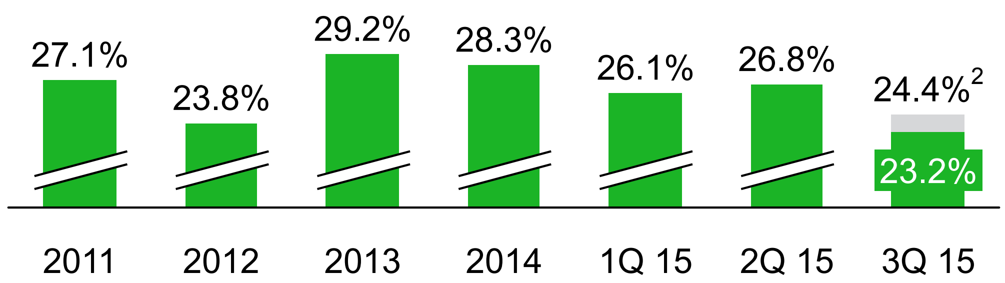
2 Other net non-interest income increased by around HUF 3.3 billion q-o-q due to better FX results (+HUF 1.1 billion q-o-q) and securities gains of HUF 1.3 billion (realized mainly on property investment funds and maturing government papers).

3 Operating expenses increased y-o-y by HUF 2 billion, mainly as a result of higher contribution paid into the National Deposit Insurance Fund, Investor Protection Fund and Resolution Fund (+HUF 2.9 billion y-o-y) and extra costs related to the settlement and conversion emerged in 9M 2015 (+HUF 1 billion).

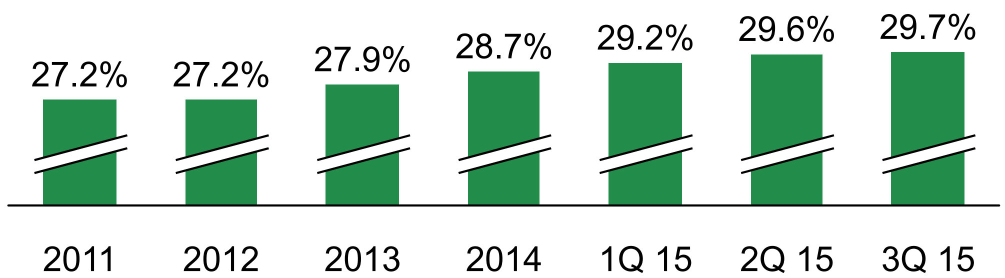
Mortgage loan demand and disbursements accelerated further. The market share in retail savings went up in 3Q 2015. The ytd 13.9% dynamic expansion of SME loans was supported by FGS programme

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

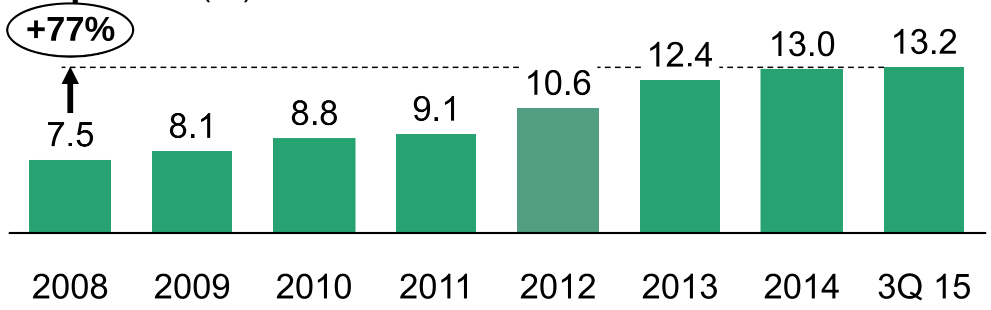
OTP Bank's market share in mortgage loan disbursement



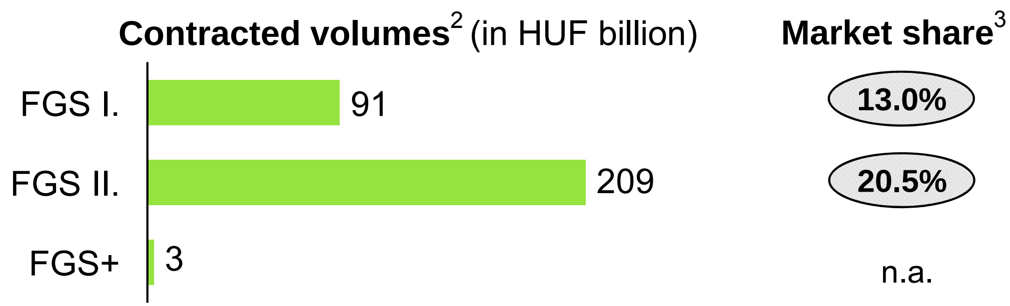
OTP Bank's market share in household savings



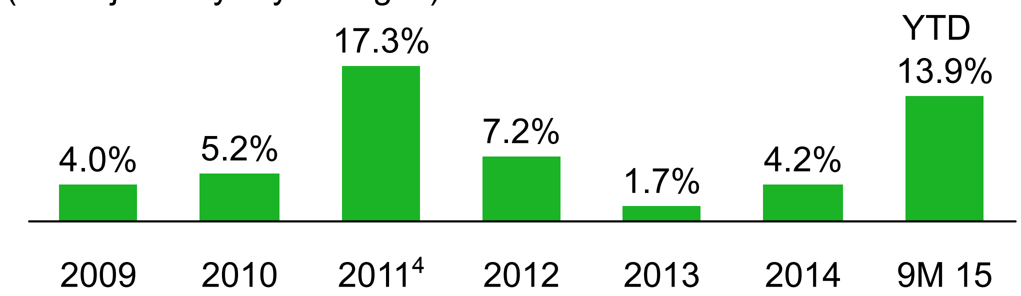
OTP Group's market share[1] in loans to Hungarian companies (%)



Activity of OTP Group in the Funding for Growth Scheme



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



[1] Aggregated market share of OTP Bank, OTP Mortgage Bank, OTP Building Society and Merkantil Bank, based on the balance sheet data provision to the central bank, calculated from the „Loans to non-financial-, other-financial-, additional- and non-profit- institutions serving households" line. [2] Adjusted for the impact of restructuring [3] Market share in disbursed volumes. The source of the sector statistics is the central bank's publications. [4] The y-o-y increase in 2011 was influenced by reclassification, too.

OTP Core

During 3Q 2015 the settlement has been completed at OTP Bank, Mortgage Bank, Merkantil and Flat Lease in case of HUF consumer contracts. The conversion of consumer and car financing loans will take place in 4Q

	1Q 2015	2Q 2015	3Q 2015	4Q 2015
Principal reduction / cash payment	Effective and matured FX-mortgages and consumer loans (OTP Bank, OTP Mortgage Bank (OMB))	Effective and matured FX loan and leasing contracts (Merkantil, OTP Flat Lease)	Effective and matured HUF loans and leasing contracts (OTP Bank, OMB, Merkantil, OTP Flat lease)	
Notification		Effective, matured and denounced contracts at OTP Bank and OMB: 370 th, Merkantil: 160 th, OTP Flat Lease: 2 th	HUF loans (OTP Bank, OMB, Merkantil, OTP Flat Lease)	
Conversion	Mortgages (effective, matured and denounced) at OTP, OMB, Fact.)	Flat Leasing contracts		Consumer and car financing loans (OTP, Merkantil)
Monthly installments according to new APRs	Applicable from February on the effective original FX loans at OTP, OMB, Merkantil, OTP Flat Lease		Applicable from July on the effective HUF loans at OTP, OMB, Merkantil, OTP Flat Lease	

Other deadlines

Checking the settlement: having received the notification letter clients may raise complaint in 30 days, and the banks are obliged to react in 60 days. Receiving an answer/clarification from the bank the client may ask for assistance from the Financial Dispute Resolution body in 30 days. Having learned its ruling the client may still initiate a non-litigation proceeding within 30 days.

