OTP Bank Plc.

Summary of the first nine months 2017 results

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

Budapest, 10 November 2017

CONSOLIDATED FINANCIAL HIGHLIGHTS[1] AND SHARE DATA

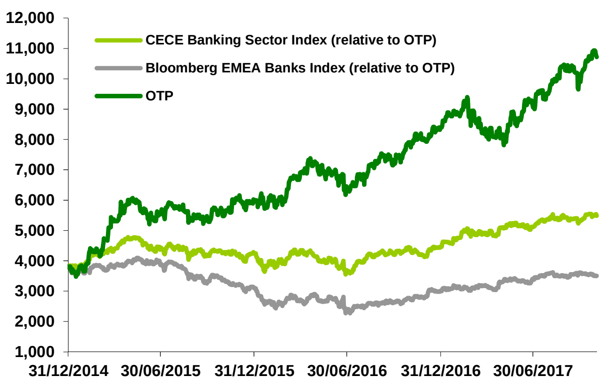
Main components of the Statement of recognised income in HUF million	9M 2016	9M 2017	Y-o-Y	3Q 2016	2Q 2017	3Q 2017	Q-o-Q	Y-o-Y
Consolidated after tax profit	**175,978**	**212,885**	**21%**	**69,790**	**80,697**	**79,329**	**-2%**	**14%**
Adjustments (total)	**3,085**	**-11,667**	**-478%**	**1,038**	**2,440**	**-205**	**-108%**	**-120%**
Consolidated adjusted after tax profit without the effect of adjustments	**172,893**	**224,552**	**30%**	**68,752**	**78,257**	**79,534**	**2%**	**16%**
Pre-tax profit	207,256	255,358	23%	72,911	90,317	88,837	-2%	22%
Operating profit	250,889	278,082	11%	86,608	97,265	92,096	-5%	6%
Total income	542,694	596,095	10%	184,853	204,521	202,818	-1%	10%
Net interest income	388,765	406,131	4%	130,657	136,925	137,026	0%	5%
Net fees and commissions	127,750	151,355	18%	45,411	53,757	53,049	-1%	17%
Other net non-interest income	26,179	38,608	47%	8,786	13,839	12,743	-8%	45%
Operating expenses	-291,806	-318,012	9%	-98,245	-107,256	-110,721	3%	13%
Total risk costs	-45,643	-26,563	-42%	-12,780	-9,833	-4,255	-57%	-67%
One off items	2,010	3,839	91%	-917	2,885	996	-65%	-209%
Corporate taxes	-34,363	-30,806	-10%	-4,159	-12,060	-9,304	-23%	124%

Main components of balance sheet closing balances in HUF million	2016 (Restated[2])	9M 2017	YTD	3Q 2016 (Restated)	2Q 2017	3Q 2017	Q-o-Q	Y-o-Y
Total assets	11,209,041	12,641,691	13%	10,872,335	12,145,924	12,641,691	4%	16%
Total customer loans (net, FX adjusted)	**5,693,537**	**6,694,349**	**18%**	**5,489,530**	**6,538,224**	**6,694,349**	**2%**	**22%**
Total customer loans and advances (gross)	**6,680,504**	**7,498,123**	**12%**	**6,443,327**	**7,410,711**	**7,498,123**	**1%**	**16%**
Total customer loans (gross, FX adjusted)	**6,610,618**	**7,498,123**	**13%**	**6,446,018**	**7,412,406**	**7,498,123**	**1%**	**16%**
Allowances for possible loan losses	-944,273	-803,774	-15%	-962,719	-880,359	-803,774	-9%	-17%
Allowances for possible loan losses (FX adjusted)	-917,081	-803,774	-12%	-956,488	-874,182	-803,774	-8%	-16%
Total customer deposits (FX adjusted)	**8,465,516**	**9,671,295**	**14%**	**8,008,180**	**9,217,685**	**9,671,295**	**5%**	**21%**
Issued securities	146,900	251,527	71%	212,918	258,139	251,527	-3%	18%
Subordinated loans	77,458	76,903	-1%	82,809	76,464	76,903	1%	-7%
Total shareholders' equity	1,420,650	1,575,440	11%	1,372,086	1,496,262	1,575,440	5%	15%

Indicators based on adjusted earnings %	9M 2016 (Restated)	9M 2017	Y-o-Y	3Q 2016 (Restated)	2Q 2017 (Restated)	3Q 2017	Q-o-Q	Y-o-Y
ROE (from accounting net earnings)	18.4%	19.1%	0.8%p	20.8%	22.0%	20.3%	-1.7%p	-0.5%p
ROE (from accounting net earnings, on 12.5% CET1 ratio)	20.3%	23.1%	2.8%p	24.2%	26.1%	24.6%	-1.5%p	0.4%p
ROE (from adjusted net earnings)	18.0%	20.2%	2.1%p	20.5%	21.3%	20.3%	-0.9%p	-0.1%p
ROA (from adjusted net earnings)	2.1%	2.6%	0.4%p	2.5%	2.7%	2.6%	-0.1%p	0.0%p
Operating profit margin	3.11%	3.17%	0.05%p	3.19%	3.31%	2.97%	-0.34%p	-0.22%p
Total income margin	6.74%	6.78%	0.05%p	6.81%	6.97%	6.55%	-0.42%p	-0.27%p
Net interest margin	4.83%	4.62%	-0.20%p	4.82%	4.66%	4.42%	-0.24%p	-0.40%p
Cost-to-asset ratio	3.62%	3.62%	0.00%p	3.62%	3.65%	3.57%	-0.08%p	-0.05%p
Cost/income ratio	53.8%	53.3%	-0.4%p	53.2%	52.4%	54.6%	2.2%p	1.4%p
Risk cost to average gross loans	0.92%	0.34%	-0.58%p	0.56%	0.35%	0.05%	-0.30%p	-0.51%p
Total risk cost-to-asset ratio	0.57%	0.30%	-0.26%p	0.47%	0.33%	0.14%	-0.20%p	-0.33%p
Effective tax rate	16.6%	12.1%	-4.5%p	5.7%	13.4%	10.5%	-2.9%p	4.8%p
Net loan/(deposit+retail bond) ratio (FX adjusted)	68%	69%	2%p	68%	71%	69%	-1%p	2%p
Capital adequacy ratio (consolidated, IFRS) - Basel3	15.7%	15.8%	0.1%p	15.7%	16.3%	15.8%	-0.4%p	0.1%p
Tier1 ratio - Basel3	13.2%	13.7%	0.5%p	13.2%	14.1%	13.7%	-0.4%p	0.5%p
Common Equity Tier 1 ('CET1') ratio - Basel3	13.2%	13.7%	0.5%p	13.2%	14.1%	13.7%	-0.4%p	0.5%p

