OTP Bank Plc.

Summary of the full-year 2020 results

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

Budapest, 5 March 2021

CONSOLIDATED FINANCIAL HIGHLIGHTS[1] AND SHARE DATA

Main components of the adjusted Statement of recognised income in HUF million	2019	2020	Y-o-Y	4Q 2019	3Q 2020	4Q 2020	Q-o-Q	Y-o-Y
Consolidated after tax profit	**412,582**	**259,636**	**-37%**	**102,979**	**113,573**	**71,465**	**-37%**	**-31%**
Adjustments (total)	-6,470	-50,631	683%	-2,971	-4,079	-7,097	74%	139%
Consolidated adjusted after tax profit without the effect of adjustments	**419,052**	**310,268**	**-26%**	**105,950**	**117,652**	**78,562**	**-33%**	**-26%**
Pre-tax profit	465,973	351,802	-25%	114,585	134,531	88,575	-34%	-23%
Operating profit	510,045	537,437	5%	139,991	139,320	139,917	0%	0%
Total income	1,077,727	1,169,920	9%	305,518	294,395	307,451	4%	1%
Net interest income	706,298	788,079	12%	195,875	195,738	197,578	1%	1%
Net fees and commissions	282,504	293,112	4%	85,503	74,240	83,052	12%	-3%
Other net non-interest income	88,926	88,729	0%	24,140	24,417	26,820	10%	11%
Operating expenses	-567,682	-632,483	11%	-165,527	-155,075	-167,533	8%	1%
Total risk costs	-47,107	-187,995	299%	-24,891	-5,107	-52,144	921%	109%
One off items	3,034	2,360	-22%	-515	318	801	152%	-256%
Corporate taxes	-46,921	-41,534	-11%	-8,635	-16,879	-10,013	-41%	16%
Main components of the adjusted balance sheet, closing balances in HUF million	2019	2020	Y-o-Y	4Q 2019	3Q 2020	4Q 2020	Q-o-Q	Y-o-Y
Total assets	20,121,767	23,335,841	16%	20,121,767	22,709,216	23,335,841	3%	16%
Total customer loans (net, FX adjusted)	**12,902,518**	**13,528,586**	**5%**	**12,902,518**	**13,563,574**	**13,528,586**	**0%**	**5%**
Total customer loans (gross, FX adjusted)	**13,605,264**	**14,363,281**	**6%**	**13,605,264**	**14,381,084**	**14,363,281**	**0%**	**6%**
Allowances for possible loan losses (FX adjusted)	-702,746	-834,695	19%	-702,746	-817,511	-834,695	2%	19%
Total customer deposits (FX adjusted)	**16,260,599**	**17,890,863**	**10%**	**16,260,599**	**17,284,080**	**17,890,863**	**4%**	**10%**
Issued securities	393,167	464,214	18%	393,167	444,337	464,214	4%	18%
Subordinated loans	249,937	274,704	10%	249,937	273,542	274,704	0%	10%
Total shareholders' equity	2,291,288	2,537,112	11%	2,291,288	2,473,108	2,537,112	3%	11%
Indicators based on adjusted earnings	2019	2020	Y-o-Y	4Q 2019	3Q 2020	4Q 2020	Q-o-Q	Y-o-Y
ROE (from accounting net earnings)	20.3%	10.9%	-9.4%p	18.2%	19.0%	11.3%	-7.7%p	-6.9%p
ROE (from adjusted net earnings)	20.6%	13.0%	-7.6%p	18.8%	19.7%	12.5%	-7.2%p	-6.3%p
ROA (from adjusted net earnings)	2.4%	1.4%	-1.0%p	2.2%	2.1%	1.4%	-0.8%p	-0.8%p
Operating profit margin	2.97%	2.47%	-0.51%p	2.90%	2.53%	2.43%	-0.11%p	-0.48%p
Total income margin	6.28%	5.37%	-0.92%p	6.34%	5.35%	5.33%	-0.02%p	-1.01%p
Net interest margin	4.12%	3.61%	-0.50%p	4.06%	3.56%	3.43%	-0.13%p	-0.64%p
Cost-to-asset ratio	3.31%	2.90%	-0.41%p	3.43%	2.82%	2.90%	0.09%p	-0.53%p
Cost/income ratio	52.7%	54.1%	1.4%p	54.2%	52.7%	54.5%	1.8%p	0.3%p
Provision for impairment on loan and placement losses-to-average gross loans ratio	0.28%	1.15%	0.87%p	0.45%	0.00%	1.17%	1.17%p	0.72%p
Total risk cost-to-asset ratio	0.27%	0.86%	0.59%p	0.52%	0.09%	0.90%	0.81%p	0.39%p
Effective tax rate	10.1%	11.8%	1.7%p	7.5%	12.5%	11.3%	-1.2%p	3.8%p
Net loan/(deposit+retail bond) ratio (FX adjusted)	79%	76%	-4%p	79%	79%	76%	-3%p	-4%p
Capital adequacy ratio[2] (consolidated, IFRS) - Basel3	16.8%	17.7%	1.0%p	16.8%	17.0%	17.7%	0.8%p	1.0%p
Tier1 ratio - Basel3	14.4%	15.4%	1.0%p	14.4%	14.6%	15.4%	0.7%p	1.0%p
Common Equity Tier 1 ('CET1') ratio - Basel3	14.4%	15.4%	1.0%p	14.4%	14.6%	15.4%	0.7%p	1.0%p
Share Data	2019	2020	Y-o-Y	4Q 2019	3Q 2020	4Q 2020	Q-o-Q	Y-o-Y
EPS diluted (HUF) (from unadjusted net earnings)	1,575	1,003	-36%	391	442	279	-37%	-29%
EPS diluted (HUF) (from adjusted net earnings)	1,602	1,200	-25%	404	459	307	-33%	-24%
Closing price (HUF)	15,430	13,360	-13%	15,430	9,340	13,360	43%	-13%
Highest closing price (HUF)	15,600	15,630	0%	15,600	11,210	13,540	21%	-13%
Lowest closing price (HUF)	11,270	8,010	-29%	11,990	8,880	9,625	8%	-20%
Market Capitalization (EUR billion)	13.1	10.2	-22%	13.1	7.2	10.2	43%	-22%
Book Value Per Share (HUF)	8,183	9,061	11%	8,183	8,833	9,061	3%	11%
Tangible Book Value Per Share (HUF)	7,362	8,436	15%	7,362	7,992	8,436	6%	15%
Price/Book Value	1.9	1.5	-22%	1.9	1.1	1.5	39%	-22%
Price/Tangible Book Value	2.1	1.6	-24%	2.1	1.2	1.6	36%	-24%
P/E (trailing, from accounting net earnings)	10.5	14.4	38%	10.5	9.0	14.4	60%	38%
P/E (trailing, from adjusted net earnings)	10.3	12.1	17%	10.3	7.7	12.1	56%	17%
Average daily turnover (EUR million)	16	22	35%	17	14	20	42%	15%
Average daily turnover (million share)	0.4	0.7	69%	0.4	0.5	0.6	26%	53%

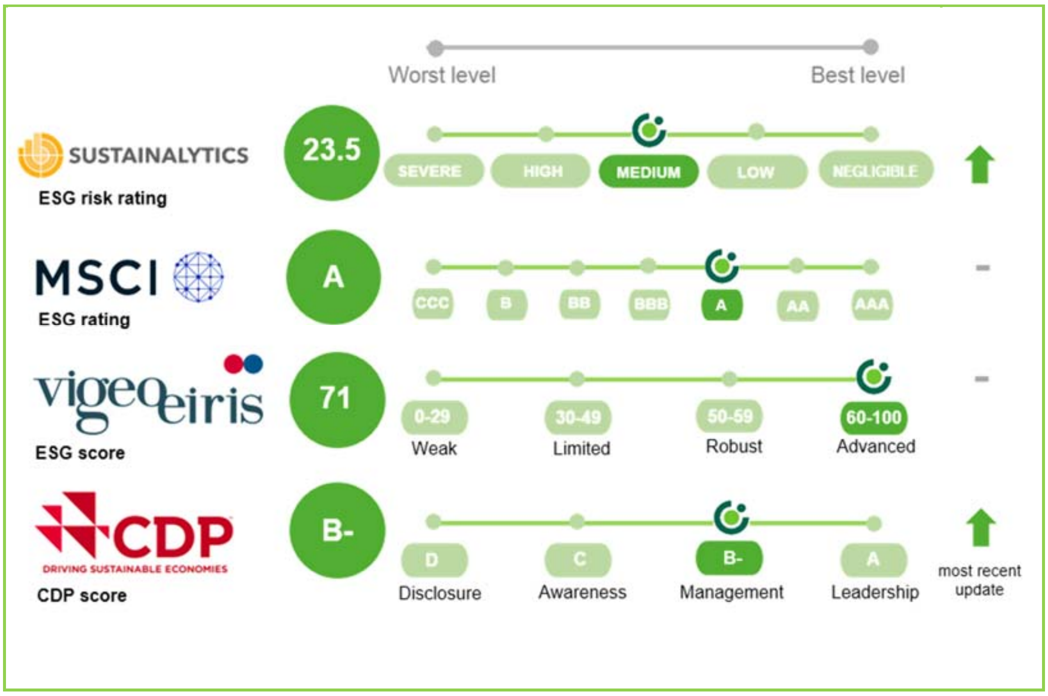
[1] Structural adjustments made on consolidated IFRS profit and loss statement and balance sheet, together with the calculation methodology of adjusted indicators, are detailed in the Supplementary data section of the Report.

[2] Concerning 4Q 2019 capital adequacy ratios, the figures presented in this report do not include deducted dividend. This is consistent with the decision made by the Board of Directors on the 30th of April 2020, acting on behalf of the AGM, about the retainment of profit generated in 2019. These capital adequacy ratios differ from those presented in the Summary of the Group's 4Q 2019 results, and the 2019 Annual Report.

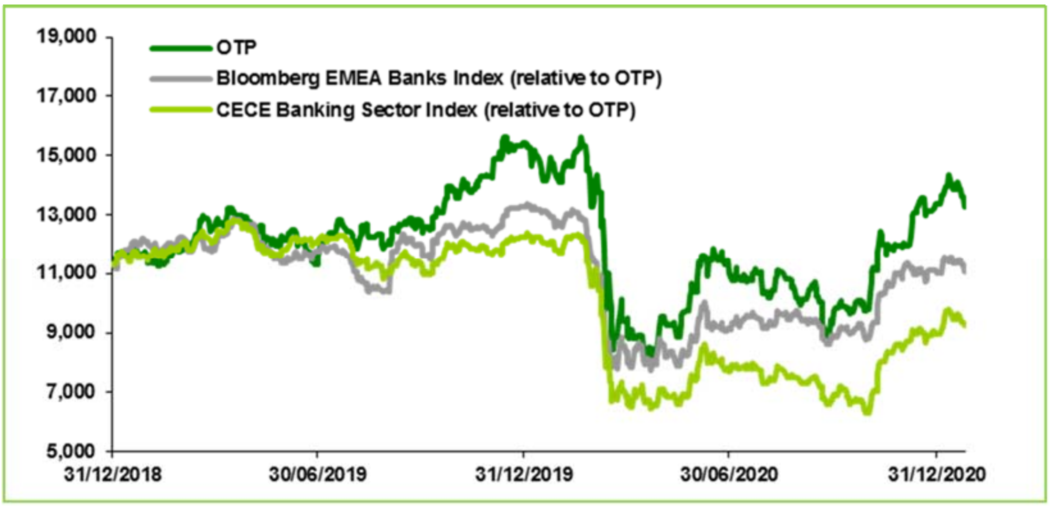
ACTUAL CREDIT RATINGS

S&P GLOBAL RATINGS	
OTP Bank and OTP Mortgage Bank – FX Long term credit rating	BBB
MOODY'S	
OTP Bank – FX long term deposits	Baa1
OTP Bank – Subordinated Foreign Currency Debt	Ba1
OTP Mortgage Bank – Covered mortgage bond	A2
FITCH	
OTP Bank Russia – Long term credit rating	BB+

ACTUAL ESG RATINGS



SHARE PERFORMANCE



SUMMARY OF THE FULL YEAR 2020 RESULTS

The Summary of the full-year 2020 results of OTP Bank Plc. has been prepared on the basis of its unaudited separate and consolidated IFRS financial statements for 31 December 2020 or derived from that. The audited report will be released after the publication of the Summary. At presentation of full year 2020 report of OTP Bank we applied International Financial Reporting Standards adopted by the European Union.

EXECUTIVE SUMMARY: SUMMARY OF THE FULL-YEAR 2020 AND THE FOURTH QUARTER 2020

According to the detailed GDP data published on 2 March 2021, in 4Q the Hungarian economy grew by 1.4% q-o-q, as a result, the annual GDP declined by 5.0% y-o-y. The lower than expected erosion was mainly due to the targeted and successful measures implemented by the Government and the National Bank of Hungary in order to contain the economic contraction. Those steps were essential to moderate the increase of unemployment; by the end of 2020 employment level practically matched the previous year's figure. The family supporting schemes and housing subsidies, as well as measures boosting local ventures created the preconditions for a meaningful economic kick start in 2021.

Monetary policy conditions remained loose in 2020, and the National Bank of Hungary (NBH) increased the available amounts within the framework of both the *Funding for Growth Go!* scheme and the Bond Funding for Growth programme, and increased the weight of government bonds in its balance sheet. With temporary easing of the capital buffer requirements, NBH supported the lending activity of banks.

Out of the numerous measures made at the end of 2020, the extension of the payment moratorium by the Parliament on 20 December until 30 June 2021, leaving participation conditions unchanged, had a paramount importance.

The average inflation for 2020 was 3.3%. The policy rate came down by 30 bps to 60 bps, while interbank rates shifted upward: the reference rate (3M BUBOR) increased y-o-y from 16 bps to 75 bps. The Hungarian Forint on average weakened against the euro by 8% y-o-y amid substantial volatility.

According to the Central Bank's report published on 3 February 2021, despite the economic recession caused by the pandemic, in 2020 both household and corporate loan volumes expanded dynamically: the former increased by 14%, while the latter by 13%, respectively. The payment moratorium had a positive impact on exposures, since there was no principal amortization. Within household volumes the key engine was the subsidized baby loans, the total outstanding book grew by 130% y-o-y on sector level and their volumes reached HUF 1,064.5 billion by the end of 2020. Cash loans advanced by 12%, housing loans by 10%, respectively; on the other hand, home equity loans eroded by 5% y-o-y.

On 12 February both Fitch and Standard & Poor's confirmed their rating for the Hungarian sovereign at 'BBB', underlying the strong structural position of the economy. For 2021 S&P expects a GDP growth of 4.6%, whereas Fitch forecasts 4.9%.

Most of the local economies within OTP Group suffered lower contraction than originally anticipated, especially in countries with a relatively low weight of tourism or service sector, like Russia, Ukraine and Serbia. In order to efficiently cure the recession, massive government measures were implemented, and in several countries, that was coupled with numerous and larger scale interest rate cuts by the central banks. Moreover, with the exception of Ukraine, all other countries introduced payment moratoriums with different conditions and duration.

Management expectations for 2021

There are still significant uncertainties around the pandemic, therefore it would be early to give specific and numeric consolidated management guidance for 2021. Based on the currently available information, for 2H 2021 the management expects the mitigation of the negative impact of the pandemic, as well as a steady rebound in economic performance across the Group. Accordingly, in 2021:

- ***The adjusted ROE might be higher than in 2020.***
- ***The growth of performing (Stage 1+2) loan volumes might be around the 2020 level (organically, FX-adjusted).***
- ***The net interest margin erosion might continue.***
- ***Total risk costs might be lower than in 2020.***
- ***The Cost-to-Asset ratio might further improve.***

In its circular of 8 January 2021 the National Bank of Hungary instructed the Hungarian credit institutions to refrain from paying dividends or

making irrevocable commitments to pay dividends until 30 September 2021 after the 2019 and 2020 financials years or at the expense of earnings made in earlier years, and also, to refrain from share buybacks crediting investors until 30 September 2021 (share buybacks under the remuneration policy are not part of such limitation).

The amount of eligible profit included into regulatory capital equals to the annual profit (HUF 259 billion) reduced by the deducted dividend (HUF 119 billion). The deducted dividend amount for 2020 was determined in accordance with the Commission Delegated Regulation (EU) No. 241/2014. Article 2. (7) Paragraph. Accordingly, in the absence of a stated dividend policy, the amount of the dividend to be deducted should be calculated as follows: out of the previous three years' average dividend payment ratio and that of the preceding year the higher ratio must be applied. The dividend amount must be calculated from OTP Group's consolidated accounting profit, and this must be deducted from the consolidated regulatory capital. However, the deducted dividend also included HUF 69.44 billion, the original dividend proposal by the management after the 2019 fiscal year, which wasn't paid out in accordance with the National Bank of Hungary's recommendation.

The HUF 119 billion dividend amount deducted from the regulatory capital is identical with the amount the management would have proposed to the AGM if the NBH hadn't restricted dividend payment until 30 September 2021.

Following the regulatory deadline of 30 September 2021 the Board of Directors may decide about paying dividend advance.

Besides, in line with the management's strategic targets the safe capital position enables the Bank to look for further acquisition targets.

Consolidated earnings: HUF 310 billion adjusted annual after tax profit (4Q: HUF 79 billion), stable portfolio quality, 9% y-o-y performing FX-adjusted organic loan growth amid accelerating business dynamics from 2H

Despite the extraordinary challenges triggered by the pandemic, in 2020 the overall operation of the Group remained uninterrupted. It was quite an achievement that out of the previous acquisitions, the Bulgarian integration was completed in early May 2020, as well as the Montenegrin one in December. The sale of the Slovakian subsidiary was completed by the end of November. The integration process in Serbia has been proceeding smoothly and according to the plans it is going to be completed in 2Q 2021.

The total volume of adjustment items in 2020 represented -HUF 50.6 billion (after tax) within HUF 260 billion accounting profit, underpinning a sizeable increase y-o-y. In 4Q 2020 the volume of adjustments amounted to -HUF 7.1 billion with two major items:

- +HUF 4 billion acquisition impact (after tax), which was partially due to lower integration costs in Serbia, Moldova and Montenegro. Also, provisions made in 4Q 2019 for the divestment of the subsidiary were released with a positive impact of HUF 6 billion (after tax);
- -HUF 10.8 billion expected negative impact of the debt repayment moratorium in Hungary and Serbia (after tax), of which the Hungarian moratorium extended on 20 December 2020 until 30 June 2021 in unchanged format represented -HUF 9.1 billion, calculated on the base of year-end participation rate: at the end of December 37% of the combined gross loan portfolio at OTP Core and Merkantil Group was under the moratorium representing HUF 1,881 billion. Furthermore, there was an additional -HUF 1.7 billion negative impact in Serbia as the original interest calculation method was changed by the local regulator.

  In case of other foreign subsidiaries the Bank didn't assume any meaningful negative NPV impact as a result of the moratoria.

In 4Q 2020 there were either modifications or extensions in the moratorium schemes in a couple of countries; also in Croatia clients hit by the late-December earthquake were offered a moratorium participation. In order to estimate the impact of moratoria on loan volumes, risk costs, reclassification into different Stage categories, at the end of this chapter we summarize the actual standing of moratorium schemes across the whole Group.

The full-year 2020 consolidated adjusted after tax profit exceeded HUF 310 billion (-26% y-o-y). The adjusted ROE stood at 13%.

Since the after tax results were heavily distorted by the volume of total risk costs (HUF 188 billion related mainly to the pandemic situation), general trends are better illustrated and easier compared to base periods through the development of operating income.

In 2020 OTP Group posted HUF 537.4 billion consolidated operating income underpinning a 5% y-o-y increase (-4%, without acquisitions, FX-adjusted[3]). Total income increased dynamically

[3] On 11 December 2020, Podgoricka banka AD Podgorica was merged into Crnogorska komercijalna banka AD, thus separate financial statements for Podgoricka were not available for December. Therefore, profit dynamics without acquisitions are based on estimated numbers.

(+9% y-o-y) with net interest income surging by 12% y-o-y, while net fees & commissions grew at a slower pace (+4%) and other net non-interest income remained flat y-o-y. The weaker increase in net fees & commissions on one hand was shaped by a drop in business activity in the first half of the year induced by the pandemic, and also by a lower success fee income compared to a record high performance in 2019 at OTP Fund Management (Hungary).

The consolidated NIM eroded substantially (2020: 3.61%, -50 bps y-o-y) due to several reasons: on one hand the interest rate environment declined substantially in a couple of countries (Russia, Ukraine, Romania, Serbia); furthermore, new subsidiaries consolidated into OTP Group usually operated with lower margins than the Group as a whole. Also, as a side-effect of the pandemic, demand for the higher margin consumer loans dropped, while the competition intensified. That was only partially offset by the positive impact of FX rate moves related to weaker HUF. The annual net interest income adjusted for acquisitions effects grew by 2% y-o-y (FX-adjusted), as a result of higher performing loan volumes.

Consolidated annual operating costs nominally advanced by 11% y-o-y, however adjusted for the acquisitions (2Q 2019: the Albanian subsidiary, 2H 2019: the Montenegrin, Moldovan, Serbian and from January 2020 the Slovenian subsidiaries) and for the sale of Slovakia, the FX-adjusted expense growth was only 2.4% y-o-y. The COVID-related measures, as well as the donations resulted in around HUF 7.5 billion extra expenses on a Group level. The consolidated cost-to-income ratio stood at 54.1% (+1.4 pps y-o-y).

Except the Moldovan operation, adjusted earnings declined everywhere across the Group y-o-y. Out of the adjusted annual profit the contribution of the non-Hungarian operations dropped from 46% to 41%.

The adjusted operating profit for 4Q reached HUF 78.6 billion; only the Montenegrin and Moldavian subsidiaries, as well as OTP Fund Management managed to improve after tax profit q-o-q. For the rest of the Group, but OTP Core quarterly net earnings dropped as a result of higher provisions; in Hungary the seasonally higher operational expenses took their toll on 4Q profit.

The NIM erosion accelerated q-o-q (3Q: -7 bps, 4Q: -13 bps), still, out of the 50 bps y-o-y margin decrease the bigger junk happened in 1H. Apart from Ukraine and Montenegro in 4Q all Group members suffered margin erosion. Only the Serbian central bank cut rates in 4Q (in December by 25 bps), whereas in Hungary the reference rate didn't change and fluctuated in a narrow range of 75-77 bps.

Similar to the previous quarters, in 4Q 2020 the profit after tax was shaped predominantly by risk costs. Apart from OTP Core, all other operations witnessed a q-o-q increase in risk costs. At OTP Core, on the contrary, around HUF 10 billion positive risk cost was recognized, mainly as a result of positive risk costs at OTP Factoring.

Out of the adjusted profit the contribution of foreign operations melted down to 21% in 4Q, as the Croatian, Serbian and Romanian subsidiaries all turned into red. During the quarter P&L lines were only moderately distorted by the HUF exchange rate changes: the currency on average weakened by 2% q-o-q against most of the currencies, however appreciated against the RUB and UAH by 3.5% and 2.3%, respectively.

In 4Q OTP Group posted HUF 140 billion operating income, q-o-q practically flat. The 4% q-o-q increase in total income to a large extent was shaped by surging fee & commissions income (+12% q-o-q) on the back of the HUF 7.3 billion success fees booked at the end of the year at OTP Fund Management (Hungary), but also by seasonally strong business activity. The quarterly NII increased by 1% q-o-q. Other net non-interest income advanced by 10% q-o-q shaped by OTP Core (better FX gains) and other Hungarian subsidiaries.

Operating expenses grew by 8% q-o-q with all cost lines moving higher. Administrative costs increased the fastest mainly due to higher marketing expenses and expert fees. The quarterly cost-to-income ratio grew by 1.8 pps q-o-q reaching 54.5%.

Following a 3% quarterly increase in 3Q, the FX-adjusted performing loan portfolio (Stage 1+2) advanced by similar space in 4Q, adjusted for the sale of the Slovakian subsidiary. As a result, in 2020 the organic loan volume growth was 9% (+HUF 1,129 billion). The closing balance did not comprise the Slovakian loan book (comprising HUF 405 billion at the end of 2019) as the bank was sold in November 2020.

Apart from Russian loan book where the y-o-y drop exceeded 10%, and the marginal decline of the Slovenian portfolio, all other Group members demonstrated growth. Out of the major Group members the Hungarian (+17%), Serbian (+16%), Romanian (+13%) and Ukrainian (+11%) organic loan expansion rates were the most remarkable. In Hungary the excellent volume dynamics were coupled with improving market share in most of the loan categories. As a result of the seasonally strong 4Q performance the Russian loan book, which suffered significant setback in previous quarters, declined by 11% in 2020 as a whole.

As for the major credit categories in 2020 the FX-adjusted Stage 1+2 micro and small enterprise book advanced organically the fastest y-o-y (+11%), followed by the mortgage loan portfolio (+10%), the consumer exposures (+9%) and the large corporate book (+8%).

With regard to 4Q developments, out of the major operations the Russian loan book increased by 9% q-o-q, the Ukrainian by 8%, whereas the Hungarian and Serbian portfolio grew by 4 and 3%, respectively. Within the Russian loan volumes which suffered a significant setback in 2Q, the POS book surged by 16% q-o-q, but the Ukrainian POS volumes and the Hungarian SME book grew decently (+15% and 11% q-o-q), too. The latter got boost from the central bank's FGS Go! programme.

During the course of 2020 lending activity to a great extent was shaped by easing/lifting lockdowns and limitations, but targeted Government programmes helped, too. The second wave of COVID-19 pandemic had a more limited impact on business activity, also, seasonality affected lending.

One of the side effects of the pandemic was that while household consumption and investment activity of corporates suffered setback, savings demonstrated steady growth. The FX-adjusted deposit portfolio grew by 4% q-o-q and by 10% y-o-y. Such yearly increase translated into more than HUF 2,000 billion deposit volume surge (already adjusted for the Slovakian deposit volumes). Out of the major operations the Ukrainian, Romanian, Hungarian, Slovenian and Serbian subsidiaries captured double digit volume increase. The consolidated net loan-to-deposit ratio declined to 76% q-o-q.

At the end of 4Q 2020 the gross operative liquidity reserves of the Group comprised EUR 8.9 billion equivalent (+EUR 1.7 billion q-o-q). The NBH acting as resolution authority on 16 October 2020 informed the Bank about the consolidated minimum requirement for own funds and eligible liabilities (MREL requirement) of OTP Group. NBH didn't set intermediate target to be met by end of 2020, but determined a mandatory intermediate target for the consolidated MREL requirement that OTP Group has to comply with by 1 January 2022. This level is 11.55% of the Group's total liabilities and own funds (TLOF) which corresponds to 17.16% of the Group's total risk exposure amount (TREA or RWA). In 2020 no international bond transaction was executed, accordingly for meeting the minimum MREL target the Bank might make transactions, mainly in form of Tier 2 and Senior Preferred bonds during the next 12 months.

The consolidated loan portfolio quality – partly due to the existing or extended payment moratoria – remained stable in 4Q: the DPD90+ volume growth (adjusted for FX and the effect of sales and write-offs, as well as for the revaluation of Factoring claims in Hungary) decelerated significantly and in 4Q it even decreased (in HUF billion: 1Q: +27, 2Q: +56, 3Q: +5, 4Q: -3). The consolidated DPD90+ ratio declined below 4% (4Q: 3.8%, -0.3 pp q-o-q).

The Stage 1+2 exposures (HUF 13,544 billion) comprised 94.3% of total gross loans. Within that Stage 1 loans represented 80.4% of total gross loans and the Stage 2 ratio was 13.9%.

The Stage 3 ratio under IFRS 9 was 5.7% at end 4Q (+7 bps q-o-q, -22 bps y-o-y). The own coverage of Stage 1, 2 and 3 exposures was 1.0%, 10.4% and 62.3%, respectively.

Within the consolidated loan portfolio in 1Q a significant volume of corporate exposures was shifted from Stage 1 into the riskier Stage 2 category on a collective base, whereas in case of retail exposures the Bank implemented higher provision coverage during the first two quarters. In 3Q a practice similar to that used in the case of corporate exposures was followed in case of the household portfolio. Mainly those exposures were reclassified where the Bank presumed higher potential risk, though this had not materialized yet due to the moratoria, in particular at the Hungarian, Bulgarian, Croatian, Romanian and Serbian operations.

In 4Q the Group further fine-tuned its Stage 2 classification methodology: in case of corporate exposures it identified clients with higher risk profile within the framework of its monitoring process on a case by case basis, whereas for household loans it rather used its internal ratings. As a result, Stage 2 volumes increased at certain operations. The extension of the moratorium and the EBA guidance issued on 2 December 2020 on the treatment of exposures within existing or extended payment moratoria schemes (EBA/GL/2020/15) induced further tightening in the methodology compared to 3Q; particularly in the case of OTP Core.

Provisions for impairment on loan and placement losses represented -HUF 42.2 billion in 4Q. In case of the Hungarian operation HUF 11.6 billion positive risk cost was booked as a result of recoveries realized at OTP Factoring. Consequently, 2020 credit risk costs increased to -HUF 158.4 billion and the annual credit risk cost rate was 1.15% (1Q: 2.57%, 2Q: 0.92%, 3Q: 0%, 4Q: 1.17%).

During December 2020 number of countries within the Group modified their existing payment moratorium schemes. In countries where a moratorium was/is in place, its scope practically involved all client segments; in most cases the moratoria were imposed by statutory provisions; except for Albania and Montenegro no other countries allowed booking interest on unpaid interest (originally that was the case in Serbia, too, however the regulator overruled that restrospectively). The classification of exposures under the moratorium follows ECB recommendations. Below, we summarize the key aspects of different moratorium schemes accross the Group:

Hungary:

- the original moratorium effective for 9 and a half month expired on 31 December 2020 and was extended until 30 June 2021 with unchanged conditions. For the extended period borrowers who want to join the scheme should notify their banks about their decision;
- following the moratorium there will be no change in monthly instalments, but the maturity will be lengthened;
- on 31 December 2020 the participation rate as a percentage of total gross loan volumes was 37% at OTP Core and Merkantil Group.

Bulgaria:

- the extended moratorium is in force until 31 December 2021;
- the application deadline is 23 March 2021;
- any client can spend maximum 9 months under the moratorium (including the term spent in the previous moratorium, too);
- on 31 December 2020 the participation rate was 0.4%.

Croatia:

- the original moratorium expired on 30 September 2020, but was extended until 30 June 2021;
- the application deadline is 31 March 2021;
- the extended moratorium is for maximum 9 months, however, the victims of the December 2020 earthquake can stay for 12 months;
- under the instruction of the local regulator exposures with longer than 9 months moratorium participation in total shall be classified as Stage 3;
- on 31 December 2020 th participation rate was 9.9%.

Serbia:

- the previous moratorium expired on 30 September, the new one came into force on 22 December 2020 and will expire on 31 October 2021;
- the application deadline is 30 April 2021;
- under the new moratorium the maximum term is 6 months;
- on 31 December 2020 the participation rate was around zero.

Slovenia:

- the moratorium expired on 30 December 2020, however it has been extended until 31 March 2021;
- the application deadline is 26 February 2021;
- the maximum term is 9 months;
- on 31 December 2020 the participation rate was 6%.

Romania:

- the previous moratorium was extended from 5 January 2021 for retail customers and from 25 December 2020 for corporate clients, in both cases until 31 December 2021;
- the appication deadline is 31 March 2021;
- any client can spend maximum 9 months under the moratorium in total (including the term spent in the previous moratoria, too);
- on 31 December 2020 the participation rate was 4.7%.

Montenegro:

- the forth consecutive moratorium is effective until 22 April 2021, this is also the dealine for application;
- under the moratorium the maximum term is 6 months;
- on 31 December 2020 the participation rate was 1.3%.

Albania:

- the most recent moratorium is effective from 13 January 2021 and was extended until 31 March 2021, which is also the deadline for application;
- the maximum term is almost 3 months;
- on 31 December 2020 the participation rate was zero.

Russia:

- the application deadline to the moratorium effective from 2 April 2020 (linked to certain conditions) expired on 30 September;
- under the moratorium the maximum term is 6 months;
- on 31 December 2020 the participation rate was 0.5%

Moldova:

- the moratorium came into force on 17 March and expired on 30 June 2020.

Ukraine: no moratorium.

Consolidated capital adequacy ratio (in accordance with BASEL III)

At the end of December 2020 the consolidated Common Equity Tier 1 ratio under IFRS was 15.4%. This ratio equals to the Tier 1 ratio.

Effective from 1 July 2020 the original level of O-SII capital buffer (2%) was reduced to 0% by the NBH until 31 December 2021. Afterwards, this buffer should be rebuilt gradually between 1 January 2022 and 31 December 2023. The effective rate of the anticyclical capital buffer is currently 0% and according the resolution of NBH on 1 October 2020 there was no need to increase it. In Bulgaria, however the local central bank prescribed a 0.5% buffer, on a consolidated level it is equivalent of a 0.1% anticyclical capital buffer. As a result, the effective regulatory minimum level of Tier 1 capital adequacy ratio for OTP Group is 9.6% (which also incorporates the effective SREP-rate of 117.25%), whereas the minimum CET1 requirement level to 7.9%, respectively.

In 4Q the regulatory change in the prudential treatment of software improved the consolidated regulatory capital by HUF 64 billion. According to the new regulation within the deduction of intangible assets the book value of software shall not be entirely deducted, however the remaining undeducted part shall be added to the capital requirement for credit risk. Furthermore in 4Q the regulatory capital was also boosted by the interim profit reduced by calculated dividend, i.e. by HUF 58 billion.

In 4Q RWA volumes stagnated q-o-q: while the credit risk weighted assets would have grown by 1.8% q-o-q due to organic impacts (disbursements, FX-effect), it was almost entirely off-set by the sale of the Slovakian subsidiary (and its deduction from consolidated RWA). Risk weighted assets for market and operational risk also declined q-o-q, mainly as a result of the divestment of OBS.

Credit rating, shareholder structure

There was no change in S&P Global Ratings, consequently OTP Bank Plc's long-term issuer credit rating was 'BBB' with stable outlook. The Moody's, however on 29 September changed the outlook from stable into positive on OTP Bank Plc's long-term FX deposit. The rating was reaffirmed at 'Baa3'. Furthermore, on 10 December Moody's upgraded OTP Bank Plc's long-term FX deposit rating from 'Baa3' to 'Baa1' with stable outlook. OTP Mortgage Bank's issuer rating by Moody's is unchanged ('Baa2'), the outlook is negative since April 2020. Fitch's 'BB+' rating on OTP Bank Russia has not changed either, the outlook turned to negative from stable in April 2020.

Regarding the ownership structure of the Bank, on 31 December 2020 the following investors had more than 5% influence (voting rights) in the Company: MOL (the Hungarian Oil and Gas Company, 8.71%), the Kafijat Group (7.20%), OPUS Securities SA (5.26%) and Groupama Group (5.20%).

DISCLAIMER – Risks relating to the impact of COVID-19 pandemic

The COVID-19 pandemic has had, and continues to have, a material impact on businesses around the world and the economic environment. There are a number of factors associated with the COVID-19 pandemic and its impact on global economies that could have a material adverse effect on (among other things) the profitability, capital and liquidity of financial institutions such as the OTP Group.

The COVID-19 pandemic has caused disruption to the OTP Group's customers, suppliers and staff. A number of jurisdictions in which the OTP Group operates have implemented severe restrictions on the movement of their respective populations, with a resultant significant impact on economic activity in those jurisdictions. These restrictions are being determined by the governments of individual jurisdictions and impacts (including the timing of implementation and any subsequent lifting of restrictions) may vary from jurisdiction to jurisdiction. It remains unclear how this will evolve through 2020 and the OTP Group continues to monitor the situation closely. However, the OTP Group's ability to conduct business may be adversely affected by disruptions to its infrastructure, business processes and technology services, resulting from the unavailability of staff due to illness or the failure of third parties to supply services. This may cause significant customer detriment, costs to reimburse losses incurred by the OTP Group's customers, and reputational damage.

Furthermore, the OTP Group relies on models to support a broad range of business and risk management activities, including informing business decisions and strategies, measuring and limiting risk, valuing exposures, conducting stress testing and assessing capital adequacy. Models are, by their nature, imperfect and incomplete representations of reality because they rely on assumptions and inputs, and as such assumptions may later potentially prove to be incorrect, this can affect the accuracy of their outputs. This may be exacerbated when dealing with unprecedented scenarios, such as the COVID-19 pandemic, due to the lack of reliable historical reference points and data.

Any and all such events mentioned above could have a material adverse effect on the OTP Group's business, financial condition, results of operations, prospects, liquidity, capital position and credit ratings, as well as on the OTP Group's customers, employees and suppliers.