Settlement with clients participating in FX prepayment scheme at preferential rate: those using the FX prepayment scheme at a preferential fixed exchange rate may ask for a settlement at their banks between 1-31 March. Banks are obliged to complete the settlement and send out the notification letters by 30 November 2015.

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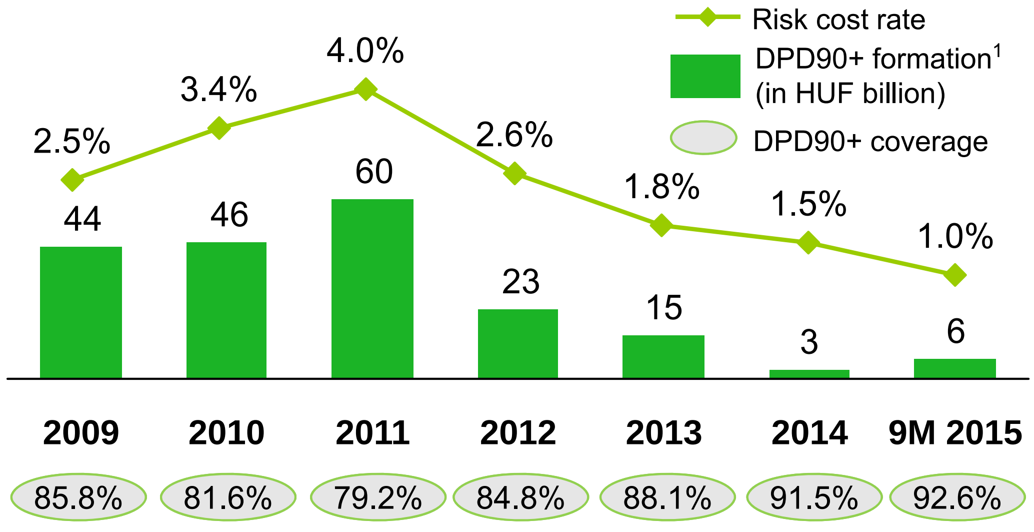
DSK Bank Bulgaria

Profitability of DSK Bank improved steadily since 2011 supported by both the improving operating and asset quality trends. The lending activity is getting more intense, the corporate market share edged up

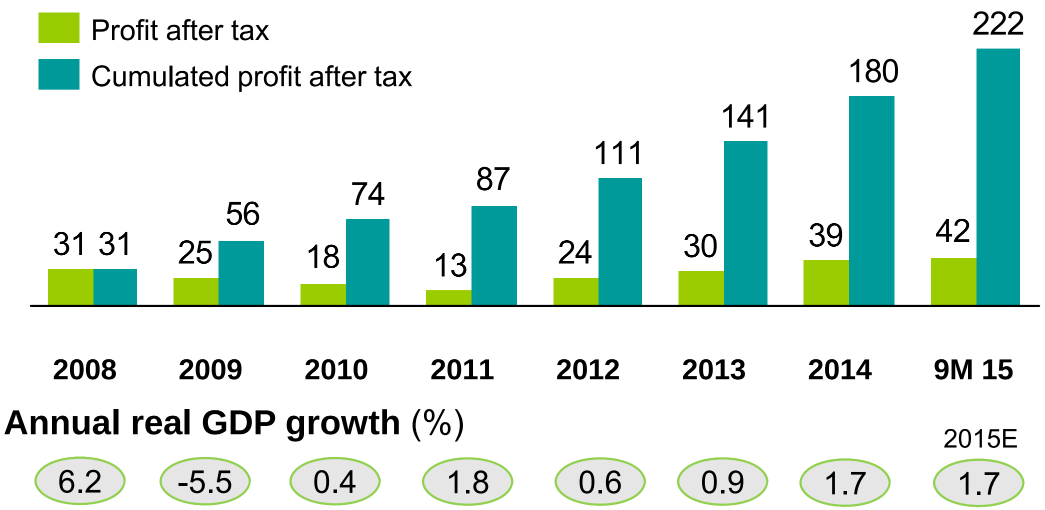
Income statement of DSK Bank

in HUF billion	2013	2014	1Q 2015	2Q 2015	3Q 2015
Profit after tax (adjusted)	30.2	39.2	17.6	10.2	14.1
Profit before tax	33.8	43.6	19.6	11.3	15.7
Operating profit	55.1	62.4	19.5	17.2	19.1
Total income	93.0	102.2	28.8	26.8	29.1
Net interest income	72.9	79.1	22.3	21.9	22.6
Net fees and commissions	18.2	20.3	5.4	6.0	5.9
Other non-interest income	1.8	2.9	1.1	-1.0	0.6
Operating costs	-37.9	-39.8	-9.3	-9.7	-10.0
Total risk cost	-21.3	-18.8	0.1	-5.9	-3.3
Provisions for loans	-20.7	-17.5	0.2	-5.8	-3.2
Other provisions	-0.6	-1.3	-0.1	-0.1	-0.1
Corporate tax	-3.5	-4.4	-2.0	-1.1	-1.6

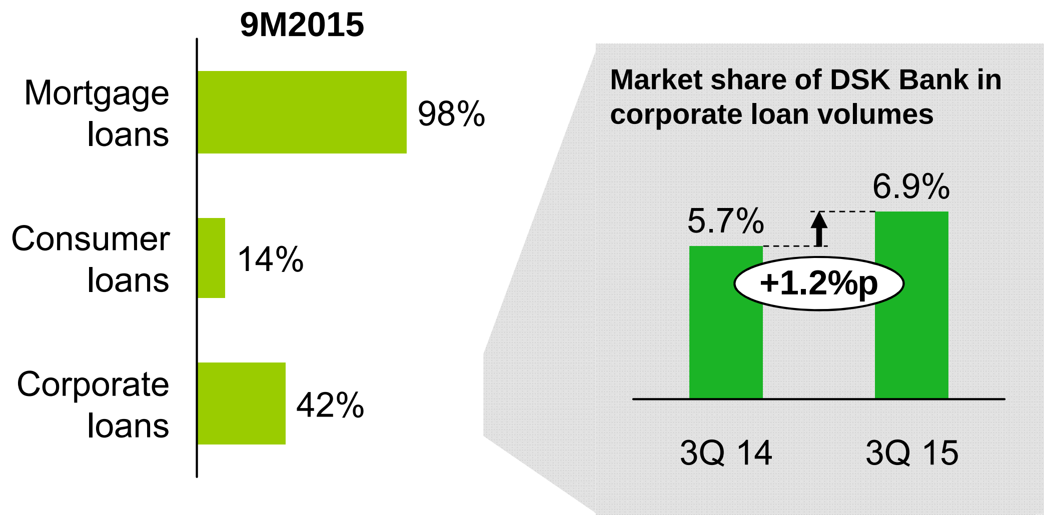
Development of DSK Bank's risk indicators