Share Data	9M 2016	9M 2017	Y-o-Y	3Q 2016	2Q 2017	3Q 2017	Q-o-Q	Y-o-Y
EPS base (HUF) (from unadjusted net earnings)	665	813	22.3%	266	308	303	-2%	14%
EPS diluted (HUF) (from unadjusted net earnings)	664	812	22%	266	308	303	-2%	14%
EPS diluted (HUF) (from adjusted net earnings)	654	858	31%	262	299	304	2%	16%
Closing price (HUF)	7,200	9,895	37%	7,200	9,050	9,895	9%	37%
Highest closing price (HUF)	7,530	10,465	39%	7,530	9,340	10,465	12%	39%
Lowest closing price (HUF)	5,714	7,815	37%	6,280	7,815	9,000	15%	43%
Market Capitalization (EUR billion)	6.5	8.9	37%	6.5	8.2	8.9	9%	37%
Book Value Per Share (HUF)	4,900	5,627	15%	4,900	5,344	5,627	5%	15%
Tangible Book Value Per Share (HUF)	4,339	5,023	16%	4,339	4,730	5,023	6%	16%
Price/Book Value	1.5	1.8	20%	1.5	1.7	1.8	4%	20%
Price/Tangible Book Value	1.7	2.0	19%	1.7	1.9	2.0	3%	19%
P/E (trailing, from accounting net earnings)	9.9	11.6	16%	9.9	11.0	11.6	5%	16%
P/E (trailing, from adjusted net earnings)	10.6	11.0	3%	10.6	10.5	11.0	5%	3%
Average daily turnover (EUR million)	16	15	-7%	13	16	13	-18%	1%
Average daily turnover (million share)	0.8	0.5	-33%	0.6	0.6	0.4	-30%	-30%

SHARE PRICE PERFORMANCE



MOODY'S RATINGS

OTP Bank

Foreign currency long term deposits	Baa3

OTP Mortgage Bank

Covered mortgage bond	Baa1

S&P GLOBAL RATING

OTP Bank and OTP Mortgage Bank

Long term credit rating	BBB-

FITCH'S RATING

OTP Bank Russia

Long term credit rating	BB

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

[2] Due to a change in the accounting policy the balance sheets for certain base periods have been restated. For details see the Supplementary data section of this Report.

SUMMARY – OTP BANK'S RESULTS FOR FIRST NINE MONTHS 2017

Summary of the first nine months 2017 results of OTP Bank Plc. has been prepared on the basis of its unaudited separate and consolidated condensed IFRS financial statements for 30 September 2017 or derived from that. At presentation of first nine months 2017 report of OTP Bank we applied International Financial Reporting Standards adopted by the European Union.

SUMMARY OF THE FIRST NINE MONTHS OF 2017

The Hungarian economy remained on a dynamic growth path, for 2017 as a whole our GDP growth expectation is around 4%. Recently several local and foreign analysts, as well as rating agencies revised upward their growth expectations.

On 25 August S&P Global improved the outlook of the sovereign rating (BBB-) from stable to positive. Apart from the favourable macroeconomic indicators they also emphasized the improving performance of the Hungarian banking sector (declining NPL stock, stronger lending activity) similar to Moody's which published its banking sector review on 28 September.

Interim statistics reflect a robust, wide-based economic growth underpinned by strong fixed investment activity, increase in employment figures and massive real wage growth. Household consumption has been gradually expanding, retail and manager confidence indicators improved steadily.

Those favourable trends manifested through a steady appreciation of HUF during the summer period. By the second half of August the EUR/HUF exchange rate level slipped even below 303, but due several verbal interventions from the central bank the HUF started weakening.

The Monetary Council of NBH left the base rate unchanged on 19 September, but lowered the overnight deposit rate by 10 bps to -15 bps; simultaneously the maximum amount of 3M deposits were limited at HUF 75 billion effective from the end of 2017. According to the Monetary Council the achievement of the inflation target requires loose monetary conditions and unchanged base rate. No policy rate hike is expected by OTP Bank earlier than 1H 2019. Following the decision and as a result of the NBH communication the whole yield curve shifted lower, the 3M BUBOR being stable through 2Q at around 15 bps dropped to 4 bps by the end of September.

Positive trends witnessed since 2016 in the Hungarian banking sector continued and even strengthened during the first 9 months of 2017: corporate loan flows increased by 8.7% y-o-y, whereas new mortgage origination advanced by 31% and cash loans by 41% respectively. As for the last two categories the average APRs shrank to 4.69% and 14.85% underpinning a y-o-y drop of 88 and 138 bps respectively.

The CEE region enjoys fairly similar trends to what have manifested in Hungary: growth dynamics are exceeding the EU average, the key driver being the reviving household consumption as well as the increasing utilization of EU funds.

In Russia the consolidation of the economy continued: economic growth for the whole year can be close to 2% due to stronger household consumption. Simultaneously, CBR eased monetary conditions: in September it cut the base rate from 9.00% to 8.50% and in October to 8.25% suggesting that there was still room for further monetary easing. Such steps were made possible by the continuing disinflation and the strengthening rouble. The stable and even increasing oil price (above 50 USD/barrel) and the high real rate kept the USD/RUB rate at around 58.

In 3Q the Ukrainian hryvna remained fairly stable against the USD and even strengthened modestly (3Q average was 25.9), despite all the structural reforms required by the international financial organizations have been going at a crawl. On 18 September Ukraine successfully issued an USD 3 billion bond with 15 years maturity. The transaction generated decent interest demonstrating a trust of investor community towards the country.

Consolidated adjusted profit after tax: HUF 224.6 billion for 9M o/w HUF 79.5 billion in 3Q; lower quarterly NIM (4.42%), moderate risk cost rate (0.05%), favourable business volume trends

OTP Group has started to follow a dynamic growth trajectory. During the last twelve months the performing loan portfolio advanced by 10% organically, whereas the two already completed and two announced acquisitions boost the portfolio by an additional 25%.

According to the management's opinion, the operating environment is going to remain supportive for the continuation of a dynamic growth strategy. Thus, beyond the capital required for organic growth the management intends to allocate significant part of the generated excess capital for further value-creating acquisitions. Subject to the planned and executed acquisitions, the organic growth, as well as the Company's profitability, the management will also seek to increase the annual dividend amount.

Alongside with those targets, maintaining a strong capital position remains an important goal, both in relative and absolute terms. Therefore the intended level of CET1 ratio increases to 15%; however it is going to move within the range of 12%-18%, depending on the timing of acquisitions and the incorporation of the annual retained earnings.