SUMMARY OF ECONOMIC POLICY MEASURES MADE IN THE LAST PERIOD AND OTHER IMPORTANT DEVELOPMENTS, AS WELL AS POST-BALANCE SHEET EVENTS

In its 1Q and 3Q 2020 Summary, as well as in the Half-Year Financial Report OTP Bank prepared a summary country-by-country about the major economic policy measures made either by particular governments or central banks as a response to the pandemic. The measures mentioned in those reports covered the period until 28 October.

In the below section we display those measures and developments which have been made since 28 October and – in OTP Bank's view – are relevant and can materially influence the operation of the Group members.

Post-balance sheet events cover the period until 19 February 2021.

Given that currently OTP Bank does not have all information which relate to the above mentioned economic policy measures, the actual implementation of such measures or the effect of such measures on the clients of OTP Group and taking into account that currently, OTP Bank cannot completely assess all economic policy measures which might have an effect on the operation of its group members, therefore it may occur that the list of the economic policy measures presented in this report cannot be regarded as complete. OTP Bank excludes any liability for the completeness and accuracy of the measures presented herein.

Hungary

- Effective from 11 November, for a 30 days period, 2020 the Hungarian Government introduced restrictive measures to contain the spread of the coronavirus pandemic. For details, see Government Decree 484/2020 (XI. 10.). Simultaneously, the Government decided to provide support to companies acting in sectors the most severely hit by the restrictions, such as hotels, restaurants and leisure activities. For details of the economic protection measures applied during the state of emergency, see Government Decree 485/2020 (XI. 10). The scope of companies eligible for support measures was widened, in accordance with Government Decree 571/2020 (XII. 9.). The restrictive measures were prolonged until 1 March 2021.
- On 17 November 2020 the National Bank of Hungary kept benchmark rates unchanged. The Monetary Council performed the technical revision of its government securities purchase programme (the stock of government securities in the NBH's balance sheet has increased by over HUF 700 billion since May 2020), and stressed that the NBH will use the programme to the extent and to the time necessary. The Council also stated that it will perform the next technical revision when the stock of purchases reaches HUF 2,000 billion. Furthermore, as the utilisation of the *Funding for Growth Go!* scheme exceeded HUF 1,000 billion by mid-November, the Council decided to raise the total available amount by HUF 1,000 billion (to HUF 2,500 billion).
- As set out in Government Decree 518/2020. (XI. 25.), published in the Gazette on 25 November 2020, starting from 1 January 2021 the Hungarian Government provides a non-refundable home renovation subsidy to families raising or expecting children by way of refunding certain part of their home renovation costs. Eligible families can get back 50% of their proven improvement expenses following the completion of the renewal, but maximum HUF 3 million. The subsidy can be applied for within 60 days after completing the home renovation and also paying the bills by the families, or until 31 December 2022 the latest.
- On 26 November 2020 OTP Bank announced that the sale of its 99.44% shareholding in its Slovakian subsidiary to KBC Bank NV was financially completed.
- The National Bank of Hungary revealed on 1 December 2020 that based on the regular annual review, the list of systemically important Hungarian credit institutions was reviewed, and the list has remained unchanged. The NBH maintained its previous decision to temporarily release the related buffers from 1 July 2020 in view of the extraordinary circumstances caused by the coronavirus pandemic. Institutions will be required to rebuild the buffers gradually in three years starting in 2022.
- On 10 December 2020 Moody's Investors Service credit rating agency announced that the long-term foreign currency deposit rating of 'Baa3' of OTP Bank Plc. has been upgraded to 'Baa1', with stable outlook. The short-term foreign currency deposit rating has changed to 'Prime-2' from 'Prime-3'.
- On 15 December 2020 the European Central Bank published a new recommendation (ECB/2020/62, repealing the previous ECB/2020/35 guideline) about principles that banks under ECB supervision should abide by concerning dividend payment and treasury share purchases, effective until 30 September 2021.

- On 19 December 2020 the Prime Minister announced the following measures particularly affecting banking operations:
  - Extension of the payment moratorium in unchanged form: pursuant to Government Decree 637/2020. (XII. 22.) those borrowers are eligible for the moratorium effective between 1 January 2021 – 30 June 2021 that have principal, interest and fee payment obligations arising from a credit contract that have already been disbursed until 18 March 2020 (also considering Subsection (1) of Section 3 of Act CVII of 2020). With the above Decree the eligibility conditions stipulated in Act CVII of 2020 (published on 28 October 2020) for retail and corporate borrowers were repealed.

    The Government Decree prescribed that those borrowers who didn't take advantage of the payment holiday concerning their payment obligations due in December 2020, have to notify their creditors in advance about their intention to join the moratorium either in a written or electronic form.
  - Subsidized home renovation loan: in order to help eligible families to take advantage of the non-refundable home renovation subsidy (for details, see Government Decree 518/2020. (XI. 25.)), a subsidized home renovation loan (for details, see Government Decree 641/2020 (XII. 22.)) was introduced by the Government. Main details of the subsidized home renovation loan:
    - Those families can apply for the interest rate subsidy related to the home renovation loan that are eligible for the non-refundable home renovation grant, provided that the credit institution ascertained that the necessary conditions are met.
    - The subsidized home renovation loan is collateralized by a real estate.
    - The loan amount can be up to HUF 6 million.
    - The annual interest rate charged by the credit institution in the period of the interest rate subsidy is fixed for 5 years and cannot exceed the following formula: reference rate (which is normally the average 5Y Government bond yield * 1.3) + 3%, of which the client pays a fixed 3% rate, whereas the State subsidy cannot exceed the average 5Y Government bond yield * 1.3.
    - The interest rate subsidy is paid by the Government for the whole maturity of the loan, for maximum 10 years.
    - For the disbursement of these loans, credit institutions are entitled to a commission amounting to 1.5% of the disbursed loan amount. The fee payable for agents is maximized at 0.8%. No other fees and commissions can be charged by the banks; this provision is also valid for the prepayment of the subsidized loan from the non-refundable subsidy received from the State.
    - If the client takes out the subsidized loan, the application for the non-refundable home renovation subsidy itself can be submitted after 1 March 2021.
    - In order to be eligible for the interest rate subsidy, the borrower must prove to the credit institution the payment of the renovation bills within one year after the disbursement of the subsidized loan. If this is not fulfilled, or the borrower loses its eligibility for the non-refundable subsidy, or the non-refundable subsidy is lower than 25% of the loan amount, the borrower loses eligibility for the interest rate subsidy, and the previously received interest subsidy must be repaid within 60 days in one sum (except for certain special cases specified by the Decree).
    - If all criteria are met, the non-refundable home renovation subsidy will be settled as a prepayment of the subsidized loan within 4 days of its disbursement, thus reducing the outstanding loan amount.
    - In this case the credit institution will recalculate the monthly instalment within 10 days after the prepayment from the non-refundable grant was booked, leaving the loan maturity unchanged.
    - The above provisions came into force on 1 February 2021.
- On 21 December 2020 the National Bank of Hungary announced that the countercyclical capital buffer rate will be kept at 0% from 1 January 2021.
- On 28 December 2020 the National Bank of Hungary announced that the following decisions were made:
  - The Central Bank recommended credit institutions not to pay dividends or not to make any irrevocable commitment to pay dividends after the 2019 and 2020 financial year, or from previous years' profits, until 30 September 2021. Furthermore, the central bank suggested that credit institutions should refrain from treasury share purchases for shareholder remuneration purposes until the same date (share buybacks for management remuneration purposes are an exemption). The related guideline was set

out in a management circular revealed on 8 January 2021; on top of the recommendations concerning dividends and share buybacks, the NBH declared in this circular that it won't impose sanctions until 31 December 2021 if credit institutions breach their P2G requirement. The NBH also said that although the non-fulfilment of capital conservation buffer will be temporarily tolerated by the central bank, but banks should rebuild at least 50% of this buffer until 30 June 2022 and 100% until 1 January 2023.

  - The NBH decided to amend the relevant detailed guidelines set out in its IFRS circular about the application of non-performing and forborne categories in connection with the payment moratorium, and based on this, its guidelines for creating provisions. In accordance with the amendments released on 22 January 2021:
    - The central bank stated, in line with the European Banking Authority (EBA) position, that it is not necessary to automatically qualify a customer loan as defaulted or restructured (and thus the creation of higher provisions is not necessary) if the loan fell under the Hungarian legislative moratoria for up to nine months prior to the expiry date of the second moratorium on 30 June 2021.
    - If a loan has been subject to the legislative moratoria for more than nine months, financial institutions may refrain from re-qualifying such loans as restructured on a case by case basis, if it can be proven without a doubt that the borrower does not have nor is expected to have financial difficulties.
    - As for household borrowers, the NBH issued specific and unequivocal guidelines based on which the financial position of retail borrowers shall be evaluated. Furthermore, in order to support the stable operation of the sector, a relief was provided by the NBH: the classification of a loan as restructured may be terminated after a six-month monitoring period following the expiry of the moratoria if the retail borrower did not have a delay of more than 30 days, and his overdue debt during the monitoring period did not exceed the equivalent of EUR 100, and if no other reason occurred for requalification. The related provisions created earlier can thus be released.
    - With respect to corporate borrowers, the methods for evaluating the financial position of a borrower are not limited. Institutions can employ ordinary or extraordinary procedures to evaluate the financial position of borrowers.

- Effective from 13 January 2021 the National Bank of Hungary extended the available amount for the Bond Funding for Growth scheme by HUF 750 billion to HUF 1,150 billion. At the same time it decided to increase the maximum maturity of corporate bonds that can be purchased by the central bank from 20 to 30 years. Also, the central bank's exposure limit to a company group was revised from HUF 50 billion to HUF 70 billion.
- On 4 February 2021 the Prime Minister announced an interest-free loan programme for companies in trouble in the wake of the pandemic. According to Government Resolution 1038/2021. (II. 5.) the programme will be administered by the Hungarian Development Bank, and the available amount under the programme will be HUF 100 billion. Companies can take out maximum HUF 10 million each for the purpose of covering wages and social contributions, overhead costs, general operating expenses and inventory financing. Client interest rate is 0%, the loan tenor can be up to 10 years, and the servicing of the loan will start after a 3 year grace period. The scope of eligible entities will be discussed with the Hungarian Chamber of Commerce and Industry.
- On 16 February 2021 the Hungarian Statistical Office revealed the preliminary 4Q 2020 GDP statistics. Accordingly, in the fourth quarter the Hungarian economy grew by 1.1% q-o-q (seasonally and working day adjusted), but contracted by 5.1% y-o-y in 2020 as a whole.

Bulgaria

- On 11 December 2020, the National Bank of Bulgaria approved the extension of the debt repayment moratorium. The deadline to apply for the moratorium is 23 March 2021. Borrowers can take advantage of the deferral until 31 December 2021, but for maximum nine months altogether. Debtors who are not more than 90 days past due at the application date can benefit from the moratorium. In cases where the request for deferral was submitted before 30 September 2020, further deferral is possible, provided that the total duration of the moratorium does not exceed nine months.
- On 19 February 2021 Fitch Ratings reaffirming Bulgaria's sovereign 'BBB' debt rating, and changed the outlook from stable to positive.

Croatia

- On 1 October 2020, the loan repayment moratorium was extended (applications will be accepted until 31 March 2021.). The extension of the moratorium is available to customers whose primary source of income is the tourism sector, those living in earthquake-hit areas, and whose income has decreased by at least 30% compared to 2019. The duration of the moratorium can be up to 9 months except for those living in the area affected by the earthquake, for those borrowers it is 12 months.
- On 4 February 2021 the European Central Bank and the Croatian National Bank agreed to extend the euro liquidity line until the end of March 2022.

Serbia

- On 10 December the Serbian central bank reduced the base rate by 25 bps to 1.0%
- In December 2020 the Serbian central bank decided to introduce the third round of payment moratorium with an effect between 1 January - 30 June 2021. The participation is opt-in. The deadline for submitting request by borrowers is 30 April 2021.
- On 4 February 2021, the European Central Bank extended the maintenance of a repo facility providing euro-based liquidity to the National Bank of Serbia in order to help with possible liquidity needs in euros during post-epidemic market disruptions.

Slovenia

- At the end of 2020 the option to apply for the moratorium has been extended to 26 February 2021. Banks have to approve applications until 31 March 2021. After the approval by the bank, the deferral of payments for eligible borrowers can be 9 months.

Romania

- On 30 December 2020 the government decided to prolong the loan repayment moratorium, but borrowers can spend altogether up to 9 months in the moratoria. The application deadline is 15 March 2021 and requests should be processed by 31 March.
- On 15 January 2021 the National Bank of Romania decided to reduce the key interest rate by 25 bps to 1.25%.

Russia

- On 20 January 2021 the Central Bank of Russia published its 2021-2022 road map for regulating consumer lending, as a result loosening measures taken in 2020 to facilitate lending will be reversed through higher risk weights being introduced.

CONSOLIDATED AFTER TAX PROFIT BREAKDOWN BY SUBSIDIARIES (IFRS)[4]

in HUF million	2019	2020	Y-o-Y	4Q 2019	3Q 2020	4Q 2020	Q-o-Q	Y-o-Y
Consolidated after tax profit	**412,582**	**259,636**	**-37%**	**102,979**	**113,573**	**71,465**	**-37%**	**-31%**
Adjustments (total)	**-6,470**	**-50,631**	**683%**	**-2,971**	**-4,079**	**-7,097**	**74%**	**139%**
Consolidated adjusted after tax profit without the effect of adjustments	**419,052**	**310,268**	**-26%**	**105,950**	**117,652**	**78,562**	**-33%**	**-26%**
Banks total[1]	382,144	285,103	-25%	89,764	111,807	67,666	-39%	-25%
OTP Core (Hungary)[2]	190,956	159,303	-17%	45,304	53,211	51,386	-3%	13%
DSK Group (Bulgaria)[3]	67,879	40,957	-40%	14,100	12,739	6,683	-48%	-53%
OBH (Croatia)[4]	30,719	14,830	-52%	4,196	4,984	-81	-102%	-102%
OTP Bank Serbia[5]	10,430	7,298	-30%	5,836	6,714	-3,076	-146%	-153%
SKB Banka (Slovenia)	-	9,665		-	4,393	2,028	-54%	
OTP Bank Romania[6]	6,309	1,558	-75%	894	1,637	-1,217	-174%	-236%
OTP Bank Ukraine[7]	35,223	26,104	-26%	9,615	10,874	4,471	-59%	-53%
OTP Bank Russia[8]	28,127	16,317	-42%	6,072	14,166	4,391	-69%	-28%
CKB Group (Montenegro)[9]	6,377	4,307	-32%	3,082	848	1,835	116%	-40%
OTP Bank Albania	2,616	1,959	-25%	382	766	49	-94%	-87%
Mobiasbanca (Moldova)	1,936	3,973	105%	688	1,095	1,150	5%	67%
OBS (Slovakia)[10]	1,575	-1,169	-174%	-404	381	48	-87%	-112%
Leasing	7,115	7,661	8%	1,776	2,935	2,037	-31%	15%
Merkantil Group (Hungary)[11]	7,115	7,661	8%	1,776	2,935	2,037	-31%	15%
Asset Management	15,208	9,824	-35%	12,552	771	7,380	857%	-41%
OTP Asset Management (Hungary)	15,104	9,747	-35%	12,526	742	7,364	892%	-41%
Foreign Asset Management Companies (Ukraine, Romania, Bulgaria)[12]	104	77	-26%	26	29	17	-42%	-35%
Other Hungarian Subsidiaries	9,498	8,241	-13%	-261	1,841	2,702	47%	
Other Foreign Subsidiaries[13]	232	108	-53%	-15	27	-37	-240%	146%
Corporate Centre[14]	3,478	-569	-116%	143	-331	-609	84%	-527%
Eliminations	1,377	-101	-107%	1,991	603	-577	-196%	-129%
Total adjusted after tax profit of HUNGARIAN subsidiaries[15]	227,527	184,282	-19%	61,480	59,000	62,303	6%	1%
Total adjusted after tax profit of FOREIGN subsidiaries[16]	191,525	125,986	-34%	44,471	58,652	16,259	-72%	-63%
Share of foreign profit contribution	46%	41%	-5%p	42%	50%	21%	-29%p	-21%p

[4] 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 adjusted Statement of recognized income in HUF million	2019	2020	Y-o-Y	4Q 2019	3Q 2020	4Q 2020	Q-o-Q	Y-o-Y
Consolidated after tax profit	**412,582**	**259,636**	**-37%**	**102,979**	**113,573**	**71,465**	**-37%**	**-31%**
Adjustments (total)	**-6,470**	**-50,631**	**683%**	**-2,971**	**-4,079**	**-7,097**	**74%**	**139%**
Dividends and net cash transfers (after tax)	505	213	-58%	65	279	-252	-190%	-489%
Goodwill/investment impairment charges (after tax)	-8,427	886	-111%	-4,037	0	0		-100%
Special tax on financial institutions (after corporate income tax)	-16,170	-17,365	7%	-562	-20	-17	-17%	-97%
Expected one-off negative effect of the debt repayment moratorium in Hungary and Serbia (after corporate income tax)	0	-28,262		0	732	-10,830		
Impact of fines imposed by the Hungarian Competition Authority (after tax)	0	749		0	0	0		
Effect of acquisitions (after tax)	19,265	-6,852	-136%	1,405	-5,070	4,002	-179%	185%
One-off impact of regulatory changes related to FX consumer contracts in Serbia	-1,644	0	-100%	157	0	0		-100%
Consolidated adjusted after tax profit without the effect of adjustments	**419,052**	**310,268**	**-26%**	**105,950**	**117,652**	**78,562**	**-33%**	**-26%**
Before tax profit	**465,973**	**351,802**	**-25%**	**114,585**	**134,531**	**88,575**	**-34%**	**-23%**
Operating profit	**510,045**	**537,437**	**5%**	**139,991**	**139,320**	**139,917**	**0%**	**0%**
Total income	**1,077,727**	**1,169,920**	**9%**	**305,518**	**294,395**	**307,451**	**4%**	**1%**
Net interest income	**706,298**	**788,079**	**12%**	**195,875**	**195,738**	**197,578**	**1%**	**1%**
Net fees and commissions	**282,504**	**293,112**	**4%**	**85,503**	**74,240**	**83,052**	**12%**	**-3%**
Other net non-interest income	**88,926**	**88,729**	**0%**	**24,140**	**24,417**	**26,820**	**10%**	**11%**
Foreign exchange result, net	45,177	44,927	-1%	11,269	12,803	11,956	-7%	6%
Gain/loss on securities, net	12,372	14,193	15%	3,254	5,209	3,822	-27%	17%
Net other non-interest result	31,376	29,610	-6%	9,617	6,405	11,042	72%	15%
Operating expenses	**-567,682**	**-632,483**	**11%**	**-165,527**	**-155,075**	**-167,533**	**8%**	**1%**
Personnel expenses	-280,002	-312,495	12%	-82,522	-76,622	-79,832	4%	-3%
Depreciation	-56,383	-70,286	25%	-16,116	-17,721	-19,444	10%	21%
Other expenses	-231,298	-249,702	8%	-66,889	-60,732	-68,258	12%	2%
Total risk costs	**-47,107**	**-187,995**	**299%**	**-24,891**	**-5,107**	**-52,144**	**921%**	**109%**
Provision for impairment on loan and placement losses	-29,474	-158,421	437%	-13,568	15	-42,235		211%
Other provision	-17,633	-29,574	68%	-11,323	-5,122	-9,908	93%	-12%
Total one-off items	**3,034**	**2,360**	**-22%**	**-515**	**318**	**801**	**152%**	**-256%**
Gain on the repurchase of own Upper and Lower Tier2 Capital	0	0		0	0	0		
Result of the treasury share swap agreement at OTP Core	3,034	2,360	-22%	-515	318	801	152%	-256%
Corporate taxes	**-46,921**	**-41,534**	**-11%**	**-8,635**	**-16,879**	**-10,013**	**-41%**	**16%**
INDICATORS	2019	2020	Y-o-Y	4Q 2019	3Q 2020	4Q 2020	Q-o-Q	Y-o-Y
ROE (from accounting net earnings)	20.3%	10.9%	-9.4%p	18.2%	19.0%	11.3%	-7.7%p	-6.9%p
ROE (from adjusted net earnings)	20.6%	13.0%	-7.6%p	18.8%	19.7%	12.5%	-7.2%p	-6.3%p
ROA (from adjusted net earnings)	2.4%	1.4%	-1.0%p	2.2%	2.1%	1.4%	-0.8%p	-0.8%p
Operating profit margin	2.97%	2.47%	-0.51%p	2.90%	2.53%	2.43%	-0.11%p	-0.48%p
Total income margin	6.28%	5.37%	-0.92%p	6.34%	5.35%	5.33%	-0.02%p	-1.01%p
Net interest margin	4.12%	3.61%	-0.50%p	4.06%	3.56%	3.43%	-0.13%p	-0.64%p
Net fee and commission margin	1.65%	1.34%	-0.30%p	1.77%	1.35%	1.44%	0.09%p	-0.33%p
Net other non-interest income margin	0.52%	0.41%	-0.11%p	0.50%	0.44%	0.46%	0.02%p	-0.04%p
Cost-to-asset ratio	3.31%	2.90%	-0.41%p	3.43%	2.82%	2.90%	0.09%p	-0.53%p
Cost/income ratio	52.7%	54.1%	1.4%p	54.2%	52.7%	54.5%	1.8%p	0.3%p
Provision for impairment on loan and placement losses-to-average gross loans	0.28%	1.15%	0.87%p	0.45%	0.00%	1.17%	1.17%p	0.72%p
Total risk cost-to-asset ratio	0.27%	0.86%	0.59%p	0.52%	0.09%	0.90%	0.81%p	0.39%p
Effective tax rate	10.1%	11.8%	1.7%p	7.5%	12.5%	11.3%	-1.2%p	3.8%p
Non-interest income/total income	34%	33%	-2%p	36%	34%	36%	2%p	0%p
EPS base (HUF) (from unadjusted net earnings)	1,576	1,004	-36%	391	442	279	-37%	-29%
EPS diluted (HUF) (from unadjusted net earnings)	1,575	1,003	-36%	391	442	279	-37%	-29%
EPS base (HUF) (from adjusted net earnings)	1,602	1,200	-25%	404	459	307	-33%	-24%
EPS diluted (HUF) (from adjusted net earnings)	1,602	1,200	-25%	404	459	307	-33%	-24%

Comprehensive Income Statement	2019	2020	Y-o-Y	4Q 2019	3Q 2020	4Q 2020	Q-o-Q	Y-o-Y
Consolidated after tax profit	412,582	259,636	-37%	102,979	113,573	71,465	-37%	-31%
Fair value changes of financial instruments measured at fair value through other comprehensive income	30,224	-6,931	-123%	5,051	7,555	14,116	87%	179%
Fair value adjustment of derivative financial instruments designated as cash-flow hedge	11	-2	-118%	-2	0	0		-100%
Net investment hedge in foreign operations	-2,526	-8,591	240%	1,177	-2,288	985	-143%	-16%
Foreign currency translation difference	79,440	68,593	-14%	-20,746	-98	-24,269		17%
Change of actuarial costs (IAS 19)	-161	144	-189%	-161	0	144		-189%
Net comprehensive income	**519,570**	**312,849**	**-40%**	**88,298**	**118,742**	**62,441**	**-47%**	**-29%**
o/w Net comprehensive income attributable to equity holders	518,802	313,072	-40%	88,009	118,807	62,458	-47%	-29%
Net comprehensive income attributable to non-controlling interest	768	-223	-129%	289	-65	-17	-74%	-106%
Average exchange rate[1] of the HUF (in HUF)	2019	2020	Y-o-Y	4Q 2019	3Q 2020	4Q 2020	Q-o-Q	Y-o-Y
HUF/EUR	325	351	8%	332	354	361	2%	9%
HUF/CHF	292	328	12%	303	329	335	2%	10%
HUF/USD	291	308	6%	300	303	303	0%	1%

[1] Exchange rates presented in the tables of this report should be interpreted as follows: the value of a unit of the other currency expressed in Hungarian forint terms, i.e. HUF/EUR represents the HUF equivalent of one EUR.

CONSOLIDATED BALANCE SHEET

Main components of the adjusted balance sheet, in HUF million	4Q 2019	3Q 2020	4Q 2020	Q-o-Q	Y-o-Y
TOTAL ASSETS	**20,121,767**	**22,709,216**	**23,335,841**	**3%**	**16%**
Cash, amounts due from Banks and balances with the National Banks	1,841,963	2,140,664	2,432,314	14%	32%
Placements with other banks, net of allowance for placement losses	410,433	985,989	1,148,987	17%	180%
Financial assets at fair value through profit or loss	251,991	274,553	235,194	-14%	-7%
Securities at fair value through other comprehensive income	2,427,537	2,132,675	2,140,118	0%	-12%
Net customer loans	12,247,519	13,574,198	13,528,586	0%	10%
Net customer loans (FX adjusted[1])	**12,902,518**	**13,563,574**	**13,528,586**	**0%**	**5%**
Gross customer loans	12,942,009	14,394,579	14,363,281	0%	11%
Gross customer loans (FX adjusted[1])	**13,605,264**	**14,381,084**	**14,363,281**	**0%**	**6%**
o/w Retail loans	7,930,058	8,454,228	8,309,033	-2%	5%
Retail mortgage loans (incl. home equity)	3,671,413	3,908,546	3,818,847	-2%	4%
Retail consumer loans	3,235,843	3,455,622	3,484,172	1%	8%
SME loans	1,022,802	1,090,061	1,006,014	-8%	-2%
Corporate loans	5,101,177	5,296,619	5,409,732	2%	6%
Loans to medium and large corporates	4,694,688	4,820,015	4,935,682	2%	5%
Municipal loans	406,490	476,604	474,049	-1%	17%
Car financing loans	574,029	630,237	644,516	2%	12%
Allowances for loan losses	-694,490	-820,381	-834,695	2%	20%
Allowances for loan losses (FX adjusted[1])	-702,746	-817,511	-834,695	2%	19%
Associates and other investments	20,822	31,749	52,444	65%	152%
Securities at amortized costs	1,995,627	2,569,810	2,625,952	2%	32%
Tangible and intangible assets, net	605,673	592,861	589,878	-1%	-3%
o/w Goodwill, net	105,298	101,441	101,393	0%	-4%
Tangible and other intangible assets, net	500,375	491,421	488,485	-1%	-2%
Other assets	320,201	406,717	582,368	43%	82%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**20,121,767**	**22,709,216**	**23,335,841**	**3%**	**16%**
Amounts due to banks, the National Governments, deposits from the National Banks and other banks, and Financial liabilities designated at fair value through profit or loss	846,158	1,114,078	1,219,446	9%	44%
Deposits from customers	15,522,654	17,324,304	17,890,863	3%	15%
Deposits from customers (FX adjusted[1])	**16,260,599**	**17,284,080**	**17,890,863**	**4%**	**10%**
o/w Retail deposits	11,805,158	12,567,629	12,810,762	2%	9%
Household deposits	9,722,990	10,349,853	10,614,696	3%	9%
SME deposits	2,082,168	2,217,776	2,196,066	-1%	5%
Corporate deposits	4,440,881	4,707,628	5,071,626	8%	14%
Deposits to medium and large corporates	3,637,487	3,920,510	4,218,727	8%	16%
Municipal deposits	803,394	787,118	852,899	8%	6%
Accrued interest payable related to customer deposits	14,560	8,823	8,474	-4%	-42%
Liabilities from issued securities	393,167	444,337	464,214	4%	18%
o/w Retail bonds	3,237	2,342	1,326	-43%	-59%
Liabilities from issued securities without retail bonds	389,930	441,996	462,888	5%	19%
Other liabilities	818,561	1,079,846	949,502	-12%	16%
Subordinated bonds and loans[2]	249,937	273,542	274,704	0%	10%
Total shareholders' equity	**2,291,288**	**2,473,108**	**2,537,112**	**3%**	**11%**
Indicators	4Q 2019	3Q 2020	4Q 2020	Q-o-Q	Y-o-Y
Loan/deposit ratio (FX adjusted[1])	84%	83%	80%	-3%p	-3%p
Net loan/(deposit + retail bond) ratio (FX adjusted[1])	79%	79%	76%	-3%p	-4%p
Stage 1 loan volume under IFRS 9	11,489,554	12,004,459	11,544,791	-4%	0%
Stage 1 loans under IFRS9/gross customer loans	88.8%	83.4%	80.4%	-3.0%p	-8.4%p
Own coverage of Stage 1 loans under IFRS 9	1.1%	0.9%	1.0%	0.1%p	0.0%p
Stage 2 loan volume under IFRS 9	685,885	1,578,251	1,998,867	27%	191%
Stage 2 loans under IFRS9/gross customer loans	5.3%	11.0%	13.9%	3.0%p	8.6%p
Own coverage of Stage 2 loans under IFRS 9	10.7%	11.7%	10.4%	-1.4%p	-0.3%p
Stage 3 loan volume under IFRS 9	766,570	811,870	819,622	1%	7%
Stage 3 loans under IFRS9/gross customer loans	5.9%	5.6%	5.7%	0.1%p	-0.2%p
Own coverage of Stage 3 loans under IFRS 9	65.2%	64.7%	62.3%	-2.5%p	-2.9%p
90+ days past due loan volume	541,467	586,338	543,733	-7%	0%
90+ days past due loans/gross customer loans	4.2%	4.1%	3.8%	-0.3%p	-0.4%p
Consolidated capital adequacy - Basel3	4Q 2019	3Q 2020	4Q 2020	Q-o-Q	Y-o-Y
Capital adequacy ratio (consolidated, IFRS)	16.8%	17.0%	17.7%	0.8%p	1.0%p
Tier1 ratio	14.4%	14.6%	15.4%	0.7%p	1.0%p
Common Equity Tier 1 ('CET1') capital ratio	14.4%	14.6%	15.4%	0.7%p	1.0%p
Regulatory capital (consolidated)	2,390,688	2,559,285	2,669,806	4%	12%
o/w Tier1 Capital	2,055,106	2,206,942	2,316,118	5%	13%
o/w Common Equity Tier 1 capital	2,055,106	2,206,942	2,316,118	5%	13%
Tier2 Capital	335,582	352,343	353,688	0%	5%
o/w Hybrid Tier2	89,935	89,935	89,935	0%	0%
Consolidated risk weighted assets (RWA) (Credit&Market&Operational risk)	14,262,197	15,065,291	15,046,888	0%	6%
o/w RWA (Credit risk)	12,529,878	13,391,254	13,389,536	0%	7%
RWA (Market & Operational risk)	1,732,319	1,674,036	1,657,352	-1%	-4%
Closing exchange rate of the HUF (in HUF)	4Q 2019	3Q 2020	4Q 2020	Q-o-Q	Y-o-Y
HUF/EUR	331	365	365	0%	10%
HUF/CHF	304	337	337	0%	11%
HUF/USD	295	311	297	-5%	1%

[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	2019	2020	Y-o-Y	4Q 2019	3Q 2020	4Q 2020	Q-o-Q	Y-o-Y
After tax profit without the effect of adjustments	190,956	159,303	-17%	45,304	53,211	51,386	-3%	13%
Corporate income tax	-12,668	-16,558	31%	-197	-5,415	-5,060	-7%	
Pre-tax profit	203,624	175,860	-14%	45,502	58,626	56,446	-4%	24%
Operating profit	173,995	181,178	4%	41,204	49,314	46,037	-7%	12%
Total income	432,013	453,634	5%	114,589	116,178	121,320	4%	6%
Net interest income	261,754	286,448	9%	68,255	72,286	75,031	4%	10%
Net fees and commissions	126,911	130,470	3%	32,678	34,773	35,629	2%	9%
Other net non-interest income	43,349	36,717	-15%	13,656	9,119	10,661	17%	-22%
Operating expenses	-258,018	-272,457	6%	-73,385	-66,864	-75,283	13%	3%
Total risk costs	26,594	-7,677	-129%	4,812	8,994	9,607	7%	100%
Provision for impairment on loan and placement losses	30,332	2,374	-92%	7,190	10,054	11,645	16%	62%
Other provisions	-3,737	-10,052	169%	-2,378	-1,061	-2,037	92%	-14%
Total one-off items	3,034	2,360	-22%	-515	318	801	152%	-256%
Revaluation result of the treasury share swap agreement	3,034	2,360	-22%	-515	318	801	152%	-256%
Indicators	2019	2020	Y-o-Y	4Q 2019	3Q 2020	4Q 2020	Q-o-Q	Y-o-Y
ROE	11.7%	9.3%	-2.5%p	10.5%	12.4%	11.7%	-0.7%p	1.2%p
ROA	2.1%	1.5%	-0.6%p	1.9%	2.0%	1.8%	-0.2%p	-0.1%p
Operating profit margin	1.9%	1.7%	-0.2%p	1.7%	1.9%	1.7%	-0.2%p	-0.1%p
Total income margin	4.82%	4.34%	-0.48%p	4.80%	4.42%	4.36%	-0.06%p	-0.44%p
Net interest margin	2.92%	2.74%	-0.18%p	2.86%	2.75%	2.69%	-0.06%p	-0.16%p
Net fee and commission margin	1.42%	1.25%	-0.17%p	1.37%	1.32%	1.28%	-0.04%p	-0.09%p
Net other non-interest income margin	0.48%	0.35%	-0.13%p	0.57%	0.35%	0.38%	0.04%p	-0.19%p
Operating costs to total assets ratio	2.9%	2.6%	-0.3%p	3.1%	2.5%	2.7%	0.2%p	-0.4%p
Cost/income ratio	59.7%	60.1%	0.3%p	64.0%	57.6%	62.1%	4.5%p	-2.0%p
Provision for impairment on loan and placement losses/average gross loans[1]	-0.88%	-0.06%	0.82%p	-0.75%	-0.93%	-1.01%	-0.09%p	-0.26%p
Effective tax rate	6.2%	9.4%	3.2%p	0.4%	9.2%	9.0%	-0.3%p	8.5%p

[1] Negative Provision for impairment on loan and placement losses/average gross loans ratio implies positive amount on the Provision for impairment on loan and placement losses line.

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

Main components of balance sheet closing balances in HUF mn	4Q 2019	3Q 2020	4Q 2020	Q-o-Q	Y-o-Y
Total Assets	9,641,692	10,747,073	11,492,949	7%	19%
Net customer loans	3,740,975	4,257,333	4,415,778	4%	18%
Net customer loans (FX adjusted)	**3,809,093**	**4,257,578**	**4,415,778**	**4%**	**16%**
Gross customer loans	3,883,412	4,442,175	4,631,974	4%	19%
Gross customer loans (FX adjusted)	**3,954,333**	**4,442,449**	**4,631,974**	**4%**	**17%**
Retail loans	2,377,561	2,805,686	2,955,288	5%	24%
Retail mortgage loans (incl. home equity)	1,383,805	1,486,757	1,534,013	3%	11%
Retail consumer loans	746,272	978,483	1,043,634	7%	40%
SME loans	247,483	340,446	377,642	11%	53%
Corporate loans	1,576,772	1,636,764	1,676,685	2%	6%
Provisions	-142,437	-184,842	-216,196	17%	52%
Provisions (FX adjusted)	**-145,240**	**-184,870**	**-216,196**	**17%**	**49%**
Deposits from customers + retail bonds	6,770,161	7,389,952	8,083,488	9%	19%
Deposits from customers + retail bonds (FX adjusted)	**6,861,433**	**7,380,156**	**8,083,488**	**10%**	**18%**
Retail deposits + retail bonds	4,562,600	5,078,652	5,369,294	6%	18%
Household deposits + retail bonds	3,609,460	4,016,709	4,231,931	5%	17%
o/w: Retail bonds	3,237	2,342	1,326	-43%	-59%
SME deposits	953,140	1,061,944	1,137,363	7%	19%
Corporate deposits	2,298,834	2,301,504	2,714,194	18%	18%
Liabilities to credit institutions	445,301	811,328	858,230	6%	93%
Issued securities without retail bonds	436,340	483,818	513,860	6%	18%
Total shareholders' equity	1,720,872	1,723,431	1,766,639	3%	3%
Loan Quality	4Q 2019	3Q 2020	4Q 2020	Q-o-Q	Y-o-Y
Stage 1 loan volume under IFRS 9 (in HUF million)	3,550,841	3,757,222	3,606,490	-4%	2%
Stage 1 loans under IFRS 9/gross customer loans	91.4%	84.6%	77.9%	-6.7%p	-13.6%p
Own coverage of Stage 1 loans under IFRS 9	0.8%	0.9%	0.8%	-0.2%p	0.0%p
Stage 2 loan volume under IFRS 9 (in HUF million)	163,954	518,521	833,163	61%	408%
Stage 2 loans under IFRS 9/gross customer loans	4.2%	11.7%	18.0%	6.3%p	13.8%p
Own coverage of Stage 2 loans under IFRS 9	12.4%	11.2%	10.1%	-1.1%p	-2.3%p
Stage 3 loan volume under IFRS 9 (in HUF million)	168,618	166,432	192,321	15.6%	14.1%
Stage 3 loans under IFRS 9/gross customer loans	4.3%	3.7%	4.2%	0.4%p	-0.2%p
Own coverage of Stage 3 loans under IFRS 9	55.4%	55.4%	54.5%	-0.9%p	-0.9%p
90+ days past due loan volume (in HUF million)	123,895	117,151	144,816	24%	17%
90+ days past due loans/gross customer loans	3.2%	2.6%	3.1%	0.5%p	-0.1%p
Market Share	4Q 2019	3Q 2020	4Q 2020	Q-o-Q	Y-o-Y
Loans	22.2%	22.6%	23.0%	0.4%p	0.8%p
Deposits	27.7%	25.4%	25.4%	0.0%p	-2.3%p
Total Assets	28.8%	26.3%	25.7%	-0.6%p	-3.0%p
Performance Indicators	4Q 2019	3Q 2020	4Q 2020	Q-o-Q	Y-o-Y
Net loans to (deposits + retail bonds) (FX adjusted)	56%	58%	55%	-3%p	-1%p
Leverage (closing Shareholder's Equity/Total Assets)	17.8%	16.0%	15.4%	-0.7%p	-2.5%p
Leverage (closing Total Assets/Shareholder's Equity)	5.6x	6.2x	6.5x	0.3x	0.9x
Capital adequacy ratio (OTP Bank, non-consolidated, Basel3, IFRS)	27.6%	26.1%	26.7%	0.6%p	-0.8%p
Common Equity Tier 1 ratio (OTP Bank, non-consolidated, Basel3, IFRS)	23.6%	21.9%	22.5%	0.7%p	-1.0%p

- ***In 2020 as a whole, OTP Core's adjusted profit amounted to HUF 159.3 billion, marking a y-o-y decline of 17%, owing to higher risk costs. In 4Q, profit dropped by 3% q-o-q, largely because of a seasonal jump in expenses, but it improved by 13% y-o-y, primarily driven by volume growth***
- ***All components of the total income margin declined in 2020 (-48 bps y-o-y). In 4Q the net interest margin sank 6 bps q-o-q***
- ***Whereas the underlying loan quality trends remained favourable, the q-o-q rise in the ratio of Stage 2 loans stemmed from the Bank's more conservative customer assessment, and the ratio of Stage 3 loans increased because of a technical effect***
- ***Performing loans grew dynamically (+4% q-o-q, +19% y-o-y FX-adjusted), mostly driven by the subsidized baby loans and FGS Go! loans. Deposits rose by 18% y-o-y***

Starting from 1Q 2020, OTP eBIZ Ltd became part of OTP Core. It reported HUF 0.4 billion loss in full-year 2019.