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



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



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

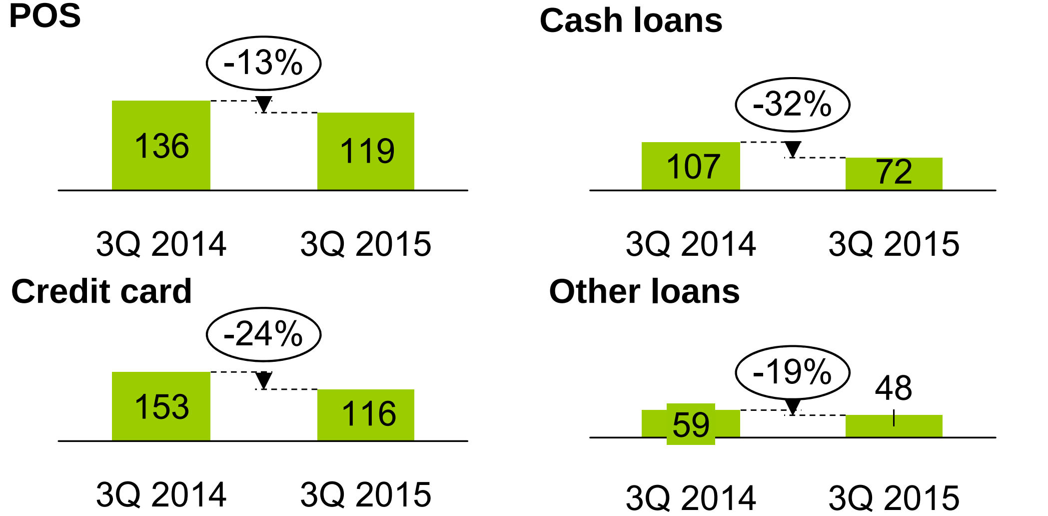
OTP Bank Russia

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

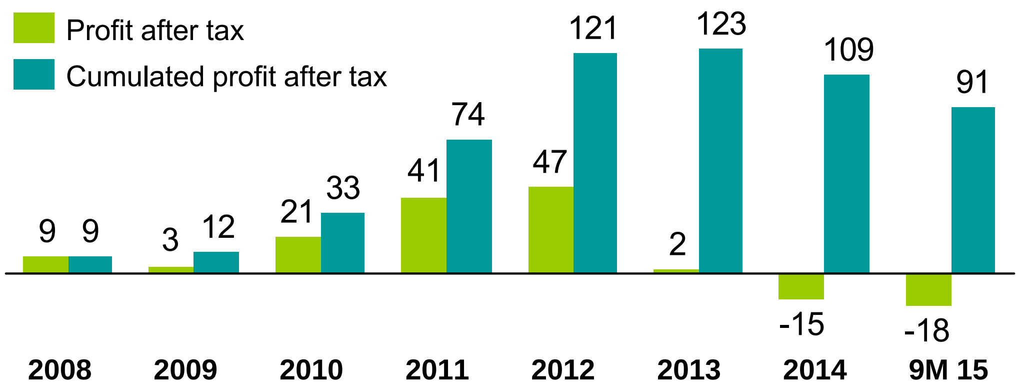
Income statement of OTP Bank Russia

in RUB billion	2013	2014	1Q 2015	2Q 2015	3Q 2015
Profit after tax (adjusted)	0.2	-2.3	-2.6	-0.8	-0.5
Profit before tax	0.3	-2.8	-3.2	-1.0	-0.6
Operating profit	17.6	16.5	3.0	3.6	3.4
Total income	29.5	29.3	6.2	6.3	6.1
Net interest income	26.2	25.9	5.5	5.5	5.2
Net fees and commissions	3.1	3.5	0.7	0.9	0.8
Other non-interest income	0.2	-0.1	0.0	0.0	0.1
Operating costs	-11.9	-12.8	-3.2	-2.8	-2.6
Total risk cost	-17.3	-19.3	-6.2	-4.6	-4.0
Provisions for loans	-17.4	-19.1	-6.2	-4.5	-4.0
Other provisions	0.1	-0.2	0.0	-0.1	0.0
Corporate tax	-0.1	0.5	0.6	0.2	0.1

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



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



Annual real GDP growth (%)

OTP Bank Russia - risk cost rates in different segments

	2010	2011	2012	2013	2014	1Q 2015	2Q 2015	3Q 2015
POS loans	7.9%	7.7%	9.1%	15.6%	11.5%	12.3%	9.6%	10.3%
Credit cards	6.8%	10.3%	10.5%	17.4%	19.7%	25.2%	22.5%	17.2%
Cash loans	-4.8%	3.7%	6.8%	13.2%	19.7%	23.9%	18.5%	13.8%

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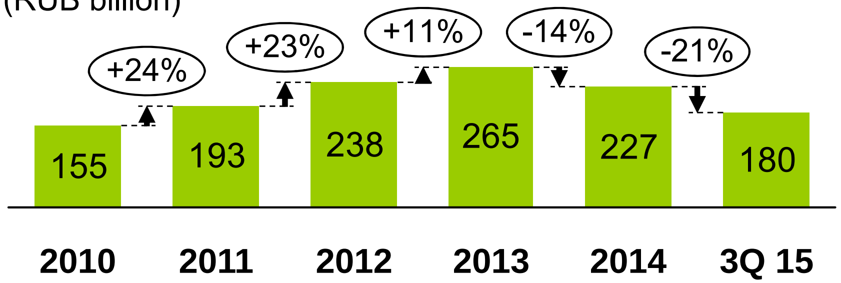
OTP Bank Russia

Despite the 4% q-o-q performing POS loan volumes growth, ytd all consumer lending segment suffered a significant setback

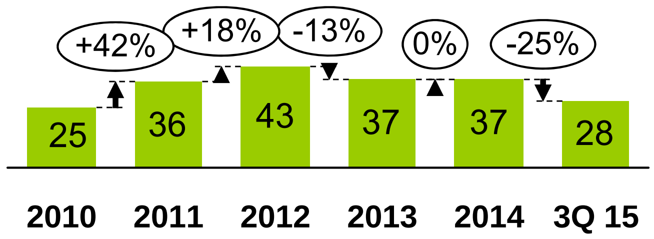
Consumer loan market segment*

Market position of OTP Bank Russia

POS loan market
(RUB billion)

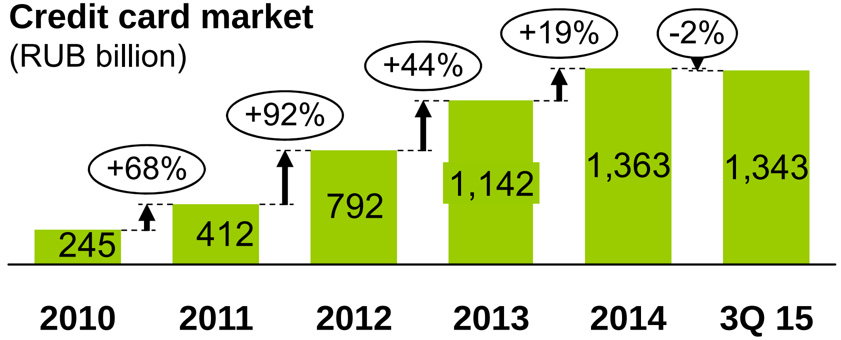


DPD0-90 POS loan volumes

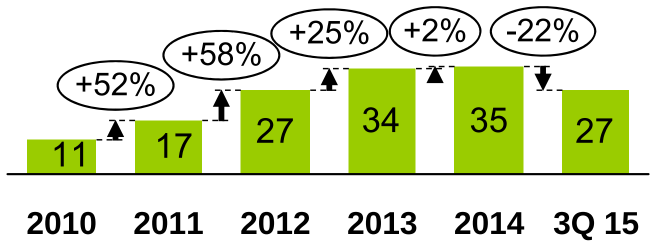


- Sales force:
  3,932 own sales points**
  28,287 external sales points***
- #2 on the market
- 3Q 2015 market share: 18.3%

Credit card market
(RUB billion)

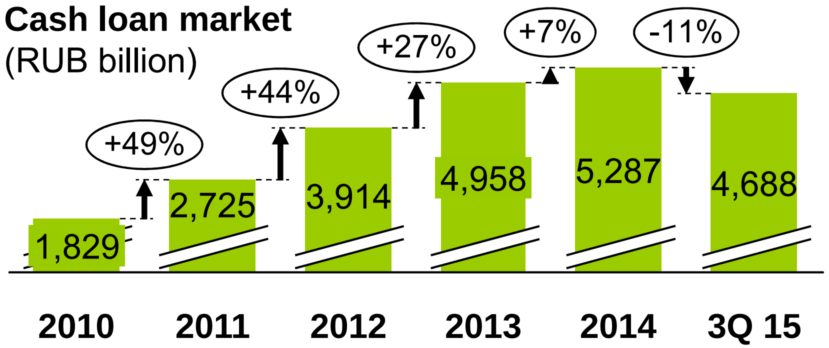


DPD0-90 Credit card loan volumes

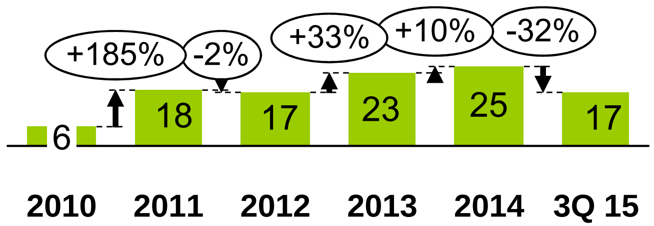


- Cross-sales to POS clients
- #6 on the market
- 3Q 2015 market share: 2.8%

Cash loan market
(RUB billion)