The consolidated accounting profit[3] was HUF 79.3 billion in 3Q 2017 (-2% q-o-q). During the last three months the following adjustment items appeared:

- HUF 189 million negative tax effect related to the reversal of impairment charges booked in relation to OTP Mortgage Bank;
- -HUF 155 million (after tax) in relation to the Splitska banka transaction on the Effect of acquisitions line;
- the quarterly Slovakian banking tax (-HUF 162 million after tax);
- HUF 302 million dividends and net cash transfers (after tax).

As a result, the total amount of adjustment items within 3Q 2017 accounting profit represented -HUF 0.2 billion (after tax).

In 9M the consolidated accounting profit reached HUF 212.9 billion (+21% y-o-y) and the cumulative amount of adjustments comprised -HUF 11.7 billion (after tax).

The 3Q accounting ROE was 20.3%, while the 9M ROE was 19.1% (+0.8 pp y-o-y).

In 3Q 2017 OTP Group posted HUF 79.5 billion adjusted after-tax profit (+2% q-o-q), as a result the 9M profit grew to HUF 224.6 billion (+30% y-o-y).

The y-o-y profit dynamics for 9M were shaped mainly by the improving operating profit (+11%) as well as the sharp drop in risk costs (-42%). Also, apart from those two positive elements, the 9M profit was supported by the lower Hungarian corporate tax rate (it was cut from 19% to 9% effective from 1 January 2017). As a result, the consolidated effective tax rate in 9M 2017 moderated to 12.1%, versus 16.6% in the base period.

It was positive that the consolidated total income (adjusted for one-off revenue items[4]) advanced by 10% y-o-y, and even without the positive impact of the Splitska consolidation the increase was 6%. Within core banking revenues the net interest income improved by 4% y-o-y, whereas the net fee and commission income surged by 18%. The 9M net interest margin stood at 4.62%, thus compared to the average NIM for 2016 (4.82%) the erosion was 19 bps of which around 7 bps can be attributed to the dilution effect of Splitska banka. I.e. without Splitska banka the NIM erosion in 9M 2017 would be 12 bps compared to the full-year 2016 NIM.

Operating expenses for the first nine months surged by 9% y-o-y, whereas without Splitska banka the “crude” increase was 5.4% and only 3.8% on an FX-adjusted base. Higher expenses were induced typically by increasing personnel expenses fuelled by wage inflation and also by marketing and advisory costs explained partly by the need of stronger business activity.

The 3Q adjusted profit was shaped mainly by risk costs moderating by 57% q-o-q and by 5% lower operating profit. The one-off revenue items were also lower q-o-q.

The 3Q profit before tax grew by 22% y-o-y (-2% q-o-q) and reached HUF 88.8 billion.

The quarterly total income (without one-offs) declined only marginally q-o-q. Within that the net interest income remained practically flat amid continuing q-o-q NIM erosion. The 3Q NII was shaped by the q-o-q 10% weakening of RUB. Also, this quarter already incorporates a 3 months contribution from Splitska banka versus the two months NII contribution in the previous quarter. The 3Q NIM (4.42%) declined by 24 bps q-o-q.

The 3Q NIM contraction of 24 bps was mainly shaped by two major factors: firstly, the consolidation of Splitska banka explained 14 bps out of the quarterly NIM decline, i.e. hadn’t we had the consolidation of Splitska banka in 2Q, the quarterly NIM erosion would have been 10 bps in 3Q. (The q-o-q NIM contraction stemming from the consolidation of Splitska banka was mainly due to technical reasons: in 2Q the NIM was upward distorted as the whole May NII of Splitska was consolidated, whereas for calculating the NIM the denominator contained only the total assets from end of May.) Furthermore, the weaker rouble also

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[3] Notes:
1. In July and August 2017 OTP Bank announced a Romanian and a Serbian acquisition; none of them has been consolidated in 3Q, since the financial closure hasn’t happened yet.
2. Due to a change in the Company’s accounting policy, balance sheets have been restated in the Summary for the relevant base periods. For further details see: *Supplementary data* section.
The consolidated balance sheet and the balance sheet of OTP Bank and OTP Core were affected by the change; however, the change was neutral on the shareholders’ equity and the statement of recognised income. Consequently, in this Summary also performance indicators with total assets in their denominators changed retroactively for the following periods: 9M 2016, 3Q 2016, 2Q 2017.
3. In 3Q 2017 the way of presentation of accrued interest receivables related to loans has been unified at certain Group members. In essence, the accrued interest receivables have been included in the gross customer loans line in the balance sheet of these Group members.
Furthermore, in the adjusted balance sheets presented in the analysing section of this Summary the total amount of accrued interest receivables related to DPD90+ loans were netted with the provisions created in relation to the total exposure toward those particular clients, in case of the affected Group members. For further details see: *Supplementary data* section of the Summary.

[4] One-off revenue items represented HUF 3.8 billion for 9M 2017 mainly due to the dividend realized on the treasury swap agreement in 2Q.

had a negative impact on margins inducing around 10 bps q-o-q erosion. Furthermore, the stand-alone NIM changes at each Group members and the composition effects did neutralize each other.

At the same time it was positive that the q-o-q margin erosion in case of OTP Core and DSK Bank remained within a relatively tight range for the last two quarters (OTP Core 1Q 2017: -18 bps, 2Q: -5 bps, 3Q: -13 bps; DSK Bank 1Q: -47 bps, 2Q: -1 bp, 3Q: -5 bps).

3Q net fee and commission income showed a marginal q/q decline partly due to a base effect in 2Q at OTP Core and also to the weaker RUB on one hand, as well as the higher contribution from Splistska banka.

Other net non-interest income q-o-q somewhat fell short of the 2Q figure.

The operating expenses grew by 3% q-o-q. The increase was driven on the one hand by higher costs at Splitska banka (3 months costs versus 2 months in 2Q) and OTP Core (partly due to one-offs), whereas the weaker RUB somewhat mitigated those effects.

The favourable trends already manifested in case of performing loan volumes continued: the DPD0-90 portfolio grew by HUF 168 billion, or +3% q-o-q (+23% y-o-y, FX-adjusted). Adjusted for the AXA and Splitska deals the annual increase would demonstrate a 10% organic growth.

In 3Q all major segments within the FX-adjusted performing loan portfolio increased: the retail book grew by 2% q-o-q (within that the mortgages by 1% and consumer loans by 4%), while the corporate exposures advanced by 3%.

Out of individual performances OTP Core excelled itself with a y-o-y performing volume increase of 18% (including AXA; without AXA the increase would have been +12% y-o-y), and of course the Croatian operation supported by Splitksa (+156%, without it +7%). It was also encouraging that both the Russian and the Ukrainian operations managed to boost their performing book organically (+19% and +15% y-o-y, respectively).