Starting from 1Q 2020, the accounting method of the termination of swap contracts has changed. Upon the termination of swap deals, until the end of 2019, the FVA booked within other income was shifted to the net interest income line. From 1Q 2020 this shift does not occur. In the case of OTP Core, the intra-group swaps, typically with DSK Bank, are being terminated. In 2019 the other income of OTP Core was boosted, whereas the net interest income was reduced by the above accounting method.

P&L developments

In 2020, **OTP Core's** adjusted after-tax profit amounted to HUF 159.3 billion, 17% less than a year earlier. The drop owed a lot to higher total risk costs, while operating profit improved by 4%, largely benefiting from a continued dynamic loan growth.

In the fourth quarter, adjusted after-tax profit totalled HUF 51.4 billion. The q-o-q 3% drop largely stemmed from a seasonal jump in operating expenses. In contrast, the 4Q pre-tax profit improved by nearly 25% y-o-y, mostly due to a 10% increase in net interest income.

Full-year operating profit rose by 4%. Within that, 4Q operating profit grew by 12% y-o-y, but declined 7% q-o-q.

Within full-year total income, net interest income grew at the strongest rate, 9%, thanks to a dynamic organic growth in loans – this was somewhat offset by the 18 bps y-o-y erosion of net interest margin. The latter was reasoned mainly by lower lending interest rate levels, owing to the strong competition.

In the fourth quarter, net interest income expanded by 10% y-o-y, and 4% q-o-q. The q-o-q improvement was driven by the growth of interest-bearing assets, including customer loans and financial assets. Meanwhile, net interest margin declined by 6 bps q-o-q, dragged down by the continued drop in the average interest level of retail loans. One reason for the latter was the regulatory interest rate cap, effective from 19 March 2020 until the end of 2020, on newly disbursed, non-mortgage-backed consumer loans. In the fourth quarter, net interest income benefited a total HUF 0.5 billion from items that arose in 4Q when, under the modification of its accounting policy, the Bank re-classified retail loans with subsidized interest rates from loans at amortized cost to loans measures at fair value through profit or loss[5].

Short-term interbank rates, which are the reference rates for variable rate loans, rose overall in 2020: the 3M BUBOR's closing value rose to 75 bps by end-2020, from 16 bps at the end of 2019, while its annual average rate rose by 50 bps, to 69 bps. In 4Q 2020, the 3M BUBOR closed flat q-o-q, and its average over the fourth quarter rose by 12 bps q-o-q, to 76 bps.

As for net fees and commissions, the one-offs in 4Q 2020 more or less counterbalanced each other. On the one hand, the shifting of subsidized retail loans to loans at fair value had HUF 2.7 billion positive effect[6]. Without this item, net fees and commissions would have risen by only 1% y-o-y in the fourth quarter. On the other hand, similar to previous years, credit-card-related refunds to users, a total annual amount of HUF 2.5 billion was recorded in one lump sum in 4Q 2020; this amount was HUF 2.6 billion in 4Q 2019.

Total annual net fees and commissions grew by HUF 3.6 billion, or 3% y-o-y (or by 1% without the abovementioned HUF 2.7 billion positive item booked in 4Q 2020). The main reason for the modest growth was the pandemic-induced decline in economic activity and transaction volumes: reversing a 15% y-o-y growth in 1Q, there was 7% decline in 2Q, 3% drop in 3Q from the previous year, but the growth rate returned to positive territory in 4Q, even without one-off items. Among the components of the annual fee income, deposits, transactions- and card-related

[5] The modification of the accounting policy was applied retroactively: the P&L items that concerned the previous years were accounted against shareholders' equity, while the reporting year's items were booked in the P&L, in one lump sum in 4Q 2020.

[6] Because of the reclassification of loans, two major items appeared among net fees: first, the commissions due in 2020, which would have been amortized over the whole maturity according to the previous method, were recognized in the P&L in one lump sum in December (HUF 1.3 billion). Second, the fees received after the end-of-the-year volume of baby loans were recorded amongst the net fees and commissions (HUF 1.4 billion), while under the previous accounting policy, this amount would have been recognized in the outstanding baby loan volumes at amortized cost.

fee revenues rose modestly, while commissions from securities dropped, particularly those relating to the distribution of investment funds[7] and retail government bonds. The latter was partly explained by base effect: thanks to the outstanding sales performance, the volume of the *MÁP Plus* retail government bonds expanded significantly after its launch in June 2019. Secondly, revenues realized in 2020 declined in relation to the distribution fee structure, largely as average retail government bond volumes shrank q-o-q in the second quarter of 2020, bringing down retail government bond distribution fees in 2Q.

Full-year other net non-interest income (without one-offs) dropped by 15% y-o-y, or HUF 6.6 billion, dragged down by lower gain on securities in 1Q 2020, and by the fact that recoveries realized on claims bought by OTP Factoring from non-Group parties were presented under risk costs, rather than other income, starting from 2020. In 2020, nearly HUF 3.8 billion revaluation result appeared within other income in the wake of the revision of Visa Inc.'s class C shares' accounting classification. The 17% q-o-q increase in 4Q other income can be attributed to the improvement in the foreign exchange result, while other income was dragged down by HUF 0.4 billion in 4Q as a result of the shifting of subsidized retail loans to loans at fair value.

In 2020, operating expenses grew by 6%, or HUF 14.4 billion, chiefly because of higher depreciation, and to a lesser extent due to administrative expenses, including hardware and office equipment costs, as well as supervisory fees (the latter jumped by HUF 3 billion y-o-y, to HUF 13.3 billion). In 2020 as a whole, the extra cost of protection against the pandemic and OTP Bank’s donations entailed HUF 4 billion extra expenses. As a favourable development, personnel expenses slightly dropped y-o-y, in part because of lower bonus payments and partly as employers' contributions were reduced by a further two percentage points from July 2020. Nonetheless, the average number of employees grew by 5% y-o-y.

In the fourth quarter, operating expenses rose by 13% q-o-q and 3% y-o-y. Part of the q-o-q growth stemmed from a seasonal, end-of-the-year growth in personnel, consultancy, and marketing costs, and partly it came from a continued increase in depreciation.

In 2020, total risk costs amounted to -HUF 7.7 billion, as opposed to +HUF 26.6 billion in 2019. The main reason for the higher risk costs was that the pandemic-induced change in the macroeconomic environment was incorporated in the calculation of impairments. As a result, the IFRS 9 impairment model parameters were revised several times in the course of 2020, entailing higher risk costs. Throughout 2020, the Bank steadily monitored changes to customers' financial position and behaviour even during the loan repayment moratorium, and sought to identify debtors with increased risk profile. As a result, certain exposures – some of them under the debt repayment moratorium – were reclassified as Stage 2 during 2020, which also added to risk costs. These effects were mitigated by the positive risk costs booked in relation to the portfolio managed by OTP Factoring, largely relating to claims toward households.

In 4Q 2020, total risk costs amounted to +HUF 9.6 billion. The positive figure can mainly be attributed to the continued recoveries realized on claims toward households, handled by OTP Factoring, the Hungarian work-out company. Another positive item emerged as a result of the revision of the expected future recoveries from OTP Factoring's claims; the upward revaluation of such claims in 4Q 2020 also resulted in a growth in net loan volumes classified as Stage 3 (while the stock of impairments in the balance sheet did not change). In contrast, what caused extra provision was that in 4Q the Bank adopted a more conservative assessment for risk and macroeconomic parametres, and tightened its internal risk classification methodology, in accordance with the extension of the moratorium and the EBA guidance on the treatment of loans under moratoria, issued on 2 December 2020 (EBA/GL/2020/15). The procedure applied in the medium and large corporate segment met the requirements set forth in the MNB's circular of 22 January 2021, while the application of the MNB's requirements in the retail and micro and small enterprise segment, starting from 1Q 2021, is unlikely to necessitate significant additional provisioning.

Regarding loan quality trends, new defaults did not seem to have jumped: while the volume of more than 90 days past due (DPD90+) loans grew by HUF 4 billion in 1Q 2020, these volumes contracted by HUF 3 billion each in 2Q, 3Q, and 4Q (FX-adjusted, without sales/write-offs, adjusted for the revaluation of OTP Factoring’s claims in 4Q). This led to a HUF 5 billion decrease in full-year 2020, the same as the 2019 figure. In the whole of 2020, HUF 10 billion non-performing loans were sold/written off (FX-adjusted), including HUF 3 billion in 4Q.

Following the downtrend in the first three quarters of 2020, the DPD90+ ratio jumped in 4Q (+0.5 pp q-o-q, thus -0.1 pp y-o-y), owing to a technical effect: the upward revaluation of OTP Factoring's claims. Without this effect, the DPD90+ ratio would have declined further q-o-q. The ratio of Stage 3 loans printed a similar pattern: despite the 0.4 pp q-o-q rise caused by that technical effect, the ratio improved by

[7] In 2Q 2020, because of technical reasons, lower fee income was booked from the sales of investment funds. At OTP Core, much of this type of income is related to the funds managed by the Group's Hungarian fund managers, and is presented at these asset management companies as commission expenditure, thus at Group level, this item did not affect the q-o-q dynamics of net fees and commissions.

0.2 pp compared to end-2019. The own provision coverage of Stage 3 loans dropped by 0.9 pp q-o-q, because of the diluting effect of the zero-coverage Stage 3 net volumes, which appeared in the balance sheet in the wake of the revaluation of OTP Factoring's claims.

Predominantly as a result of the abovementioned reclassifications, the ratio of Stage 2 loans grew to 18% by the end of December, up from 4.2% at the end of 2019, and from 11.7% in the previous quarter. Even though those reclassifications into Stage 2 reduced the own coverage of both Stage 1 and Stage 2 loans in 2020, but the total Stage 1+2 portfolio's own provision coverage nearly doubled in 2020 (4Q 2019: 1.3%, 3Q 2020: 2.2%, 4Q 2020: 2.5%).

Balance sheet trends

In full year 2020, the balance sheet total expanded by 19% (+HUF 1.851 billion). A larger part of that growth came from customer deposits (+HUF 1.315 billion), and a smaller increase was caused by a y-o-y growth in liabilities to credit institutions (+HUF 413 billion). One reason for the latter was that the repo volumes, previously presented on the medium and large corporate deposits line, picked up from zero at the end of 2019, and was moved to this line, starting from 2020.

Gross loans and performing (Stage 1+2) loans grew at similar rates, by 17% in 2020 (FX-adjusted), while performing loans surged 21% in 2019.

OTP Core's performing loans rose by 5% q-o-q in 1Q, by 2% in 2Q, by 5% in 3Q, and by 4% 4Q (all FX-adjusted) – that is, the pandemic and the related restrictions somewhat decelerated loan growth in 2Q, but it could climb back to average pre-pandemic quarterly levels in the second half-year. This was mostly the result of the effective economy protection measures, particularly of the government's and the National Bank of Hungary's subsidized lending programs: in full-year 2020, growth in subsidized loans (baby loans, FGS Go!, CSOK Housing Subsidy for Families scheme) contributed 84% of the total FX-adjusted increase in performing loans. Meanwhile, the dynamic lending activity helped OTP Bank preserve, or in some cases even improve, its market share in the main loan categories.

In addition, starting from the second quarter of 2020, existing loan volumes also benefited from the fact that, in the case of loans that participated in the debt repayment moratorium, the principal was not amortized, and the deferred interest was presented as part of the gross loan volume (however, the regulation bans charging interest on the unpaid interest).

Regarding the individual product categories, the subsidized baby loan was the engine of consumer loan growth: in 2020, the contractual amount of baby loans at OTP Bank hit HUF 257 billion, thus the Bank's market share reached 41.7% in full-year 2020. In line with expectations, the quarterly contractual amount of baby loans has been following a slightly declining path since the product was launched in July 2019, owing to the features of the structure (1Q 2020: HUF 72 billion, 2Q: HUF 59 billion, 3Q: HUF 65 billion, 4Q: HUF 61 billion).

Market-based cash loan disbursements fell by 46% overall in 2020. In 2Q 2020 cash loan sales slumped by nearly 60% q-o-q, before rebounding almost 40% q-o-q in 3Q, and declining about 20% q-o-q in 4Q. Thus the 4Q disbursement was 55% less than a year earlier. The declining disbursements from 2Q 2020 can be attributed to the introduction of a cap on interest rates on newly disbursed, non-mortgage-backed consumer loans, effective from 19 March 2020 until end-2020, as well as to the related tightening in lending standards. OTP Bank's markets share calculated from cash loan placements was 34.8% in full-year 2020 (within that 30.8% in 4Q), down from 38.9% in 2019. The stock of performing cash loans expanded by 15% y-o-y (-1% q-o-q), partly supported by the declining amortization due to the repayment moratorium.

As for mortgage loans, the steady growth in performing volumes continued in 4Q (+3% q-o-q), bringing the y-o-y dynamics to 11%. Within that, housing loans, which make up 85% of the overall mortgage stock, expanded by 14% y-o-y (+3% q-o-q), while home equity loans, which were less popular in recent years, shrank further (-6% y-o-y).

In full year 2020, applications for mortgage loans subsided 7% y-o-y, including a nearly 30% y-o-y decline in 4Q. However, the disbursed amount grew by 15% y-o-y in 2020, owing to the surge in subsidized loan placement. Disbursements in the fourth quarter were stable in both q-o-q and y-o-y comparison.

OTP Bank's market share in new mortgage loan contractual amounts hit 32.0% in 2020 (up from 31.4% in 2019). The improvement owed mainly to the CSOK family housing benefit scheme, which was expanded in July 2019, thus bolstering demand for subsidized loans: in the subsidized housing loan segment, OTP's market share has been traditionally strong.

Regarding corporate lending activity, performing corporate loans reversed the strong growth seen in recent years and in the first quarter of 2020 (+5% q-o-q): they declined by 1% q-o-q in 2Q 2020, then picked up that much in 3Q, and grew 3% q-o-q in 4Q. This brought the annual growth rate to 7% in 2020.

The outstanding expansion in loans to micro and small enterprises continued in the fourth quarter: their performing loan volumes grew by 11% from the previous quarter, and by 55% y-o-y (FX-adjusted), marking an impressive acceleration from the 14% growth in 2019. This owed a lot to the National Bank of Hungary's *Funding for Growth Go!* scheme, which has been available at OTP Bank since the end of April 2020. By the end of December 2020, their contractual amount reached HUF 362 billion, thus OTP Bank's market share has surpassed 25% since the programme started.

The share of investments in subsidiaries, held on OTP Core's asset side, within the balance sheet total rose by an average of 1 pp y-o-y in 2020, to 13.1%, fundamentally driving the growing share of non-interest-bearing assets in the balance sheet. However, the average share of non-interest-bearing assets within total assets dropped by 1 pp q-o-q in 4Q 2020.

OTP Core's customer deposits increased by 10% q-o-q and 18% y-o-y (FX-adjusted). Household deposits remained on a dynamic growth path (+3% q-o-q in 1Q 2020, +6% in 2Q, +2% in 3Q, and +5% in 4Q). Deposits from medium and large enterprises jumped by 20% q-o-q, while those from local governments increased by 13% q-o-q. The net loan/(deposit + retail bond) ratio stood at 55% at the end of 2020, which is consistent with 3 pps q-o-q drop and 1 pp y-o-y decline.

OTP Bank's capital adequacy ratio (CAR) stood at 26.7% at the end of 2020, while the CET1=Tier 1 ratio was at 22.5%. The Bank's regulatory capital at the end of the reporting period did not include the eligible profit made in the reporting period.

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	2019	2020	Y-o-Y	4Q 2019	3Q 2020	4Q 2020	Q-o-Q	Y-o-Y
After tax profit without the effect of adjustments	15,104	9,747	-35%	12,526	742	7,364	892%	-41%
Income tax	-1,438	-915	-36%	-1,214	-70	-736	955%	-39%
Profit before income tax	16,542	10,662	-36%	13,740	812	8,100	898%	-41%
Operating profit	16,542	10,662	-36%	13,740	812	8,100	898%	-41%
Total income	20,433	14,453	-29%	15,657	1,650	9,433	472%	-40%
Net interest income	0	0	-107%	0	0	0	0%	-101%
Net fees and commissions	19,800	14,154	-29%	15,593	1,434	8,986	526%	-42%
Other net non-interest income	633	299	-53%	65	215	448	108%	591%
Operating expenses	-3,891	-3,791	-3%	-1,918	-838	-1,333	59%	-30%
Other provision	0	-1		0	0	-1		
Main components of balance sheet closing balances in HUF mn	**2019**	**2020**	**Y-o-Y**	**4Q 2019**	**3Q 2020**	**4Q 2020**	**Q-o-Q**	**Y-o-Y**
Total assets	33,688	33,210	-1%	33,688	25,136	33,210	32%	-1%
Total shareholders' equity	24,828	16,425	-34%	24,828	18,145	16,425	-9%	-34%
Asset under management in HUF bn	**2019**	**2020**	**Y-o-Y**	**4Q 2019**	**3Q 2020**	**4Q 2020**	**Q-o-Q**	**Y-o-Y**
Assets under management, total (w/o duplicates)[1]	**1,119**	**1,201**	**7%**	**1,119**	**1,076**	**1,201**	**12%**	**7%**
Volume of investment funds (closing, w/o duplicates)	793	828	4%	793	734	828	13%	4%
Volume of managed assets (closing)	326	373	14%	326	342	373	9%	14%
Volume of investment funds (closing, with duplicates)[2]	**1,073**	**1,183**	**10%**	**1,073**	**1,038**	**1,183**	**14%**	**10%**
absolute return fund	434	374	-14%	434	350	374	7%	-14%
bond	315	376	19%	315	342	376	10%	19%
security	188	248	32%	188	194	248	28%	32%
mixed	73	133	82%	73	99	133	34%	82%
commodity market	30	28	-8%	30	29	28	-4%	-8%
guaranteed	28	20	-29%	28	19	20	1%	-29%
money market	6	5	-6%	6	5	5	7%	-6%
derivative	0	0	0%	0	0	0		
other	0	0	0%	0	0	0		

[1] The cumulative net asset value of investment funds and managed assets of OTP Fund Management, eliminating the volume of own investment funds (duplications) being managed in other investment funds and managed assets of OTP Fund Management.
[2] The cumulative net asset value of investment funds with duplications managed by OTP Fund Management.

In 2020, **OTP Fund Management** generated HUF 9.7 billion profit, 35% less than in the previous year. The full-year figure included the HUF 7.4 billion profit made in 4Q 2020.

The y-o-y drop in full-year net fees and commissions was caused by a base effect: it largely reflected the effect of the income from an outstanding success fee at the end of 2019. The q-o-q change in net fees and commissions stemmed from the accounting of HUF 7.3 billion success fee for funds generating above-benchmark yields.

Unlike in 2019, when the success fee was mostly related to the OTP Supra Derivative Fund's performance, in 2020 it was the OTP Treasures of the Earth Derivative Fund, and a number of other derivative and absolute return funds' performance that determined it. The OTP Treasures of the Earth Derivative Fund absolute return fund's yield exceeded 49% in 2020, and the success fee is 20% of the positive difference between the fund's yield and the ZMAX benchmark index.

The main reason for the y-o-y drop in the annual other income was the negative fair value adjustment of own investment units, recorded in 1Q 2020; this was re-adjusted in the second half of the year.

Operating expenses dropped by 3% y-o-y in 2020.

In Hungary, the market environment for investment funds was rather hectic; following the lows hit in the first quarter, the situation consolidated, and the turbulent changes reshuffled investment funds' structure as well.

Following its extraordinary performance in 2019, Hungary's largest absolute return fund, OTP Supra Derivative Fund made negative yield in 2020, but it worked off some of the losses after hitting its lowest in March. Absolute return funds, as well as technology and climate change related funds were particularly popular in 2020.

The positive capital flow and yields helped OTP Fund Management increase the total wealth managed in both y-o-y and q-o-q terms (by +4% and +13%, respectively).

Of the funds managed, demand for bond funds remained steady; their volume expanded by nearly 20% y-o-y. Following the slump in stock prices in March, demand for equity funds has increased, thus their volumes grew by 32% y-o-y, on account of capital inflow and favourable yield developments.

The Company's market share rose by 1 pp y-o-y, to 24.6% by the end of December 2020, thus preserving its top position in the domestic securities funds market.

MERKANTIL GROUP (HUNGARY)

Performance of Merkantil Group:

Main components of P&L account in HUF mn	2019	2020	Y-o-Y	4Q 2019	3Q 2020	4Q 2020	Q-o-Q	Y-o-Y
After tax profit without the effect of adjustments	7,115	7,661	8%	1,776	2,935	2,037	-31%	15%
Income tax	-632	-956	51%	-236	-404	-315	-22%	33%
Profit before income tax	7,747	8,617	11%	2,012	3,339	2,351	-30%	17%
Operating profit	7,372	10,280	39%	1,764	2,510	3,102	24%	76%
Total income	14,369	21,283	48%	3,713	5,261	5,898	12%	59%
Net interest income	14,013	17,688	26%	3,560	4,484	4,625	3%	30%
Net fees and commissions	-104	40	-139%	-21	26	24	-8%	-212%
Other net non-interest income	461	3,555	671%	175	750	1,249	66%	615%
Operating expenses	-6,997	-11,004	57%	-1,950	-2,751	-2,795	2%	43%
Total provisions	375	-1,663	-543%	248	829	-751	-191%	-403%
Provision for impairment on loan and placement losses	143	-1,491		84	757	-787	-204%	
Other provision	232	-171	-174%	164	72	36	-50%	-78%
Main components of balance sheet closing balances in HUF mn	**2019**	**2020**	**Y-o-Y**	**4Q 2019**	**3Q 2020**	**4Q 2020**	**Q-o-Q**	**Y-o-Y**
Total assets	491,399	667,120	36%	491,399	620,089	667,120	8%	36%
Gross customer loans	366,064	416,987	14%	366,064	400,758	416,987	4%	14%
Gross customer loans (FX-adjusted)	368,689	416,987	13%	368,689	400,791	416,987	4%	13%
Retail loans	30,528	57,018	87%	30,528	55,834	57,018	2%	87%
Corporate loans	128,707	119,725	-7%	128,707	115,452	119,725	4%	-7%
Car financing loans	209,454	240,244	15%	209,454	229,505	240,244	5%	15%
Allowances for possible loan losses	-10,072	-12,874	28%	-10,072	-12,134	-12,874	6%	28%
Allowances for possible loan losses (FX-adjusted)	-10,143	-12,874	27%	-10,143	-12,135	-12,874	6%	27%
Deposits from customers	10,414	9,344	-10%	10,414	9,245	9,344	1%	-10%
Deposits from customer (FX-adjusted)	10,414	9,344	-10%	10,414	9,245	9,344	1%	-10%
Retail deposits	8,051	6,071	-25%	8,051	6,425	6,071	-6%	-25%
Corporate deposits	2,364	3,273	38%	2,364	2,820	3,273	16%	38%
Liabilities to credit institutions	420,076	584,944	39%	420,076	542,537	584,944	8%	39%
Total shareholders' equity	44,441	52,553	18%	44,441	50,856	52,553	3%	18%
Loan Quality	**2019**	**2020**	**Y-o-Y**	**4Q 2019**	**3Q 2020**	**4Q 2020**	**Q-o-Q**	**Y-o-Y**
Stage 1 loan volume under IFRS 9 (in HUF million)	345,339	343,668	0%	345,339	346,041	343,668	-1%	0%
Stage 1 loans under IFRS 9/gross customer loans	94.3%	82.4%	-11.9%p	94.3%	86.3%	82.4%	-3.9%p	-11.9%p
Own coverage of Stage 1 loans under IFRS 9	0.4%	0.2%	-0.1%p	0.4%	0.3%	0.2%	0.0%p	-0.1%p
Stage 2 loan volume under IFRS 9 (in HUF million)	7,459	58,592	686%	7,459	37,785	58,592	55%	686%
Stage 2 loans under IFRS 9/gross customer loans	2.0%	14.1%	12.0%p	2.0%	9.4%	14.1%	4.6%p	12.0%p
Own coverage of Stage 2 loans under IFRS 9	4.7%	3.8%	-0.8%p	4.7%	4.5%	3.8%	-0.7%p	-0.8%p
Stage 3 loan volume under IFRS 9 (in HUF million)	13,267	14,727	11%	13,267	16,933	14,727	-13%	11%
Stage 3 loans under IFRS 9/gross customer loans	3.6%	3.5%	-0.1%p	3.6%	4.2%	3.5%	-0.7%p	-0.1%p
Own coverage of Stage 3 loans under IFRS 9	63.4%	66.5%	3.1%p	63.4%	56.1%	66.5%	10.4%p	3.1%p
Provision for impairment on loan and placement losses/average gross loans	-0.04%	0.38%	0.42%p	-0.09%	-0.76%	0.77%	1.53%p	0.86%p
90+ days past due loan volume (in HUF million)	7,364	8,971	22%	7,364	10,116	8,971	-11%	22%
90+ days past due loans/gross customer loans	2.0%	2.2%	0.1%p	2.0%	2.5%	2.2%	-0.4%p	0.1%p
Performance Indicators	**2019**	**2020**	**Y-o-Y**	**4Q 2019**	**3Q 2020**	**4Q 2020**	**Q-o-Q**	**Y-o-Y**
ROA	1.6%	1.3%	-0.3%p	1.5%	1.9%	1.2%	-0.7%p	-0.2%p
ROE	17.4%	15.7%	-1.6%p	16.1%	23.9%	15.6%	-8.3%p	-0.5%p
Total income margin	3.20%	3.58%	0.37%p	3.05%	3.41%	3.60%	0.19%p	0.55%p
Net interest margin	3.12%	2.97%	-0.15%p	2.92%	2.91%	2.83%	-0.08%p	-0.10%p
Cost/income ratio	48.7%	51.7%	3.0%p	52.5%	52.3%	47.4%	-4.9%p	-5.1%p

The columns for 2020 in the table display the partially consolidated performance of Merkantil Group, including Merkantil Bank Ltd., Merkantil Bérlet Ltd., NIMO 2002 Ltd., SPLC-P Ingatlanfejlesztő, Ingatlanhasznosító Ltd., SPLC Vagyonkezelő Ltd., and OTP Ingatlanlízing Ltd. In the 2019 base periods, the standalone performance of Merkantil Bank Ltd. was presented.

In 2020 **Merkantil Group** generated HUF 7.7 billion adjusted after-tax profit, of which HUF 6.7 billion was Merkantil Bank's contribution, which therefore showed a decrease y-o-y. In 2020, the Group's ROE stood at 15.7%.

The main reason for the y-o-y rise in the income and expense lines is that, starting from 1Q 2020, the figures reflect the performance of the entire Hungarian leasing group. Merkantil Bank's individual net interest income rose by 4% y-o-y, and its operating expenses dropped by 5%. Merkantil Group's total risk cost amounted to -HUF 1.7 billion in 2020. In 4Q, after-tax profit dropped by 31% q-o-q, as risk costs weighed on earnings in the fourth quarter, after a positive risk cost amount (+HUF 0.8 billion) in 3Q.

In 4Q, net interest margin shrank 8 bps q-o-q as the cost of intragroup funding increased.

As regards loan quality, the stock of more than 90 days past due (DPD90+) loans dropped in 4Q, therefore their ratio stood at 2.2% at the end of 2020 (-0.4 pp q-o-q). The stock of DPD90+ loans did not change over 2020 (FX-adjusted, without sales/write-offs) but declined by HUF 1 billion in 4Q.

The ratio of Stage 2 loans grew by 4.6 pps q-o-q. The own provision coverage of Stage 2 loans stood at 3.8% (-0.7 pp q-o-q). Stage 3 loans made up 3.5% of gross loan volumes (-0.7 pp q-o-q), and their own provision coverage was 66.5% (+10.4 pps q-o-q).

Merkantil Group's FX-adjusted performing (Stage 1+2) loans increased by 12% y-o-y, and by 5% from the previous quarter. Merkantil Bank's individual performing loan stock grew by 4% y-o-y and 5% q-o-q. The full-year dynamics was positively affected by the National Bank of Hungary’s *FGS Go!* programme, made available in April 2020. By the end of December 2020, contractual amount reached HUF 41 billion at Merkantil Bank.

New placements in the fourth quarter surged by 19% q-o-q. Within that, car financing rose by 10%, and the financing of production equipment rebounded dynamically (+40% q-o-q) in 4Q, from the fall in the previous quarter.

Merkantil Bank retained its market leading position both in terms of new disbursements and outstanding leasing volumes.

IFRS REPORTS OF THE MAIN SUBSIDIARIES

In the following parts of the report the after-tax profit of the foreign subsidiaries is presented without any received dividends and net cash transfers, and without other adjustment items in the 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	2019	2020	Y-o-Y	4Q 2019	3Q 2020	4Q 2020	Q-o-Q	Y-o-Y
After tax profit without the effect of adjustments	67,879	40,957	-40%	14,100	12,739	6,683	-48%	-53%
Income tax	-7,199	-3,707	-49%	-1,389	-970	-877	-10%	-37%
Profit before income tax	75,078	44,665	-41%	15,488	13,710	7,560	-45%	-51%
Operating profit	83,495	89,775	8%	19,532	23,219	23,282	0%	19%
Total income	155,567	166,668	7%	39,794	42,342	44,279	5%	11%
Net interest income	109,030	111,239	2%	28,706	27,827	28,366	2%	-1%
Net fees and commissions	42,019	45,453	8%	10,940	11,702	12,551	7%	15%
Other net non-interest income	4,517	9,975	121%	147	2,813	3,362	20%	
Operating expenses	-72,071	-76,893	7%	-20,262	-19,123	-20,997	10%	4%
Total provisions	-8,418	-45,110	436%	-4,043	-9,509	-15,722	65%	289%
Provision for impairment on loan and placement losses	-5,216	-44,875	760%	-770	-7,864	-17,043	117%	
Other provision	-3,201	-235	-93%	-3,273	-1,645	1,321	-180%	-140%
Main components of balance sheet closing balances in HUF mn	**2019**	**2020**	**Y-o-Y**	**4Q 2019**	**3Q 2020**	**4Q 2020**	**Q-o-Q**	**Y-o-Y**
Total assets	3,669,766	4,283,625	17%	3,669,766	4,210,324	4,283,625	2%	17%
Gross customer loans	2,350,694	2,634,870	12%	2,350,694	2,607,880	2,634,870	1%	12%
Gross customer loans (FX-adjusted)	2,596,088	2,634,870	1%	2,596,088	2,610,859	2,634,870	1%	1%
Retail loans	1,597,408	1,614,561	1%	1,597,408	1,602,114	1,614,561	1%	1%
Corporate loans	953,025	938,117	-2%	953,025	926,016	938,117	1%	-2%
Car financing loans	45,655	82,191	80%	45,655	82,729	82,191	-1%	80%
Allowances for possible loan losses	-135,640	-185,829	37%	-135,640	-180,038	-185,829	3%	37%
Allowances for possible loan losses (FX-adjusted)	-149,830	-185,829	24%	-149,830	-180,258	-185,829	3%	24%
Deposits from customers	3,015,805	3,587,364	19%	3,015,805	3,471,188	3,587,364	3%	19%
Deposits from customers (FX-adjusted)	3,315,475	3,587,364	8%	3,315,475	3,468,038	3,587,364	3%	8%
Retail deposits	2,780,781	3,012,074	8%	2,780,781	2,871,368	3,012,074	5%	8%
Corporate deposits	534,694	575,290	8%	534,694	596,670	575,290	-4%	8%
Liabilities to credit institutions	59,867	17,010	-72%	59,867	52,441	17,010	-68%	-72%
Total shareholders' equity	528,759	620,379	17%	528,759	613,473	620,379	1%	17%
Loan Quality	**2019**	**2020**	**Y-o-Y**	**4Q 2019**	**3Q 2020**	**4Q 2020**	**Q-o-Q**	**Y-o-Y**
Stage 1 loan volume under IFRS 9 (in HUF million)	2,081,790	2,142,644	3%	2,081,790	2,077,327	2,142,644	3%	3%
Stage 1 loans under IFRS 9/gross customer loans	88.6%	81.3%	-7.2%p	88.6%	79.7%	81.3%	1.7%p	-8.2%p
Own coverage of Stage 1 loans under IFRS 9	1.1%	1.0%	-0.1%p	1.1%	0.8%	1.0%	0.1%p	-11.1%p
Stage 2 loan volume under IFRS 9 (in HUF million)	99,917	297,292	198%	99,917	327,199	297,292	-9%	198%
Stage 2 loans under IFRS 9/gross customer loans	4.3%	11.3%	7.0%p	4.3%	12.5%	11.3%	-1.3%p	7.0%p
Own coverage of Stage 2 loans under IFRS 9	8.5%	12.6%	4.1%p	8.5%	11.2%	12.6%	1.4%p	4.1%p
Stage 3 loan volume under IFRS 9 (in HUF million)	168,986	194,934	15%	168,986	203,354	194,934	-4%	15%
Stage 3 loans under IFRS 9/gross customer loans	7.2%	7.4%	0.2%p	7.2%	7.8%	7.4%	-0.4%p	0.2%p
Own coverage of Stage 3 loans under IFRS 9	62.0%	65.6%	3.7%p	62.0%	62.1%	65.6%	3.6%p	5.9%p
Provision for impairment on loan and placement losses/average gross loans	0.24%	1.79%	1.55%p	0.13%	1.25%	2.58%	1.33%p	2.45%p
90+ days past due loan volume (in HUF million)	108,600	126,242	16%	108,600	136,203	126,242	-7%	16%
90+ days past due loans/gross customer loans	4.6%	4.8%	0.2%p	4.6%	5.2%	4.8%	-0.4%p	0.2%p
Performance Indicators	**2019**	**2020**	**Y-o-Y**	**4Q 2019**	**3Q 2020**	**4Q 2020**	**Q-o-Q**	**Y-o-Y**
ROA	1.9%	1.0%	-0.9%p	1.5%	1.3%	0.6%	-0.6%p	-0.9%p
ROE	13.7%	7.0%	-6.6%p	10.7%	8.5%	4.3%	-4.2%p	-6.4%p
Total income margin	4.28%	4.13%	-0.15%p	4.19%	4.17%	4.13%	-0.04%p	-0.06%p
Net interest margin	3.00%	2.75%	-0.24%p	3.02%	2.74%	2.65%	-0.10%p	-0.37%p
Cost/income ratio	46.3%	46.1%	-0.2%p	50.9%	45.2%	47.4%	2.3%p	-3.5%p
Net loans to deposits (FX-adjusted)	74%	68%	-6%p	74%	70%	68%	-2%p	-6%p
FX rates (in HUF)	**2019**	**2020**	**Y-o-Y**	**4Q 2019**	**3Q 2020**	**4Q 2020**	**Q-o-Q**	**Y-o-Y**
HUF/BGN (closing)	169.0	186.7	10%	169.0	186.4	186.7	0%	10%
HUF/BGN (average)	166.3	179.5	8%	169.7	180.7	184.3	2%	9%

- ***The Bulgarian banking group generated HUF 41.0 billion adjusted profit, 40% less than a year earlier, owing to the higher provisions.***
- ***The integration of Expressbank was successfully completed at the beginning of May 2020. The number of branches dropped by 24%, and the headcount fell by 9% y-o-y.***
- ***In the fourth quarter, business activity intensified, performing loans rose by an FX-adjusted 1% q-o-q as did the y-o-y growth rate***

The P&L of the Bulgarian operation was adjusted for the one-off items directly related to the Expressbank acquisition; these corrections are presented at consolidated level, among adjustment items. The balance sheet items were not adjusted for these effects.