DPD0-90 Cash loan volumes
(including quick cash loans)



- Available in 134 branches
- #28 on the market
- 3Q 2015 market share: 0.5%

* Source: Frank Research Group
** Bank employees working with Federal or other networks.
*** Employees of commercial organizations

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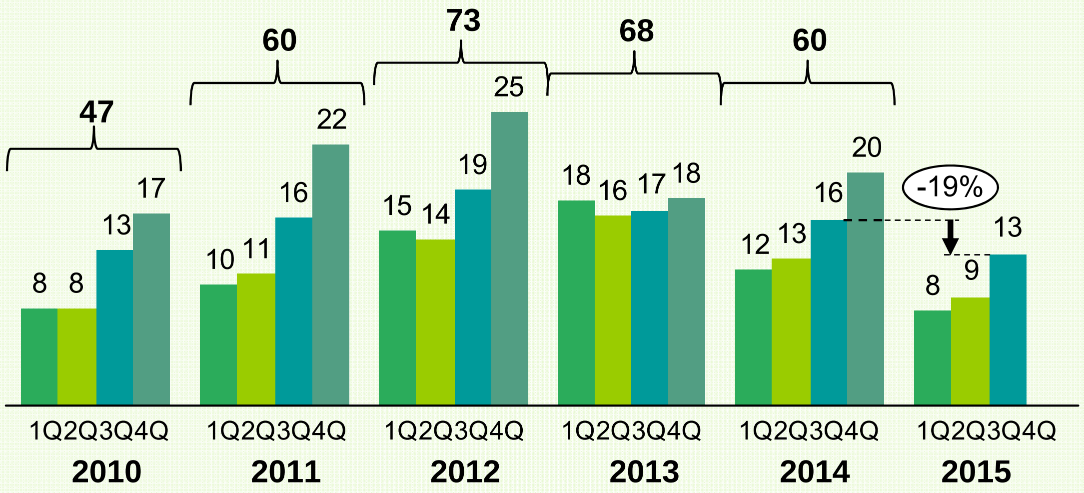
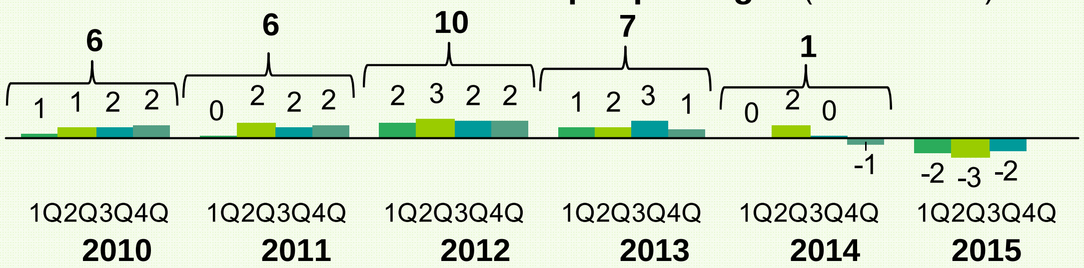
OTP Bank Russia

In 3Q 2015 POS loan disbursements gained momentum, but performing credit card volumes further declined. Deposits decreased q-o-q in RUB terms. Average RUB term deposit rates moderated from the peak in March

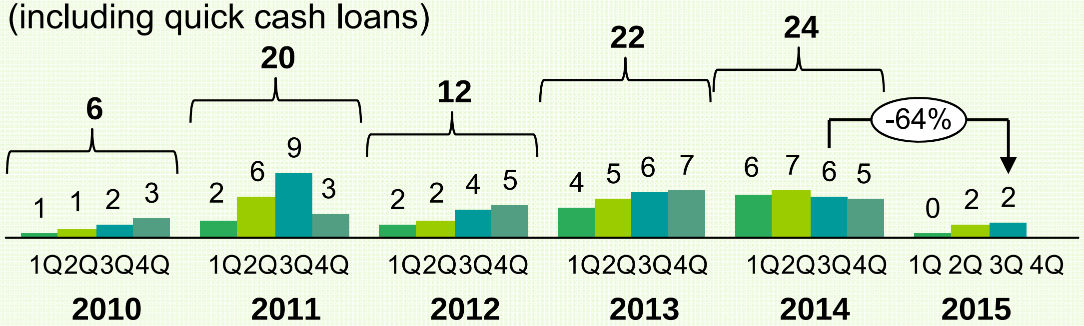
POS loan disbursements (RUB billion)



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

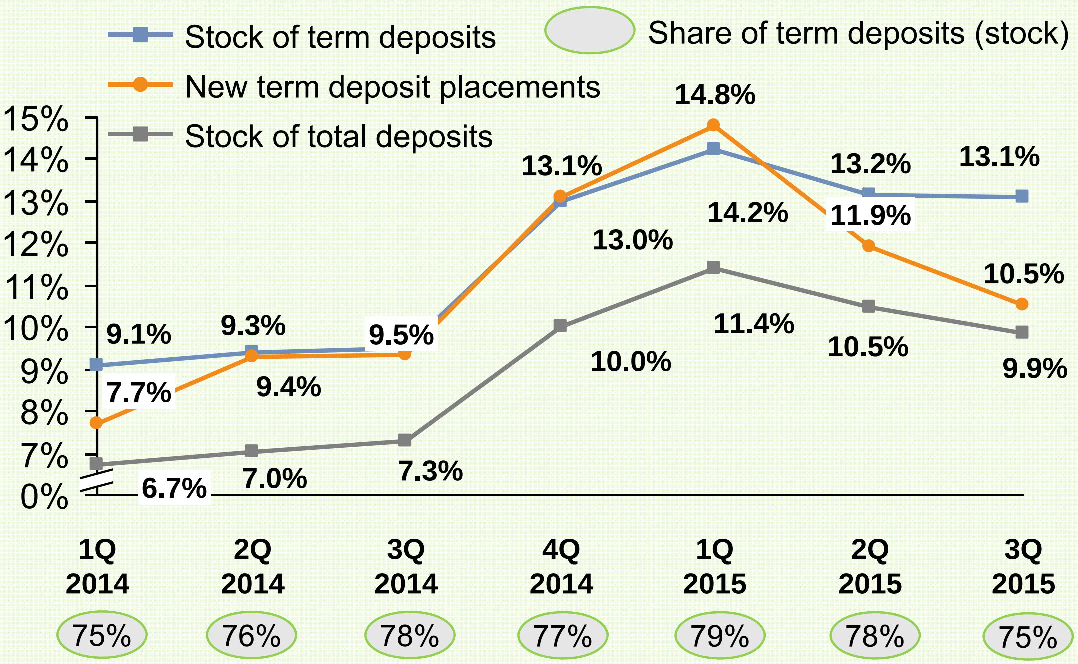


Cash loan disbursements (RUB billion)
(including quick cash loans)



Development of customer deposits (RUB billion)