The FX-adjusted deposit book grew by 5% q-o-q. Out of the major Group members the Russian, Bulgarian, Croatian operations, as well as OTP Core enjoyed a decent inflow (+11, 6-6 and 5%, respectively). As a result the consolidated net loan-to-(deposit+retail bonds) ratio decreased by 1 pp q-o-q and reached 69%.

The volume of issued securities moderated by 3% q-o-q, but the y-o-y increase was 18%. The outstanding volume of subordinated bonds reflects only the impact of cross currency moves; no issuance or buyback happened during 3Q. Within issued securities there was a change in composition y-o-y: the Hungarian retail bonds practically disappeared, but in 1Q 2017 OTP Mortgage Bank issued HUF 192 billion covered bonds induced partly by regulatory requirements.

The consolidated volume of securities represented HUF 3,473 billion by end of September 2017 (+HUF 161 billion q-o-q), 93% of that exposure was government papers.

At the end of 3Q 2017 the Group' liquidity position was comfortably stable: liquidity reserves comprised EUR 7.9 billion equivalent. The q-o-q HUF 0.7 billion increase was related to the liquidity generation by the business lines across the Group.

As for the credit quality trends, the development of DPD90+ volumes gives a comprehensive picture: DPD90+ volumes (adjusted for FX and the effect of sales and write-offs) grew by HUF 18 billion in 3Q, against almost HUF 17 billion in 2Q (without the one-off technical effect of Splitska consolidation). The biggest inflow was registered in Croatia (HUF 13.7 billion), where the volume increase was related mainly to several corporate exposures falling into default. In Russia the DPD90+ volumes grew by HUF 8.7 billion, but even this amount fell short of the preceding quarters' average. Similar to 1Q DPD90+ volumes declined again in Hungary and Ukraine, whereas in Bulgaria the increase was marginal.

The 3Q consolidated DPD90+ ratio declined to 11.2% (-1.0 pp q-o-q). In 3Q non-performing loans were sold or written -off in the amount of altogether HUF 41.7 billion (FX-adjusted). The ratio of total provisions to DPD90+ volumes stood at 96.2% (-1.5 pps q-o-q).

Total risk cost dropped to HUF 4.3 billion in 3Q 2017 - a record low level for years -, within that provisions for loan losses dropped to one-seventh q-o-q, while other provisions remained almost flat. In 3Q the consolidated risk cost rate melted down to 5 bps (-30 bps q-o-q); 9M risk cost rate was 0.34%.

OTP Core: in 3Q HUF 46.7 billion adjusted net earnings as a result of declining operating profit and higher provision releases; continuing NIM erosion, further improving DPD90+ ratio, stable credit quality

The adjusted after tax profit of **OTP Core** (basic activity in Hungary) reached HUF 46.7 billion in 3Q 2017, underpinning a 5% q-o-q decrease. The quarterly operating profit (without one-offs) dropped by 16% q-o-q: the lower total income and higher operating expenses were only partly offset by the q-o-q growing amount of provision releases. 9M profit of HUF 136.9 billion exceeded the base period by 39%. The after tax profit was positively affected by the decrease of the effective Hungarian corporate tax burden: the 9M profit before tax improved by 25% y-o-y.

9M net earnings were supported by total income growing by 3% y-o-y. Despite the 9M NIM (3.24%) eroded 24 bps y-o-y – while the 9M average 3M

BUBOR rate melted down by 93 bps y-o-y – the NII remained stable, supported by the increase of the performing loan volumes.Net fee and commission income advanced by 11% y-o-y on the back higher business activity. At the same time, operating expenses in the first nine months grew only moderately (+1% y-o-y).

Positive credit quality trends continued: the DPD90+ volumes declined. This effect, coupled with the overall loan portfolio increase, resulted in lower DPD90+ ratio (7.5%, -2.9 pps y-o-y and -0.8 pp q-o-q). As a result of the improving portfolio quality for the first nine months HUF 30.6 billion provisions were released.

Due to strengthening business activity in 3Q all product categories posted increase within total performing loan volumes (+3% q-o-q); the steady deposit increase continued, too (+5% q-o-q).

OTP Fund Management posted improving 3Q and 9M profits as a result of higher fee income and effective cost control. The volume of total assets under management increased by 3% y-o-y and the company's market position improved.

Merkantil Bank and Car tripled its 9M net earnings mainly as a result of provision releases; the 3Q profit was shaped by operating profit surging by 89% q-o-q (supported by a one-off item, too). The FX-adjusted performing loan book grew by 7% y-o-y.

Foreign subsidiaries: in 3Q q-o-q improving performance in Ukraine, Romania, Montenegro and Serbia; declining quarterly profits at the Bulgarian, Croatian and Russian subsidiaries; Slovakia and Touch bank remained in red

The profit contribution of foreign subsidiaries remained practically flat q-o-q and represented 35%. Their performance was shaped on one hand by the declining interest rate environment, improving risk profile and also by the reviving business activity and increasing performing loan volumes on the other.

Apart from the marginal NIM increase in Slovakia and Serbia and a substantial improvement in Ukraine, for the rest of the Group the net interest margin erosion continued. Simultaneously, the overall credit quality showed favourable trends manifested through lower risk costs.

The FX-adjusted performing loan book advanced at all foreign subsidiaries with Russia and Ukraine posting outstanding results.

Due to the strong quarterly profit (HUF 11.3 billion) the ***Bulgarian subsidiary*** posted around HUF 37 billion bottom-line results in 9M 2017. The y-o-y 17% drop was due lower operating profit and higher overall risk costs. It was positive that similar to the previous quarter the net interest margin erosion remained subdued (-5 bps q-o-q). Since the Bank successfully increased the sales activity, higher performing volumes (+3% q-o-q) substantially muted the NII decline and higher loan disbursements generated increasing fee and commission income. The portfolio quality kept further improving and the DPD90+ ratio y-o-y dropped by more than 4 pps. The 9M ROE stood at 21.1%.

The ***Russian subsidiary*** improved its 9M net results by 34% y-o-y. 3Q profit (HUF 6.4 billion) was influenced by the q-o-q 10% weaker average RUB rate against HUF. Given the continuing disinflation environment, CBR kept easing the monetary conditions and the interest environment decreased, as a result the Russian market witnessed overall lending APR erosion. In 3Q the NIM dropped by 117 bps q-o-q (-109 bps in RUB terms). Performing volumes however showed a decent performance and surged by 19% y-o-y and by 9% q-o-q, FX-adjusted. The credit quality kept improving, the DPD90+ ratio dropped by 6.2 pps y-o-y, whereas its coverage leaped to all-time high level (130%). Risk cost rate in 3Q declined close to 7%. The bank achieved a 9M ROE of 21.8%. While the Russian banking sector had a few bank defaults, it had no negative impact at all on OTP Bank Russia's liability management; FX-adjusted deposit volumes kept increasing both y-o-y and q-o-q.