In 2020 **DSK Group** generated HUF 41.0 billion after-tax profit (including HUF 6.7 billion in 4Q), 40% less than in 2019.

The integration of Expressbank was successfully completed at the beginning of May 2020. Certain cost synergies had already been extracted during the integration process, and this has continued since then. The number of branches in Bulgaria fell by 143 units (-30%) since the end of 1Q 2019, when Expressbank became part of the Group. The number of employees dropped by 566 (-9%) in 2020. Full-year operating expenses declined by 1% y-o-y in local currency.

The Bulgarian operation's full-year operating profit grew by 8% in HUF (but dropped 1% in BGN terms). Within total income, cumulated net interest income declined by 6% in BGN terms, as a result of the 24 bps erosion in net interest margin. The full-year net interest income was also negatively affected by a regulatory change that banned charging penalty interest on late payment during the emergency, from 13 March to 14 May 2020.

In 2020, net fees and commissions stagnated y-o-y in BGN, predominantly in connection with the drop in economic and business activity from the second quarter.

In 2020, other net non-interest income surged by 121% y-o-y, chiefly because of higher swap result and foreign exchange gains. Another reason was that, following the revision of Visa Inc.'s class C shares' accounting classification, the equivalent of HUF 0.7 billion positive amount boosted other income in 2Q 2020. The q-o-q increase in other revenues in 4Q was largely due to asset sales.

The Stage 2 ratio has significantly increased over the past 12 months (+7 pps y-o-y), predominantly because the Bank reclassified the loans most exposed to the pandemic, first corporate and then retail loans were reclassified from Stage 1 (performing) category under IFRS 9 into Stage 2 (increased risk).

In 4Q, the ratio of Stage 3 loans fell by 0.4 pp q-o-q, to 7.4%, which is consistent with 0.2 pp increase from the previous year. The own provision coverage of Stage 3 loans rose in both q-o-q and y-o-y terms. The total provision coverage of Stage 1+2 loans has risen in q-o-q comparison.

In 2020, HUF 45.1 billion total risk costs weighed on profit. The reason for the y-o-y significantly higher figure was the extra provisioning owing to the pandemic. The 12-month credit risk cost ratio was 1.79% of average gross loan volumes.

The HUF 6.7 billion profit made in the fourth quarter was consistent with a 48% q-o-q fall. Operating profit stagnated q-o-q; within that, net fees and commissions grew by 7% q-o-q in 4Q as a result of the intensified business activity; exceeding the same period of last year by 15%. In the fourth quarter, net interest income rose by 2% q-o-q (stagnated in local currency). In 4Q, margin erosion continued; net interest margin shrank by 10 bps over the quarter, which was offset by the q-o-q increase in loan volumes.

4Q operating expenses grew by 10% q-o-q due to seasonality. Reasons for the higher expenses included the q-o-q increase in personnel expenses, marketing costs and expert fees. In 4Q 2020, operating expenses dropped by 5% in local currency compared to the same period of the previous year.

The reason for the q-o-q increase in provisions in the fourth quarter was that the revision and the modification of the IFRS 9 impairment model parameters resulted in additional provisioning in 4Q.

Overall, loan quality indicators have improved: the more than 90 days past due (DPD90+) loans grew by HUF 22 billion (FX-adjusted, without sales/write-offs) in full year 2020 (of which 4Q: +HUF 5 billion). During 2019 this volume increased by HUF 11 billion without the technical effect of the acquisition of Expressbank. In 2020 as a whole HUF 13 billion worth of problem loans were sold/written off.

Regarding the lending activity, performing (Stage 1+2) loans rose by an FX-adjusted 1% in both q-o-q and y-o-y terms.

In the fourth quarter, the uptrend in mortgage loans continued (+4% q-o-q, thereby +11% y-o-y). Mortgage loan disbursements in 4Q have not changed compared to the same period of the previous year, but they surged 35% q-o-q. In 4Q, the consumer loan stock stagnated compared to the previous quarter; the disbursement of cash loans, which make up the bulk of consumer loans, declined 11% (in local currency) both in q-o-q and in y-o-y terms.

In 2020, car financing loans grew by 80% y-o-y, partly because of the reclassification of some leasing exposures from corporate loans onto this line.

The Bulgarian operation's liquidity position remained stable. The FX-adjusted net loan/deposit ratio stood at 68% at the end of December. The deposit volume rose by an FX-adjusted 3% q-o-q in 4Q, this left the 12-month total growth at 8%.

At the end of December 2020, the capital adequacy ratio of DSK Bank, calculated according to local rules, stood at 21.4%. DSK Bank did not pay dividend to OTP Bank from its 2019 profit, in accordance with the Bulgarian National Bank's recommendation.

OTP BANK CROATIA

Performance of OTP Bank Croatia:

Main components of P&L account in HUF mn	2019	2020	Y-o-Y	4Q 2019	3Q 2020	4Q 2020	Q-o-Q	Y-o-Y
After tax profit without the effect of adjustments	30,719	14,830	-52%	4,196	4,984	-81	-102%	-102%
Income tax	-6,681	-2,771	-59%	-921	-1,031	247	-124%	-127%
Profit before income tax	37,400	17,600	-53%	5,116	6,015	-328	-105%	-106%
Operating profit	42,925	40,329	-6%	10,330	12,111	9,894	-18%	-4%
Total income	85,069	84,907	0%	21,459	23,328	21,134	-9%	-2%
Net interest income	56,812	58,199	2%	14,437	14,894	14,229	-4%	-1%
Net fees and commissions	17,032	16,093	-6%	4,007	4,416	4,222	-4%	5%
Other net non-interest income	11,225	10,615	-5%	3,016	4,018	2,683	-33%	-11%
Operating expenses	-42,144	-44,578	6%	-11,129	-11,217	-11,240	0%	1%
Total provisions	-5,525	-22,728	311%	-5,214	-6,096	-10,222	68%	96%
Provision for impairment on loan and placement losses	-2,835	-19,491	588%	-4,110	-3,849	-8,872	131%	116%
Other provision	-2,691	-3,238	20%	-1,104	-2,247	-1,350	-40%	22%
Main components of balance sheet closing balances in HUF mn	**2019**	**2020**	**Y-o-Y**	**4Q 2019**	**3Q 2020**	**4Q 2020**	**Q-o-Q**	**Y-o-Y**
Total assets	2,098,951	2,325,669	11%	2,098,951	2,215,655	2,325,669	5%	11%
Gross customer loans	1,370,057	1,642,170	20%	1,370,057	1,600,305	1,642,170	3%	20%
Gross customer loans (FX-adjusted)	1,503,015	1,642,170	9%	1,503,015	1,602,695	1,642,170	2%	9%
Retail loans	812,239	853,245	5%	812,239	832,718	853,245	2%	5%
Corporate loans	617,623	722,320	17%	617,623	700,006	722,320	3%	17%
Car financing loans	73,152	66,606	-9%	73,152	69,971	66,606	-5%	-9%
Allowances for possible loan losses	-68,701	-100,920	47%	-68,701	-90,812	-100,920	11%	47%
Allowances for possible loan losses (FX-adjusted)	-75,254	-100,920	34%	-75,254	-90,956	-100,920	11%	34%
Deposits from customers	1,478,223	1,634,652	11%	1,478,223	1,638,358	1,634,652	0%	11%
Deposits from customers (FX-adjusted)	1,613,110	1,634,652	1%	1,613,110	1,636,614	1,634,652	0%	1%
Retail deposits	1,213,410	1,231,516	1%	1,213,410	1,226,178	1,231,516	0%	1%
Corporate deposits	399,700	403,136	1%	399,700	410,437	403,136	-2%	1%
Liabilities to credit institutions	253,176	287,647	14%	253,176	179,332	287,647	60%	14%
Total shareholders' equity	292,649	328,165	12%	292,649	327,244	328,165	0%	12%
Loan Quality	**2019**	**2020**	**Y-o-Y**	**4Q 2019**	**3Q 2020**	**4Q 2020**	**Q-o-Q**	**Y-o-Y**
Stage 1 loan volume under IFRS 9 (in HUF million)	1,140,495	1,257,492	10%	1,140,495	1,272,757	1,257,492	-1%	10%
Stage 1 loans under IFRS 9/gross customer loans	83.2%	76.6%	-6.7%p	83.2%	79.5%	76.6%	-3.0%p	-6.7%p
Own coverage of Stage 1 loans under IFRS 9	0.8%	0.8%	0.0%p	0.8%	0.5%	0.8%	0.3%p	0.0%p
Stage 2 loan volume under IFRS 9 (in HUF million)	143,843	241,962	68%	143,843	222,345	241,962	9%	68%
Stage 2 loans under IFRS 9/gross customer loans	10.5%	14.7%	4.2%p	10.5%	13.9%	14.7%	0.8%p	4.2%p
Own coverage of Stage 2 loans under IFRS 9	3.5%	5.7%	2.2%p	3.5%	7.9%	5.7%	-2.2%p	2.2%p
Stage 3 loan volume under IFRS 9 (in HUF million)	85,719	142,716	66%	85,719	105,203	142,716	36%	66%
Stage 3 loans under IFRS 9/gross customer loans	6.3%	8.7%	2.4%p	6.3%	6.6%	8.7%	2.1%p	2.4%p
Own coverage of Stage 3 loans under IFRS 9	63.6%	53.9%	-9.6%p	63.6%	63.4%	53.9%	-9.5%p	-9.6%p
Provision for impairment on loan and placement losses/average gross loans	0.22%	1.27%	1.05%p	1.20%	0.99%	2.19%	1.20%p	0.99%p
90+ days past due loan volume (in HUF million)	51,012	68,712	35%	51,012	73,107	68,712	-6%	35%
90+ days past due loans/gross customer loans	3.7%	4.2%	0.5%p	3.7%	4.6%	4.2%	-0.4%p	0.5%p
Performance Indicators	**2019**	**2020**	**Y-o-Y**	**4Q 2019**	**3Q 2020**	**4Q 2020**	**Q-o-Q**	**Y-o-Y**
ROA	1.6%	0.7%	-0.9%p	0.8%	0.9%	0.0%	-0.9%p	-0.8%p
ROE	10.9%	4.7%	-6.2%p	5.7%	6.3%	-0.1%	-6.3%p	-5.8%p
Total income margin	4.35%	3.93%	-0.42%p	4.16%	4.31%	3.77%	-0.55%p	-0.39%p
Net interest margin	2.91%	2.69%	-0.21%p	2.80%	2.75%	2.54%	-0.22%p	-0.26%p
Cost/income ratio	49.5%	52.5%	3.0%p	51.9%	48.1%	53.2%	5.1%p	1.3%p
Net loans to deposits (FX-adjusted)	89%	94%	6%p	89%	92%	94%	2%p	6%p
FX rates (in HUF)	**2019**	**2020**	**Y-o-Y**	**4Q 2019**	**3Q 2020**	**4Q 2020**	**Q-o-Q**	**Y-o-Y**
HUF/HRK (closing)	44.4	48.4	9%	44.4	48.3	48.4	0%	9%
HUF/HRK (average)	43.9	46.6	6%	44.7	47.0	47.7	2%	7%

- ***Full-year 2020 profit neared HUF 15 billion (-52% y-o-y), with 6% lower operating profit and a jump in risk costs***
- ***Net interest income rose by 2% y-o-y; performing (Stage 1+2) loans increased in FX-adjusted terms and interest margin shrank 21 bps in 2020***
- ***As to loan quality, the Stage 3 ratio upped 2.4 pps, to 8.7% y-o-y***

In 2020, the **Croatian operation** generated HUF 14.8 billion after-tax profit, 52% less than a year earlier, owing to a jump in risk costs and a decline in operating profit.

In 4Q 2020, the bank posted HUF 81 million loss; the q-o-q deterioration can be attributed to higher risk costs above all.

Following a halt in lending activity in the second quarter, disbursement dynamics have been steadily improving. In 4Q 2020, mortgage loan disbursements grew by 72% q-o-q; this brought the full-year disbursement growth to 8% y-o-y. Even though cash loans rebounded after the first wave of the coronavirus pandemic, the full-year disbursed volume was 25% short of its 2019 level.

Performing (Stage 1+2) loans grew by an FX-adjusted 6% y-o-y but stagnated q-o-q. In 4Q, performing corporate and mortgage loans both expanded, by 2% and 1% q-o-q, respectively. In contrast, cash loans and car loans dropped (-3%, and -6% q-o-q, respectively) in 4Q.

Beside loan volume growth, and the Croatian bank's liquidity position remained stable. Deposit volumes rose by an FX-adjusted 1% y-o-y, thus the net loan/deposit ratio went up by 6 pps y-o-y, to 94%, in FX-adjusted terms.

In 2020, operating profit was 6% (in local currency terms 11%) less than a year earlier. Core banking income dropped in y-o-y terms, as a combined effect of the 21 bps erosion in net interest margin (2.69%), and the pandemic's effect on business and economic activity. Net fees and commissions were dragged down by the lost revenue from tourism-related activities. Despite the HUF 1.5 billion one-off revaluation result on Visa Inc.'s class C shares booked in 2Q 2020, other non-interest income was 5% short of the base period. The q-o-q decline in other income in 4Q was partly the result of the drop in currency exchange gains after the tourism season, and part of it was caused by the base effect owing to a one-off income from a bond sale in 3Q.

In 2020, operating expenses surged by 6% y-o-y in HUF, and were stable in local currency. The 3 pps rise in full-year cost/income ratio brought the y-o-y figure to 52.5%. In 4Q, operating expenses remained flat in q-o-q terms.

In 2020, nearly HUF 23 billion risk cost weighed on profit, which was four times the figure posted in 2019. A smaller part of that was recorded in 1Q, in view of the possible effects of the pandemic, while loan loss provision in 3Q was even higher than in 1Q, owing to the revision of the IFRS 9 impairment model parameters. In 4Q 2020 under the instruction of the local regulator exposures with longer than 9 months moratorium participation in total shall be classified as Stage 3.

The stock of more than 90 days past due loans grew by HUF 15 billion (FX-adjusted, without sales/write-offs) in 2020 (-HUF 3 billion in 4Q). This brought the DPD90+ ratio to 4.2% by the end of December (-0.4 pp q-o-q, and +0.5 pp y-o-y). The Stage 3 ratio rose by more than 2 pps in both q-o-q and y-o-y terms (4Q: 8.7%), as the Bank reclassified the exposures with longer than 9 months moratorium participation to Stage 3 (forborne) category, in accordance with local regulation.

In March and April 2020, the Croatian National Bank issued a set of recommendations, based on the EBA's guidance, on the basis of which commercial banks developed rules for their own loan repayment moratorium. On 1 October 2020, a new moratorium period was opened; the deadline for receiving applications is 31 March 2021.

OTP BANK SERBIA

Performance of OTP Bank Serbia:

Main components of P&L account in HUF mn	2019	2020	Y-o-Y	4Q 2019	3Q 2020	4Q 2020	Q-o-Q	Y-o-Y
After tax profit without the effect of adjustments	10,430	7,298	-30%	5,836	6,714	-3,076	-146%	-153%
Income tax	459	-1,157	-352%	350	-852	-77	-91%	-122%
Profit before income tax	9,970	8,455	-15%	5,486	7,565	-2,999	-140%	-155%
Operating profit	13,143	35,898	173%	8,241	10,111	9,537	-6%	16%
Total income	43,276	79,001	83%	19,989	20,548	21,158	3%	6%
Net interest income	30,809	59,514	93%	14,248	15,286	15,779	3%	11%
Net fees and commissions	9,506	14,766	55%	3,958	3,862	4,052	5%	2%
Other net non-interest income	2,962	4,721	59%	1,783	1,399	1,326	-5%	-26%
Operating expenses	-30,133	-43,102	43%	-11,748	-10,437	-11,621	11%	-1%
Total provisions	-3,173	-27,443	765%	-2,755	-2,545	-12,536	392%	355%
Provision for impairment on loan and placement losses	-1,634	-22,170		-1,401	-1,986	-9,641	385%	588%
Other provision	-1,539	-5,273	243%	-1,354	-559	-2,895	418%	114%
Main components of balance sheet closing balances in HUF mn	**2019**	**2020**	**Y-o-Y**	**4Q 2019**	**3Q 2020**	**4Q 2020**	**Q-o-Q**	**Y-o-Y**
Total assets	1,659,483	2,052,332	24%	1,659,483	2,025,385	2,052,332	1%	24%
Gross customer loans	1,199,580	1,539,738	28%	1,199,580	1,485,074	1,539,738	4%	28%
Gross customer loans (FX-adjusted)	1,325,734	1,539,738	16%	1,325,734	1,487,913	1,539,738	3%	16%
Retail loans	633,684	747,715	18%	633,684	726,168	747,715	3%	18%
Corporate loans	642,532	737,969	15%	642,532	707,375	737,969	4%	15%
Car financing loans	49,518	54,054	9%	49,518	54,370	54,054	-1%	9%
Allowances for possible loan losses	-18,904	-43,597	131%	-18,904	-34,192	-43,597	28%	131%
Allowances for possible loan losses (FX-adjusted)	-20,907	-43,597	109%	-20,907	-34,269	-43,597	27%	109%
Deposits from customers	910,623	1,147,712	26%	910,623	1,160,487	1,147,712	-1%	26%
Deposits from customers (FX-adjusted)	1,003,698	1,147,712	14%	1,003,698	1,161,893	1,147,712	-1%	14%
Retail deposits	604,453	676,599	12%	604,453	650,245	676,599	4%	12%
Corporate deposits	399,245	471,112	18%	399,245	511,648	471,112	-8%	18%
Liabilities to credit institutions	436,449	548,354	26%	436,449	515,378	548,354	6%	26%
Subordinated debt	24,460	31,033	27%	24,460	27,470	31,033	13%	27%
Total shareholders' equity	249,461	273,046	9%	249,461	278,006	273,046	-2%	9%
Loan Quality	**2019**	**2020**	**Y-o-Y**	**4Q 2019**	**3Q 2020**	**4Q 2020**	**Q-o-Q**	**Y-o-Y**
Stage 1 loan volume under IFRS 9 (in HUF million)	1,151,763	1,367,313	19%	1,151,763	1,358,453	1,367,313	1%	19%
Stage 1 loans under IFRS 9/gross customer loans	96.0%	88.8%	-7.2%p	96.0%	91.5%	88.8%	-2.7%p	-7.2%p
Own coverage of Stage 1 loans under IFRS 9	0.4%	0.8%	0.4%p	0.4%	0.6%	0.8%	0.2%p	0.4%p
Stage 2 loan volume under IFRS 9 (in HUF million)	21,447	132,427	517%	21,447	94,210	132,427	41%	517%
Stage 2 loans under IFRS 9/gross customer loans	1.8%	8.6%	6.8%p	1.8%	6.3%	8.6%	2.3%p	6.8%p
Own coverage of Stage 2 loans under IFRS 9	5.8%	8.5%	2.7%p	5.8%	8.7%	8.5%	-0.2%p	2.7%p
Stage 3 loan volume under IFRS 9 (in HUF million)	26,370	39,998	52%	26,370	32,411	39,998	23%	52%
Stage 3 loans under IFRS 9/gross customer loans	2.2%	2.6%	0.4%p	2.2%	2.2%	2.6%	0.4%p	0.4%p
Own coverage of Stage 3 loans under IFRS 9	50.0%	53.6%	3.6%p	50.0%	56.3%	53.6%	-2.8%p	3.6%p
Provision for impairment on loan and placement losses/average gross loans	0.25%	1.62%	1.37%p	0.47%	0.57%	2.53%	1.96%p	2.06%p
90+ days past due loan volume (in HUF million)	20,702	22,697	10%	20,702	25,156	22,697	-10%	10%
90+ days past due loans/gross customer loans	1.7%	1.5%	-0.3%p	1.7%	1.7%	1.5%	-0.2%p	-0.3%p
Performance Indicators	**2019**	**2020**	**Y-o-Y**	**4Q 2019**	**3Q 2020**	**4Q 2020**	**Q-o-Q**	**Y-o-Y**
ROA	1.1%	0.4%	-0.7%p	1.4%	1.4%	-0.6%	-2.0%p	-2.0%p
ROE	7.6%	2.7%	-4.9%p	9.3%	10.0%	-4.5%	-14.5%p	-13.7%p
Total income margin	4.70%	4.25%	-0.45%p	4.80%	4.36%	4.16%	-0.20%p	-0.64%p
Net interest margin	3.35%	3.20%	-0.15%p	3.42%	3.24%	3.10%	-0.14%p	-0.32%p
Cost/income ratio	69.6%	54.6%	-15.1%p	58.8%	50.8%	54.9%	4.1%p	-3.8%p
Net loans to deposits (FX-adjusted)	130%	130%	0%p	130%	125%	130%	5%p	0%p
FX rates (in HUF)	**2019**	**2020**	**Y-o-Y**	**4Q 2019**	**3Q 2020**	**4Q 2020**	**Q-o-Q**	**Y-o-Y**
HUF/RSD (closing)	2.8	3.1	11%	2.8	3.1	3.1	0%	11%
HUF/RSD (average)	2.8	3.0	8%	2.8	3.0	3.1	2%	8%

- ***The annual after-tax profit amounted to HUF 7.3 billion in 2020 (-30%); in 4Q, HUF 3.1 billion loss emerged and nearly HUF 13 billion provision was put aside***
- ***The integration is progressing well, cost/income ratio sank to 54.9% in the fourth quarter (-3.8 pps y-o-y)***
- ***Performing (Stage1+2) loansexpanded in both q-o-q and y-o-y terms (+16%, and +3%)***

The financial closure of Societe Generale banka Srbija transaction was completed on 24 September 2019. Following the transaction, the name of the acquired bank was changed to OTP banka Srbija. The Serbian financial statements present the acquired bank's balance sheet starting from 3Q 2019, and its P&L account starting from 4Q 2019.

The Serbian P&L account was adjusted for the one-off items directly related to the acquisition; these corrections are shown at consolidated level, among the adjustment items. The balance sheet items were not adjusted for these effects.

In 2020, the **Serbian banking group** generated HUF 7.3 billion adjusted after-tax profit, despite the HUF 3.1 billion loss in 4Q 2020 in the wake of the HUF 13 billion total risk cost created.

Following the financial closure of the acquisition at the end of September 2019, the Serbian operation's total markets share by balance sheet total jumped to 13.5% on pro forma basis, based on the latest available data from end-September 2020.

The integration of the bank acquired in 2019 is progressing well, as scheduled. Since the end of September 2019, the total number of branches in Serbia dropped by 23 (-10%). The number of employees declined by 37 workers q-o-q, and 140 y-o-y (-4%).

Both deposits and performing loans (Stage 1+2) showed double-digit y-o-y growth rates (FX-adjusted), thus the Serbian bank's net loan/deposit ratio remained flat at 130% y-o-y.

Both the retail and the corporate loan segments posted growth: consumer loans expanded by 22% y-o-y (FX-adjusted), and mortgage loans increased by 13%, while corporate loans, which make up nearly half of the performing (Stage 1+2) portfolio, rose by 14% y-o-y. Recovering from the low hit in the second quarter, the volume of new loan disbursements has been steadily rising: in 4Q 2020, mortgage loan disbursements grew by 18% q-o-q in local currency, while consumer loans rose slower, by 6%. The volume of corporate loan disbursements surged 10% q-o-q, further increasing the company's market share in corporate loans (16.4% at the end of December, +0.5 pp y-o-y).

The y-o-y dynamics of P&L lines were predominantly determined by the acquisition, and they were also affected by the 8% weakening of the HUF's average exchange rate against the Serbian dinar.

The 4Q operating profit improved by 16% y-o-y, as income rose by 6% and operating expenses declined. In 4Q, the y-o-y dynamics of net interest income was positively affected by the outstanding expansion of (Stage 1+2) loan volumes (+16% y-o-y; FX-adjusted), even as net interest margin eroded by 32 bps y-o-y, to 3.1%, reflecting the effect of the lower interest rate environment. Net fees and commissions were stable y-o-y.

In 4Q, operating expenses dropped by 1% y-o-y, while the bank's cost/income ratio improved by 3.8 pps y-o-y, to 54.9% in the fourth quarter.

In 2020, total risk cost amounted to -HUF 27.4 billion, of which -HUF 12.5 billion was booked in the fourth quarter. In 2020, the credit risk cost ratio was 1.62%. The q-o-q jump in risk costs in the fourth quarter was partly caused by the revision of the IFRS 9 impairment model parameters.

As regards loan quality, the volume of more than 90 days past due loans (FX-adjusted, without sales/write-offs) rose by HUF 3.3 billion in full year 2020 (of which 1Q: +HUF 0.7 billion, 2Q: +HUF 4.0 billion, 3Q: -HUF 1.3 billion, 4Q: -HUF 0.1 billion).

The ratio of Stage 3 loans rose by 0.4 pp y-o-y, their own provision coverage ratio improved by 3.6 pps y-o-y, to 53.6% by the end of December. Stage 2 loans were affected by a number factors: in 1Q, the corporate portfolios most exposed to the pandemic were reclassified to Stage 2 (increased risk), while in the second quarter those were mostly retail loans that were shifted.

In Serbia, there were three phases of the loan repayment moratorium. The application deadline for the third one, which is still in effect, is the end of April 2021; the maximum term of the moratorium can be up to six months.

SKB BANKA (SLOVENIA)

Performance of SKB Banka (Slovenia):

Main components of P&L account in HUF mn	2019	2020	Y-o-Y	4Q 2019	3Q 2020	4Q 2020	Q-o-Q	Y-o-Y
After tax profit w/o dividends and net cash transfer		9,665			4,393	2,028	-54%	
Income tax		-2,439			-1,026	-593	-42%	
Profit before income tax		12,104			5,420	2,620	-52%	
Operating profit		19,787			5,009	5,594	12%	
Total income		40,388			10,152	10,443	3%	
Net interest income		28,103			7,033	7,086	1%	
Net fees and commissions		11,127			2,830	2,845	1%	
Other net non-interest income		1,158			289	512	77%	
Operating expenses		-20,601			-5,143	-4,849	-6%	
Total provisions		-7,683			411	-2,974		
Provision for impairment on loan and placement losses		-6,244			143	-2,522		
Other provision		-1,440			268	-452		
Main components of balance sheet closing balances in HUF mn	**2019**	**2020**	**Y-o-Y**	**4Q 2019**	**3Q 2020**	**4Q 2020**	**Q-o-Q**	**Y-o-Y**
Total assets	1,130,871	1,353,772	20%	1,130,871	1,309,977	1,353,772	3%	20%
Gross customer loans	831,139	909,439	9%	831,139	913,537	909,439	0%	9%
Gross customer loans (FX-adjusted)	918,174	909,439	-1%	918,174	914,732	909,439	-1%	-1%
Retail loans	540,374	539,678	0%	540,374	531,900	539,678	1%	0%
Corporate loans	249,584	248,855	0%	249,584	260,506	248,855	-4%	0%
Car financing loans	128,216	120,906	-6%	128,216	122,325	120,906	-1%	-6%
Allowances for possible loan losses	-4,051	-14,876	267%	-4,051	-10,876	-14,876	37%	267%
Allowances for possible loan losses (FX-adjusted)	-4,475	-14,876	232%	-4,475	-10,890	-14,876	37%	232%
Deposits from customers	880,839	1,136,666	29%	880,839	1,092,441	1,136,666	4%	29%
Deposits from customers (FX-adjusted)	971,653	1,136,666	17%	971,653	1,093,330	1,136,666	4%	17%
Retail deposits	853,172	973,276	14%	853,172	934,800	973,276	4%	14%
Corporate deposits	118,481	163,390	38%	118,481	158,529	163,390	3%	38%
Liabilities to credit institutions	94,909	29,524	-69%	94,909	29,893	29,524	-1%	-69%
Total shareholders' equity	132,667	166,124	25%	132,667	162,015	166,124	3%	25%
Loan Quality	**2019**	**2020**	**Y-o-Y**	**4Q 2019**	**3Q 2020**	**4Q 2020**	**Q-o-Q**	**Y-o-Y**
Stage 1 loan volume under IFRS 9 (in HUF million)	822,118	753,584	-8%	822,118	855,816	753,584	-12%	-8%
Stage 1 loans under IFRS 9/gross customer loans	98.9%	82.9%	-16.1%p	98.9%	93.7%	82.9%	-10.8%p	-16.1%p
Own coverage of Stage 1 loans under IFRS 9	0.4%	0.5%	0.1%p	0.4%	0.5%	0.5%	0.0%p	0.1%p
Stage 2 loan volume under IFRS 9 (in HUF million)	0	142,015		0	45,800	142,015	210%	
Stage 2 loans under IFRS 9/gross customer loans	0.0%	15.6%		0.0%	5.0%	15.6%	10.6%p	
Own coverage of Stage 2 loans under IFRS 9	0.0%	4.3%		0.0%	7.7%	4.3%	-3.4%p	
Stage 3 loan volume under IFRS 9 (in HUF million)	9,020	13,840	53%	9,020	11,920	13,840	16%	53%
Stage 3 loans under IFRS 9/gross customer loans	1.1%	1.5%	0.4%p	1.1%	1.3%	1.5%	0.2%p	0.4%p
Own coverage of Stage 3 loans under IFRS 9	8.7%	36.3%	27.6%p	8.7%	27.4%	36.3%	8.9%p	27.6%p
Provision for impairment on loan and placement losses/average gross loans		0.70%			-0.06%	1.10%	1.17%p	
90+ days past due loan volume (in HUF million)	2,967	3,620	22%	2,967	3,642	3,620	-1%	22%
90+ days past due loans/gross customer loans	0.4%	0.4%	0.0%p	0.4%	0.4%	0.4%	0.0%p	0.0%p
Performance Indicators	**2019**	**2020**	**Y-o-Y**	**4Q 2019**	**3Q 2020**	**4Q 2020**	**Q-o-Q**	**Y-o-Y**
ROA		0.8%			1.4%	0.6%	-0.8%p	
ROE		6.3%			11.3%	4.9%	-6.4%p	
Total income margin		3.18%			3.16%	3.08%	-0.08%p	
Net interest margin		2.21%			2.19%	2.09%	-0.10%p	
Cost/income ratio		51.0%			50.7%	46.4%	-4.2%p	
Net loans to deposits (FX-adjusted)	94%	79%	-15%p	94%	83%	79%	-4%p	-15%p
FX rates (in HUF)	**2019**	**2020**	**Y-o-Y**	**4Q 2019**	**3Q 2020**	**4Q 2020**	**Q-o-Q**	**Y-o-Y**
HUF/EUR (closing)	330.5	365.1	10%	330.5	364.7	365.1	0%	10%
HUF/EUR (average)	325.3	351.2	8%	332.2	353.6	360.6	2%	9%

OTP Group's financial statements include the Slovenian bank's balance sheet starting from end-2019, and its P&L from the first quarter of 2020.

The Slovenian P&L account was adjusted for the one-off items directly related to the acquisition; these corrections are shown at consolidated level, among adjustment items. The balance sheet items were not adjusted for the acquisition effects.

OTP Group's **Slovenian** subsidiary generated HUF 9.7 billion adjusted after-tax profit in full year 2020. The full-year ROE was 6.3% in 2020, with 51% cost/income ratio, 2.21% net interest margin, and 70 bps credit risk cost ratio.

In the fourth quarter, operating profit grew by 12% q-o-q, owing to a 3% increase in total income, and 6% lower operating expenses.

The q-o-q increase in other net non-interest income was largely caused by the stronger result on swap deals, as well as by the reclassification of loans at fair value in December (which is offset amongst risk costs).

The 6% q-o-q drop in operating expenses stemmed from a decline in personnel expenses, hardware and office equipment, as well as expert fees.

At the end of 2020, the ratio of Stage 3 loans remained steady q-o-q, at 1.5%. The own provision coverage ratio of Stage 3 loans stood at 36.3%. When the Slovenian bank was consolidated into the Group, Stage 3 loans were netted with the related provisions. The q-o-q growth in Stage 2 loan stock (and the simultaneous decline in Stage 1 loans) predominantly stems from the result of loans, mostly affected by the moratorium, were reclassified as Stage 2. In full year 2020, DPD90+ loan volumes (FX-adjusted, without sales/write-offs) grew by HUF 0.6 billion (1Q: +HUF 2.4 billion, 2Q: -HUF 1.9 billion, 3Q: +HUF 0.2 billion, and 4Q: 0).

The FX adjusted volume of Stage 1+2 loans dropped by 1% y-o-y; within that, retail loans shrank by 9%, while corporate loan volumes expanded by 18%. In the fourth quarter, the disbursement dynamic of mortgage (+23%) and corporate (+7%) loans increased q-o-q.

The FX-adjusted deposit stock grew by 17% y-o-y. The net loan/deposit ratio stood at 79%.