Average interest rates for stock and new deposit placements



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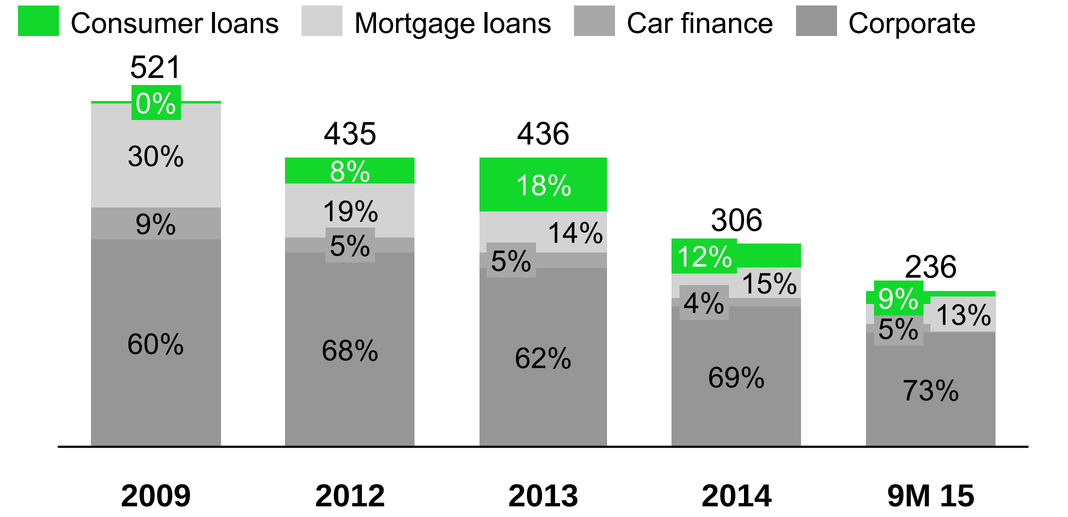
OTP Bank Ukraine

In 3Q the Ukrainian bank posted HUF 17.5 billion loss due to the high risk cost. The portfolio quality deterioration was favourably low due to restructurings. The intra-group funding declined further in 3Q 2015

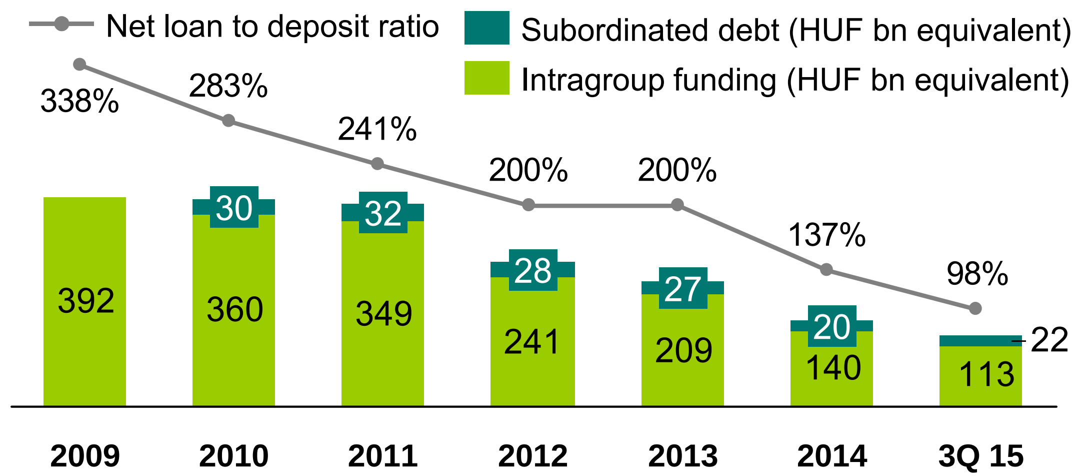
Income statement of OTP Bank Ukraine

in UAH million	2013	2014	1Q 2015	2Q 2015	3Q 2015
Profit after tax (adjusted)	246	-2,324	-748	45	-1,359
Profit before tax	408	-2,521	-993	124	-1,417
Operating profit	1,472	1,310	956	289	381
Total income	2,659	2,571	1,252	583	681
Net interest income	1,948	2,261	735	423	552
Net fees and commissions	622	513	134	136	151
Other non-interest income	89	-204	382	25	-21
Operating costs	-1,187	-1,261	-296	-294	-300
Total risk cost	-1,064	-3,830	-1,948	-165	-1,798
Provisions for loans	-1,001	-3,693	-1,926	-202	-1,762
Other provisions	-63	-137	-23	37	-36
Corporate tax	-163	197	245	-78	57

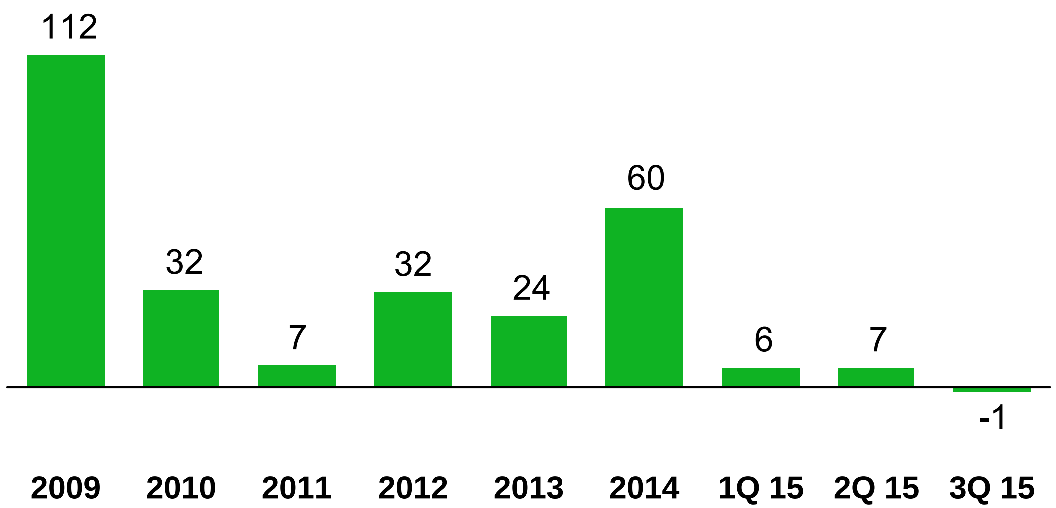
Composition of performing loan volumes (in HUF billion)



Intragroup funding and net loan to deposit ratio



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



OTP Bank Ukraine

The Ukrainian subsidiary's share within the Group's performing loans shows a declining trend. The deposit base is stable. The provision coverage ratio jumped q-o-q due to hefty corporate provisioning

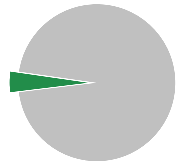
Ranking of Ukrainian banks by total assets

1	Privatbank	242
2	Oschadbank	157
3	Ukreximbank	140
4	**Prominvestbank (UniCredit)**	56
5	**Sberbank of Russia**	54
6	**Raiffeisen Bank Aval**	53
7	Ukrsotsbank	43
8	**Alfa-Bank**	42
9	**Ukrsibbank**	38
10	First Ukr. Inter. Bank	36
11	**Ukrgazbank (BNP Paribas)**	34
12	**VTB Bank**	25
13	otpbank	23

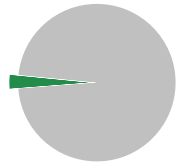
In UAH billion, as of 01/10/2015
Source: National Bank of Ukraine

OTP Ukraine's share within consolidated loans and deposits

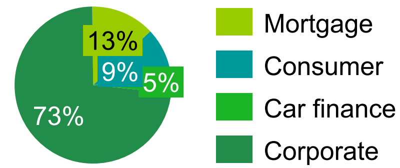
Share of the Ukrainian bank's performing loans (DPD0-90) within the Group