Touch Bank's operation in 3Q is the best characterized by moderating losses, lower operating expenses and risk costs, and by increasing business volumes (+20% q-o-q performing loan growth). 9M losses, however, grew by 31% y-o-y despite q-o-q lower negative results. The bank's performance fell short of the management's expectations, the main reason being the limited success in reaching out the targeted affluent clients with our value propositions.

The ***Ukrainian subsidiary*** improved its profit in 3Q q-o-q; as a result its 9M bottom-line net profit was close to HUF 9 billion.

The 9M performance was mainly shaped by the sharp decrease in risk costs, however in 3Q operating profit also improved in a meaningful way q-o-q. Performing loan volumes grew by 15% y-o-y with the corporate segment remaining the engine of growth. The DPD90+ ratio dropped by more than 11 pps y-o-y, the coverage of DPD90+ loans with total provisions is consistently high. The Bank's 9M ROE was 41.1%, the highest amongst subsidiary banks. The outstanding intragroup exposure towards the whole Ukrainian operation dropped by around HUF 18 billion equivalent y-o-y.

The **total Croatian operation** posted above HUF 11 billion net profit in 9M, of which the contribution of Splitska banka (for 5 months) represented HUF 7.6 billion. The group posted HUF 6 billion profit after tax in 3Q and its 3Q ROE was 10.4%. The q-o-q drop in 3Q NIM was mainly due to a technical effect. The performing loan portfolio eroded by 2% q-o-q. The DPD90+ ratio increased to 7.7% (still the second lowest in the

Group after OTP Core), deterioration was witnessed in the corporate segment.

The ***Romanian subsidiary*** improved substantially its quarterly results q-o-q, the ROE pierced again 10% (3Q: 11.1%) and the 9M results were close to the base period. The bank's performance for the first nine months was shaped by improving operating profit and higher risk costs. The 9M net interest margin grew by 25 bps y-o-y. The performing loan volume growth was dynamic with the consumer portfolio expansion taking the lead (+24% y-o-y). The credit quality of the loan book improved substantially and the DPD90+ ratio declined to 15.5%.

The **Slovakian subsidiary** remained in red in 3Q, as a result 9M cumulative losses were around HUF 0.6 billion. The negative result was driven mainly by higher risk costs. Performing volumes grew moderately both q-o-q and y-o-y, but it was not enough to offset the NIM erosion, thus 9M net interest income suffered a y-o-y 7% setback.

The ***Serbian subsidiary*** demonstrated an improving performance and following two loss-making quarters it turned into profit in 3Q and made HUF 0.2 billion. Still, 9M earnings remained negative. Positive credit quality trends continued and the DPD90+ ratio dropped by 8.8 pps y-o-y to 25.6%. The performing book advanced by 14% y-o-y (FX-adjusted).

The **Montenegrin subsidiary** posted another profitable quarter in 3Q, as a result the profit after tax for 9M reached almost HUF 0.7 billion. Operating profit suffered setback both q-o-q and y-o-y. Moderate increase in performing volumes was mainly driven by the retail segment. The DPD90+ ratio dropped by 6 pps y-o-y.

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

By the end of September 2017 the consolidated Common Equity Tier1 ratio under IFRS was 13.7% (-0.4 pp q-o-q) The lower ratio is reasoned by the q-o-q higher capital requirement induced by higher RWAs. Neither the interim net result was included, nor the accrued dividend amount was deducted from the regulatory capital when calculating the IFRS consolidated capital adequacy ratios. Including those items the CET1 ratio would be 15.8% (+0.4 pp q-o-q).

OTP Bank's standalone Common Equity Tier1 ratio stood at 28.1% in September 2017 (practically flat q-o-q) which includes the retained earnings for the period, as well as the total amount of dividend accrued for 2017.

Since OTP Bank switched from Hungarian Accounting Standards into IFRS from January 2017 the capital adequacy ratios can't be compared to those in previous periods.

Credit rating, shareholder structure

On 24 July 2017 S&P Global improved OTP Bank and OTP Mortgage Bank long term FX and local currency rating into investment grade. Furthermore, on 19 October 2017, Moody's Investors Service upgraded OTP Bank Plc.'s long and short-term local-currency deposit ratings to 'Baa2/Prime-2' from 'Baa3/Prime-3'. At the same time the junior subordinated rating of the bank was raised by one notch to 'Ba3 (hyb)' from 'B1 (hyb)'.

Also, the rating agency upgraded the backed long-term local-currency issuer rating of OTP Mortgage Bank Ltd. to 'Baa3' from 'Ba1', with stable outlook. The bank's foreign-currency denominated mortgage bond rating was 'Baa1'.

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

Regarding the ownership structure of the Bank, on 30 September 2017 the following investors had more than 5% influence (voting rights) in the Company: the Rahimkulov family (8.73%), MOL (the Hungarian Oil and Gas Company, 8.67%), OPUS Securities SA (5.24%) and Groupama Group (5.19%).

POST BALANCE SHEET EVENTS

Hungary

- On 19 October 2017 Moody's published its baseline credit assessment on OTP Bank; accordingly it upgraded OTP Bank's Long Term HUF deposit rating from 'Baa3' to 'Baa2', as well as its junior subordinated debt from 'B1' to 'Ba3'. Furthermore, it also upgraded OTP Mortgage Bank's backed Long Term Issuer rating from 'Ba1' to 'Baa3'.
- On 24 October 2017 the Monetary Council of NBH left the base rate unchanged with further loosening the monetary conditions.
- On 24 October 2017 the Hungarian Parliament extended the eviction moratorium, accordingly it will be valid for the 15 November – 30 April period versus the previous period of between 1 December – 1 March.
- Based on the proposal of the minister for National Economy the social contribution tax rate will be reduced from 22% effective in 2017 to 19.5% starting from 2 January 2018. Under the previous wage agreement related parties agreed only on a 2 pps y-o-y cut.

Russia

- In line with market expectations the Russian central bank cut its key rate to 8.25% from 8.5% on 27 October and said further cuts were likely in coming months. The next CBR meeting deciding on policy rate is on 15 December.

Romania

- According to the revised 2Q data published by the Romanian Statistical Office on 10 October 2017 the GDP expanded by 6.1% versus the earlier estimation of 5.9%. The engine of the growth was the accelerating consumption.

Croatia

- On 26 October 2017 the Croatian Supreme Court repealed the earlier judgement of the local commercial court about the lawful status of FX loans being non-disputable.

Montenegro

- On 6 October 2017 Standard & Poor's uplifted the outlook on the sovereign rating from negative to stable leaving the rating itself unchanged (B+). S&P Global reasoned its decision by measures taken by the Government to properly manage public finances and curb the budget deficit.