OTP BANK ROMANIA

Performance of OTP Bank Romania:

Main components of P&L account in HUF mn	2019	2020	Y-o-Y	4Q 2019	3Q 2020	4Q 2020	Q-o-Q	Y-o-Y
After tax profit without the effect of adjustments	6,309	1,558	-75%	894	1,637	-1,217	-174%	-236%
Income tax	-598	91	-115%	-286	-111	175	-258%	-161%
Profit before income tax	6,906	1,467	-79%	1,180	1,747	-1,392	-180%	-218%
Operating profit	12,314	11,811	-4%	2,631	3,223	1,976	-39%	-25%
Total income	37,530	43,748	17%	9,937	10,895	11,304	4%	14%
Net interest income	28,254	32,739	16%	7,676	8,103	8,458	4%	10%
Net fees and commissions	3,180	3,813	20%	748	861	1,089	27%	46%
Other net non-interest income	6,097	7,195	18%	1,514	1,932	1,756	-9%	16%
Operating expenses	-25,216	-31,937	27%	-7,307	-7,672	-9,328	22%	28%
Total provisions	-5,408	-10,344	91%	-1,451	-1,476	-3,368	128%	132%
Provision for impairment on loan and placement losses	-3,018	-7,840	160%	-806	-857	-2,835	231%	252%
Other provision	-2,390	-2,504	5%	-645	-619	-533	-14%	-17%
Main components of balance sheet closing balances in HUF mn	**2019**	**2020**	**Y-o-Y**	**4Q 2019**	**3Q 2020**	**4Q 2020**	**Q-o-Q**	**Y-o-Y**
Total assets	953,345	1,162,183	22%	953,345	1,109,031	1,162,183	5%	22%
Gross customer loans	708,299	861,393	22%	708,299	843,368	861,393	2%	22%
Gross customer loans (FX-adjusted)	773,358	861,393	11%	773,358	844,500	861,393	2%	11%
Retail loans	522,937	587,724	12%	522,937	578,084	587,724	2%	12%
Corporate loans	237,111	257,860	9%	237,111	251,179	257,860	3%	9%
Car financing loans	13,311	15,809	19%	13,311	15,237	15,809	4%	19%
Allowances for possible loan losses	-39,327	-48,174	22%	-39,327	-47,271	-48,174	2%	22%
Allowances for possible loan losses (FX-adjusted)	-42,997	-48,174	12%	-42,997	-47,330	-48,174	2%	12%
Deposits from customers	546,350	710,047	30%	546,350	631,708	710,047	12%	30%
Deposits from customers (FX-adjusted)	590,707	710,047	20%	590,707	631,645	710,047	12%	20%
Retail deposits	442,397	506,773	15%	442,397	458,511	506,773	11%	15%
Corporate deposits	148,310	203,274	37%	148,310	173,134	203,274	17%	37%
Liabilities to credit institutions	257,404	284,173	10%	257,404	308,333	284,173	-8%	10%
Total shareholders' equity	116,432	127,238	9%	116,432	127,693	127,238	0%	9%
Loan Quality	**2019**	**2020**	**Y-o-Y**	**4Q 2019**	**3Q 2020**	**4Q 2020**	**Q-o-Q**	**Y-o-Y**
Stage 1 loan volume under IFRS 9 (in HUF million)	593,922	690,664	16%	593,922	675,561	690,664	2%	16%
Stage 1 loans under IFRS 9/gross customer loans	83.9%	80.2%	-3.7%p	83.9%	80.1%	80.2%	0.1%p	-3.7%p
Own coverage of Stage 1 loans under IFRS 9	1.3%	1.0%	-0.2%p	1.3%	0.9%	1.0%	0.2%p	-0.2%p
Stage 2 loan volume under IFRS 9 (in HUF million)	61,556	114,615	86%	61,556	110,046	114,615	4%	86%
Stage 2 loans under IFRS 9/gross customer loans	8.7%	13.3%	4.6%p	8.7%	13.0%	13.3%	0.3%p	4.6%p
Own coverage of Stage 2 loans under IFRS 9	5.7%	9.0%	3.3%p	5.7%	9.6%	9.0%	-0.5%p	3.3%p
Stage 3 loan volume under IFRS 9 (in HUF million)	52,821	56,113	6%	52,821	57,761	56,113	-3%	6%
Stage 3 loans under IFRS 9/gross customer loans	7.5%	6.5%	-0.9%p	7.5%	6.8%	6.5%	-0.3%p	-0.9%p
Own coverage of Stage 3 loans under IFRS 9	53.7%	54.6%	0.9%p	53.7%	53.3%	54.6%	1.4%p	0.9%p
Provision for impairment on loan and placement losses/average gross loans	0.47%	0.99%	0.52%	0.46%	0.43%	1.33%	0.90%	0.87%
90+ days past due loan volume (in HUF million)	35,416	38,713	9%	35,416	43,553	38,713	-11%	9%
90+ days past due loans/gross customer loans	5.0%	4.5%	-0.5%p	5.0%	5.2%	4.5%	-0.7%p	-0.5%p
Performance Indicators	**2019**	**2020**	**Y-o-Y**	**4Q 2019**	**3Q 2020**	**4Q 2020**	**Q-o-Q**	**Y-o-Y**
ROA	0.7%	0.1%	-0.6%p	0.4%	0.6%	-0.4%	-1.0%p	-0.8%p
ROE	6.6%	1.3%	-5.4%p	3.0%	5.3%	-3.8%	-9.1%p	-6.8%p
Total income margin	4.37%	4.18%	-0.19%p	4.22%	4.11%	3.97%	-0.14%p	-0.26%p
Net interest margin	3.29%	3.13%	-0.16%p	3.26%	3.05%	2.97%	-0.09%p	-0.30%p
Cost/income ratio	67.2%	73.0%	5.8%p	73.5%	70.4%	82.5%	12.1%p	9.0%p
Net loans to deposits (FX-adjusted)	124%	115%	-9%p	124%	126%	115%	-12%p	-9%p
FX rates (in HUF)	**2019**	**2020**	**Y-o-Y**	**4Q 2019**	**3Q 2020**	**4Q 2020**	**Q-o-Q**	**Y-o-Y**
HUF/RON (closing)	69.1	75.0	9%	69.1	74.9	75.0	0%	9%
HUF/RON (average)	68.6	72.6	6%	69.7	73.0	74.0	1%	6%

OTP Bank Romania generated HUF 1.6 billion after-tax profit in 2020, 75% less than in the base period.

In 2020, operating profit dropped by 4% in HUF (by 9% in local currency), as a result of a 17% y-o-y increase in total income, and a 27% surge in operating expenses. Net interest income grew by 16%, bolstered by a dynamic expansion in performing loan volumes, while the net interest margin dropped by 16 bps last year.

In 2020, operating expenses grew by 27% y-o-y (by 20% in local currency), largely because of the growth strategy launched in 2019: IT and digital developments boosted IT costs, while personnel expenses were 27% higher than a year earlier, owing to the general wage inflation, as well as the 15% rise in annual average headcount. As a result of the rising costs, the cost/income ratio increased by 5.8 pps, to 73.0% in 2020.

As a result of the growth strategy, both loan and deposit volumes grew dynamically in 2020. Due to the increased lending activity, performing (Stage 1+2) mortgage loan volumes increased by 15% y-o-y (FX-adjusted). Performing (Stage 1+2) loans to micro and small enterprises grew by 15%, and corporate exposures rose by 10% y-o-y. The FX-adjusted deposit volumes expanded by 20% y-o-y (+12% q-o-q), supported by both the retail and corporate segments. The net loan/deposit ratio stood at 115% at the end of 2020 (-9 pps y-o-y). In 2020, OTP Bank Romania increased its market share in all segments. In the stock of housing loans, the Romanian operation increased its market share from 3.7% to 4.2% y-o-y.

Regarding loan quality, in 2020 the volume of DPD90+ loans grew by HUF 7 billion (FX-adjusted, without sales and write-offs), much of which was caused by corporate loans that slipped into delinquency in 2Q 2020. In the fourth quarter, the DPD90+ volume dropped by HUF 3 billion (FX-adjusted, without sales and write-offs).

The ratio of Stage 2 loans grew by 4.6 pps y-o-y, largely affected by the reclassification of Stage 1 loans (-3.7 pps y-o-y) owing to the pandemic. The own coverage of Stage 1+2 loans increased, in both y-o-y and q-o-q terms.

The ratio of Stage 3 loans remained on a downward trend in 2020. At the end of the year, Stage 3 loans made up 6.5% of gross loan volume (-0.9 pp y-o-y, and -0.3 pp q-o-q). Reasons for the decline included the sale/write-off of bad loans, as well as the rapid growth of loans. The own coverage of Stage 3 loans grew over the fourth quarter, bringing the ratio to 54.6% by the end of 4Q (+1.4 pps q-o-q).

In 2020, total provisions grew by 91% y-o-y. Within that, loan loss provisions increased significantly (by HUF 4.8 billion) owing to the pandemic.

In 4Q 2020, the Romanian operation generated HUF 1.2 billion loss, the q-o-q decline in earnings is due to the increase in operating expenses and risk costs.

In the fourth quarter, net interest income increased by 4% q-o-q. Performing (Stage 1+2) loans rose by 2% q-o-q, while net interest margin narrowed (-9 bps q-o-q). One reason for the decline in the margin was the 12% q-o-q rise in deposit volumes. Loan volumes also grew, but the performing portfolio's average interest slightly dropped. In the fourth quarter, net fees and commissions grew by 27%.

In the fourth quarter, operating expenses grew by 22%, owing to the rising wage, marketing, IT, and expert costs.

OTP BANK UKRAINE

Performance of OTP Bank Ukraine:

Main components of P&L account in HUF mn	2019	2020	Y-o-Y	4Q 2019	3Q 2020	4Q 2020	Q-o-Q	Y-o-Y
After tax profit without the effect of adjustments	35,223	26,104	-26%	9,615	10,874	4,471	-59%	-53%
Income tax	-6,937	-5,485	-21%	-1,689	-2,265	-849	-63%	-50%
Profit before income tax	42,160	31,589	-25%	11,304	13,139	5,320	-60%	-53%
Operating profit	44,353	42,030	-5%	12,327	10,262	10,631	4%	-14%
Total income	67,451	67,385	0%	19,428	16,163	17,096	6%	-12%
Net interest income	48,128	48,581	1%	13,840	11,302	12,309	9%	-11%
Net fees and commissions	14,877	13,540	-9%	4,260	3,467	3,359	-3%	-21%
Other net non-interest income	4,446	5,264	18%	1,328	1,394	1,428	2%	8%
Operating expenses	-23,098	-25,355	10%	-7,100	-5,901	-6,465	10%	-9%
Total provisions	-2,194	-10,441	376%	-1,023	2,878	-5,311		419%
Provision for impairment on loan and placement losses	-1,433	-6,286	339%	-1,118	2,871	-2,758		147%
Other provision	-761	-4,155	446%	94	6	-2,553		
Main components of balance sheet closing balances in HUF mn	**2019**	**2020**	**Y-o-Y**	**4Q 2019**	**3Q 2020**	**4Q 2020**	**Q-o-Q**	**Y-o-Y**
Total assets	646,295	729,012	13%	646,295	723,301	729,012	1%	13%
Gross customer loans	468,715	443,031	-5%	468,715	450,907	443,031	-2%	-5%
Gross customer loans (FX-adjusted)	431,920	443,031	3%	431,920	432,881	443,031	2%	3%
Retail loans	136,749	118,709	-13%	136,749	129,230	118,709	-8%	-13%
Corporate loans	252,194	274,187	9%	252,194	257,809	274,187	6%	9%
Car financing loans	42,977	50,136	17%	42,977	45,843	50,136	9%	17%
Allowances for possible loan losses	-69,785	-46,200	-34%	-69,785	-62,227	-46,200	-26%	-34%
Allowances for possible loan losses (FX-adjusted)	-64,223	-46,200	-28%	-64,223	-59,451	-46,200	-22%	-28%
Deposits from customers	431,944	493,884	14%	431,944	482,618	493,884	2%	14%
Deposits from customers (FX-adjusted)	394,459	493,884	25%	394,459	463,491	493,884	7%	25%
Retail deposits	176,949	222,112	26%	176,949	203,294	222,112	9%	26%
Corporate deposits	217,509	271,772	25%	217,509	260,197	271,772	4%	25%
Liabilities to credit institutions	79,331	91,059	15%	79,331	97,796	91,059	-7%	15%
Total shareholders' equity	109,128	117,071	7%	109,128	117,683	117,071	-1%	7%
Loan Quality	**2019**	**2020**	**Y-o-Y**	**4Q 2019**	**3Q 2020**	**4Q 2020**	**Q-o-Q**	**Y-o-Y**
Stage 1 loan volume under IFRS 9 (in HUF million)	345,955	365,266	6%	345,955	333,902	365,266	9%	6%
Stage 1 loans under IFRS 9/gross customer loans	73.8%	82.4%	8.6%p	73.8%	74.1%	82.4%	8.4%p	8.6%p
Own coverage of Stage 1 loans under IFRS 9	0.9%	1.9%	1.0%p	0.9%	0.9%	1.9%	1.0%p	1.0%p
Stage 2 loan volume under IFRS 9 (in HUF million)	41,847	31,726	-24%	41,847	48,312	31,726	-34%	-24%
Stage 2 loans under IFRS 9/gross customer loans	8.9%	7.2%	-1.8%p	8.9%	10.7%	7.2%	-3.6%p	-1.8%p
Own coverage of Stage 2 loans under IFRS 9	8.3%	15.9%	7.6%p	8.3%	9.8%	15.9%	6.1%p	7.6%p
Stage 3 loan volume under IFRS 9 (in HUF million)	80,913	46,039	-43%	80,913	68,692	46,039	-33%	-43%
Stage 3 loans under IFRS 9/gross customer loans	17.3%	10.4%	-6.9%p	17.3%	15.2%	10.4%	-4.8%p	-6.9%p
Own coverage of Stage 3 loans under IFRS 9	77.9%	74.3%	-3.6%p	77.9%	79.2%	74.3%	-4.9%p	-3.6%p
Provision for impairment on loan and placement losses/average gross loans	0.34%	1.39%	1.05%p	0.93%	-2.66%	2.44%	5.09%p	1.51%p
90+ days past due loan volume (in HUF million)	51,913	28,401	-45%	51,913	43,437	28,401	-35%	-45%
90+ days past due loans/gross customer loans	11.1%	6.4%	-4.7%p	11.1%	9.6%	6.4%	-3.2%p	-4.7%p
Performance Indicators	**2019**	**2020**	**Y-o-Y**	**4Q 2019**	**3Q 2020**	**4Q 2020**	**Q-o-Q**	**Y-o-Y**
ROA	7.0%	3.8%	-3.2%p	6.2%	6.3%	2.5%	-3.9%p	-3.8%p
ROE	42.5%	23.0%	-19.5%p	36.6%	39.1%	14.9%	-24.2%p	-21.7%p
Total income margin	13.38%	9.78%	-3.60%p	12.61%	9.44%	9.38%	-0.05%p	-3.22%p
Net interest margin	9.55%	7.05%	-2.50%p	8.98%	6.60%	6.76%	0.16%p	-2.22%p
Cost/income ratio	34.2%	37.6%	3.4%p	36.5%	36.5%	37.8%	1.3%p	1.3%p
Net loans to deposits (FX-adjusted)	93%	80%	-13%p	93%	81%	80%	0%p	-13%p
FX rates (in HUF)	**2019**	**2020**	**Y-o-Y**	**4Q 2019**	**3Q 2020**	**4Q 2020**	**Q-o-Q**	**Y-o-Y**
HUF/UAH (closing)	12.4	10.5	-16%	12.4	11.0	10.5	-5%	-16%
HUF/UAH (average)	11.3	11.4	1%	12.4	11.0	10.7	-2%	-13%

OTP Bank Ukraine's financial data in HUF terms were affected by the HUF/UAH exchange rate moves: by the end of 4Q 2020, the UAH's closing rate against the HUF depreciated by 16% y-o-y and 5% q-o-q. The full-year average rate firmed 1%, while the 4Q average rate weakened 13% y-o-y and 2% q-o-q. As a result, the balance sheet and P&L dynamics expressed in HUF terms differ from those in local currency.

OTP Bank Ukraine generated HUF 26.1 billion after-tax profit in 2020. The 26% y-o-y contraction stems from stronger provisioning, and a 6% drop in operating profit, in UAH. In 4Q 2020, the Ukrainian operation generated HUF 4.5 billion profit, the q-o-q drop can be put down to higher risk cost.

After the second quarter, which was an intra-year low in lending, disbursement dynamics have steadily improved. In 4Q, consumer loan sales increased by 14% q-o-q in local currency, primarily driven by the POS loans segment. Corporate loan disbursement expanded by nearly 50% q-o-q, and the surge (+38%) in full year 2020 was also impressive. By the end of the year, performing (Stage 1+2) loans grew by 11% y-o-y and 8% q-o-q (FX-adjusted). In 4Q, performing consumer loans and corporate loans both increased by 10% q-o-q.

In addition to the growth in loan volumes, the Ukrainian operation's liquidity position improved further in q-o-q terms. Net loan/deposit ratio stood at 80% at the end of 2020, and it dropped by 1 pp q-o-q, while deposits increased by an FX-adjusted 7% q-o-q.

Operating profit dropped by 6% y-o-y in local currency in full-year 2020, but it rose by 6% q-o-q (and was stable in y-o-y) in 4Q. In 2020, total income shrank by 1% y-o-y in local currency, chiefly because net fees and commissions fell by 10%. Net interest income was stable y-o-y, even if net interest margin shrank 2.5 pp, nearing 7%. This is predominantly due to the significantly lower interest rate environment: the base rate fell by a total of 750 bps, to 6% in 2020.

In 2020, operating expenses grew by 9% in UAH, largely because of higher wage costs, and a 7% rise in administrative expenses.

In 4Q, core banking revenues have significantly increased q-o-q, driven by the 11% growth in net interest income, while net fees and commissions dropped by 1% in local currency. Net interest margin grew by 16 bps q-o-q, owing to the continued decline in hryvnia-denominated deposit interests, while the loan portfolio's interest margin was flat q-o-q. Operating expenses increased seasonally by 12% q-o-q in UAH.

In 2020, total risk cost amounted to -HUF 10.4 billion. In the fourth quarter, -HUF 5.3 billion risk cost was recorded, largely because the parameters in the IFRS 9 provisioning models were revised. In 2020, risk cost ratio was at 1.39% (+105 bps y-o-y).

In Ukraine, there was no compulsory debt repayment moratorium. As to loan quality, more than 90 days past due loan volumes fell by HUF 2.2 billion in 4Q (+1.1 billion, +1.9 billion, and +0.4 billion in the first three quarters, respectively; all FX-adjusted, without sales/write-offs). It was chiefly the mortgage and corporate portfolios that have improved.

In 4Q, HUF 10.9 billion problem loans were sold/written off (FX-adjusted), nearly half of the full-year amount. This played a great role in the 4.8 pps q-o-q and 6.9 pps y-o-y decline of Stage 3 loans' share in the whole portfolio, to 10.4%. In the fourth quarter, the own provision coverage of Stage 3 loans dropped by almost 5 pps, to 74.3%, as loans with high coverage were the sold/written off. The own provision coverage of Stage 2 loans grew by almost 6 pps, to 15.9%, and that of Stage1 loans has nearly doubled q-o-q, to 1.9%. This is resulting from the following: as precautionary move in the first half of the year corporate loans were reclassified from Stage 1 to Stage 2. Now, these were returned to Stage 1 category, but the previously created higher impairment for these loans was retained, as general provisions.

OTP BANK RUSSIA

Performance of OTP Bank Russia

Main components of P&L account in HUF mn	2019	2020	Y-o-Y	4Q 2019	3Q 2020	4Q 2020	Q-o-Q	Y-o-Y
After tax profit without the effect of adjustments	28,127	16,317	-42%	6,072	14,166	4,391	-69%	-28%
Income tax	-8,272	-5,092	-38%	-2,143	-3,946	-1,286	-67%	-40%
Profit before income tax	36,399	21,409	-41%	8,215	18,112	5,677	-69%	-31%
Operating profit	84,946	65,068	-23%	22,001	14,767	13,877	-6%	-37%
Total income	146,582	123,198	-16%	38,609	28,115	27,762	-1%	-28%
Net interest income	113,572	99,872	-12%	30,413	22,736	21,657	-5%	-29%
Net fees and commissions	31,012	22,503	-27%	7,983	5,173	5,394	4%	-32%
Other net non-interest income	1,998	823	-59%	214	206	711	245%	233%
Operating expenses	-61,636	-58,130	-6%	-16,608	-13,349	-13,885	4%	-16%
Total provisions	-48,547	-43,659	-10%	-13,786	3,345	-8,200		-41%
Provision for impairment on loan and placement losses	-46,123	-41,160	-11%	-12,434	2,376	-7,019		-44%
Other provision	-2,424	-2,499	3%	-1,352	970	-1,182		-13%
Main components of balance sheet closing balances in HUF mn	**2019**	**2020**	**Y-o-Y**	**4Q 2019**	**3Q 2020**	**4Q 2020**	**Q-o-Q**	**Y-o-Y**
Total assets	908,388	688,980	-24%	908,388	685,124	688,980	1%	-24%
Gross customer loans	786,241	597,849	-24%	786,241	565,435	597,849	6%	-24%
Gross customer loans (FX-adjusted)	661,721	597,849	-10%	661,721	563,411	597,849	6%	-10%
Retail loans	573,592	505,902	-12%	573,592	490,151	505,902	3%	-12%
Corporate loans	80,304	74,239	-8%	80,304	60,209	74,239	23%	-8%
Car financing loans	7,825	17,708	126%	7,825	13,051	17,708	36%	126%
Allowances for possible loan losses	-152,741	-127,598	-16%	-152,741	-135,104	-127,598	-6%	-16%
Allowances for possible loan losses (FX-adjusted)	-128,479	-127,598	-1%	-128,479	-134,652	-127,598	-5%	-1%
Deposits from customers	471,735	350,608	-26%	471,735	338,865	350,608	3%	-26%
Deposits from customers (FX-adjusted)	403,021	350,608	-13%	403,021	336,998	350,608	4%	-13%
Retail deposits	301,897	288,058	-5%	301,897	279,276	288,058	3%	-5%
Corporate deposits	101,124	62,550	-38%	101,124	57,722	62,550	8%	-38%
Liabilities to credit institutions	155,306	90,852	-42%	155,306	99,590	90,852	-9%	-42%
Total shareholders' equity	202,761	183,402	-10%	202,761	179,932	183,402	2%	-10%
Loan Quality	**2019**	**2020**	**Y-o-Y**	**4Q 2019**	**3Q 2020**	**4Q 2020**	**Q-o-Q**	**Y-o-Y**
Stage 1 loan volume under IFRS 9 (in HUF million)	589,553	447,094	-24%	589,553	396,678	447,094	13%	-24%
Stage 1 loans under IFRS 9/gross customer loans	75.0%	74.8%	-0.2%p	75.0%	70.2%	74.8%	4.6%p	-0.2%p
Own coverage of Stage 1 loans under IFRS 9	5.3%	4.6%	-0.7%p	5.3%	4.6%	4.6%	0.0%p	-0.7%p
Stage 2 loan volume under IFRS 9 (in HUF million)	94,413	67,394	-29%	94,413	76,680	67,394	-12%	-29%
Stage 2 loans under IFRS 9/gross customer loans	12.0%	11.3%	-0.7%p	12.0%	13.6%	11.3%	-2.3%p	-0.7%p
Own coverage of Stage 2 loans under IFRS 9	27.4%	43.1%	15.7%p	27.4%	38.9%	43.1%	4.2%p	15.7%p
Stage 3 loan volume under IFRS 9 (in HUF million)	102,274	83,361	-18%	102,274	92,077	83,361	-9%	-18%
Stage 3 loans under IFRS 9/gross customer loans	13.0%	13.9%	0.9%p	13.0%	16.3%	13.9%	-2.3%p	0.9%p
Own coverage of Stage 3 loans under IFRS 9	93.4%	93.4%	-0.1%p	93.4%	94.4%	93.4%	-1.0%p	-0.1%p
Provision for impairment on loan and placement losses/average gross loans	6.61%	6.36%	-0.25%p	6.50%	-1.64%	4.77%	6.41%p	-1.72%p
90+ days past due loan volume (in HUF million)	96,484	77,929	-19%	96,484	88,063	77,929	-12%	-19%
90+ days past due loans/gross customer loans	12.3%	13.0%	0.8%p	12.3%	15.6%	13.0%	-2.5%p	0.8%p
Performance Indicators	**2019**	**2020**	**Y-o-Y**	**4Q 2019**	**3Q 2020**	**4Q 2020**	**Q-o-Q**	**Y-o-Y**
ROA	3.4%	2.1%	-1.2%p	2.7%	8.1%	2.5%	-5.6%p	-0.1%p
ROE	15.7%	8.9%	-6.8%p	12.1%	32.4%	9.6%	-22.8%p	-2.5%p
Total income margin	17.53%	16.03%	-1.50%p	16.92%	16.11%	15.96%	-0.15%p	-0.96%p
Net interest margin	13.58%	13.00%	-0.59%p	13.33%	13.03%	12.45%	-0.58%p	-0.88%p
Cost/income ratio	42.0%	47.2%	5.1%p	43.0%	47.5%	50.0%	2.5%p	7.0%p
Net loans to deposits (FX-adjusted)	132%	134%	2%p	132%	127%	134%	7%p	2%p
FX rates (in HUF)	**2019**	**2020**	**Y-o-Y**	**4Q 2019**	**3Q 2020**	**4Q 2020**	**Q-o-Q**	**Y-o-Y**
HUF/RUB (closing)	4.7	4.0	-16%	4.7	4.0	4.0	0%	-16%
HUF/RUB (average)	4.5	4.3	-5%	4.7	4.1	4.0	-4%	-16%

OTP Bank Russia's financial figures in HUF terms were affected by the moves in the HUF/RUB pair: at the end of 4Q 2020, the RUB's exchange rate against the HUF was q-o-q stable, but it weakened 16% y-o-y. The average exchange rate depreciated by 5% in 2020, and also weakened in 4Q (-16% y-o-y, -4% q-o-q). Therefore, the balance sheet and P&L dynamics in HUF terms differ from those in local currency.

OTP Bank Russia generated HUF 16.3 billion profit in 2020, which is 39% less than in the base period (in local currency). The y-o-y drop in after-tax profit is a result of a 20% fall in operating profit and a 6% decline in risk cost, in local currency. The 4Q after-tax profit amounted to HUF 4.4 billion, which is consistent with 14% y-o-y contraction in RUB terms.

Ending three quarters of decline, the performing (Stage 1+2) loan volume grew by an FX-adjusted 9% q-o-q in 4Q (-11% y-o-y), owing to a 44% q-o-q jump in consumer loan disbursement, and the nearly doubling corporate loan disbursement, in local currency. Performing consumer loan volumes grew by 6% q-o-q; within that, cash loan volumes shrank by 4%, credit card volumes contracted by 3%, while POS loan volumes jumped by 16%, in accordance with the product's seasonality. The large corporate segment expanded by 26%, and the steady growth in car financing continued throughout the year (+38% q-o-q, FX-adjusted).

Meanwhile, customer deposits rose by an FX-adjusted 4% q-o-q and declined 13% y-o-y. The FX-adjusted net loan/deposit ratio rose by 7 pps q-o-q, and 2 pps y-o-y, to 134%.

In 2020, total income declined by 12% y-o-y in RUB terms, including an 8% drop in net interest income, and a 24% fall in net fees and commissions. Total income margin eroded by 1.5 pps y-o-y, while net interest margin came down 59 basis points, to 13%. The decline in net interest margin continued in 4Q, it fell by 58 bps to 12.45%.

In 4Q, total income in local currency decreased by 15% y-o-y owing to a drop in quarterly average loan volumes, but it rose 2% q-o-q. The 1% decline in net interest income was offset by an 8% increase in net fees and commissions, and a nearly half a billion forints q-o-q increase in other income, largely owing to the gains on securities' sales and on the revaluation of FX positions.

Due to lower administrative expenses, operating expenses declined by 1% y-o-y in full year 2020 in RUB, thus the annual cost/income ratio rose by 5.1pps, to 47.2%. In 4Q, expenses grew by 8% q-o-q in RUB, owing to the higher personnel expenses (+6%) stemming from bonus payment, seasonally higher administrative expenses (+9%), and depreciation (+17%) q-o-q.

In 2020, total risk cost dropped by 6% in RUB, and the credit risk cost ratio declined 0.25 pp y-o-y, to 6.36%. In view of the possible effects of the pandemic, considerably higher amount was recorded for allowances for possible loan losses in the first half-year, but some of that amount was released in the third quarter, when the IFRS 9 provisioning model was revised. What made this possible was the conservative provision levels (even by of end-2019), the massive extra provision set aside in the first half-year, as well as the fact that portfolio deterioration did not accelerate in 3Q (even in the absence of a widely available repayment moratorium); moreover, the expectations surrounding the macroeconomic trajectory shifted in positive direction. In the fourth quarter, risk cost (the equivalent of HUF 8.2 billion), coupled with a massively increasing average loan portfolio, resulted in 4.77% credit risk cost ratio. At quarterly level, the own provision coverage ratio of Stage 3 loans edged lower, while that of Stage 2 loans rose by 4.2 pps.

In 4Q, the DPD90+ volume rose by HUF 3.7 billion q-o-q, while it surged HUF 11.0 billion in the previous quarter (FX-adjusted, without sales/write-offs). Overall, the ratio of Stage 3 loans declined by 2.3 pps q-o-q, to 13.9% (but upped 0.9 pp y-o-y); while nearly HUF 13.5 billion non-performing loans were sold or written off in 4Q (FX-adjusted). In full year 2020, this totalled HUF 38 billion, which is 10% increase compared to full year 2019.

CKB GROUP (MONTENEGRO)

Performance of CKB Group:

Main components of P&L account in HUF mn	2019	2020	Y-o-Y	4Q 2019	3Q 2020	4Q 2020	Q-o-Q	Y-o-Y
After tax profit w/o dividends and net cash transfer	6,377	4,307	-32%	3,082	848	1,835	116%	-40%
Income tax	-679	-302	-55%	-376	-94	-53	-43%	-86%
Profit before income tax	7,056	4,609	-35%	3,458	942	1,888	100%	-45%
Operating profit	5,692	8,353	47%	2,125	2,125	2,426	14%	14%
Total income	16,120	22,095	37%	5,502	5,485	5,900	8%	7%
Net interest income	11,464	17,188	50%	4,073	4,262	4,541	7%	11%
Net fees and commissions	4,215	4,446	5%	1,266	1,178	1,160	-2%	-8%
Other net non-interest income	441	461	4%	163	45	198	345%	22%
Operating expenses	-10,428	-13,743	32%	-3,377	-3,360	-3,474	3%	3%
Total provisions	1,364	-3,743		1,333	-1,183	-537	-55%	
Provision for impairment on loan and placement losses	1,293	-3,434		948	-846	-1,090	29%	
Other provision	71	-309		384	-338	553		44%
Main components of balance sheet closing balances in HUF mn	**2019**	**2020**	**Y-o-Y**	**4Q 2019**	**3Q 2020**	**4Q 2020**	**Q-o-Q**	**Y-o-Y**
Total assets	439,836	477,676	9%	439,836	490,253	477,676	-3%	9%
Gross customer loans	319,836	362,067	13%	319,836	360,202	362,067	1%	13%
Gross customer loans (FX-adjusted)	353,327	362,067	2%	353,327	360,676	362,067	0%	2%
Retail loans	178,523	173,693	-3%	178,523	180,052	173,693	-4%	-3%
Corporate loans	174,707	188,299	8%	174,707	180,542	188,299	4%	8%
Car financing loans	97	75	-23%	97	82	75	-9%	-23%
Allowances for possible loan losses	-19,518	-24,510	26%	-19,518	-23,969	-24,510	2%	26%
Allowances for possible loan losses (FX-adjusted)	-21,562	-24,510	14%	-21,562	-24,001	-24,510	2%	14%
Deposits from customers	318,216	324,671	2%	318,216	330,194	324,671	-2%	2%
Deposits from customers (FX-adjusted)	350,637	324,671	-7%	350,637	330,192	324,671	-2%	-7%
Retail deposits	228,438	213,067	-7%	228,438	214,632	213,067	-1%	-7%
Corporate deposits	122,199	111,604	-9%	122,199	115,560	111,604	-3%	-9%
Liabilities to credit institutions	36,733	58,967	61%	36,733	66,332	58,967	-11%	61%
Total shareholders' equity	66,188	76,556	16%	66,188	74,512	76,556	3%	16%
Loan Quality	**2019**	**2020**	**Y-o-Y**	**4Q 2019**	**3Q 2020**	**4Q 2020**	**Q-o-Q**	**Y-o-Y**
Stage 1 loan volume under IFRS 9 (in HUF million)	283,959	294,548	4%	283,959	294,714	294,548	0%	4%
Stage 1 loans under IFRS 9/gross customer loans	88.8%	81.4%	-7.4%p	88.8%	81.8%	81.4%	-0.5%p	-7.4%p
Own coverage of Stage 1 loans under IFRS 9	1.1%	1.3%	0.3%p	1.1%	1.0%	1.3%	0.3%p	0.3%p
Stage 2 loan volume under IFRS 9 (in HUF million)	12,509	41,390	231%	12,509	41,733	41,390	-1%	231%
Stage 2 loans under IFRS 9/gross customer loans	3.9%	11.4%	7.5%p	3.9%	11.6%	11.4%	-0.2%p	7.5%p
Own coverage of Stage 2 loans under IFRS 9	4.8%	9.3%	4.5%p	4.8%	11.7%	9.3%	-2.3%p	4.5%p
Stage 3 loan volume under IFRS 9 (in HUF million)	23,369	26,129	12%	23,369	23,755	26,129	10%	12%
Stage 3 loans under IFRS 9/gross customer loans	7.3%	7.2%	-0.1%p	7.3%	6.6%	7.2%	0.6%p	-0.1%p
Own coverage of Stage 3 loans under IFRS 9	68.2%	63.9%	-4.2%p	68.2%	68.1%	63.9%	-4.1%p	-4.2%p
Provision for impairment on loan and placement losses/average gross loans	-0.56%	0.99%	1.55%p	-1.21%	0.96%	1.20%	0.24%p	2.41%p
90+ days past due loan volume (in HUF million)	17,058	17,538	3%	17,058	17,673	17,538	-1%	3%
90+ days past due loans/gross customer loans	5.3%	4.8%	-0.5%p	5.3%	4.9%	4.8%	-0.1%p	-0.5%p
Performance Indicators	**2019**	**2020**	**Y-o-Y**	**4Q 2019**	**3Q 2020**	**4Q 2020**	**Q-o-Q**	**Y-o-Y**
ROA	1.9%	0.9%	-1.0%p	2.7%	0.7%	1.5%	0.8%p	-1.2%p
ROE	11.9%	6.0%	-5.9%p	18.6%	4.6%	9.8%	5.2%p	-8.8%p
Total income margin	4.86%	4.70%	-0.16%p	4.85%	4.62%	4.84%	0.22%p	-0.01%p
Net interest margin	3.45%	3.65%	0.20%p	3.59%	3.59%	3.72%	0.14%p	0.13%p
Cost/income ratio	64.7%	62.2%	-2.5%p	61.4%	61.3%	58.9%	-2.4%p	-2.5%p
Net loans to deposits (FX-adjusted)	95%	104%	9%p	95%	102%	104%	2%p	9%p
FX rates (in HUF)	**2019**	**2020**	**Y-o-Y**	**4Q 2019**	**3Q 2020**	**4Q 2020**	**Q-o-Q**	**Y-o-Y**
HUF/EUR (closing)	330.5	365.1	10%	330.5	364.7	365.1	0%	10%
HUF/EUR (average)	325.3	351.2	8%	332.2	353.6	360.6	2%	9%

On 27 February 2019 Crnogorska komercijalna banka a.d. signed an agreement to purchase the 90.56% stake from Societe Generale banka Montenegro a.d., the Montenegrin subsidiary of the Societe Generale Group. The financial closure of the transaction was completed on 16 July 2019. On 11 December 2020, Podgoricka banka AD Podgorica was merged into Crnogorska komercijalna banka AD.

The Montenegrin operation's P&L account was adjusted for the one-off items directly related to the acquisition; these corrections are presented at consolidated level, among the adjustment items. The balance sheet items were not adjusted for these effects.

In full year 2020, the Montenegrin **CKB Group** generated HUF 4.3 billion adjusted profit, which was 32% less than in the base period. The HUF 1.8 billion profit generated in the fourth quarter was consistent with 40% y-o-y fall, owing to risk costs.

What affected the y-o-y comparability of P&L lines was that the financial closure of the acquisition was completed on 25 July 2019, therefore the acquired bank's contribution was consolidated from 3Q 2019. The operating profit surged by 47% (including the 50% jump in net interest income), and operating expenses grew by 32%. Furthermore, total provisions were released in the base period, while the pandemic necessitated creating provisions in 2020. In 2020, ROE (6.0%) and the cost/income ratio (62.2%) fell y-o-y, while net interest margin (3.65%) increased.

The 14% q-o-q and y-o-y improvement in 4Q operating profit benefited from the positive development in net interest income. As a result of the improving 4Q net interest margin, net interest income stagnated q-o-q, in local currency.

One reason for the 9% y-o-y decline in 4Q operating expenses (in local currency) was the 29% fall in the number of branches, and the 25% drop in the number of employees, since the end of December 2019.

In full year 2020, DPD90+ loan volumes (FX-adjusted, without sales and write-offs) increased by HUF 1.5 billion (1Q: +HUF 0.2 billion, 2Q: +HUF 0.6 billion, 3Q: +HUF 0.3 billion, 4Q: +HUF 0.4 billion). The DPD90+ ratio (4.8%) declined by 0.5 pp y-o-y and stagneted q-o-q; meanwhile HUF 2.8 billion (1Q: HUF 0.2 billion, 2Q: HUF 1.9 billion, 3Q: HUF 0.1 billion, 4Q: HUF 0.5 billion) non-performing loans were sold/written off in 2020. At the end of 2020, the ratio of Stage 3 loans stood at 7.2% (+0.6 pp q-o-q, -0.1 pp y-o-y), their own provision coverage was at 63.9%. The volume of Stage 3 loans was negatively affected by the reclassification of a large corporate customer with less than 90 days of delay into Stage 3 category.

Performing (Stage 1+2) loans q-o-q stagnated but expanded 3% y-o-y (FX-adjusted). In q-o-q comparison, newly disbursed volumes grew in all segments.

The FX-adjusted loan book contracted by 7% y-o-y. The net loan/deposit ratio stood at 104% at the end of the fourth quarter (+2 pps q-o-q, +9 pps y-o-y).