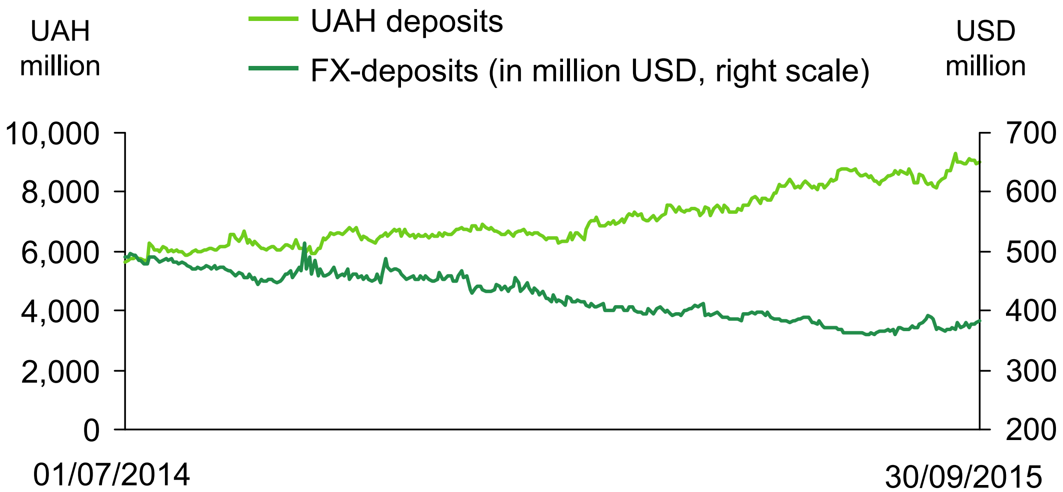
Share of the Ukrainian bank's customer deposits within the Group



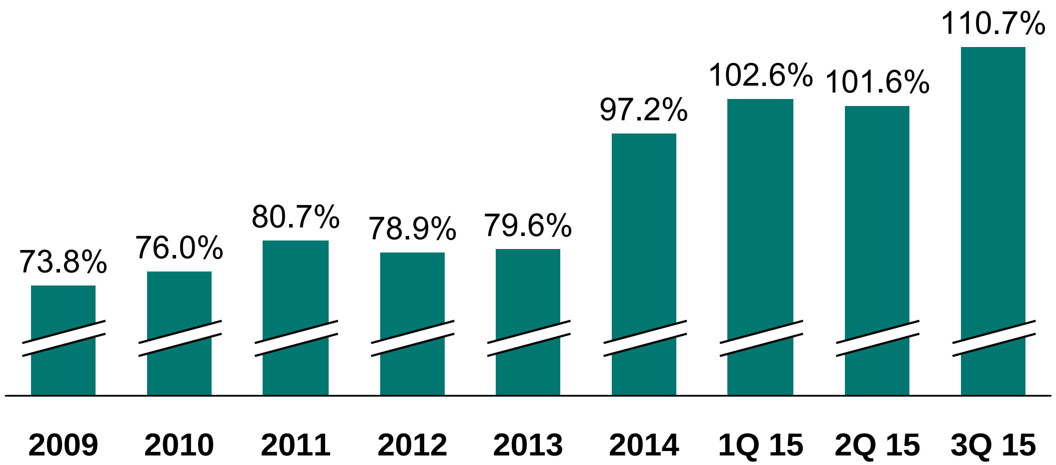
Composition of the Ukrainian bank's performing (DPD0-90) loans



Daily development of customer deposits

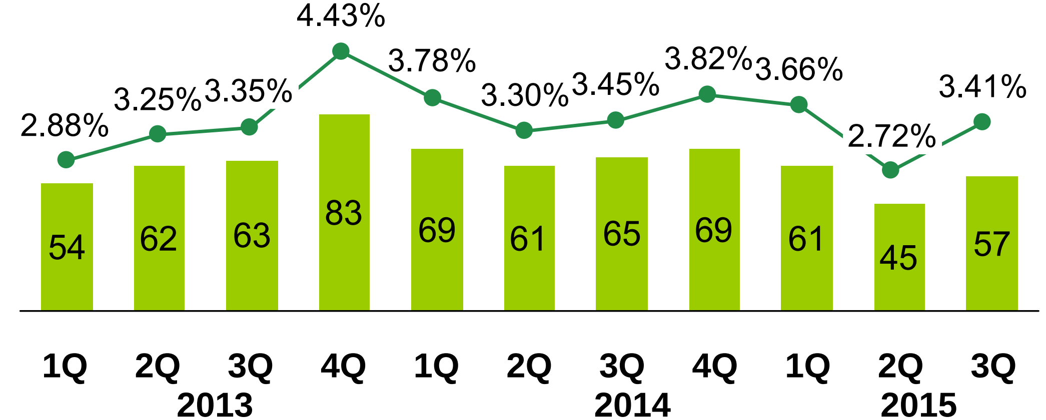


Development of the DPD90+ coverage ratio

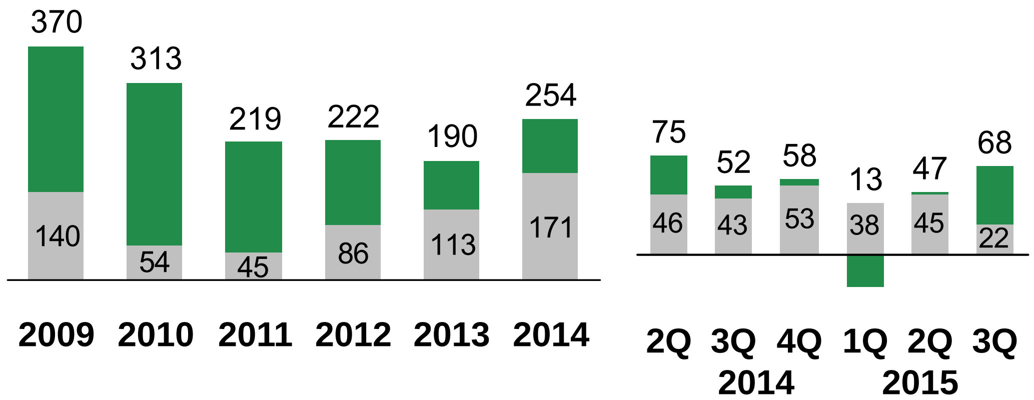


The consolidated DPD90+ ratio increased q-o-q and the coverage ratio went down mainly due to the technical effect of the settlement at OTP Core (bulk of mortgages healed temporary in 1Q re-defaulted in 3Q). The risk cost rate increased mainly due to elevated Ukrainian corporate provisioning

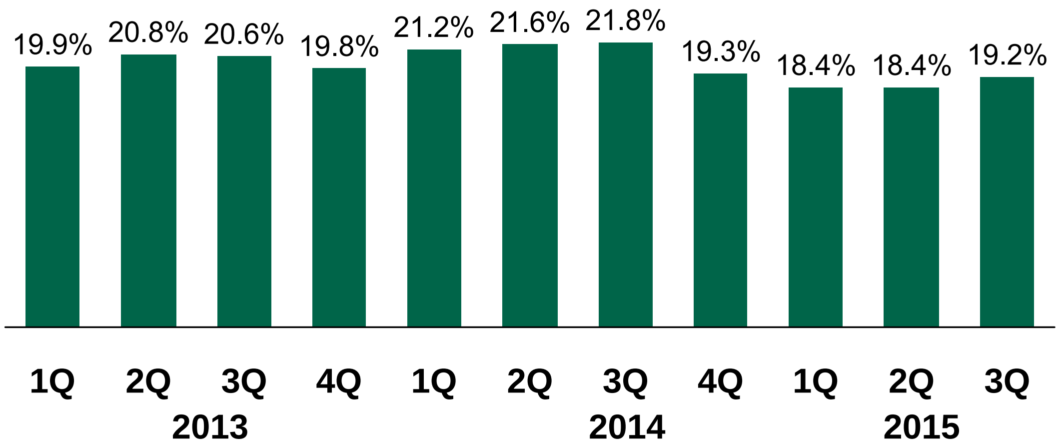
Consolidated risk cost for possible loan losses and its ratio to average gross loans