CONSOLIDATED AFTER TAX PROFIT BREAKDOWN BY SUBSIDIARIES (IFRS)[5]

in HUF million	9M 2016	9M 2017	Y-o-Y	3Q 2016	2Q 2017	3Q 2017	Q-o-Q	Y-o-Y
Consolidated after tax profit	**175,978**	**212,885**	**21%**	**69,790**	**80,697**	**79,329**	**-2%**	**14%**
Adjustments (total)	**3,085**	**-11,667**	**-478%**	**1,037**	**2,440**	**-205**	**-108%**	**-120%**
Consolidated adjusted after tax profit without the effect of adjustments	**172,893**	**224,552**	**30%**	**68,752**	**78,257**	**79,534**	**2%**	**16%**
Banks total without one-off items[1]	165,058	212,651	29%	65,001	74,553	74,490	0%	15%
OTP CORE (Hungary)[2]	98,376	136,891	39%	38,761	49,351	46,693	-5%	20%
Corporate Centre (after tax)[3]	-4,262	1,949	-146%	-1,336	254	558	119%	-142%
OTP Bank Russia[4]	15,969	21,443	34%	6,842	7,497	6,393	-15%	-7%
Touch Bank (Russia)[5]	-3,930	-5,155	31%	-1,419	-1,561	-1,335	-14%	-6%
OTP Bank Ukraine[6]	8,137	8,878	9%	3,840	2,506	3,062	22%	-20%
DSK Bank (Bulgaria)[7]	42,706	36,677	-14%	14,699	11,982	11,305	-6%	-23%
OBR (Romania)[8]	2,205	2,084	-5%	599	-447	1,223	-373%	104%
OTP banka Srbija (Serbia)[9]	194	-1,270	-753%	76	-1,476	213	-114%	180%
OBH (Croatia)[10]	3,581	11,071	209%	1,409	6,941	5,977	-14%	324%
OBS (Slovakia)[11]	421	-582	-238%	124	-398	-274	-31%	-320%
CKB (Montenegro)[12]	1,661	664	-60%	1,406	-94	676	-817%	-52%
Leasing	3,180	7,073	122%	1,848	2,150	2,870	34%	55%
Merkantil Bank + Car, adj. (Hungary)[13]	1,965	5,943	202%	954	1,483	2,518	70%	164%
Foreign leasing companies (Croatia, Bulgaria, Romania)[14]	1,215	1,130	-7%	894	667	352	-47%	-61%
Asset Management	2,827	3,483	23%	912	1,121	1,275	14%	40%
OTP Asset Management (Hungary)	2,762	3,188	15%	888	986	1,156	17%	30%
Foreign Asset Management Companies (Ukraine, Romania, Bulgaria)[15]	65	295	355%	24	135	119	-12%	397%
Other Hungarian Subsidiaries	2,607	492	-81%	958	127	360	184%	-62%
Other Foreign Subsidiaries (Slovakia, United Kingdom, Montenegro, Romania, Serbia, Croatia, Belize)[16]	359	-12	-103%	240	-114	51	-145%	-79%
Eliminations	-1,138	867	-176%	-207	421	488	16%	-336%
Total adjusted after tax profit of HUNGARIAN subsidiaries[17]	100,310	149,325	49%	40,018	52,621	51,768	-2%	29%
Total adjusted after tax profit of FOREIGN subsidiaries[18]	72,583	75,223	4%	28,735	25,636	27,761	8%	-3%
Share of foreign profit contribution, %	42%	33%	-20%	42%	33%	35%	7%	-16%

[5] Relevant footnotes are in the Supplementary Data section of the Report.

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

CONSOLIDATED STATEMENT OF RECOGNIZED INCOME

Main components of the Statement of recognized income in HUF million	9M 2016	9M 2017	Y-o-Y	3Q 2016	2Q 2017	3Q 2017	Q-o-Q	Y-o-Y
Consolidated after tax profit	**175,978**	**212,885**	**21%**	**69,790**	**80,697**	**79,329**	**-2%**	**14%**
Adjustments (total)	**3,085**	**-11,667**	**-478%**	**1,038**	**2,440**	**-205**	**-108%**	**-120%**
Dividends and net cash transfers (after tax)	401	650	62%	146	209	302	44%	106%
Goodwill/investment impairment charges (after tax)	10,768	-459	-104%	8,555	-782	-189	-76%	-102%
Special tax on financial institutions (after corporate income tax)	-13,766	-15,062	9%	-186	-169	-162	-4%	-12%
Impact of fines imposed by the Hungarian Competition Authority (after tax)	0	177		0	0	0		
Effect of acquisitions (after tax)	0	3,027		0	3,182	-155	-105%	
Gain on the sale of Visa Europe shares (after tax)	13,160	0	-100%	0	0	0		
Consolidated adjusted after tax profit without the effect of adjustments	**172,893**	**224,552**	**30%**	**68,752**	**78,257**	**79,534**	**2%**	**16%**
Before tax profit	**207,256**	**255,358**	**23%**	**72,911**	**90,317**	**88,837**	**-2%**	**22%**
Operating profit	**250,889**	**278,082**	**11%**	**86,608**	**97,265**	**92,096**	**-5%**	**6%**
Total income	**542,694**	**596,095**	**10%**	**184,853**	**204,521**	**202,818**	**-1%**	**10%**
Net interest income	**388,765**	**406,131**	**4%**	**130,657**	**136,925**	**137,026**	**0%**	**5%**
Net fees and commissions	**127,750**	**151,355**	**18%**	**45,411**	**53,757**	**53,049**	**-1%**	**17%**
Other net non-interest income	**26,179**	**38,608**	**47%**	**8,786**	**13,839**	**12,743**	**-8%**	**45%**
Foreign exchange result, net	12,901	16,849	31%	4,211	6,203	5,691	-8%	35%
Gain/loss on securities, net	4,839	5,772	19%	1,275	3,312	741	-78%	-42%
Net other non-interest result	8,439	15,986	89%	3,299	4,324	6,310	46%	91%
Operating expenses	**-291,806**	**-318,012**	**9%**	**-98,245**	**-107,256**	**-110,721**	**3%**	**13%**
Personnel expenses	-142,528	-156,818	10%	-47,457	-53,432	-53,827	1%	13%
Depreciation	-32,552	-34,107	5%	-11,395	-11,427	-12,957	13%	14%
Other expenses	-116,726	-127,087	9%	-39,393	-42,397	-43,937	4%	12%
Total risk costs	**-45,643**	**-26,563**	**-42%**	**-12,780**	**-9,833**	**-4,255**	**-57%**	**-67%**
Provision for loan losses	-43,701	-17,687	-60%	-9,077	-6,145	-896	-85%	-90%
Other provision	-1,942	-8,876	357%	-3,703	-3,688	-3,359	-9%	-9%
Total one-off items	**2,010**	**3,839**	**91%**	**-917**	**2,885**	**996**	**-65%**	**-209%**
Gain on the repurchase of own Upper and Lower Tier2 Capital	0	0		0	0	0		
Result of the treasury share swap at OTP Core	2,010	3,839	91%	-917	2,885	996	-65%	-209%
Corporate taxes	**-34,363**	**-30,806**	**-10%**	**-4,159**	**-12,060**	**-9,304**	**-23%**	**124%**