OTP BANK ALBANIA (ALBANIA)

Performance of OTP Bank Albania:

Main components of P&L account in HUF mn	2019	2020	Y-o-Y	4Q 2019	3Q 2020	4Q 2020	Q-o-Q	Y-o-Y
After tax profit without the effect of adjustments	2,616	1,959	-25%	382	766	49	-94%	-87%
Income tax	-459	-489	6%	-154	-138	-138	1%	-10%
Profit before income tax	3,075	2,448	-20%	536	903	188	-79%	-65%
Operating profit	3,702	5,904	59%	915	1,610	1,356	-16%	48%
Total income	7,953	11,597	46%	2,596	3,045	2,902	-5%	12%
Net interest income	6,697	9,824	47%	2,287	2,529	2,482	-2%	9%
Net fees and commissions	1,007	1,278	27%	281	365	320	-12%	14%
Other net non-interest income	248	495	100%	28	151	99	-35%	255%
Operating expenses	-4,250	-5,693	34%	-1,681	-1,434	-1,546	8%	-8%
Total provisions	-627	-3,455	451%	-378	-707	-1,168	65%	209%
Provision for impairment on loan and placement losses	-249	-2,515	911%	9	-683	-400	-41%	
Other provision	-379	-940	148%	-388	-24	-768		98%
Main components of balance sheet closing balances in HUF mn	**2019**	**2020**	**Y-o-Y**	**4Q 2019**	**3Q 2020**	**4Q 2020**	**Q-o-Q**	**Y-o-Y**
Total assets	247,997	286,606	16%	247,997	280,856	286,606	2%	16%
Gross customer loans	147,777	180,815	22%	147,777	172,566	180,815	5%	22%
Gross customer loans (FX-adjusted)	161,373	180,815	12%	161,373	172,635	180,815	5%	12%
Retail loans	72,937	83,948	15%	72,937	79,951	83,948	5%	15%
Corporate loans	86,138	94,275	9%	86,138	89,982	94,275	5%	9%
Car financing loans	2,299	2,592	13%	2,299	2,701	2,592	-4%	13%
Allowances for possible loan losses	-3,657	-8,089	121%	-3,657	-7,551	-8,089	7%	121%
Allowances for possible loan losses (FX-adjusted)	-4,001	-8,089	102%	-4,001	-7,563	-8,089	7%	102%
Deposits from customers	179,755	214,808	20%	179,755	208,785	214,808	3%	20%
Deposits from customer (FX-adjusted)	196,492	214,808	9%	196,492	209,060	214,808	3%	9%
Retail deposits	167,088	179,853	8%	167,088	179,898	179,853	0%	8%
Corporate deposits	29,404	34,956	19%	29,404	29,162	34,956	20%	19%
Liabilities to credit institutions	36,901	37,151	1%	36,901	38,968	37,151	-5%	1%
Total shareholders' equity	25,605	28,781	12%	25,605	28,146	28,781	2%	12%
Loan Quality	**2019**	**2020**	**Y-o-Y**	**4Q 2019**	**3Q 2020**	**4Q 2020**	**Q-o-Q**	**Y-o-Y**
Stage 1 loan volume under IFRS 9 (in HUF million)	138,579	143,701	4%	138,579	154,914	143,701	-7%	4%
Stage 1 loans under IFRS 9/gross customer loans	93.8%	79.5%	-14.3%p	93.8%	89.8%	79.5%	-10.3%p	-14.3%p
Own coverage of Stage 1 loans under IFRS 9	1.2%	1.3%	0.1%p	1.2%	1.5%	1.3%	-0.3%p	0.1%p
Stage 2 loan volume under IFRS 9 (in HUF million)	4,593	31,620	588%	4,593	13,149	31,620	140%	588%
Stage 2 loans under IFRS 9/gross customer loans	3.1%	17.5%	14.4%p	3.1%	7.6%	17.5%	9.9%p	14.4%p
Own coverage of Stage 2 loans under IFRS 9	10.1%	10.4%	0.3%p	10.1%	22.1%	10.4%	-11.7%p	0.3%p
Stage 3 loan volume under IFRS 9 (in HUF million)	4,604	5,494	19%	4,604	4,503	5,494	22%	19%
Stage 3 loans under IFRS 9/gross customer loans	3.1%	3.0%	-0.1%p	3.1%	2.6%	3.0%	0.4%p	-0.1%p
Own coverage of Stage 3 loans under IFRS 9	33.1%	54.2%	21.2%p	33.1%	50.3%	54.2%	3.9%p	21.2%p
Provision for impairment on loan and placement losses/average gross loans	0.23%	1.55%	1.32%p	-0.03%	1.65%	0.92%	-0.73%p	0.95%p
90+ days past due loan volume (in HUF million)	2,270	3,984	76%	2,270	3,186	3,984	25%	76%
90+ days past due loans/gross customer loans	1.5%	2.2%	0.7%p	1.5%	1.8%	2.2%	0.4%p	0.7%p
Performance Indicators	**2019**	**2020**	**Y-o-Y**	**4Q 2019**	**3Q 2020**	**4Q 2020**	**Q-o-Q**	**Y-o-Y**
ROA	1.4%	0.7%	-0.7%p	0.6%	1.1%	0.1%	-1.1%p	-0.5%p
ROE	14.1%	7.3%	-6.8%p	6.1%	11.6%	0.7%	-10.9%p	-5.4%p
Total income margin	4.27%	4.32%	0.06%p	4.21%	4.48%	4.14%	-0.34%p	-0.07%p
Net interest margin	3.59%	3.66%	0.07%p	3.71%	3.72%	3.54%	-0.18%p	-0.17%p
Cost/income ratio	53.4%	49.1%	-4.4%p	64.8%	47.1%	53.3%	6.2%p	-11.5%p
Net loans to deposits (FX-adjusted)	80%	80%	0%p	80%	79%	80%	1%p	0%p
FX rates (in HUF)	**2019**	**2020**	**Y-o-Y**	**4Q 2019**	**3Q 2020**	**4Q 2020**	**Q-o-Q**	**Y-o-Y**
HUF/ALL (closing)	2.7	2.9	8%	2.7	2.9	2.9	0%	8%
HUF/ALL (average)	2.6	2.8	7%	2.7	2.8	2.9	2%	8%

OTP Group's financial statements included the Albanian bank's P&L account since 2Q 2019.

The P&L statement of the Albanian operation was adjusted for the one-off items directly related to the acquisition; these corrections are presented at consolidated level, among adjustment items. The balance sheet items were not adjusted for these effects.

The y-o-y dynamics of balance sheet and P&L lines were predominantly determined by the acquisition. **OTP Bank Albania** generated HUF 2.0 billion after-tax profit in full year 2020, which was 25% less than in the base period, owing to higher risk costs; operating profit grew by 59% on yearly basis.

Full-year ROE (7.3%) declined, while cost/income ratio (49.1%) and net interest margin (3.66%) increased y-o-y.

In 4Q, operating profit surged 48% y-o-y. The y-o-y growth in net interest income was bolstered by the expansion of gross loan volume, while net interest margin's drop weighed on it. The q-o-q decline in net interest margin was affected by corporate loans' interest rate levels. Net fees and commissions were 14% higher than a year earlier, despite their 12% q-o-q decline.

In 4Q, operating expenses fell by 8% y-o-y, chiefly because of the lower depreciation, but marketing and training costs, as well as expert fees also declined.

In the fourth quarter, HUF 1.2 billion total provisions were recorded.

At the end of 2020, the ratio of Stage 3 loans was 3.0%, reflecting a marginal y-o-y drop. The own provision coverage of Stage 3 loans improved by almost 4 pps q-o-q, to 54.2%. When the Albanian bank was consolidated, Stage 3 loans were netted with provisions. Stage 2 loan volumes grew q-o-q because some MSE customers and housing loans were moved to Stage 2 category. In full-year 2020, the volume of DPD90+ loans (FX-adjusted, without sales and write-offs) rose by HUF 1.5 billion (1Q: +HUF 0.6 billion, 2Q: +HUF 1.8 billion, 3Q: -HUF 1.7 billion, 4Q: +HUF 0.8 billion).

The FX-adjusted volume of Stage 1+2 loans expanded by 12% y-o-y; within that, retail loans surged 15%, while corporate and car financing loans expanded by a combined 10%. In q-o-q comparison, loan volumes grew by 4%, including a 5% increase in retail loans and a 4% rise in corporate ones. In the fourth quarter, disbursement dynamics improved q-o-q in all segments.

The FX-adjusted deposit ratio surged 9% y-o-y, mostly fuelled by the strong growth in large corporate deposits. The net loan/deposit ratio remained flat at 80% y-o-y.

MOBIASBANCA (MOLDOVA)

Performance of Mobiasbanca:

Main components of P&L account in HUF mn	2019	2020	Y-o-Y	4Q 2019	3Q 2020	4Q 2020	Q-o-Q	Y-o-Y
After tax profit without the effect of adjustments	1,936	3,973	105%	688	1,095	1,150	5%	67%
Income tax	-174	-540	210%	-74	-142	-322	127%	334%
Profit before income tax	2,110	4,513	114%	762	1,237	1,471	19%	93%
Operating profit	2,929	7,707	163%	1,762	2,070	2,087	1%	18%
Total income	5,902	14,596	147%	3,684	3,919	3,864	-1%	5%
Net interest income	3,959	8,889	125%	2,531	2,302	2,356	2%	-7%
Net fees and commissions	891	2,137	140%	498	540	597	11%	20%
Other net non-interest income	1,052	3,570	239%	656	1,077	911	-15%	39%
Operating expenses	-2,974	-6,889	132%	-1,922	-1,849	-1,777	-4%	-8%
Total provisions	-819	-3,193	290%	-1,000	-834	-616	-26%	-38%
Provision for impairment on loan and placement losses	-737	-2,695	266%	-958	-710	-507	-29%	-47%
Other provision	-82	-499	508%	-42	-124	-109	-13%	158%
Main components of balance sheet closing balances in HUF mn	**2019**	**2020**	**Y-o-Y**	**4Q 2019**	**3Q 2020**	**4Q 2020**	**Q-o-Q**	**Y-o-Y**
Total assets	211,043	249,921	18%	211,043	251,087	249,921	0%	18%
Gross customer loans	104,763	132,081	26%	104,763	131,096	132,081	1%	26%
Gross customer loans (FX-adjusted)	108,490	132,081	22%	108,490	125,653	132,081	5%	22%
Retail loans	58,167	71,552	23%	58,167	67,151	71,552	7%	23%
Corporate loans	48,781	58,467	20%	48,781	56,678	58,467	3%	20%
Car financing loans	1,542	2,062	34%	1,542	1,825	2,062	13%	34%
Allowances for possible loan losses	-1,790	-4,578	156%	-1,790	-4,375	-4,578	5%	156%
Allowances for possible loan losses (FX-adjusted)	-1,857	-4,578	147%	-1,857	-4,184	-4,578	9%	147%
Deposits from customers	161,071	203,176	26%	161,071	197,572	203,176	3%	26%
Deposits from customer (FX-adjusted)	167,509	203,176	21%	167,509	190,140	203,176	7%	21%
Retail deposits	115,397	133,395	16%	115,397	126,071	133,395	6%	16%
Corporate deposits	52,111	69,781	34%	52,111	64,068	69,781	9%	34%
Liabilities to credit institutions	12,342	5,906	-52%	12,342	10,905	5,906	-46%	-52%
Total shareholders' equity	34,518	37,287	8%	34,518	38,786	37,287	-4%	8%
Loan Quality	**2019**	**2020**	**Y-o-Y**	**4Q 2019**	**3Q 2020**	**4Q 2020**	**Q-o-Q**	**Y-o-Y**
Stage 1 loan volume under IFRS 9 (in HUF million)	102,460	121,459	19%	102,460	119,339	121,459	2%	19%
Stage 1 loans under IFRS 9/gross customer loans	97.8%	92.0%	-5.8%p	97.8%	91.0%	92.0%	0.9%p	-5.8%p
Own coverage of Stage 1 loans under IFRS 9	1.0%	1.1%	0.1%p	1.0%	1.1%	1.1%	0.0%p	0.1%p
Stage 2 loan volume under IFRS 9 (in HUF million)	880	6,670	658%	880	8,696	6,670	-23%	658%
Stage 2 loans under IFRS 9/gross customer loans	0.8%	5.1%	4.2%p	0.8%	6.6%	5.1%	-1.6%p	4.2%p
Own coverage of Stage 2 loans under IFRS 9	23.6%	19.5%	-4.0%p	23.6%	16.9%	19.5%	2.7%p	-4.0%p
Stage 3 loan volume under IFRS 9 (in HUF million)	1,424	3,952	178%	1,424	3,062	3,952	29%	178%
Stage 3 loans under IFRS 9/gross customer loans	1.4%	3.0%	1.6%p	1.4%	2.3%	3.0%	0.7%p	1.6%p
Own coverage of Stage 3 loans under IFRS 9	39.7%	48.0%	8.3%p	39.7%	52.1%	48.0%	-4.1%p	8.3%p
Provision for impairment on loan and placement losses/average gross loans	1.58%	2.23%	0.64%p	3.74%	2.28%	1.53%	-0.75%p	-2.22%p
90+ days past due loan volume (in HUF million)	383	2,109	451%	383	2,753	2,109	-23%	451%
90+ days past due loans/gross customer loans	0.4%	1.6%	1.2%p	0.4%	2.1%	1.6%	-0.5%p	1.2%p
Performance Indicators	**2019**	**2020**	**Y-o-Y**	**4Q 2019**	**3Q 2020**	**4Q 2020**	**Q-o-Q**	**Y-o-Y**
ROA	2.1%	1.7%	-0.4%p	1.3%	1.8%	1.8%	0.0%p	0.5%p
ROE	12.6%	10.7%	-1.9%p	8.0%	11.6%	11.9%	0.3%p	3.9%p
Total income margin	6.31%	6.24%	-0.06%p	7.14%	6.53%	6.12%	-0.41%p	-1.02%p
Net interest margin	4.23%	3.80%	-0.43%p	4.90%	3.83%	3.73%	-0.10%p	-1.17%p
Cost/income ratio	50.4%	47.2%	-3.2%p	52.2%	47.2%	46.0%	-1.2%p	-6.2%p
Net loans to deposits (FX-adjusted)	64%	63%	-1%p	64%	64%	63%	-1%p	-1%p
FX rates (in HUF)	**2019**	**2020**	**Y-o-Y**	**4Q 2019**	**3Q 2020**	**4Q 2020**	**Q-o-Q**	**Y-o-Y**
HUF/MDL (closing)	17.2	17.3	0%	17.2	18.3	17.3	-6%	0%
HUF/MDL (average)	16.6	17.8	7%	17.2	18.0	17.7	-2%	3%

The Moldovan bank was consolidated in 3Q 2019.

The P&L statement of the Moldovan operation was adjusted for the one-off items directly related to the acquisition; these corrections are shown at consolidated level, among adjustment items. The balance sheet items were not adjusted for these effects.

The y-o-y dynamics of balance sheet and P&L lines were basically determined by the acquisition. In full-year 2020, **Mobiasbanca** contributed to OTP Group's performance with HUF 4.0 billion after-tax profit, of which HUF 1.2 billion was generated in 4Q. Full-year ROE (10.7%) and net interest margin (3.80%) declined, while cost/income ratio (47.2%) increased y-o-y.

In 2020, total provisions have nearly quadrupled y-o-y. This was affected by the fact that as the financial closure was completed on 25 July 2019, the acquired bank's contribution was consolidated from 3Q 2019. Also, in contrast to the provision release in 3Q 2019, in 2020 as a whole significant amount pf provisions were set aside in the wake of the pandemic.

In 4Q, operating profit rose by 18% y-o-y as total income grew by 5% while operating expenses fell 8%.

Net interest margin shrank by 117 bps y-o-y in 4Q, predominantly as a result of a one-off positive item in the base. In 4Q net interest margin slightly dropped by 10 bps q-o-q.

In 4Q, net fees and commission grew by 11% q-o-q and 20% y-o-y, largely driven by fees and commissions on deposits and transactional turnover, as well as card-related fee revenues.

The 8% y-o-y drop in 4Q operating expenses originated from lower depreciation, expert fees, and marketing costs.

At the end of 3Q 2020, the ratio of Stage 3 loans was 3.0% (+0.7 pp q-o-q, +1.6 pps y-o-y); their own provision coverage stood at 48.0%. When the Moldovan bank was consolidated, Stage 3 loans were netted with provisions. In full-year 2020, the volume of DPD90+ loans (FX-adjusted, without sales and write-offs) grew by HUF 1.7 billion (1Q: +HUF 1.1 billion, 2Q: +HUF 1.4 billion, 3Q: -HUF 0.2 billion, 4Q: -HUF 0.5 billion).

At the end of 2020, the FX-adjusted volume of performing (Stage 1+2) loans grew by 20% y-o-y; within that, both retail and corporate loans surged 20%. In the fourth quarter, mortgage loan disbursement dynamic improved in q-o-q terms.

FX-adjusted deposit volumes grew by 21% y-o-y. The FX-adjusted 34% y-o-y growth in corporate deposits owes a lot to the Banks' new customers. The net loan/deposit ratio stood at 63%, below the Group's average.

At the end of December 2020, the market share of OTP Group's Moldovan operation by balance sheet total, was 13.8%. This ranks it the fourth largest bank in Moldova.

OTP BANKA SLOVENSKO (SLOVAKIA)

Performance of OTP Banka Slovensko:

Main components of P&L account in HUF mn	2019	2020	Y-o-Y	4Q 2019	3Q 2020	4Q 2020	Q-o-Q	Y-o-Y
After tax profit without the effect of adjustments	1,575	-1,166	-174%	-404	381	51	-87%	-113%
Income tax	-240	-304	27%	-97	-21	27	-229%	-128%
Profit before income tax	1,815	-862	-148%	-307	402	24	-94%	-108%
Operating profit	1,625	1,677	3%	175	473	28	-94%	-84%
Total income	14,714	12,419	-16%	3,814	3,669	1,173	-68%	-69%
Net interest income	10,505	8,523	-19%	2,636	2,540	886	-65%	-66%
Net fees and commissions	3,884	3,208	-17%	1,084	944	338	-64%	-69%
Other net non-interest income	325	688	111%	93	185	-50	-127%	-154%
Operating expenses	-13,089	-10,742	-18%	-3,639	-3,196	-1,146	-64%	-69%
Total provisions	190	-2,539		-482	-71	-3	-95%	-99%
Provision for impairment on loan and placement losses	604	-2,731	-552%	-17	-45	-1	-99%	-96%
Other provision	-414	192	-146%	-464	-26	-3	-89%	-99%
Main components of balance sheet closing balances in HUF mn	**2019**	**2020**	**Y-o-Y**	**4Q 2019**	**3Q 2020**	**4Q 2020**	**Q-o-Q**	**Y-o-Y**
Total assets	473,660			473,660	497,182			
Gross customer loans	392,793			392,793	426,847			
Gross customer loans (FX-adjusted)	433,900			433,900	427,408			
Retail loans	371,538			371,538	375,681			
Corporate loans	62,355			62,355	51,727			
Car financing loans	7			7	1			
Allowances for possible loan losses	-24,338			-24,338	-25,738			
Allowances for possible loan losses (FX-adjusted)	-26,886			-26,886	-25,772			
Deposits from customers	351,722			351,722	373,246			
Deposits from customers (FX-adjusted)	387,890			387,890	373,648			
Retail deposits	353,851			353,851	340,620			
Corporate deposits	34,039			34,039	33,028			
Liabilities to credit institutions	50,669			50,669	47,211			
Total shareholders' equity	38,078			38,078	39,743			
Loan Quality	**2019**	**2020**	**Y-o-Y**	**4Q 2019**	**3Q 2020**	**4Q 2020**	**Q-o-Q**	**Y-o-Y**
Stage 1 loan volume under IFRS 9 (in HUF million)	336,650			336,650	367,305			
Stage 1 loans under IFRS 9/gross customer loans	85.7%			85.7%	86.1%			
Own coverage of Stage 1 loans under IFRS 9	0.7%			0.7%	0.8%			
Stage 2 loan volume under IFRS 9 (in HUF million)	29,307			29,307	33,775			
Stage 2 loans under IFRS 9/gross customer loans	7.5%			7.5%	7.9%			
Own coverage of Stage 2 loans under IFRS 9	11.7%			11.7%	15.7%			
Stage 3 loan volume under IFRS 9 (in HUF million)	26,836			26,836	25,766			
Stage 3 loans under IFRS 9/gross customer loans	6.8%			6.8%	6.0%			
Own coverage of Stage 3 loans under IFRS 9	68.8%			68.8%	67.5%			
Provision for impairment on loan and placement losses/average gross loans	-0.15%	0.76%	0.92%p	0.02%	0.04%	0.00%	-0.04%p	-0.02%p
90+ days past due loan volume (in HUF million)	21,890			21,890	22,297			
90+ days past due loans/gross customer loans	5.6%			5.6%	5.2%			
Performance Indicators	**2019**	**2020**	**Y-o-Y**	**4Q 2019**	**3Q 2020**	**4Q 2020**	**Q-o-Q**	**Y-o-Y**
ROA	0.3%	-0.3%	-0.6%p	-0.3%	0.3%	0.1%	-0.2%p	0.4%p
ROE	5.2%	-3.4%	-8.7%p	-4.9%	4.0%	1.0%	-2.9%p	6.0%p
Total income margin	3.20%	2.98%	-0.23%p	3.22%	3.07%	1.85%	-1.22%p	-1.37%p
Net interest margin	2.29%	2.04%	-0.24%p	2.23%	2.12%	1.40%	-0.73%p	-0.83%p
Cost/income ratio	89.0%	86.5%	-2.5%p	95.4%	87.1%	97.7%	10.5%p	2.2%p
Net loans to deposits (FX-adjusted)	105%	0%	-105%p	105%	107%	0%	-107%p	-105%p
FX rates (in HUF)	**2019**	**2020**	**Y-o-Y**	**4Q 2019**	**3Q 2020**	**4Q 2020**	**Q-o-Q**	**Y-o-Y**
HUF/EUR (closing)	330.5	365.1	10%	330.5	364.7	365.1	0%	10%
HUF/EUR (average)	325.3	351.2	8%	331.9	353.4	360.5	2%	9%

On 26 November 2020, the sale of **OTP Banka Slovensko a.s.** to KBC Group N.V. was concluded.

The Slovak bank was deconsolidated at the end of November, so its end of 2020 balance sheet does not appear in the Group's end of 2020 balance sheet. The performance of the Slovak operation was consolidated until October, so the 4Q 2020 Slovak result included only one month contribution.

Between January and October 2020, the Slovak entity realised an adjusted loss of HUF 1.2 billion.

STAFF LEVEL AND OTHER INFORMATION

	31/12/2019				31/12/2020			
	Branches	ATM	POS	Headcount (closing)	Branches	ATM	POS	Headcount (closing)
OTP Core	**361**	**1,936**	**77,962**	**10,083**	**362**	**1,920**	**125,800**	**10,189**
DSK Group (Bulgaria)	440	1,140	12,915	6,186	334	1,094	14,329	5,619
OBH (Croatia)	136	480	10,856	2,251	124	488	11,037	2,228
OTP Bank Serbia	231	338	18,424	3,162	217	323	16,657	3,022
SKB Banka (Slovenia)	53	83	3,982	863	51	83	4,167	889
OTP Bank Romania	95	141	5,125	1,496	95	149	6,256	1,693
OTP Bank Ukraine (w/o employed agents)	88	166	331	2,399	86	161	402	2,313
OTP Bank Russia (w/o employed agents)	134	223	715	5,343	135	280	704	5,127
CKB Group (Montenegro)	48	128	6,908	681	34	115	6,421	514
OTP Bank Albania	37	76	0	424	38	80	0	447
Mobiasbanca (Moldova)	53	145	0	755	54	148	0	830
OTP Banka Slovensko (Slovakia)	58	157	159	671	0	0	0	0
Foreign subsidiaries, total	**1,373**	**3,077**	**59,415**	**24,230**	**1,168**	**2,921**	**59,973**	**22,681**
Other Hungarian and foreign subsidiaries				590				557
OTP Group (w/o employed agents)				**34,902**				**33,427**
OTP Bank Russia - employed agents				5,083				4,402
OTP Bank Ukraine - employed agents				663				618
OTP Group (aggregated)	**1,734**	**5,013**	**137,377**	**40,648**	**1,530**	**4,841**	**185,773**	**38,447**

Definition of headcount number: closing, active FTE (full-time employee). The employee is considered as full-time employee in case his/her employment conditions regarding working hours are in line with a full time employment defined in the Labour Code in the reporting entity's country. Part-time employees are taken into account proportional to the full time working hours being effective in the reporting entity's country.

Definition of branch numbers: data reported from 1Q 2020 are not comparable with previous quarters at OTP Core due to a methodological change. The introduction of the new methodology increased the number of branches by 9 units (ceteris paribus).

According to the NBH's definition, from 3Q 2020 the number of POS terminals includes all terminals where OTP is the acquirer, including terminals that are not exclusively authorized by OTP.

PERSONAL AND ORGANIZATIONAL CHANGES

Concerning the audit of OTP Bank Plc.'s separate and consolidated annual financial statements in accordance with International Financial Reporting Standards for the year 2020, the Board of Directors acting in the competency of the Annual General Meeting is electing Deloitte Auditing and Consulting Ltd. (000083, H-1068 Budapest, Dózsa György út 84/c) as the Bank's auditor from 1 May 2020 until 30 April 2021.

On 30 April 2020 the Board of Directors acting in the competency of the Annual General Meeting, elects Mr. Tibor Tolnay as member of the Supervisory Board of the Company until the Annual General Meeting of the Company closing the 2022 business year, but not later than 30 April 2023.

On 30 April 2020 the Board of Directors acting in the competency of the Annual General Meeting, elects dr. József Gábor Horváth as member of the Supervisory Board of the Company until the Annual General Meeting of the Company closing the 2022 business year, but not later than 30 April 2023.

On 30 April 2020 the Board of Directors acting in the competency of the Annual General Meeting, elects Mr. Olivier Péqueux as member of the Supervisory Board of the Company until the Annual General Meeting of the Company closing the 2022 business year, but not later than 30 April 2023.

On 30 April 2020 the Board of Directors acting in the competency of the Annual General Meeting, elects dr. Márton Gellért Vági as member of the Supervisory Board of the Company until the Annual General Meeting of the Company closing the 2022 business year, but not later than 30 April 2023.

On 30 April 2020 the Board of Directors acting in the competency of the Annual General Meeting, elects Mrs. Klára Bella as member of the Supervisory Board of the Company until the Annual General Meeting of the Company closing the 2022 business year, but not later than 30 April 2023.

On 30 April 2020 the Board of Directors acting in the competency of the Annual General Meeting, elects Mr. András Michnai as member of the Supervisory Board of the Company until the Annual General Meeting of the Company closing the 2022 business year, but not later than 30 April 2023.

On 30 April 2020 the Board of Directors acting in the competency of the Annual General Meeting, elects Mr. Tibor Tolnay as member of the Audit Committee of the Company until the Annual General Meeting of the Company closing the 2022 business year, but not later than 30 April 2023.

On 30 April 2020 the Board of Directors acting in the competency of the Annual General Meeting, elects dr. József Gábor Horváth as member of the Audit Committee of the Company until the Annual General Meeting of the Company closing the 2022 business year, but not later than 30 April 2023.

On 30 April 2020 the Board of Directors acting in the competency of the Annual General Meeting, elects Mr. Olivier Péqueux as member of the Audit Committee of the Company until the Annual General Meeting of the Company closing the 2022 business year, but not later than 30 April 2023.

On 30 April 2020 the Board of Directors acting in the competency of the Annual General Meeting, elects dr. Márton Gellért Vági as member of the Audit Committee of the Company until the Annual General Meeting of the Company closing the 2022 business year, but not later than 30 April 2023.

On 20 July 2020 the labour contract of Dr. Zsolt Barna, Deputy Chief Executive Officer had been terminated by mutual agreement. Along with the termination of the labour contract with OTP Bank Plc, Dr. Zsolt Barna resigned from his positions held in different member companies of OTP Group.

Disclaimers

This Summary contains statements that are, or may be deemed to be, “forward-looking statements” which are prospective in nature. These forward-looking statements may be identified by the use of forward-looking terminology, or the negative thereof such as “plans", "expects” or “does not expect”, “is expected”, “continues”, “assumes”, “is subject to”, “budget”, “scheduled”, “estimates”, “aims”, “forecasts”, “risks”, “intends”, “positioned”, “predicts”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words or comparable terminology and phrases or statements that certain actions, events or results “may”, “could”, “should”, “shall”, “would”, “might” or “will” be taken, occur or be achieved. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. Forward-looking statements are not based on historical facts, but rather on current predictions, expectations, beliefs, opinions, plans, objectives, goals, intentions and projections about future events, results of operations, prospects, financial condition and discussions of strategy.

By their nature, forward-looking statements involve known and unknown risks and uncertainties, many of which are beyond the control of OTP Bank. Forward-looking statements are not guarantees of future performance and may and often do differ materially from actual results. Neither OTP Bank nor any of its subsidiaries or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this Summary will actually occur. You are cautioned not to place undue reliance on these forward-looking statements which only speak as of the date of this Summary. Other than in accordance with its legal or regulatory obligations, OTP Bank is not under any obligation and OTP Bank and its subsidiaries expressly disclaim any intention, obligation or undertaking to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. This Summary shall not, under any circumstances, create any implication that there has been no change in the business or affairs of OTP Bank since the date of this Summary or that the information contained herein is correct as at any time subsequent to its date.

This Summary does not constitute or form part of any offer to purchase or subscribe for any securities. The making of this Summary does not constitute a recommendation regarding any securities.

The distribution of this Summary in other jurisdictions may be restricted by law and persons into whose possession this Summary comes should inform themselves about, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of the laws of other jurisdictions.

The information contained in this Summary is provided as of the date of this Summary and is subject to change without notice.

FINANCIAL DATA

SEPARATE IFRS STATEMENT OF FINANCIAL POSITION

in HUF million	31/12/2020	31/12/2019	change
Cash, amounts due from banks and balances with the National Bank of Hungary	579,120	289,686	100%
Placements with other banks, net of allowance for placement losses	1,535,884	1,560,142	-2%
Repo receivables	183,364	45,539	303%
Financial assets at fair value through profit or loss	160,483	172,229	-7%
Financial assets at fair value through other comprehensive income	911,950	1,485,977	-39%
Loans	3,898,697	3,315,069	18%
Securities at amortised cost	2,007,692	1,447,224	39%
Investments properties	1,936	2,381	-19%
Investments in subsidiaries	1,548,972	1,542,538	0%
Intangible assets	57,639	53,282	8%
Property and equipment	77,974	77,754	0%
Right of use assets	13,479	13,607	-1%
Derivative financial assets designated as hedge accounting relationships	6,817	16,677	-59%
Other assets	170,387	116,699	46%
TOTAL ASSETS	**11,154,394**	**10,138,804**	**10%**
Amounts due to banks and deposits from the National Bank of Hungary and other banks	766,977	738,054	4%
Deposits from customers	7,895,735	6,573,550	20%
Repo liabilities	109,612	462,621	-76%
Liabilities from issued securities	28,435	43,284	-34%
Subordinated bonds and loans	304,243	279,394	9%
Financial liabilities at fair value through profit or loss	25,902	28,861	-10%
Derivative financial liabilities designated as held for trading	99,987	83,088	20%
Derivative financial liabilities designated as hedge accounting relationships	3,104	10,023	-69%
Deferred tax liabilities	3,062	5,875	-48%
Leasing liabilities	14,106	13,660	3%
Other liabilities	224,897	246,676	-9%
TOTAL LIABILITIES	**9,476,060**	**8,485,086**	**12%**
Share capital	28,000	28,000	0%
Retained earnings and reserves	1,697,133	1,628,354	4%
Treasury shares	-46,799	-2,636	
TOTAL SHAREHOLDERS' EQUITY	**1,678,334**	**1,653,718**	**1%**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**11,154,394**	**10,138,804**	**10%**

CONSOLIDATED IFRS STATEMENT OF FINANCIAL POSITION

in HUF million	31/12/2020	31/12/2019	change
Cash, amounts due from banks and balances with the National Banks	2,432,312	1,784,378	36%
Placements with other banks, net of loss allowance for placements	1,148,743	410,079	180%
Repo receivables	190,849		
Financial assets at fair value through profit or loss	234,007	251,990	-7%
Securities at fair value through other comprehensive income	2,136,709	2,426,779	-12%
Loans at amortized cost	11,674,842	11,846,260	-1%
Loans mandatorily at fair value through profit or loss	802,605	32,802	
Finance lease receivables	1,051,140	0	
Associates and other investments	52,443	20,822	152%
Securities at amortized cost	2,624,920	1,968,072	33%
Property and equipment	322,766	320,430	1%
Intangible assets and goodwill	239,004	242,219	-1%
Right-of-use assets	46,283	52,950	-13%
Investment properties	38,601	41,560	-7%
Derivative financial assets designated as hedge accounting	6,820	7,463	-9%
Deferred tax assets	22,317	26,543	-16%
Current income tax receivable	38,936	12,769	205%
Other assets	266,474	214,580	24%
Assets classified as held-for-sale	6,070	462,071	-99%
TOTAL ASSETS	**23,335,841**	**20,121,767**	**16%**
Amounts due to banks, the National Governments, deposits from the National Banks and other banks	1,185,315	813,399	46%
Repo liabilities	117,991		
Financial liabilities at fair value through profit or loss	34,131	30,862	11%
Deposits from customers	17,890,863	15,171,308	18%
Liabilities from issued securities	464,213	393,167	18%
Derivative financial liabilities held for trading	104,823	86,743	21%
Derivative financial liabilities designated as hedge accounting	11,341	10,709	6%
Leasing liabilities	48,451	54,194	-11%
Deferred tax liabilities	25,990	29,195	-11%
Current income tax payable	27,684	35,928	-23%
Other liabilities	607,737	592,540	3%
Subordinated bonds and loans	274,704	249,938	10%
Liabilities directly associated with assets classified as held-for-sale	5,486	362,496	-98%
TOTAL LIABILITIES	**20,798,729**	**17,830,479**	**17%**
Share capital	28,000	28,000	0%
Retained earnings and reserves	2,629,076	2,319,263	13%
Treasury shares	-124,080	-60,931	104%
Non-controlling interest	4,116	4,956	-17%
TOTAL SHARHOLDERS' EQUITY	**2,537,112**	**2,291,288**	**11%**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**23,335,841**	**20,121,767**	**16%**

SEPARATE IFRS STATEMENT OF RECOGNIZED INCOME

in HUF million	2020	2019	change
NET INTEREST INCOME	**221,666**	**204,512**	**8%**
Interest income from / on	**321,296**	**323,896**	**-1%**
Interest expense due to / from / on	**-99,630**	**-119,384**	**-17%**
Risk cost total	**-66,765**	**-39,881**	**67%**
Loss allowance on loan and repo receivables losses	-59,083	-27,511	115%
Loss allowance on placement losses	-2,227	-1,545	44%
Loss allowance on securities at fair value through other comprehensive income	-3	176	-102%
Loss allowance on securities at amortised cost	-1,845	225	-920%
Provision for loan commitments and financial guarantees given	-3,202	-5,794	-45%
Change in the fair value attributable to changes in the credit risk of loans mandatorily measured at fair value through profit of loss	-405	-5,432	-93%
NET INTEREST INCOME AFTER RISK COST	**154,901**	**164,631**	**-6%**
Net gain / loss on adjustment	-17,358	0	
INCOME FROM FEES AND COMMISSIONS	**219,031**	**213,363**	**3%**
Income from fees and commissions	**259,781**	**248,954**	**4%**
Expenses from fees and commissions	**-40,750**	**-35,591**	**14%**
NET OPERATING INCOME	**60,632**	**130,358**	**-53%**
Foreign exchange (losses) and gains	-4,518	3,288	-237%
Gains on deivative instruments, net	7,057	4,715	50%
Gains on financial instruments at fair value through profit or loss	-671	1,260	-153%
Gains on securities, net	17,955	8,188	119%
Dividend income	60,973	78,887	-23%
Other operating income	7,900	7,505	5%
Other operating expenses	-28,064	26,515	-206%
OTHER ADMINISTRATIVE EXPENSES	**-323,960**	**-305,158**	**6%**
Personnel expenses	-118,498	-115,035	3%
Depreciation and amortization	-38,948	-29,925	30%
Other administrative expenses	-166,514	-160,198	4%
PROFIT BEFORE INCOME TAX	**93,246**	**203,194**	**-54%**
Income tax	-772	-9,840	-92%
NET PROFIT FOR THE YEAR	**92,474**	**193,354**	**-52%**

CONSOLIDATED IFRS STATEMENT OF RECOGNIZED INCOME

in HUF million	2020	2019	change
CONTINUING OPERATIONS			
Interest income calculated using the effective interest method	841,901	777,502	8%
Income similar to interest income	135,986	116,642	17%
Interest incomes	977,887	894,144	9%
Interest expenses	-195,216	-197,095	-1%
NET INTEREST INCOME	**782,671**	**697,049**	**12%**
Loss allowance / Release of loss allowance on loans, placements and repo receivables	-200,315	-49,120	308%
Loss allowance / Release of loss allowance on securities at fair value through other comprehensive income and on securities at amortized cost	-3,262		
Loss allowance / Release of loss allowance on securities at fair value through other comprehensive income and on securities at amortized cost	-7,309	9	
Provision for commitments and guarantees given	-8,662	-7,995	8%
Impairment / (Release of impairment) of assets subject to operating lease and of investment properties	878	280	214%
NET INTEREST INCOME AFTER LOSS ALLOWANCE, IMPAIRMENT AND PROVISIONS	**564,001**	**640,223**	**-12%**
Income from fees and commissions	486,529	447,084	9%
Expense from fees and commissions	-88,896	-72,903	22%
Net profit from fees and commissions	**397,633**	**374,181**	**6%**
Foreign exchange gains / losses, net	19,204	6,782	183%
Foreign exchange result	7,864	5,734	37%
Gains and losses on derivative instruments	11,339	1,048	982%
Gains / Losses on securities, net	16,106	11,611	39%
Gains / Losses on financial assets /liabilities measured at fair value through profit or loss	-2,396	1,282	-287%
Dividend income and gain / loss from associated companies	527	7,955	-93%
Other operating income	33,461	111,093	-70%
Gains and losses on real estate transactions	3,631	8,231	-56%
Other non-interest income	29,109	102,015	-71%
Net insurance result	721	849	-15%
Other operating expense	-39,447	-44,758	-12%
Net operating income	**27,455**	**93,965**	**-71%**
Personnel expenses	-308,642	-276,754	12%
Depreciation and amortization	-92,761	-77,048	20%
Goodwill impairment	0	-4,887	-100%
Other administrative expenses	-306,264	-282,528	8%
Other administrative expenses	**-707,667**	**-641,217**	**10%**
PROFIT BEFORE INCOME TAX	**281,422**	**467,152**	**-40%**
Income tax expense	-27,376	-49,902	-45%
NET PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS	**254,046**	**417,250**	**-39%**
From this, attributable to:			
Non-controlling interest	220	341	-35%
Owners of the company	253,826	416,909	-39%
DISCONTINUED OPERATIONS			
Gains from disposal of subsidiaries classified as held for sale	199		
Loss from discontinued operation	5,391	-4,668	
PROFIT FROM CONTINUING AND DISCOUNTINUED OPERATION	**259,636**	**412,582**	**-37%**

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY (IFRS)

in HUF million	Share capital	Capital reserve	Retained earnings and reserves	Treasury shares	Non-controlling interest	Total
Balance as at 1 January 2019	**28,000**	**52**	**1,864,152**	**-67,999**	**2,452**	**1,826,657**
Net profit for the year	--	--	412,241	--	341	412,582
Other comprehensive income	--	--	106,561	--	427	106,988
Increase due to business combinations	--	--	--	--	1,736	1,736
Purchase of non-controlling interests	--	--	--	--	--	
Share-based payment	--	--	3,547	--	--	3,547
Dividend for the year 2018	--	--	-61,320	--	--	-61,320
Correction due to ESOP	--	--	376	--	--	376
Treasury shares	--	--	--	--	--	
– sale	--	--	--	15,956	--	15,956
– loss on sale	--	--	-5,012	--	--	-5,012
– volume change	--	--	--	-8,888	--	-8,888
Payment to ICES holders	--	--	-1,334	--	--	-1,334
Balance as at 31 December 2019	**28,000**	**52**	**2,319,211**	**-60,931**	**4,956**	**2,291,288**

in HUF million	Share capital	Capital reserve	Retained earnings and reserves	Treasury shares	Non-controlling interest	Total
Balance as at 1 January 2020	**28,000**	**52**	**2,319,211**	**-60,931**	**4,956**	**2,291,288**
Net profit for the year	--	--	259,416	--	220	259,636
Other comprehensive income	--	--	55,823	--	-443	55,380
Increase due to business combinations	--	--	--	--	--	
Purchase of non-controlling interests	--	--	--	--	-382	-382
Decrease due to discontinued operations	--	--	--	--	-235	-235
Share-based payment	--	--	3,394	--	--	3,394
Dividend	--	--	--	--	--	
Correction due to ESOP	--	--	--	--	--	
Treasury shares	--	--	--	--	--	
– sale	--	--	--	22,773	--	22,773
– loss on sale	--	--	-3,967	--	--	-3,967
– volume change	--	--	--	-85,922	--	-85,922
Payment to ICES holders	--	--	-4,853	--	--	-4,853
Balance as at 31 December 2020	**28,000**	**52**	**2,629,024**	**-124,080**	**4,116**	**2,537,112**

[1] The deduction related to repurchased treasury shares (4Q 2020: HUF 124.080 million) includes the book value of OTP shares held by ESOP (4Q 2020: 5,097,255 shares).