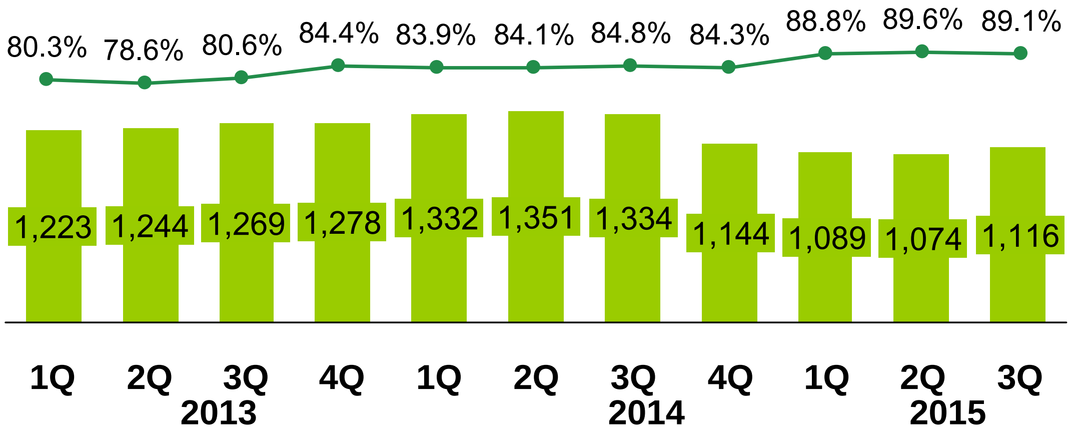
Change in DPD90+ loan volumes
(consolidated, adjusted for FX and sales and write-offs, in HUF billion)



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



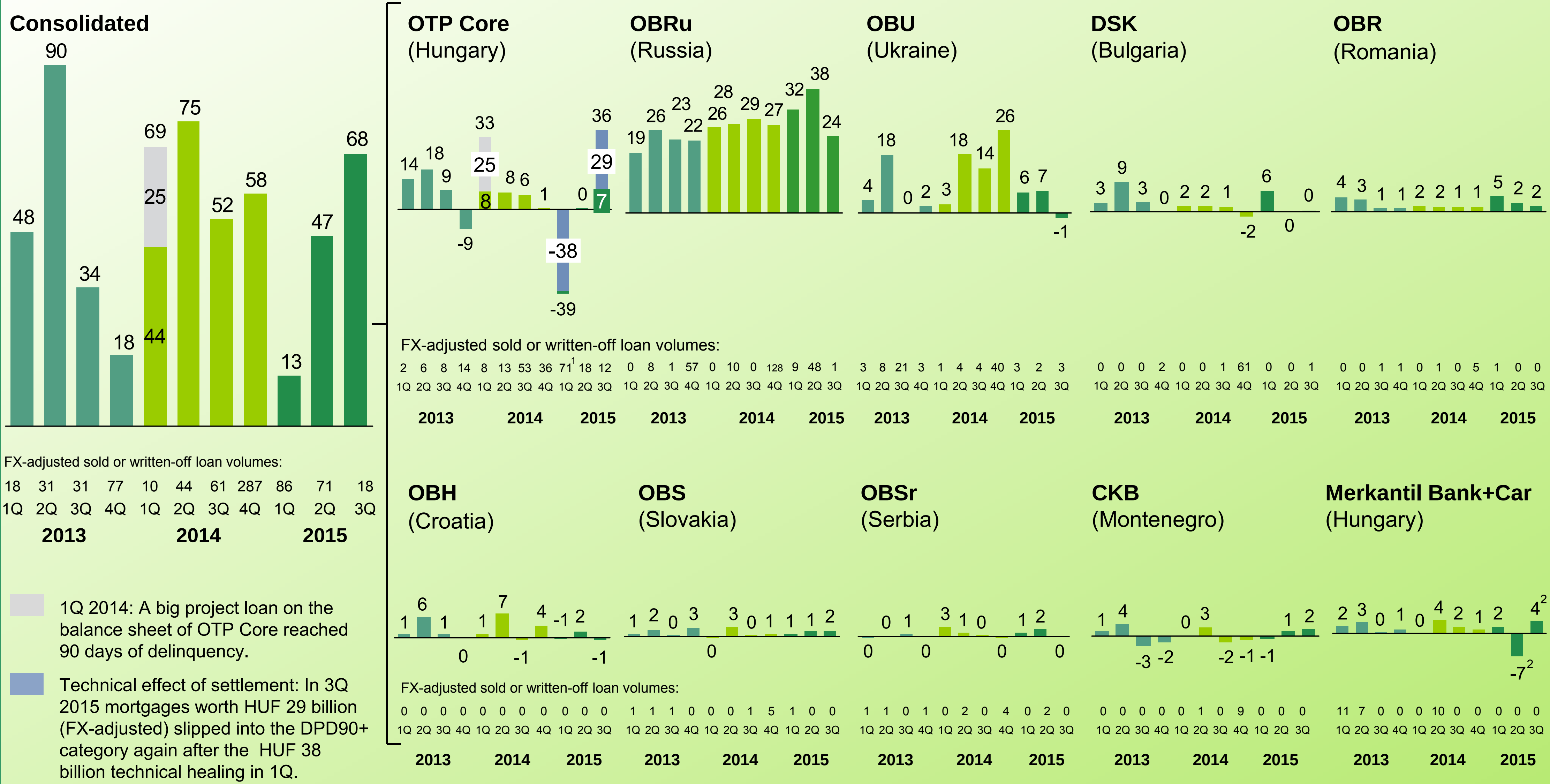
Consolidated provision coverage ratio



In Hungary the DPD90+ formation was determined by the technical effect of the settlement and a single large project financing loan. In Russia the pace of new DPD90+ loan formation decelerated. In Bulgaria there was no deterioration in 3Q. The Ukrainian 3Q figure reflects the effect of corporate restructurings

FX-adjusted quarterly change in DPD90+ loan volumes

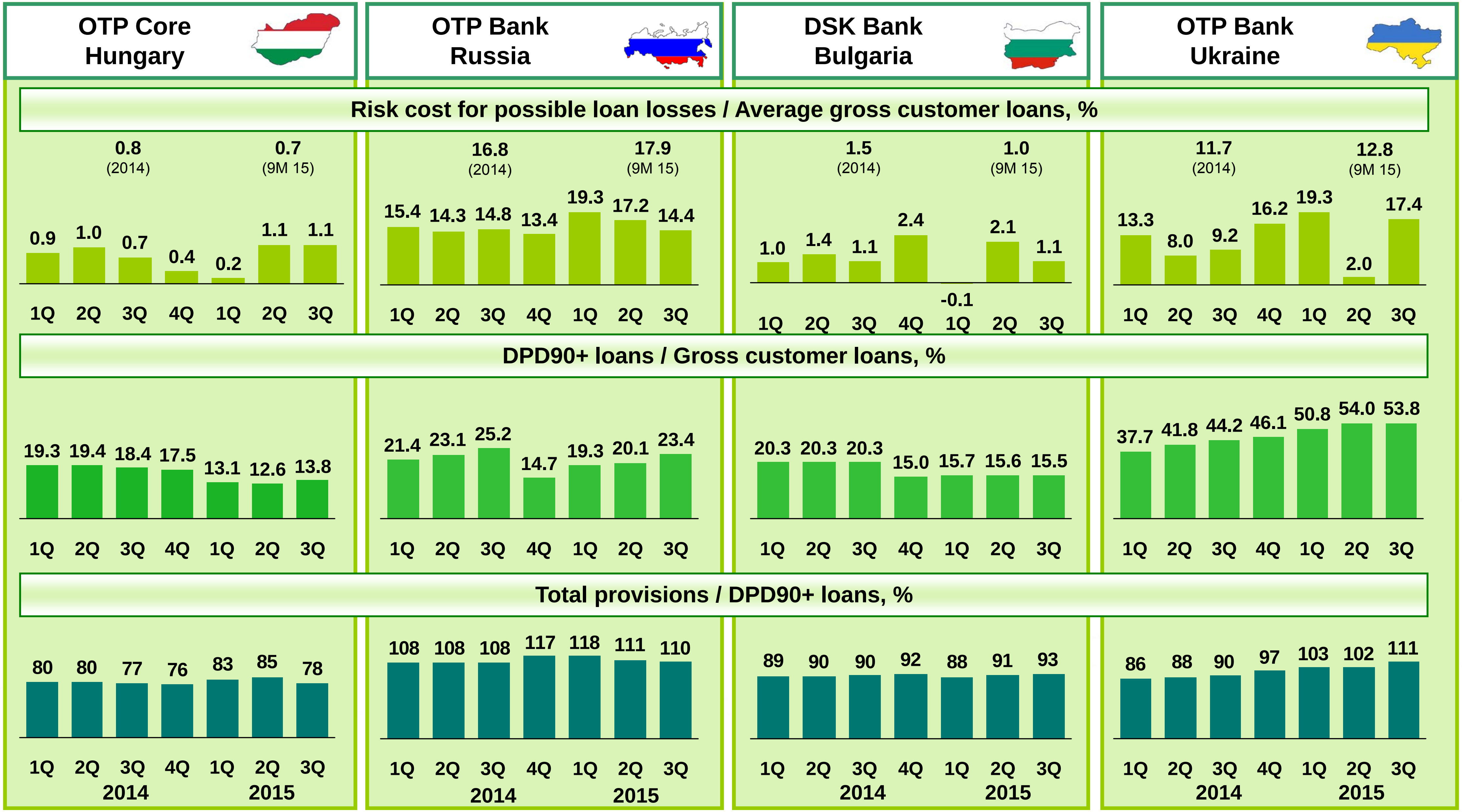
(without the effect of sales / write-offs, in HUF billion)