INDICATORS	9M 2016 (Restated)	9M 2017	Y-o-Y	3Q 2016 (Restated)	2Q 2017 (Restated)	3Q 2017	Q-o-Q	Y-o-Y
ROE (from accounting net earnings)	18.4%	19.1%	0.8%p	20.8%	22.0%	20.3%	-1.7%p	-0.5%p
ROE (from adjusted net earnings)	18.0%	20.2%	2.1%p	20.5%	21.3%	20.3%	-0.9%p	-0.1%p
ROA (from adjusted net earnings)	2.1%	2.6%	0.4%p	2.5%	2.7%	2.6%	-0.1%p	0.0%p
Operating profit margin	3.11%	3.17%	0.05%p	3.19%	3.31%	2.97%	-0.34%p	-0.22%p
Total income margin	6.74%	6.78%	0.05%p	6.81%	6.97%	6.55%	-0.42%p	-0.27%p
Net interest margin	4.83%	4.62%	-0.20%p	4.82%	4.66%	4.42%	-0.24%p	-0.40%p
Net fee and commission margin	1.59%	1.72%	0.14%p	1.67%	1.83%	1.71%	-0.12%p	0.04%p
Net other non-interest income margin	0.32%	0.44%	0.11%p	0.32%	0.47%	0.41%	-0.06%p	0.09%p
Cost-to-asset ratio	3.62%	3.62%	0.00%p	3.62%	3.65%	3.57%	-0.08%p	-0.05%p
Cost/income ratio	53.8%	53.3%	-0.4%p	53.2%	52.4%	54.6%	2.2%p	1.4%p
Risk cost for loan losses-to-average gross loans	0.92%	0.34%	-0.58%p	0.56%	0.35%	0.05%	-0.30%p	-0.51%p
Risk cost for loan losses-to-average FX adjusted gross loans	0.94%	0.30%	-0.64%p	0.55%	0.29%	0.05%	-0.24%p	-0.50%p
Total risk cost-to-asset ratio	0.57%	0.30%	-0.26%p	0.47%	0.33%	0.14%	-0.20%p	-0.33%p
Effective tax rate	16.6%	12.1%	-4.5%p	5.7%	13.4%	10.5%	-2.9%p	4.8%p
Non-interest income/total income	28%	32%	4%p	29%	33%	32%	-1%p	3%p
EPS base (HUF) (from unadjusted net earnings)	665	813	22%	266	308	303	-2%	14%
EPS diluted (HUF) (from unadjusted net earnings)	664	812	22%	266	308	303	-2%	14%
EPS base (HUF) (from adjusted net earnings)	654	858	31%	262	299	304	2%	16%
EPS diluted (HUF) (from adjusted net earnings)	654	858	31%	262	299	304	2%	16%

Comprehensive Income Statement	9M 2016	9M 2017	Y-o-Y	3Q 2016	2Q 2017	3Q 2017	Q-o-Q	Y-o-Y
Consolidated after tax profit	175,978	212,885	21%	69,790	80,697	79,329	-2%	14%
Fair value adjustment of securities available-for-sale (recognised directly through equity)	6,233	11,573	86%	17,130	3,185	3,418	7%	-80%
Fair value adjustment of derivative financial instruments designated as cash-flow hedge	0	0		0	0	0		
Fair value adjustment of strategic open FX position hedging net investment in foreign operations	897	-119	-113%	1,747	-78	-584	649%	-133%
Foreign currency translation difference	6,918	-12,395	-279%	-15,570	-23,474	343	-101%	-102%
Change of actuarial losses (IAS 19)	0	0		0	0	0		
Net comprehensive income	**190,026**	**211,945**	**12%**	**73,097**	**60,331**	**82,506**	**37%**	**13%**
o/w Net comprehensive income attributable to equity holders	189,585	211,852	12%	73,050	60,542	82,420	36%	13%
Net comprehensive income attributable to non-controlling interest	441	93	-79%	47	-211	86	-141%	83%

Average exchange rate of the HUF (in forint)	9M 2016	9M 2017	Y-o-Y	3Q 2016	2Q 2017	3Q 2017	Q-o-Q	Y-o-Y
HUF/EUR	312	308	-1%	311	310	306	-1%	-2%
HUF/CHF	285	282	-1%	286	286	271	-5%	-5%
HUF/USD	280	277	-1%	279	281	261	-7%	-6%