SEPARATE IFRS STATEMENT OF CASH FLOWS

in HUF million	31/12/2020	31/12/2019	change
OPERATING ACTIVITIES			
Profit before income tax	93,246	203,194	-54%
Net accrued interest	-34,365	6,760	-608%
Income tax paid	-1,449	-628	131%
Depreciation and amortization	38,997	29,925	30%
Loss allowance / (Release of loss allowance)	77,684	-255	
Share-based payment	3,394	3,547	-4%
Unrealised gains on fair value adjustment of financial instruments at fair value through profit or loss	3,549	-1,379	-357%
Unrealised losses on fair value adjustment of derivative financial instruments	4,011	6,777	-41%
Leasing interest expense	-257	-244	5%
Net change in assets and liabilities in operating activities	594,655	-21,975	
Net cash provided by operating activities	**779,465**	**225,722**	**245%**
INVESTING ACTIVITIES			
Net cash used in investing activities	**-126,771**	**-847,023**	**-85%**
FINANCING ACTIVITIES			
Net cash provided by / (used in) financing activities	**-374,238**	**542,574**	**-169%**
Net decrease in cash and cash equivalents	**278,456**	**-78,727**	**-454%**
Cash and cash equivalents at the beginning of the year	**224,631**	**303,358**	**-26%**
Cash and cash equivalents at the end of the year	**503,087**	**224,631**	**124%**
Cash, amounts due from banks and balances with the National Bank of Hungary	289,686	360,855	-20%
Cash and cash equivalents at the beginning of the year	**289,686**	**360,855**	**-20%**
Cash, amounts due from banks and balances with the National Bank of Hungary	579,120	289,686	100%
Cash and cash equivalents at the end of the year	**579,120**	**289,686**	**100%**

CONSOLIDATED IFRS STATEMENT OF CASH FLOWS

in HUF million	31/12/2020	31/12/2019	change
OPERATING ACTIVITIES			
Net profit for the period	259,416	412,241	-37%
Net changes in assets and liabilities in operating activities			
Income tax paid	-37,729	-30,170	25%
Depreciation	98,385	78,864	25%
Goodwill impairment	0	4,887	
Loss allowance	279,886	72,370	287%
Net accrued interest	-9,040	-6,590	37%
Share-based payment	3,394	3,547	-4%
Unrealised gains on fair value adjustment of financial instruments at fair value through profit or loss	762	6,975	-89%
Unrealised losses on fair value adjustment of derivative financial instruments	-25,068	14,232	-276%
Net result of discontinued operations	-5,391	-	
Other changes in assets and liabilities in operating activities	852,217	162,614	424%
Net change in assets and liabilities in operating activities	**1,416,832**	**718,970**	**97%**
INVESTING ACTIVITIES			
Net cash used in investing activities	**-1,377,670**	**-355,239**	**288%**
FINANCING ACTIVITIES			
Net cash used in financing activities	**569,027**	**-117,120**	**-586%**
Net increase (+) / decrease (-) of cash	**608,189**	**246,611**	**147%**
Cash and cash equivalents at the beginning of the year	**1,049,737**	**819,979**	**28%**
Cash and cash equivalents at the end of the year	**1,674,777**	**1,049,737**	**60%**
Adjustment due to discontinuing activity	*-16,851*	*16,853*	*-200%*

CONSOLIDATED SUBSIDIARIES AND ASSOCIATES

	Name of the company		Initial capital/Equity (HUF)	Ownership Directly + indirectly (%)	Voting rights (%)	Classification[1]
1	Air-Invest Ltd.		600,000,000	100.00	100.00	L
2	AppSense Ltd.		3,000,000	100.00	100.00	L
3	Bajor-Polár Center Real Estate Management Ltd.		30,000,000	100.00	100.00	L
4	Balansz Real Estate Institute Fund		30,931,279,011	100.00	100.00	L
5	BANK CENTER No. 1. Ltd.		11,500,000,000	100.00	100.00	L
6	Banka OTP Albania SHA	ALL	6,740,900,000	100.00	100.00	L
7	CIL Babér Ltd.		71,890,330	100.00	100.00	L
8	CRESCO d.o.o.	HRK	39,000	100.00	100.00	L
9	Montenegrin Commercial Bank Shareholding Company, Podgorica Montenegro	EUR	181,875,221	100.00	100.00	L
10	DSK Asset Management EAD	BGN	1,000,000	100.00	100.00	L
11	DSK Auto Leasing EOOD	BGN	1,000,000	100.00	100.00	L
12	DSK DOM EAD	BGN	100,000	100.00	100.00	L
13	DSK Leasing AD	BGN	3,334,000	100.00	100.00	L
14	DSK Mobile EAD	BGN	250,000	100.00	100.00	L
15	DSK Operating lease EOOD	BGN	1,000	100.00	100.00	L
16	DSK Tours EOOD	BGN	8,491,000	100.00	100.00	L
17	DSK Trans Security EAD	BGN	2,225,000	100.00	100.00	L
18	EiSYS Ltd.		3,000,000	100.00	100.00	L
19	INGA KETTŐ Ltd.		8,000,000,000	100.00	100.00	L
20	JN Parkolóház Ltd.		4,800,000	100.00	100.00	L
21	Limited Liability Company Asset Management Company " OTP Capital"	UAH	10,000,000	100.00	100.00	L
22	LLC MFO "OTP Finance"	RUB	6,533,000,000	100.00	100.00	L
23	LLC OTP Leasing	UAH	45,495,340	100.00	100.00	L
24	Merkantil Bank Ltd.		2,000,000,000	100.00	100.00	L
25	Merkantil Bérlet Ltd.		6,000,000	100.00	100.00	L
26	MFM Project Investment and Development Ltd.		20,000,000	100.00	100.00	L
27	Miskolci Diákotthon Ltd.		5,000,000	100.00	100.00	L
28	MONICOMP Ltd.		20,000,000	100.00	100.00	L
29	NIMO 2002 Ltd.		1,156,000,000	100.00	100.00	L
30	OTP Fund Management Ltd.		900,000,000	100.00	100.00	L
31	OTP Asset Management SAI S.A.	RON	5,795,323	100.00	100.00	L
32	Joint-Stock Company OTP Bank	UAH	6,186,023,111	100.00	100.00	L
33	OTP Bank Romania S.A.	RON	1,829,253,120	100.00	100.00	L
34	OTP banka dioničko društvo	HRK	3,993,754,800	100.00	100.00	L
35	OTP banka Srbija AD. Beograd	RSD	23,723,021,200	100.00	100.00	L
36	OTP Debt Collection d.o.o. Podgorica	EUR	49,000,001	100.00	100.00	L
37	OTP Digital Fund		5,615,000,000	100.00	100.00	L
38	OTP eBIZ Kft.		281,000,000	100.00	100.00	L
39	OTP Life Annuity Real Estate Investment Plc.		2,000,000,000	100.00	100.00	L
40	OTP Factoring Bulgaria JSCo.	BGN	1,000,000	100.00	100.00	L
41	OTP Factoring Serbia Ltd.	RSD	782,902,282	100.00	100.00	L
42	OTP Factoring Slovensko Ltd.	EUR	22,540,000	100.00	100.00	L
43	OTP Factoring Romania Llc.	RON	600,405	100.00	100.00	L
44	OTP Factoring Ukraine LLC	UAH	6,227,380,554	100.00	100.00	L
45	OTP Factoring Ltd.		500,000,000	100.00	100.00	L
46	OTP Factoring Management Ltd.		3,100,000	100.00	100.00	L
47	OTP Financing Cyprus Private Company Limited by shares	EUR	1,001,000	100.00	100.00	L
48	OTP Financing Malta Company Limited	EUR	105,000,000	100.00	100.00	L
49	OTP Financing Netherlands	EUR	18,000	100.00	100.00	L
50	OTP Financing Solutions	EUR	18,000	100.00	100.00	L
51	OTP Holding Ltd.	EUR	131,000	100.00	100.00	L
52	OTP Holding Malta Ltd.	EUR	104,950,000	100.00	100.00	L
53	OTP Hungaro-Projekt Ltd.		27,720,000	100.00	100.00	L
54	OTP Real Estate Investment Fund Management Ltd.		100,000,000	100.00	100.00	L
55	OTP Real Estate Ltd.		1,000,000,000	100.00	100.00	L
56	OTP Ingatlankezelő Ltd.		50,000,000	100.00	100.00	L
57	OTP Real Estate Leasing Ltd.		214,000,000	100.00	100.00	L
58	OTP Ingatlanpont Ltd.		7,500,000	100.00	100.00	L
59	OTP Ingatlanüzemeltető Ltd.		30,000,000	100.00	100.00	L
60	OTP Insurance Broker EOOD	BGN	5,000	100.00	100.00	L
61	OTP Invest društvo s ograničenom odgovornošću za upravljanje fondovima	HRK	18,211,300	100.00	100.00	L
62	OTP Investments d.o.o. Novi Sad	RSD	203,783,061	100.00	100.00	L
63	OTP Mortgage Bank Ltd.		37,000,000,000	100.00	100.00	L

	Name of the company		Initial capital/Equity (HUF)	Ownership Directly + indirectly (%)	Voting rights (%)	Classification[1]
64	OTP Card Factory Ltd.		450,000,000	100.00	100.00	L
65	OTP Close Building Society		2,000,000,000	100.00	100.00	L
66	OTP Leasing d.d.	HRK	8,212,000	100.00	100.00	L
67	OTP Leasing EOOD	BGN	4,100,000	100.00	100.00	L
68	OTP Leasing Romania IFN S.A.	RON	28,556,300	100.00	100.00	L
69	OTP Leasing Srbija d.o.o. Beograd	RSD	314,097,600	100.00	100.00	L
70	OTP Leasing d.o.o. Beograd	RSD	112,870,710	100.00	100.00	L
71	OTP Mérnöki Ltd.		3,000,000	100.00	100.00	L
72	OTP Mobile Service Ltd.		1,210,000,000	100.00	100.00	L
73	OTP Nekretnine d.o.o.	HRK	259,828,100	100.00	100.00	L
74	OTP Osiguranje ADO.	RSD	412,606,208	100.00	100.00	L
75	OTP Osiguranje d.d.	HRK	40,900,000	100.00	100.00	L
76	OTP Funds Servicing and Consulting Company Limited		2,351,000,000	100.00	100.00	L
77	OTP Financial point Ltd.		51,000,000	100.00	100.00	L
78	OTP Services Ltd.	RSD	40,028	100.00	100.00	L
79	Venture Closed-End Non Diversified Mutual Investment Fund "OTP Solution"	UAH	43,347,201	100.00	100.00	L
80	PortfoLion Digital Ltd.		102,000,000	100.00	100.00	L
81	PortfoLion Venture Capital Fund Management Ltd.		39,500,000	100.00	100.00	L
82	PortfoLion Green Fund		14,200,000,000	100.00	100.00	L
83	R.E. Four d.o.o., Novi Sad	RSD	1,983,643,761	100.00	100.00	L
84	SB Leasing d.o.o.	HRK	23,332,000	100.00	100.00	L
85	SC Aloha Buzz SRL	RON	10,200	100.00	100.00	L
86	SC Favo Consultanta SRL	RON	10,200	100.00	100.00	L
87	SC Tezaur Cont SRL	RON	10,200	100.00	100.00	L
88	SKB Leasing d.o.o.	EUR	16,809,031	100.00	100.00	L
89	SKB Leasing Select d.o.o.	EUR	5,000,000	100.00	100.00	L
90	SPLC Ltd.		10,000,000	100.00	100.00	L
91	SPLC-P Ltd.		15,000,000	100.00	100.00	L
92	TOP Collector LLC	RUB	1,030,000	100.00	100.00	L
93	Velvin Ventures Ltd.	USD	50,000	100.00	100.00	L
94	Vojvodjanska banka a.d. Novi Sad	RSD	31,607,808,040	100.00	100.00	L
95	ZA-Invest Béta Ltd.		3,000,000	100.00	100.00	L
96	ZA-Invest Szalók Ltd.		3,000,000	100.00	100.00	L
97	OTP Buildings s.r.o.	EUR	18,717,301	100.00	100.00	L
98	SKB Banka d.d. Ljubljana	EUR	52,784,176	100.00	100.00	L
99	DSK Bank EAD	BGN	1,328,659,920	99.91	99.91	L
100	POK DSK-Rodina AD	BGN	6,010,000	99.75	99.75	L
101	Mobiasbanca - OTP Group S.A.	MDL	100,000,000	98.26	98.31	L
102	JSC "OTP Bank" (Russia)	RUB	4,423,768,142	97.91	97.91	L
103	ShiwaForce.com Inc.		105,321,000	67.50	67.50	L
104	Regional Urban Development Fund AD	BGN	250,000	52.00	52.00	L
105	PortfoLion Regional Private Equity Fund		8,815,000,000	50.00	67.00	L
106	PortfoLion Regional Private Equity Fund II.		2,500,000,000	50.00	67.00	L
107	OPUS Securities S.A.	EUR	31,000	0.00	51.00	L
108	OTP ESOP		56,236,480,818	0.00	0.00	L

1 Full consolidated -L

Ownership structure of OTP Bank Plc.

Description of owner	Total equity					
	1 January 2020			31 December 2020		
	Ownership share	Voting rights[1]	Quantity	Ownership share	Voting rights[1]	Quantity
Domestic institution/company	18.84%	18.86%	52,750,611	20.93%	21.26%	58,605,628
Foreign institution/company	77.01%	77.10%	215,635,699	71.60%	72.73%	200,480,153
Domestic individual	2.98%	2.98%	8,344,202	4.79%	4.87%	13,424,090
Foreign individual	0.13%	0.13%	356,377	0.11%	0.12%	319,346
Employees, senior officers	0.80%	0.80%	2,240,465	0.85%	0.87%	2,393,390
Treasury shares[2]	0.12%	0.00%	323,520	1.55%	0.00%	4,334,140
Government held owner	0.08%	0.08%	219,372	0.08%	0.08%	219,800
International Development Institutions	0.04%	0.04%	122,218	0.04%	0.04%	108,981
Other[3]	0.00%	0.00%	7,546	0.04%	0.04%	114,482
TOTAL	**100.00%**	**100.00%**	**280,000,010**	**100.00%**	**100.00%**	**280,000,010**

[1] Voting rights in the General Meeting of the Issuer for participation in decision-making.
[2] Treasury shares do not include the OTP shares held by ESOP (OTP Bank Employee Stock Ownership Plan Organization). Pursuant to Act V of 2013 on the Civil Code, OTP shares held by the ESOP are not classified as treasury shares, but the ESOP must be consolidated in accordance with IFRS 10 Consolidated Financial Statements standard. On 31 December 2020 ESOP owned 5,097,255 OTP shares.
[3] Non-identified shareholders according to the shareholders' registry.

Number of treasury shares held in the year under review (2020)

	1 January	31 March	30 June	30 September	31 December
OTP Bank	323,520	1,667,632	2,313,939	4,395,242	4,334,140
Subsidiaries	0	0	0	0	0
TOTAL	323,520	1,667,632	2,313,939	4,395,242	4,334,140

Shareholders with over/around 5% stake as at 31 December 2020

Name	Number of shares	Ownership[1]	Voting rights[1,2]
MOL (Hungarian Oil and Gas Company Plc.)	24,000,000	8.57%	8.71%
KAFIJAT Group	19,835,748	7.08%	7.20%
OPUS Securities S.A.	14,496,476	5.18%	5.26%
Groupama Group	14,330,632	5.12%	5.20%

[1] Rounded to two decimals
[2] Voting rights in the General Meeting of the Issuer for participation in decision-making.

Senior officers, strategic employees and their shareholding of OTP shares as at 31 December 2020

Type[1]	Name	Position	No. of shares held
IT	Dr. Sándor Csányi [2]	Chairman and CEO	926,378
IT	Mihály Baumstark	member	53,200
IT	Dr. Tibor Bíró	member	38,600
IT	Tamás Erdei	member, Deputy Chairman	29,657
IT	Dr. István Gresa	member	163,658
IT	Antal Kovács	member, Deputy CEO	46,651
IT	Dr. Antal Pongrácz	member	70,000
IT	Dr. László Utassy	member	190,847
IT	Dr. József Vörös	member	164,514
IT	László Wolf	member, Deputy CEO	571,925
FB	Klára Bella	member	93
FB	Tibor Tolnay	Chairman	54
FB	Dr. Gábor Horváth	member, Deputy Chairman	0
FB	András Michnai	member	100
FB	Olivier Péqueux	member	0
FB	Dr. Márton Gellért Vági	member	0
SP	László Bencsik	Chief Financial and Strategic Officer, Deputy CEO	43,037
SP	András Tibor Johancsik	Deputy CEO	31,055
SP	György Kiss-Haypál	Deputy CEO	7,592
TOTAL No. of shares held by management:			**2,337,361**

[1] Employee in strategic position (SP), Board Member (IT), Supervisory Board Member (FB)
[2] Number of OTP shares owned by Dr. Sándor Csányi directly or indirectly: 4,712,505

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

a) Contingent liabilities

	31/12/2020	31/12/2019
Commitments to extend credit	3.420.718	3.027.112
Guarantees arising from banking activities	1.159.699	966.649
Confirmed letters of credit	35.715	33.296
Legal disputes (disputed value)	53.486	30.844
Other	363.398	285.296
Total:	**5.033.016**	**4.343.197**

[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.)

Changes in the headcount (active, FTE-basis) employed by the Bank and the subsidiaries

	End of reference period	Current period opening	Current period closing
Bank[1]	9.059	9.059	9.568
Consolidated[2]	40.648	40.648	38.447

[1]OTP Bank Hungary (standalone) employee figures.
[2] Due to the changes in the scope of consolidation, the historical figures are not comparable.

Security issuances on Group level in 2020

Issuer	Type of security	Security name	Date of issue	Date of maturity	Ccy	Outstanding consolidated debt (in original currency or HUF million) 31/12/2020	Outstanding consolidated debt (in HUF million) 31/12/2020
OTP Bank Plc.	Corporate bond	OTP_DK_22/II	29/05/2020	31/05/2022	HUF	0	0
OTP Bank Plc.	Corporate bond	OTP_DK_23/II	29/05/2020	31/05/2023	HUF	0	0
OTP Bank Plc.	Corporate bond	OTP_DK_24/II	29/05/2020	31/05/2024	HUF	0	0
OTP Bank Plc.	Corporate bond	OTP_DK_25/II	29/05/2020	31/05/2025	HUF	0	0
OTP Bank Plc.	Corporate bond	OTP_DK_26/I	29/05/2020	31/05/2026	HUF	0	0
OTP Bank Plc.	Corporate bond	OTP_DK_27/I	29/05/2020	31/05/2027	HUF	0	0
OTP Bank Plc.	Retail bond	OTP_VK1_21/1	20/02/2020	20/02/2021	USD	1,392,200	414
OTP Bank Plc.	Retail bond	OTP_VK1_21/2	02/04/2020	02/04/2021	USD	1,243,200	370
OTP Bank Plc.	Retail bond	OTP_VK1_21/3	14/05/2020	14/05/2021	USD	1,181,700	351
OTP Bank Plc.	Retail bond	OTP_VK1_21/4	18/06/2020	18/06/2021	USD	743,000	221
OTP Mortgage Bank	Mortgage bond	OJB2024_C	24/02/2020	24/10/2024	HUF	64,379	64,379
OTP Mortgage Bank	Mortgage bond	OJB2025_II	03/02/2020	26/11/2025	HUF	17,650	17,650
OTP Mortgage Bank	Mortgage bond	OJB2027_I	23/07/2020	27/10/2027	HUF	65,800	65,800

Security redemptions on Group level in 2020

Issuer	Type of security	Security name	Date of issue	Date of maturity	Ccy	Outstanding consolidated debt (in original currency or HUF million) 31/12/2019	Outstanding consolidated debt (in HUF million) 31/12/2019
OTP Bank Plc.	Corporate bond	OTP_DK_20/I	14/12/2018	31/05/2020	HUF	0	0
OTP Bank Plc.	Corporate bond	OTPRF2020A	12/07/2010	20/07/2020	HUF	2,152	2,152
OTP Bank Plc.	Corporate bond	OTPRF2020B	12/07/2010	20/07/2020	HUF	1,276	1,276
OTP Bank Plc.	Corporate bond	OTPRF2020C	11/11/2010	05/11/2020	HUF	2,622	2,622
OTP Bank Plc.	Corporate bond	OTPX2020A	25/03/2010	30/03/2020	HUF	238	238
OTP Bank Plc.	Corporate bond	OTPX2020B	28/06/2010	09/07/2020	HUF	267	267
OTP Bank Plc.	Corporate bond	OTPX2020C	11/11/2010	05/11/2020	HUF	166	166
OTP Bank Plc.	Corporate bond	OTPX2020D	16/12/2010	18/12/2020	HUF	177	177
OTP Bank Plc.	Corporate bond	OTPX2020E	18/06/2014	22/06/2020	HUF	2,939	2,939
OTP Bank Plc.	Corporate bond	OTPX2020F	10/10/2014	16/10/2020	HUF	2,650	2,650
OTP Bank Plc.	Corporate bond	OTPX2020G	15/12/2014	21/12/2020	HUF	2,372	2,372
OTP Bank Plc.	Retail bond	OTP_VK1_20/1	21/02/2019	21/02/2020	USD	1,526,900	450
OTP Bank Plc.	Retail bond	OTP_VK1_20/2	04/04/2019	04/04/2020	USD	2,467,300	727
OTP Bank Plc.	Retail bond	OTP_VK1_20/3	16/05/2019	16/05/2020	USD	891,900	263
OTP Bank Plc.	Retail bond	OTP_VK1_20/4	27/06/2019	27/06/2020	USD	1,873,600	552
OTP Bank Plc.	Retail bond	OTP_VK1_20/5	15/08/2019	15/08/2020	USD	1,997,400	589
OTP Bank Plc.	Retail bond	OTP_VK1_20/6	26/09/2019	26/09/2020	USD	747,600	220
OTP Bank Plc.	Retail bond	OTP_VK1_20/7	07/11/2019	07/11/2020	USD	1,677,000	494
OTP Bank Plc.	Retail bond	OTP_VK1_20/8	2019.12.19.	2020.12.19.	USD	1,518,500	448
OTP Mortgage Bank	Mortgage bond	OJB2020_I	2004.11.19.	2020.11.12.	HUF	5,503	5,503
OTP Mortgage Bank	Mortgage bond	OJB2020_II	2011.05.31.	2020.11.12.	HUF	1,487	1,487
OTP Mortgage Bank	Mortgage bond	OJB2024_B	18/09/2018	24/05/2024	HUF	55,829	55,829

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	2019	2020	Y-o-Y	4Q 2019	3Q 2020	4Q 2020	Q-o-Q	Y-o-Y
Total	**11,896**	**14,090**	**18%**	**3,484**	**2,783**	**3,884**	**40%**	**11%**
Short-term employee benefits	8,453	10,093	19%	2,329	2,502	2,227	-11%	-4%
Share-based payment	2,732	2,619	-4%	1,007	157	972	519%	-3%
Other long-term employee benefits	636	870	37%	115	116	275	137%	139%
Termination benefits	40	508		26	93	410		
Redundancy payments	35	0	-100%	7	-85	0	-100%	-100%
Loans provided to companies owned by the management (normal course of business)	55,517	87,791	58%	55,517	78,958	87,791	11%	58%
Credit lines and treasury framework contracts of the members of Board of Directors and the Supervisory Board and their close family members (at normal market conditions)	666	361	-46%	666	592	361	-39%	-46%
Commitments to extend credit and guarantees	27,708	36,758	33%	27,708	36,899	36,758	0%	33%
Loans provided to unconsolidated subsidiaries	2,656	16,395	517%	2,656	3,419	16,395	380%	517%

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

Alternative performance measures pursuant to the National Bank of Hungary 5/2017, (V,24,) recommendation[8]

Alternative performance measures name	Description	Calculation (data in HUF million)	Measures value 2019	Measures value 2020
Leverage, consolidated[9]	The leverage ratio is calculated pursuant to Article 429 CRR. The calculation of the indicator is designed quarterly by the Bank for the prudential consolidation circle.	The leverage ratio shall be calculated as an institution's capital measure divided by that institution's total exposure measure and shall be expressed as a percentage. Example for 2020: $\frac{2,269,513.5}{25,683,131.7} = 8.8\%$ Example for 2019: $\frac{1,869,386.7}{21,845,867.7} = 8.6\%$	8.6%	8.8%
Liquidity Coverage Ratio (LCR)	According to Article 412 (1) of CRR, the liquidity coverage ratio (LCR) is designed to promote short-term resilience of the Issuer's / Group's liquidity risk profile and aims to ensure that the Issuer / Group has an adequate stock of unencumbered High Quality Liquid Assets (HQLA) to meet its liquidity needs for a 30 calendar day liquidity stress scenario.	The LCR is expressed as: (stock of HQLA) / (total net cash outflows over the next 30 calendar days) ≥ 100%. The numerator of the LCR is the stock of HQLA (High Quality Liquid Assets). In order to qualify as HQLA, assets should be liquid in markets during a time of stress and, in most cases, be eligible for use in central bank operations. The denominator of the LCR is the total net cash outflows, defined as total expected cash outflows minus total expected cash inflow in the specified stress scenario for the subsequent 30 calendar days. Total cash inflows are subject to an aggregate cap of 75% of total expected cash outflows, thereby ensuring a minimum level of HQLA holdings at all times. Example for 2020: $\frac{5,560,090.3}{3,721,569.3 - 1,123,296.8} = 214.0\%$ Example for 2019: $\frac{4,825,171.3}{3,465,537.4 - 614,504.0} = 169.2\%$	169.2%	214.0%
ROE (accounting), consolidated	The return on equity ratio shall be calculated the consolidated accounting after-tax profit for the given period divided by the average equity, thus shows the effectiveness of the use of equity.	The numerator of the indicator is the consolidated accounting after-tax profit for the given period (annualized for periods less than one year), the denominator is the average consolidated equity. (The definition of average equity: 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.) Example for 2020: $\frac{259,636.4 * 1.0}{2,390,518.7} = 10.9\%$ Example for 2019: $\frac{412,581.8 * 1.0}{2,032,901.7} = 20.3\%$	20.3%	10.9%

[8] The NBH's recommendation (5/2017, 24 May) on Alternative Performance Measures (APM) came into effect from 1 June 2017, in line with ESMA's guidance (ESMA/2015/1415) on the same matter. The recommendation is aimed at – amongst other things – enhancing the transparency, reliability, clarity and comparability of those APMs within the framework of regulated information and thus facilitating the protection of existing and potential investors.

[9] Based on the prudential consolidation scope, which is different from the consolidation scope used in this report.

Alternative performance measures name	Description	Calculation (data in HUF million)	Measures value 2019	Measures value 2020
ROE (adjusted), consolidated	The return on equity ratio shall be calculated the consolidated adjusted after-tax profit for the given period divided by the average equity, thus shows the effectiveness of the use of equity.	The numerator of the indicator is the consolidated adjusted after-tax profit for the given period (annualized for periods less than one year), the denominator is the average consolidated equity. Example for 2020: $\frac{310{,}267.8 \ * \ 1.0}{2{,}390{,}518.7} = 13.0\%$ Example for 2019: $\frac{419{,}051.7 \ * \ 1.0}{2{,}032{,}905.4} = 20.6\%$	20.6%	13.0%
ROA (adjusted), consolidated	The return on asset ratio shall be calculated the consolidated adjusted net profit for the given period divided by the average total asset, thus shows the effectiveness of the use of equity.	The numerator of the indicator is the consolidated adjusted net profit for the given period, the denominator is the average consolidated total asset. (The definition of average asset: 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.) Example for 2020: $\frac{310{,}267.8 \ * \ 1.0}{21{,}801{,}158.6} = 1.4\%$ Example for 2019: $\frac{419{,}051.7 \ * \ 1.0}{17{,}150{,}314.0} = 2.4\%$	2.4%	1.4%
Operating profit margin (adjusted, without one-off items), consolidated	The operating profit margin shall be calculated the consolidated adjusted net operating profit without one-off items for the given period divided by the average total assets, thus shows the effectiveness of the operating profit generation on total assets.	The numerator of the indicator is the consolidated adjusted net operating profit without one-off items for the given period, the denominator is the average consolidated total assets. Example for 2020: $\frac{537{,}436.8 \ * \ 1.0}{21{,}801{,}158.6} = 2.47\%$ Example for 2019: $\frac{510{,}045.4 \ * \ 1.0}{17{,}150{,}314.0} = 2.97\%$	2.97%	2.47%
Total income margin (adjusted, without one-off items), consolidated	The total income margin shall be calculated the consolidated adjusted total income without one-off items for the given period divided by the average total assets, thus shows the effectiveness of income generation on total assets.	The numerator of the indicator is the consolidated adjusted total income without one-off items for the given period (annualized for periods less than one year), the denominator is the average consolidated total assets. Example for 2020: $\frac{1{,}169{,}919.6 \ * \ 1.0}{21{,}801{,}158.6} = 5.37\%$ Example for 2019: $\frac{1{,}077{,}727.3 \ * \ 1.0}{17{,}150{,}314.0} = 6.28\%$	6.28%	5.37%

Alternative performance measures name	Description	Calculation (data in HUF million)	Measures value 2019	2020
Net interest margin (adjusted), consolidated	The net interest margin shall be calculated the consolidated adjusted net interest income for the given period divided by the average total assets, thus shows the effectiveness of net interest income generation on total assets.	The numerator of the indicator is the consolidated adjusted net interest income for the given period (annualized for periods less than one year), the denominator is the average consolidated total assets. Example for 2020: $\frac{788{,}078.8 \ * \ 1.0}{21{,}801{,}158.6} = 3.61\%$ Example for 2019: $\frac{706{,}298.0 \ * \ 1.0}{17{,}150{,}314.0} = 4.12\%$	4.12%	3.61%
Operating cost (adjusted)/ total assets, consolidated	The indicator shows the operational efficiency.	The numerator of the indicator is the consolidated adjusted operating cost for the given period (annualized for periods less than one year), the denominator is the average consolidated total assets. Example for 2020: $\frac{632{,}482.8 \ * \ 1.0}{21{,}801{,}158.6} = 2.90\%$ Example for 2019: $\frac{567{,}682.0 \ * \ 1.0}{17{,}150{,}314.0} = 3.31\%$	3.31%	2.90%
Cost/income ratio (adjusted, without one-off items), consolidated	The indicator is another measure of operational efficiency.	The numerator of the indicator is the consolidated adjusted operating cost for the given period, the denominator is the adjusted operating income (without one-off items) for the given period. Example for 2020: $\frac{632{,}482.8}{1{,}169{,}919.6} = 54.1\%$ Example for 2019: $\frac{567{,}682.0}{1{,}077{,}727.3} = 52.7\%$	52.7%	54.1%
Provision for impairment on loan and placement losses (adjusted)/ average (adjusted) gross loans, consolidated	The indicator provides information on the amount of impairment on loan and placement losses relative to gross customer loans.	The numerator of the indicator is the consolidated adjusted provision for impairment on loan and placement losses for the given period (annualized for periods less than one year), the denominator is the adjusted consolidated gross customer loans for the given period. (The definition of average (adjusted) gross customer loans: 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.) Example for 2020: $\frac{158{,}420.9 \ * \ 1.0}{13{,}819{,}307.9} = 1.15\%$ Example for 2019: $\frac{29{,}473.9 \ * \ 1.0}{10{,}574{,}481.5} = 0.28\%$	0.28%	1.15%
Total risk cost (adjusted)/ total asset ratio, consolidated	The indicator shows the amount of total risk cost relative to the balance sheet total.	The numerator of the indicator is consolidated adjusted total risk cost for the given period (annualized for periods less than one year), the denominator is the average consolidated total assets for the given period. Example for 2020: $\frac{187{,}994.8 \ * \ 1.0}{21{,}801{,}158.6} = 0.86\%$ Example for 2019: $\frac{47{,}106.8 \ * \ 1.0}{17{,}150{,}314.0} = 0.27\%$	0.27%	0.86%

Alternative performance measures name	Description	Calculation (data in HUF million)	Measures value 2019	Measures value 2020
Effective tax rate (adjusted), consolidated	The indicator shows the amount of corporate income tax accounted on pre-tax profit.	The numerator of the indicator is consolidated adjusted corporate income tax for the given period, the denominator is the consolidated adjusted pre-tax profit for the given period. Example for 2020: $\frac{41{,}533.8}{351{,}801.7} = 11.8\%$ Example for 2019: $\frac{46{,}921.0}{465{,}972.7} = 10.1\%$	10.1%	11.8%
Net loan/(deposit+retail bonds) ratio (FX-adjusted[10]), consolidated	The net loan to deposit+retail bonds ratio is the indicator for assessing the bank's liquidity position.	The numerator of the indicator is the consolidated net consumer loan volume (gross loan reduced the amount of provision), the denominator is the end of period consolidated consumer FX-adjusted deposit volume plus the end of period retail bond volume (issued by OTP Bank). Example for 2020: $\frac{13{,}528{,}585.9}{17{,}882{,}388.4 + 1{,}325.8} = 76\%$ Example for 2019: $\frac{12{,}247{,}519.4}{15{,}508{,}094.4 + 3{,}237.0} = 79\%$	79%	76%

[10] During the FX-adjustment the data of the base period were translated into HUF at the closing foreign exchange rates of the current period. The FX-adjusted data for the base period therefore differ from the FX-adjusted statistics published in previous quarters.