[1] The netting out at Factoring induced by the conversion in 1Q 2015 was equivalent of HUF 65 billion on an FX-adjusted basis.

[2] In 2Q 2015 at Merkantil the settlement reduced the DPD90+ volumes by HUF 7 billion (FX-adjusted) and HUF 3 billion re-defaulted in 3Q.

At OTP Core the technical impact of the settlement influenced the DPD90+ and the coverage ratio. In Russia the risk cost rate moderated and the coverage remained stable. In Bulgaria the overall asset quality trend remained favourable. As a result of massive corporate provisioning in 3Q the Ukrainian coverage ratio climbed to 111%



At OTP Core significant part of loans released from the DPD90+ in 1Q as a result of the settlement re-defaulted in 3Q. Bulgaria remained stable. In Russia the portfolio continued to deteriorate, the Ukrainian corporate DPD90+ ratio declined

DPD90+ ratio (%)

OTP Core (Hungary)	3Q14	4Q14	1Q15	2Q15	3Q15	Q-o-Q *(%-point)*
Total	**18.4%**	**17.5%**	**13.1%**	**12.6%**	**13.8%**	***1.2***
Retail	21.9%	21.7%	14.9%	14.2%	15.4%	*1.2*
Mortgage	21.0%	20.5%	11.7%	11.1%	13.1%	*2.1*
Consumer	25.2%	26.0%	25.3%	24.4%	23.0%	*-1.4*
MSE[1]	10.4%	10.0%	9.4%	8.9%	8.3%	*-0.7*
Corporate	13.1%	10.2%	10.6%	10.4%	11.8%	*1.3*
Municipal	0.2%	0.2%	0.6%	1.2%	0.7%	*-0.5*

DPD90+ ratio (%)

OTP Bank Russia	3Q 14	4Q 14	1Q 15	2Q 15	3Q 15	Q-o-Q *(%-point)*
Total	**25.2%**	**14.7%**	**19.3%**	**20.1%**	**23.4%**	*3.3*
Mortgage	15.6%	17.0%	26.2%	31.2%	32.9%	*1.7*
Consumer	26.5%	15.1%	19.6%	19.5%	23.4%	*3.8*
Credit card	27.5%	17.7%	21.2%	22.2%	27.4%	*5.2*
POS loan	28.4%	11.6%	15.4%	14.8%	16.4%	*1.6*
Personal loan	22.4%	16.1%	22.7%	21.7%	26.9%	*5.1*

DPD90+ ratio (%)

DSK Bank (Bulgaria)	3Q 14	4Q 14	1Q 15	2Q 15	3Q 15	Q-o-Q *(%-point)*
Total	**20.3%**	**15.0%**	**15.7%**	**15.6%**	**15.5%**	*-0.1*
Mortgage	23.5%	22.1%	22.4%	22.4%	22.0%	*-0.5*
Consumer	17.0%	7.3%	7.7%	8.0%	8.0%	*0.0*
MSE[1]	40.0%	32.7%	34.2%	31.8%	29.4%	*-2.4*
Corporate	15.9%	12.4%	14.2%	13.8%	14.5%	*0.7*

DPD90+ ratio (%)

OTP Bank Ukraine	3Q 14	4Q 14	1Q 15	2Q 15	3Q 15	Q-o-Q *(%-point)*
Total	**44.2%**	**46.1%**	**50.8%**	**54.0%**	**53.8%**	*-0.1*
Mortgage	66.2%	70.8%	75.7%	79.6%	80.4%	*0.8*
Consumer	31.4%	41.4%	46.5%	52.7%	54.5%	*1.8*
SME[2]	78.8%	82.3%	86.8%	89.6%	90.5%	*0.9*
Corporate	24.2%	16.3%	16.8%	17.7%	15.7%	*-2.0*
Car-financing	55.4%	58.9%	58.6%	60.2%	60.8%	*0.5*

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

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Restructured retail volumes increased q-o-q on group level, representing 1.7% of total retail loans by the end of 3Q 2015; in Ukraine and Bulgaria the share of restructured retail loans expanded q-o-q

Definition of retail restructured loans:

- In comparison with the original terms and conditions, more favourable conditions are given to clients for a definite period of time or the maturity is prolonged.
- The exposure is not classified as restructured, if:
  - the restructuring period with more favourable conditions is over and the client is servicing his loan according to the original terms for more than 12 months, and/or
  - the client is servicing his contract according to the prolonged conditions for more than 12 months.
- Hungarian FX mortgage loans in the fixed exchange rate scheme are not included in the restructured category.
- Loans once restructured but currently with delinquency of more than 90 days are not included, either.

Restructured retail loans with less than 90 days of delinquency

	3Q 2014		4Q 2014		1Q 2015		2Q 2015		3Q 2015	
	HUF mn	*%[1]*	*HUF mn*	*%[1]*	*HUF mn*	*%[1]*	*HUF mn*	*%[1]*	*HUF mn*	*%[1]*
OTP Core (Hungary)	25,975	1.4%	22,152	1.2%	19,351	1.2%	16,184	1.0%	15,444	1,0%
OBRu (Russia)	155	0.0%	131	0.0%	158	0.0%	1,122	0.2%	2,813	0,7%
DSK (Bulgaria)	18,973	2.2%	17,008	2.1%	13,549	1.8%	12,193	1.5%	16,193	2,0%
OBU (Ukraine)	15,191	6.0%	14,556	5.8%	12,827	5.4%	16,071	6.7%	19,847	8,5%
OBR (Romania)	19,273	6.9%	16,982	6.1%	15,206	4.3%	14,315	3.9%	11,569	3,3%
OBH (Croatia)	1,418	0.5%	2,214	0.8%	1,893	0.7%	1,850	0.6%	1,415	0,5%
OBS (Slovakia)	277	0.1%	389	0.2%	244	0.1%	405	0.2%	665	0,3%
OBSr (Serbia)	593	1.7%	408	1.1%	455	1.3%	769	2.0%	894	2,4%
CKB (Montenegro)	462	0.8%	226	0.4%	190	0.3%	146	0.2%	109	0,2%
Merkantil (Hungary)	2,264	1.3%	1,864	1.0%	1,653	0.9%	1,283	0.7%	1,009	0,6%
Other leasing[2] (Hungary)	338	1.2%	194	0.7%	192	0.7%	237	1.0%	289	1,2%
TOTAL	**84,919**	**1.7%**	**76,124**	**1.7%**	**65,720**	**1.5%**	**64,575**	**1.5%**	**70,248**	**1,7%**

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

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Forward looking statements

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

Investor Relations & Debt Capital Markets

Tel: + 36 1 473 5460; + 36 1 473 5457

Fax: + 36 1 473 5951

E-mail: investor.relations@otpbank.hu

www.otpbank.hu