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) Aggregated adjusted after tax profit of OTP Core and foreign banks.

(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 Leasing Ltd. were included from 1Q 2017 (from 1Q 2019 OTP Real Estate Lease Ltd. was eliminated from OTP Core); OTP Mobile Service Llc. and OTP Ingatlanpont Llc. were included from 1Q 2019; OTP eBIZ Ltd. was included from 1Q 2020. The consolidated accounting results of these companies are segmented into OTP Core and Corporate Centre. Latter is a virtual entity.

(3) The result and balance sheet of OTP Factoring Bulgaria EAD is included. From 1Q 2019 Expressbank AD and its subsidiaries, OTP Leasing EOOD and Express Factoring EOOD (altogether: Express Group) were included into the Bulgarian operation. From 1Q 2019 the statement of recognised income and balance sheet of DSK Leasing AD was included.

(4) From 1Q 2019 the statement of recognised income and balance sheet of OTP Leasing d.d. and SB Leasing d.o.o. was included. In February 2020 the company name of OTP banka Hrvatska dioničko društvo was changed to OTP banka dioničko društvo.

(5) The financial performance of OTP Factoring Serbia d.o.o is included. From 1Q 2019 the statement of recognised income and balance sheet of OTP Lizing d.o.o and OTP Services d.o.o. was included. The balance sheet of the newly acquired OTP banka Srbija was included in 3Q 2019, its P&L from 4Q 2019.

(6) The statement of recognised income and balance sheet of OTP Faktoring SRL was included. From 1Q 2019 the statement of recognised income and balance sheet of OTP Leasing Romania IFN S.A. was included.

(7) Figures are based on the aggregated financial statements of OTP Bank JSC, LLC OTP Leasing Ukraine, and OTP Factoring Ukraine LLC.

(8) The statement of recognised income and balance sheet of LLC MFO "OTP Finance" is included in the Russian performance.

(9) From 3Q 2019 the statement of recognised income and balance sheet of Podgoricka banka was included.

(10) P&L data and related indicators 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. Including the financial performance of OTP Faktoring Slovensko s.r.o. The sale of the Slovakian subsidiary was concluded at the end of November 2020.

(11) Until the end of 2019 the after tax profit of Merkantil Bank without dividends, net cash transfer and other adjustment items, since 1Q 2020 the subconsolidated after tax profit of Merkantil Group (Merkantil Bank Ltd., Merkantil Bérlet Ltd., OTP Real Estate Leasing Ltd., NIMO 2002 Ltd., SPLC-P Ltd., SPLC Ltd.) was presented.

(12) LLC AMC OTP Capital, OTP Asset Management SAI S.A. (Romania), DSK Asset Management EAD (Bulgaria).

(13) OTP Buildings s.r.o. (Slovakia), Velvin Ventures Ltd. (Belize), 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), OTP Osiguranje d.d. (Croatia), OTP Solution Fund (Ukraine).

(14) 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 issued by OTP Bank. 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 Leasing Ltd, OTP Fund Management Ltd, OTP Real Estate Fund Management Ltd, OTP Life Annuity Ltd; foreigners: banks, leasing companies, factoring companies.

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

(16) Total Foreign subsidiaries: sum of the adjusted after tax profits of foreign subsidiaries.

CALCULATION OF THE ADJUSTED LINES OF IFRS PROFIT AND LOSS STATEMENTS, AS WELL AS THE ADJUSTED BALANCE SHEET LINES PRESENTED IN THE REPORT, AND THE METHODOLOGY FOR CALCULATING THE FX-ADJUSTED VOLUME CHANGES

In order to present Group level trends in a comprehensive way in the Report, 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.

Adjustments affecting the income statement:

- The after tax effect of adjustment items (certain, typically non-recurring items from banking operations' point of view) are shown separately in the Statement of Recognised Income. The following adjustment items emerged in the period under review and the previous year: received dividends, received and paid cash transfers, the effect of goodwill/investment impairment charges, special tax on financial institutions, the expected one-off negative effect of the debt repayment moratorium in Hungary and Serbia, the impact of fines imposed by the Hungarian Competition Authority, the effect of acquisitions, and the one-off impact of regulatory changes related to FX consumer contracts in Serbia.

  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. Within banking taxes, the special tax booked by the Romanian subsidiary was also included in 4Q 2019.
- Until 4Q 2017 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 *Provision for impairment on loan and placement losses* line in the income statement. Starting from 1Q 2018 this income from the release of pre-acquisition provisions was presented amongst the *Provision for impairment on loan and placement losses* line both in the accounting and adjusted P&L structure.
- In 4Q 2019 the following items have been moved from the Other operating expenses line among the Net interest income after loss allowance, impairment and provisions line: *Release of loss allowance on securities at fair value through other comprehensive income and on securities at amortized cost*, *Provision for commitments and guarantees given*, *Release of impairment of assets subject to operating lease and of investment properties*. In the adjusted P&L structure these items are presented amongst the *Other provisions (adj.)* line (through the *Structural correction between Provision for loan losses and Other provisions* adjustment line).
- Other non-interest income is shown together with Gains and losses on real estate transactions, Net insurance result (appearing in the accounting P&L structure from 3Q 2017), Gains and losses on derivative instruments, and Gains and losses on non-trading securities mandatorily at fair value through profit or loss lines between 1Q 2019 – 4Q 2019, 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.
- 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. In the addition to this, in agreement with the auditor OTP Bank has changed the way how private equity funds managed by PortfoLion are recorded. As a result of this, as opposed to the previous method of recording the funds at book value (initial book value less impairments), starting from 3Q 2019 the funds are evaluated based on their net asset value. The change in the carrying value was reclassified to the Net other non-interest result (adj.) without one-offs line in the adjusted P&L structure. Furthermore, received cash transfers within the framework of the subsidy programme targeting the expansion of POS network in Hungary were reclassified from the After tax dividends and net cash transfers line to the Net other non-interest result (adj.) without one-offs line.
- Other provisions are separated from other expenses and shown on a separate line in the adjusted profit or loss statement.
- 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, whereas from 1Q 2019 certain part of cash transfers to public benefit organizations was presented amongst net fees and commissions), Other other non-interest expenses stemming from non-financial activities, and special tax on financial institutions.
- Tax deductible transfers (offset against corporate taxes) 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 these transfers (i.e. the paid transfer less the related corporate tax allowances) is recognised in the corporate income tax line of the adjusted P&L. The amount of tax deductible transfers offset against the special tax on financial institutions is shown on a net base on the special tax on financial institutions line.
- 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.
- 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.

- The Compensation Fund (established in Hungary in order to indemnify the victims of Quaestor and Hungarian 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 financial transaction tax and/or Special tax on financial institutions line the in the adjusted P&L structure (due to the tax deductibility).
- In case of OTP Banka Slovensko and OTP Bank Romania the total revaluation result of intra-group swap deals – earlier booked partly within the net interest income, but also on the Foreign exchange gains and Net other non-interest result lines within total Other non-interest income – is presented on a net base on the net interest income line starting from 1Q 2016.
- Due to the introduction of IFRS16 from 2019, certain items previously presented on the Other non-interest expenses line (rental fees) were moved to the interest expenses and depreciation lines in the accounting income statement. These items were shifted back to the Other non-interest expenses line in the adjusted P&L structure.
- Staring from 1Q 2020 the currency exchange result was shifted in the accounting P&L structure from the FX result to the net fees and commissions line, retroactively for the 2019 base period as well. In the adjusted P&L structure this
- Performance indicators (such as cost/income ratio, net interest margin, risk cost to average gross loans as well as ROA and ROE ratios, etc.) presented in this report are calculated on the basis of the adjusted profit and loss statement excluding adjustment items (unless otherwise indicated).
- Within the report, FX-adjusted statistics for business volume developments and their product breakdown, as well as the FX-adjusted stock of allowances for loan losses 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. Regarding the FX-adjusted volume change of DPD90+ loans (adjusted for sales and write-offs), instead of the previously applied 3Q 2009 FX rates, from 4Q 2020 onwards the actual end of period FX rates are used for calculating the FX-adjusted figures.

Adjustments affecting the balance sheet:

- On 17 February 2020 OTP Bank announced the signing of the sale agreement of its Slovakian subsidiary. According to IFRS 5 the Slovakian bank was presented as a discontinued operation in the consolidated income statement and balance sheet. With regards to the consolidated accounting balance sheet, all assets and liabilities of the Slovakian bank was shown on one-one line of the 2019 and 9M 2020 balance sheet (there was no change in the 2018 closing balance sheet structure, whereas by the end of 4Q 2020 the Slovakian entity was deconsolidated). As for the consolidated accounting income statement, the Slovakian contribution for 2018, 2019 and 2020 (in 2020 the January-October contribution was consolidated) was shown separately from the result of continued operation, on the Loss from discontinued operation line, i.e. the particular P&L lines in the 'continuing operations' section of the accounting P&L don't incorporate the contribution from the Slovakian subsidiary. As opposed to this, the adjusted financial statements presented in the Stock Exchange Report incorporated the Slovakian banks' balance sheet and P&L contribution in the relevant respective lines, in line with the structure of the financial statements monitored by the management.
- At the end of 2020, OTP Osiguranje d.d. was presented as asset classified as held for sale in the accounting financial statements. Accordingly, its assets and liabilities were shown on a separate line in the consolidated balance sheet. Regarding the 2020 accounting statement of recognized income, the entity's annual result was presented on the *Gains from held for trading operations* line, therefore the particular P&L lines in the 'continuing operations' section of the accounting P&L don't incorporate the contribution from this entity. As opposed to this, the adjusted financial statements presented in the Stock Exchange Report incorporated the company's balance sheet and P&L contribution in the relevant respective lines, in line with the structure of the financial statements monitored by the management.
- Finance lease receivables – earlier presented within customer loans – are shown on a separate line in the accounting balance sheet from 4Q 2019. As for the adjusted balance sheet, net customer loans continue to include the stock of finance lease receivables.
- Starting from 3Q 2017, in the adjusted balance sheets presented in the analytical section of the report, the total amount of accrued interest receivables related to DPD90+ loans (until 4Q 2018) and Stage 3 loans under IFRS 9 (from 1Q 2019) were netted with the provisions created in relation to the total exposure toward those particular clients, in case of the affected Group members. Therefore, this adjustment made on the accounting balance sheet has an impact on the consolidated gross customer loans and allowances for loan losses.

ADJUSTMENTS OF CONSOLIDATED IFRS P&L LINES

in HUF million	1Q 19	2Q 19	3Q 19	4Q 19 Audited	2019 Audited	1Q 20	2Q 20	3Q 20	4Q 20 Preliminary	2020 Preliminary
Net interest income	**163,620**	**170,695**	**176,552**	**186,182**	**697,049**	**199,165**	**192,239**	**192,615**	**198,653**	**782,673**
(-) Revaluation result of FX provisions	20	6	-4	9	30	-64	29	-39	18	-57
(+) Presentation of the revaluation result of intra-group swaps on the net interest income line realized at the Romanian and Slovakian operations	-202	491	-103	-110	76	87	72	94	84	337
(-) Netting of interest revenues on DPD90+ loans with the related provision (booked on the Provision for loan losses line) at OTP Core and CKB	768	745	866	756	3,135	1,792	1,175	479	2,505	5,951
(-) Effect of acquisitions	389	208	518	467	1,583	216	-309	-492	-15	-600
(-) Initial NPV gain on the monetary policy interest rate swap (MIRS) deals	0	0	0	0	0	0	0	0	0	0
(-) Reclassification due to the introduction of IFRS16	-429	-463	-459	-301	-1,652	-418	-418	-374	-413	-1,623
(-) Netting of the interest subsidy repaid by OTP Mortgage Bank to the State by the already created other provision for that purpose (and other related items) in 3Q 2019	0	0	-1,535	0	-1,535	0	0	0	0	0
(+) Presentation of the contribution from discontinued operation on the adjusted P&L lines				10,733	10,733	2,554	2,648	2,603	951	8,755
(-) Expected one-off negative effect of the debt repayment moratorium in Hungary and Serbia									15	15
Net interest income (adj.)	**162,670**	**170,690**	**177,063**	**195,875**	**706,298**	**200,280**	**194,482**	**195,738**	**197,578**	**788,079**
Net fees and commissions	**80,593**	**88,053**	**97,717**	**107,818**	**374,180**	**95,493**	**92,028**	**99,631**	**110,484**	**397,635**
(+) Financial Transaction Tax	-16,309	-14,213	-14,718	-16,680	-61,920	-17,739	-12,100	-15,287	-16,461	-61,588
(-) Effect of acquisitions	-12	0	-26	-5	-42	-50	-34	-39	-22	-145
(+) Shifting of certain cash transfers to public benefit organisations to the Net fees and commissions line	-366	366	0	0	0	0	0	0	0	0
(-) Netting of the interest subsidy repaid by OTP Mortgage Bank to the State by the already created other provision for that purpose (and other related items) in 3Q 2019	0	0	-30	0	-30	0	0	0	0	0
(+) Presentation of the contribution from discontinued operation on the adjusted P&L lines				3,906	3,906	1,005	922	945	338	3,210
(-) Structural shift of income from currency exchange from net fees to the FX result	6,706	7,381	10,103	9,547	33,736	9,575	14,297	11,087	11,331	46,290
Net fees and commissions (adj.)	**57,223**	**66,825**	**72,953**	**85,503**	**282,504**	**69,234**	**66,586**	**74,240**	**83,052**	**293,112**
Foreign exchange result	**1,126**	**1,740**	**1,898**	**969**	**5,734**	**10,507**	**-8,359**	**6,029**	**-313**	**7,864**
(-) Revaluation result of FX positions hedging the revaluation of FX provisions	-834	-1,524	-1,671	-1,137	-5,166	10,167	-2,582	3,754	-144	11,195
(-) Presentation of the revaluation result of intra-group swaps on the net interest income line realized at the Romanian and Slovakian operations	-406	-42	-477	449	-477	-175	-1,594	576	-771	-1,964
(-) Effect of acquisitions	0	0	0	1	1	-2	1	0	0	0
(+) Presentation of the contribution from discontinued operation on the adjusted P&L lines				66	66	-47	10	17	23	3
(+) Structural shift of income from currency exchange from net fees to the FX result	6,706	7,381	10,103	9,547	33,736	9,575	14,297	11,087	11,331	46,290
Foreign exchange result (adj.)	**9,072**	**10,688**	**14,148**	**11,269**	**45,177**	**10,045**	**10,122**	**12,803**	**11,956**	**44,927**
Gain/loss on securities, net	**1,532**	**4,655**	**1,613**	**3,811**	**11,611**	**-2,797**	**8,774**	**5,465**	**4,664**	**16,106**
(-) Shifting of Non-trading securities mandatorily at fair value through profit or loss line to Net other non-interest income from 1Q 2019 until 4Q 2019	590	23	229	1,072	1,914	-	-	-	-	-
(-) Effect of acquisitions							-66	0	-32	-98
(+) Presentation of the contribution from discontinued operation on the adjusted P&L lines							358	62	-72	349
Gain/loss on securities, net (adj.) with one-offs	**942**	**4,632**	**1,384**	**2,740**	**9,697**	**-2,797**	**9,199**	**5,527**	**4,624**	**16,553**
(-) Revaluation result of the treasury share swap agreement (booked as Gain on securities, net (adj) at OTP Core)	-735	601	-2,026	-515	-2,675	360	880	318	801	2,360
Gain/loss on securities, net (adj.) without one-offs	**1,677**	**4,031**	**3,411**	**3,254**	**12,373**	**-3,157**	**8,319**	**5,209**	**3,822**	**14,193**
Result of discontinued operation and gains from disposal of subsidiaries classified as held for sale	**0**	**0**	**0**	**-4,668**	**-4,668**	**-36**	**-2,596**	**512**	**7,710**	**5,590**
(-) Effect of acquisitions				-6,037	-6,037	1	17	-2	7,480	7,496
Result of discontinued operation and gains from disposal of subsidiaries classified as held for sale (adj.)	**0**	**0**	**0**	**1,369**	**1,369**	**-37**	**-2,613**	**514**	**230**	**-1,907**

in HUF million	1Q 19	2Q 19	3Q 19	4Q 19 Audited	2019 Audited	1Q 20	2Q 20	3Q 20	4Q 20 Preliminary	2020 Preliminary
Gains and losses on real estate transactions	**1,985**	**3,647**	**1,953**	**646**	**8,231**	**557**	**607**	**1,025**	**1,442**	**3,631**
Result of discontinued operation and gains from disposal of subsidiaries classified as held for sale (adj.)	**0**	**0**	**0**	**1,369**	**1,369**	**-37**	**-2,613**	**514**	**230**	**-1,907**
(+) Other non-interest income	**15,064**	**5,131**	**49,447**	**32,372**	**102,015**	**13,648**	**3,707**	**4,674**	**7,080**	**29,109**
(+) Gains and losses on derivative instruments	**1,957**	**-675**	**-163**	**-70**	**1,048**	**3,524**	**3,318**	**202**	**4,295**	**11,339**
(+) Net insurance result	**171**	**258**	**186**	**234**	**849**	**371**	**432**	**398**	**-481**	**721**
(+) Losses on loans measured mandatorily at fair value through other comprehensive income and on securities at amortized cost	**849**	**69**	**-118**	**481**	**1,282**	**-173**	**227**	**99**	**-2,550**	**-2,396**
(-) Received cash transfers	39	248	-198	85	174	2	35	146	-117	65
(+) Other other non-interest expenses	-596	-958	-1,144	-4,081	-6,778	-3,066	-997	-1,255	-483	-5,800
(+) Change in shareholders' equity of companies consolidated with equity method, and the change in the net asset value of the private equity funds managed by PortfoLion	-454	-193	665	1,843	1,862	85	-277	713	-393	128
(-) Investment impairment in relation to the sale of Express Life Bulgaria (presented on the *Goodwill/investment impairment charges* adjustment line on consolidated level)	0	-363	0	200	-163	0	0	0	0	0
(-) Effect of acquisitions	10,429	4	45,481	23,623	79,538	7,430	-52	-3	-110	7,264
(-) Presentation of the revaluation result of intra-group swaps on the net interest income line realized at the Romanian and Slovakian operations	204	533	373	-558	553	262	1,665	-481	855	2,301
(-) One-off impact of the CHF mortgage loan conversion programme and regulatory changes related to mortgage loans in Romania	-87	-71	-98	-21	-277	-37	-15	-53	-121	-226
(-) Impact of fines imposed by the Hungarian Competition Authority	0	0	0	0	0	0	823	0	0	823
(-) 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	-92	-94	-145	-153	-483	-96	-33	-67	-20	-216
(+) Shifting of Non-trading securities mandatorily at fair value through profit or loss line to Net other non-interest income from 1Q 2019 until 4Q 2019	590	23	229	1,072	1,914	-	-	-	-	-
(+) Presentation of the contribution from discontinued operation on the adjusted P&L lines				-1,072	-1,072	124	2,710	-426	741	3,149
(-) Expected one-off negative effect of the debt repayment moratorium in Hungary and Serbia									-1,646	-1,646
Net other non-interest result (adj.) with one-offs	**9,074**	**7,044**	**5,641**	**9,617**	**31,376**	**7,472**	**4,691**	**6,405**	**11,042**	**29,610**
(-) Gain on the repurchase of own Upper and Lower Tier2 Capital (booked as Net other non-interest result (adj) at OTP Core and at the Corporate Centre)	0	0	0	0	0	0	0	0	0	0
Net other non-interest result (adj.) without one-offs	**9,074**	**7,044**	**5,641**	**9,617**	**31,376**	**7,472**	**4,691**	**6,405**	**11,042**	**29,610**
Provision for impairment on loan and placement losses	**-13,753**	**-4,866**	**-11,320**	**-19,180**	**-49,120**	**-97,568**	**-27,149**	**-4,923**	**-70,676**	**-200,315**
(+) Change in the fair value attributable to changes in the credit risk of loans mandatorily measured at fair value through profit of loss									**-3,262**	**-3,262**
(+) Loss allowance on securities at fair value through other comprehensive income and on securities at amortized cost	**179**	**-134**	**-192**	**156**	**9**	**-133**	**-1,579**	**-3,097**	**-2,500**	**-7,309**
(+) Provision for commitments and guarantees given	**-1,916**	**23**	**-1,485**	**-4,617**	**-7,995**	**-5,676**	**-4,744**	**158**	**1,600**	**-8,662**
(+) Impairment of assets subject to operating lease and of investment properties	**-51**	**-61**	**152**	**240**	**280**	**883**	**12**	**51**	**-68**	**877**
(+) Non-interest income from the release of pre-acquisition provisions	-	-	-	-	-	-	-	-	-	-
(-) Revaluation result of FX provisions	816	1,531	1,757	1,071	5,176	-9,996	2,546	-3,669	121	-10,997
(-) One-off impact of the CHF mortgage loan conversion programme and regulatory changes related to mortgage loans in Romania	-47	100	70	139	263	73	90	87	210	459
(+) Netting of interest revenues on DPD90+ loans with the related provision (booked on the Provision for loan losses line) at OTP Core and CKB	768	745	866	756	3,135	1,792	1,175	479	2,505	5,951
(-) Effect of acquisitions	-8,140	-203	-5,414	-6,112	-19,868	-1,119	-12	-977	-42	-2,149
(-) One-off impact of regulatory changes related to FX consumer contracts in Serbia		-1,926	-201	0	-2,127	0	0	0	0	0
(-) Structural correction between Provision for loan losses and Other provisions	-1,787	-172	-1,525	-4,221	-7,705	-4,926	-6,311	-2,888	-968	-15,094
(+) Presentation of the contribution from discontinued operation on the adjusted P&L lines				-46	-46	10	-2,878	-100	-55	-3,024
(-) Expected one-off negative effect of the debt repayment moratorium in Hungary and Serbia									-29,543	-29,543
Provision for impairment on loan and placement losses (adj.)	**-5,616**	**-3,624**	**-6,667**	**-13,568**	**-29,474**	**-84,724**	**-31,477**	**15**	**-42,235**	**-158,421**
Dividend income	**-311**	**5,698**	**695**	**1,873**	**7,955**	**115**	**-159**	**854**	**-284**	**527**
(+) Received cash transfers	39	248	-198	85	174	2	35	146	-117	65
(+) Paid cash transfers	-8,346	228	-221	-4,856	-13,195	-2,351	-1,119	-2,584	-6,714	-12,768
(-) Sponsorships, subsidies and cash transfers to public benefit organisations	-8,342	226	-221	-4,802	-13,139	-2,351	-1,118	-2,569	-6,470	-12,508
(-) Dividend income of swap counterparty shares kept under the treasury share swap agreement	0	5,710	0	0	5,710	0	0	0	0	0
(-) Change in shareholders' equity of companies consolidated with equity method, and the change in the net asset value of the private equity funds managed by PortfoLion	-454	-193	665	1,843	1,862	85	-277	713	-393	128
(+) Presentation of the contribution from discontinued operation on the adjusted P&L lines				3	3	1	0	7	0	8
After tax dividends and net cash transfers	**177**	**432**	**-168**	**65**	**505**	**33**	**152**	**279**	**-252**	**213**

in HUF million	1Q 19	2Q 19	3Q 19	4Q 19 Audited	2019 Audited	1Q 20	2Q 20	3Q 20	4Q 20 Preliminary	2020 Preliminary
Depreciation	**-17,566**	**-23,498**	**-20,065**	**-20,806**	**-81,935**	**-21,771**	**-22,740**	**-23,045**	**-25,206**	**-92,762**
(-) Goodwill impairment charges	0	-4,887	0	0	-4,887	0	0	0	0	0
(-) Effect of acquisitions	-2,003	-1,909	-1,798	-2,171	-7,881	-1,970	-1,919	-1,713	-1,813	-7,415
(-) Reclassification due to the introduction of IFRS16	-3,147	-3,414	-3,707	-4,013	-14,280	-4,214	-4,076	-4,030	-4,126	-16,447
(+) Presentation of the contribution from discontinued operation on the adjusted P&L lines				-1,495	-1,495	-419	-371	-419	-176	-1,385
Depreciation (adj.)	**-12,416**	**-13,289**	**-14,561**	**-16,116**	**-56,383**	**-16,005**	**-17,116**	**-17,721**	**-19,444**	**-70,286**
Personnel expenses	**-63,996**	**-67,447**	**-66,367**	**-78,945**	**-276,755**	**-77,901**	**-76,323**	**-75,234**	**-79,184**	**-308,643**
(-) Effect of acquisitions	-72	-236	-21	-3,448	-3,777	-375	-1,424	-385	-601	-2,785
(+) Presentation of the contribution from discontinued operation on the adjusted P&L lines				-7,024	-7,024	-1,788	-1,828	-1,773	-1,248	-6,638
Personnel expenses (adj.)	**-63,924**	**-67,211**	**-66,345**	**-82,522**	**-280,002**	**-79,314**	**-76,727**	**-76,622**	**-79,832**	**-312,495**
Income taxes	**-10,560**	**-8,046**	**-17,314**	**-13,982**	**-49,902**	**-1,519**	**-9,637**	**-14,618**	**-1,603**	**-27,376**
(-) Corporate tax impact of goodwill/investment impairment charges	0	859	0	-4,237	-3,378	0	886	0	0	886
(-) Corporate tax impact of the special tax on financial institutions	1,477	50	47	48	1,623	1,651	116	3	3	1,773
(+) Tax deductible transfers (offset against corporate taxes)	0	0	0	-3,802	-3,802	0	0	-2,114	-5,969	-8,083
(-) Corporate tax impact of the effect of fines imposed by the Hungarian Competition Authority	0	0	0	0	0	0	-74	0	0	-74
(-) Corporate tax impact of the effect of acquisitions	-612	4,917	-4,844	-5,173	-5,713	-1,137	124	232	1,279	497
(-) Corporate tax impact of the one-off impact of regulatory changes related to FX consumer contracts in Serbia	0	0	326	157	483	0	0	0	0	0
(-) Netting of the interest subsidy repaid by OTP Mortgage Bank to the State by the already created other provision for that purpose (and other related items) in 3Q 2019 (corporate tax impact)	0	0	146	0	146	0	0	0	0	0
(+) Presentation of the contribution from discontinued operation on the adjusted P&L lines				-56	-56	13	-134	16	25	-80
(-) Corporate tax impact of the expected one-off negative effect of the debt repayment moratorium in Hungary and Serbia						1,998	-198	-73	1,185	2,913
Corporate income tax (adj.)	**-11,426**	**-13,872**	**-12,988**	**-8,635**	**-46,921**	**-4,018**	**-10,624**	**-16,879**	**-10,013**	**-41,534**
Other operating expense	**-10,347**	**-3,732**	**-15,116**	**-15,563**	**-44,759**	**-30,844**	**-2,889**	**-7,012**	**1,297**	**-39,447**
(-) Other costs and expenses	-1,686	-1,738	-1,960	-3,788	-9,172	-1,356	-1,823	-1,757	-2,570	-7,506
(-) Other non-interest expenses	-8,942	-729	-1,364	-8,938	-19,973	-5,417	-2,116	-3,839	-7,197	-18,568
(-) Effect of acquisitions	-1,148	-726	-9,861	4,160	-7,575	89	38	0	896	1,022
(-) Revaluation result of FX provisions	-2	-13	-82	58	-40	-107	7	-47	5	-141
(-) One-off impact of the CHF mortgage loan conversion programme and regulatory changes related to mortgage loans in Romania	134	-30	28	-119	14	-36	-74	-33	-90	-233
(-) 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	92	94	145	153	483	96	33	67	20	216
(-) Netting of the interest subsidy repaid by OTP Mortgage Bank to the State by the already created other provision for that purpose (and other related items) in 3Q 2019	0	0	1,420	0	1,420	0	0	0	0	0
(+) Structural correction between *Provision for loan losses* and *Other provisions*	-1,787	-172	-1,525	-4,221	-7,705	-4,926	-6,311	-2,888	-968	-15,094
(+) Presentation of the contribution from discontinued operation on the adjusted P&L lines				-12	-12	-81	-123	-26	-13	-243
(-) Expected one-off negative effect of the debt repayment moratorium in Hungary and Serbia						-22,150	2,186	804	19,159	0
Other provisions (adj.)	**-582**	**-762**	**-4,967**	**-11,323**	**-17,633**	**-6,969**	**-7,574**	**-5,122**	**-9,908**	**-29,574**
Other administrative expenses	**-75,995**	**-66,131**	**-66,427**	**-73,975**	**-282,527**	**-89,917**	**-66,501**	**-70,212**	**-79,632**	**-306,263**
(+) Other costs and expenses	-1,686	-1,738	-1,960	-3,788	-9,172	-1,356	-1,823	-1,757	-2,570	-7,506
(+) Other non-interest expenses	-8,942	-729	-1,364	-8,938	-19,973	-5,417	-2,116	-3,839	-7,197	-18,568
(-) Paid cash transfers	-8,346	228	-221	-4,856	-13,195	-2,351	-1,119	-2,584	-6,714	-12,768
(+) Film subsidies and cash transfers to public benefit organisations	-8,342	226	-221	-4,802	-13,139	-2,351	-1,118	-2,569	-6,470	-12,508
(-) Shifting of certain cash transfers to public benefit organisations to the Net fees and commissions line	-366	366	0	0	0	0	0	0	0	0
(-) Other other non-interest expenses	-596	-958	-1,144	-4,081	-6,778	-3,066	-997	-1,255	-483	-5,800
(-) Special tax on financial institutions (recognised as other administrative expenses)	-16,706	-245	-231	-610	-17,792	-18,385	-710	-24	-19	-19,138
(-) Tax deductible transfers (offset against corporate taxes)	0	0	0	-3,802	-3,802	0	0	-2,114	-5,969	-8,083
(-) Financial Transaction Tax	-16,309	-14,213	-14,718	-16,680	-61,920	-17,739	-12,100	-15,287	-16,461	-61,588
(-) Effect of acquisitions	-1,600	-2,829	-2,634	-3,900	-10,963	-2,134	-3,096	-1,692	-3,018	-9,940
(+) Reclassification due to the introduction of IFRS16	-3,577	-3,876	-4,166	-4,313	-15,933	-4,633	-4,494	-4,404	-4,538	-18,069
(+) Presentation of the contribution from discontinued operation on the adjusted P&L lines				-5,003	-5,003	-1,372	-1,312	-906	-515	-4,105
Other non-interest expenses (adj.)	**-54,619**	**-54,600**	**-55,190**	**-66,889**	**-231,298**	**-61,371**	**-59,341**	**-60,732**	**-68,258**	**-249,702**

ADJUSTMENTS OF CONSOLIDATED IFRS BALANCE SHEET LINES

in HUF million	1Q 2019	2Q 2019	3Q 2019	4Q 2019	1Q 2020	2Q 2020	3Q 2020	4Q 2020
Cash, amounts due from Banks and balances with the National Banks	1,545,143	1,504,941	1,830,698	1,784,378	2,132,832	2,129,280	2,095,024	2,432,312
(+) Allocation of *Assets classified as held for sale* among balance sheet lines				57,586	46,879	46,131	45,640	3
Cash, amounts due from Banks and balances with the National Banks (adjusted)	1,545,143	1,504,941	1,830,698	1,841,963	2,179,710	2,175,411	2,140,664	2,432,314
Placements with other banks, net of allowance for placement losses	505,397	494,745	628,363	410,078	630,182	930,149	985,289	1,148,744
(+) Allocation of *Assets classified as held for sale* among balance sheet lines				354	510	458	700	244
Placements with other banks, net of allowance for placement losses (adjusted)	505,397	494,745	628,363	410,433	630,691	930,607	985,989	1,148,987
Financial assets at fair value through profit or loss	175,825	190,504	264,804	251,991	365,114	275,426	273,658	234,006
(+) Allocation of Assets classified as held for sale among balance sheet lines					1	832	895	1,188
Financial assets at fair value through profit or loss (adjusted)	175,825	190,504	264,804	251,991	365,114	276,258	274,553	235,194
Securities at fair value through other comprehensive income	2,111,988	2,145,586	2,416,228	2,426,779	2,349,343	1,906,501	2,132,672	2,136,709
(+) Allocation of Assets classified as held for sale among balance sheet lines				759	725	2	2	3,410
Securities at fair value through other comprehensive income (adjusted)	2,111,988	2,145,586	2,416,228	2,427,537	2,350,068	1,906,504	2,132,675	2,140,118
Gross customer loans (incl. loans at amortized cost and loans mandatorily at fair value through profit or loss) (incl. accrued interest receivables related to loans)				11,603,116	12,457,753	12,466,076	12,930,654	13,326,189
Gross finance lease receivables				982,853	1,043,160	1,044,430	1,078,543	1,075,742
Gross customer loans (incl. finance lease receivables and accrued interest receivables related to loans)	9,791,759	10,191,597	11,820,520	12,585,969	13,500,912	13,510,506	14,009,197	14,401,930
(-) Accrued interest receivables related to DPD90+ / Stage 3 loans	32,983	34,233	36,100	35,450	38,507	41,352	41,753	38,650
(+) Allocation of *Assets classified as held for sale* among balance sheet lines				391,490	413,662	409,410	427,135	0
Gross customer loans (adjusted)	9,758,776	10,157,364	11,784,419	12,942,009	13,876,067	13,878,564	14,394,579	14,363,281
Allowances for loan losses (incl. impairment of finance lease receivables)	-715,284	-717,296	-753,936	-706,907	-811,024	-847,933	-836,108	-873,344
(-) Allocated provision on accrued interest receivables related to DPD90+ / Stage 3 loans	-32,983	-34,233	-36,100	-35,450	-38,507	-41,352	-41,753	-38,650
(+) Allocation of *Assets classified as held for sale* among balance sheet lines				-23,033	-24,851	-27,118	-26,026	0
Allowances for loan losses (adjusted)	-682,301	-683,064	-717,835	-694,490	-797,367	-833,699	-820,381	-834,695
Securities at amortized costs	1,834,932	1,792,912	1,849,627	1,968,072	2,180,691	2,369,970	2,539,696	2,624,921
(+) Allocation of *Assets classified as held for sale* among balance sheet lines				27,555	29,370	29,352	30,114	1,031
Securities at amortized costs (adjusted)	1,834,932	1,792,912	1,849,627	1,995,627	2,210,061	2,399,322	2,569,810	2,625,952
Tangible and intangible assets, net	521,168	516,860	566,159	595,128	591,624	591,741	582,246	589,743
(+) Allocation of *Assets classified as held for sale* among balance sheet lines				10,545	11,048	10,685	10,615	135
Tangible and intangible assets, net (adjusted)	521,168	516,860	566,159	605,673	602,672	602,426	592,861	589,878
Other assets	318,089	321,108	329,137	785,456	897,315	897,633	895,791	588,378
(+) Allocation of *Assets classified as held for sale* among balance sheet lines				-465,255	-477,344	-469,753	-489,075	-6,010
Other assets (adjusted)	318,089	321,108	329,137	320,201	419,972	427,879	406,717	582,368
Amounts due to banks, the National Governments, deposits from the National Banks and other banks, and Financial liabilities designated at fair value through profit or loss	572,174	522,373	665,912	844,261	1,363,750	1,029,846	1,112,487	1,219,446
(+) Allocation of Liabilities directly associated with assets classified as held-for-sale among balance sheet lines				1,898	2,062	1,584	1,591	0
Amounts due to banks, the National Governments, deposits from the National Banks and other banks, and Financial liabilities designated at fair value through profit or loss (adjusted)	572,174	522,373	665,912	846,158	1,365,812	1,031,430	1,114,078	1,219,446
Deposits from customers	12,402,053	12,699,825	14,653,646	15,171,308	15,995,969	16,231,927	16,951,337	17,890,863
(+) Allocation of *Liabilities directly associated with assets classified as held-for-sale* among balance sheet lines				351,346	359,493	356,235	372,967	0
Deposits from customers (adjusted)	12,402,053	12,699,825	14,653,646	15,522,654	16,355,462	16,588,162	17,324,304	17,890,863
Other liabilities	800,060	776,407	797,338	1,171,805	1,511,121	1,474,811	1,454,404	949,502
(+) Allocation of *Liabilities directly associated with assets classified as held-for-sale* among balance sheet lines				-353,244	-361,555	-357,819	-374,558	0
Other liabilities (adjusted)	800,060	776,407	797,338	818,561	1,149,566	1,116,992	1,079,846	949,502
Subordinated bonds and loans	81,201	81,532	252,141	249,937	272,320	271,478	273,542	274,704
(+) Allocation of Liabilities directly associated with assets classified as held-for-sale among balance sheet lines					0	0	0	0
Subordinated bonds and loans (adjusted)	81,201	81,532	252,141	249,937	272,320	271,478	273,542	274,704

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