CONSOLIDATED BALANCE SHEET

Main components of balance sheet in HUF million	3Q 2016 (Restated)	4Q 2016 (Restated)	2Q 2017	3Q 2017	Q-o-Q	Y-o-Y	YTD
TOTAL ASSETS	**10,872,335**	**11,209,041**	**12,145,924**	**12,641,691**	**4%**	**16%**	**13%**
Cash and amount due from banks	1,645,754	1,625,357	1,038,507	1,182,704	14%	-28%	-27%
Placements with other banks	395,755	363,530	447,376	462,832	3%	17%	27%
Financial assets at fair value	179,984	189,778	226,909	322,404	42%	79%	70%
Securities available-for-sale	1,618,352	1,527,093	1,967,950	2,040,018	4%	26%	34%
Net customer loans	5,480,609	5,736,231	6,530,352	6,694,349	3%	22%	17%
Net customer loans (FX adjusted[1])	**5,489,530**	**5,693,537**	**6,538,224**	**6,694,349**	**2%**	**22%**	**18%**
Gross customer loans	6,443,327	6,680,504	7,410,711	7,498,123	1%	16%	12%
Gross customer loans (FX adjusted[1])	**6,446,018**	**6,610,618**	**7,412,406**	**7,498,123**	**1%**	**16%**	**13%**
o/w Retail loans	4,208,589	4,356,391	4,708,668	4,769,960	1%	13%	9%
Retail mortgage loans (incl. home equity)	2,205,059	2,341,078	2,443,844	2,446,597	0%	11%	5%
Retail consumer loans	1,485,910	1,499,524	1,711,261	1,761,485	3%	19%	17%
SME loans	517,620	515,789	553,563	561,877	2%	9%	9%
Corporate loans	1,979,334	1,992,201	2,415,651	2,465,097	2%	25%	24%
Loans to medium and large corporates	1,899,521	1,918,285	2,187,964	2,243,308	3%	18%	17%
Municipal loans	79,813	73,916	227,687	221,788	-3%	178%	200%
Car financing loans	211,763	215,385	251,850	256,259	2%	21%	19%
Bills and accrued interest receivables related to loans	46,332	46,641	36,237	6,807	-81%	-85%	-85%
Allowances for loan losses	-962,719	-944,273	-880,359	-803,774	-9%	-17%	-15%
Allowances for loan losses (FX adjusted[1])	-956,488	-917,081	-874,182	-803,774	-8%	-16%	-12%
Equity investments	10,446	9,837	10,311	11,824	15%	13%	20%
Securities held-to-maturity	906,836	1,114,227	1,231,992	1,250,083	1%	38%	12%
Premises, equipment and intangible assets, net	343,806	355,516	381,927	377,592	-1%	10%	6%
o/w Goodwill, net	100,187	104,282	102,044	102,232	0%	2%	-2%
Premises, equipment and other intangible assets, net	243,619	251,234	279,883	275,360	-2%	13%	10%
Other assets	290,793	287,473	310,599	299,885	-3%	3%	4%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**10,872,335**	**11,209,041**	**12,145,924**	**12,641,691**	**4%**	**16%**	**13%**
Liabilities to credit institutions and governments	774,595	543,774	534,254	497,513	-7%	-36%	-9%
Customer deposits	8,009,324	8,540,584	9,215,539	9,671,295	5%	21%	13%
Customer deposits (FX adjusted[1])	**8,008,180**	**8,465,516**	**9,217,685**	**9,671,295**	**5%**	**21%**	**14%**
o/w Retail deposits	5,795,129	6,089,865	6,784,681	6,893,330	2%	19%	13%
Household deposits	4,848,206	5,096,582	5,703,399	5,762,650	1%	19%	13%
SME deposits	946,923	993,283	1,081,282	1,130,679	5%	19%	14%
Corporate deposits	2,197,258	2,360,008	2,416,298	2,762,319	14%	26%	17%
Deposits to medium and large corporates	1,748,298	1,818,549	1,896,951	2,048,436	8%	17%	13%
Municipal deposits	448,959	541,459	519,347	713,882	37%	59%	32%
Accrued interest payable related to customer deposits	15,794	15,644	16,706	15,647	-6%	-1%	0%
Issued securities	212,918	146,900	258,139	251,527	-3%	18%	71%
o/w Retail bonds	56,718	36,921	10,368	7,096	-32%	-87%	-81%
Issued securities without retail bonds	156,200	109,978	247,771	244,430	-1%	56%	122%
Other liabilities	420,604	479,676	565,266	569,012	1%	35%	19%
Subordinated bonds and loans[2]	82,809	77,458	76,464	76,903	1%	-7%	-1%
Total shareholders' equity	**1,372,086**	**1,420,650**	**1,496,262**	**1,575,440**	**5%**	**15%**	**11%**
Indicators	3Q 2016	4Q 2016	2Q 2017	3Q 2017	Q-o-Q	Y-o-Y	YTD
Loan/deposit ratio (FX adjusted[1])	80%	78%	80%	78%	-3%p	-2%p	0%p
Net loan/(deposit + retail bond) ratio (FX adjusted[1])	68%	67%	71%	69%	-1%p	2%p	3%p
90+ days past due loan volume	1,013,242	975,952	900,638	842,207	-6%	-17%	-14%
90+ days past due loans/gross customer loans	15.8%	14.7%	12.2%	11.2%	-1.0%p	-4.6%p	-3.5%p
Total provisions/90+ days past due loans	95.0%	96.8%	97.7%	95.4%	-2.3%p	0.4%p	-1.3%p
Consolidated capital adequacy - Basel3	3Q 2016 (Restated)	4Q 2016 (Restated)	2Q 2017	3Q 2017	Q-o-Q	Y-o-Y	YTD
Capital adequacy ratio (consolidated, IFRS)	15.7%	16.0%	16.3%	15.8%	-0.4%p	0.1%p	-0.2%p
Tier1 ratio	13.2%	13.5%	14.1%	13.7%	-0.4%p	0.5%p	0.2%p
Common Equity Tier1 ('CET1') capital ratio	13.2%	13.5%	14.1%	13.7%	-0.4%p	0.5%p	0.2%p
Regulatory capital (consolidated)	1,049,695	1,079,167	1,227,883	1,236,617	1%	18%	15%
o/w Tier1 Capital	883,065	911,431	1,061,477	1,069,936	1%	21%	17%
o/w Common Equity Tier1 capital	883,065	911,431	1,061,477	1,069,936	1%	21%	17%
Tier2 Capital	166,630	167,736	166,406	166,681	0%	0%	-1%
o/w Hybrid Tier2	89,935	89,935	89,935	89,935	0%	0%	0%
Consolidated risk weighted assets (RWA) (Credit&Market&Operational risk)	6,678,563	6,730,467	7,545,318	7,808,796	3%	17%	16%
o/w RWA (Credit risk)	5,246,210	5,344,636	6,154,700	6,328,779	3%	21%	18%
RWA (Market & Operational risk)	1,432,353	1,385,831	1,390,618	1,480,017	6%	3%	7%
Closing exchange rate of the HUF (in forint)	3Q 2016	4Q 2016	2Q 2017	3Q 2017	Q-o-Q	Y-o-Y	YTD
HUF/EUR	309	311	309	311	1%	1%	0%
HUF/CHF	285	289	283	272	-4%	-5%	-6%
HUF/USD	276	294	271	264	-3%	-5%	-10%

[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	9M 2016	9M 2017	Y-o-Y	3Q 2016	2Q 2017	3Q 2017	Q-o-Q	Y-o-Y
After tax profit without the effect of adjustments	98,376	136,891	39%	38,761	49,351	46,693	-5%	20%
Corporate income tax	-23,520	-15,349	-35%	-2,285	-6,365	-3,805	-40%	66%
Pre-tax profit	121,896	152,240	25%	41,047	55,716	50,498	-9%	23%
Operating profit	111,188	117,791	6%	38,266	43,348	36,410	-16%	-5%
Total income	265,550	274,084	3%	89,965	95,194	90,964	-4%	1%
Net interest income	174,935	174,173	0%	58,733	58,694	57,892	-1%	-1%
Net fees and commissions	74,952	82,914	11%	26,642	29,905	28,760	-4%	8%
Other net non-interest income	15,662	16,998	9%	4,590	6,594	4,312	-35%	-6%
Operating expenses	-154,362	-156,293	1%	-51,699	-51,845	-54,555	5%	6%
Total risk costs	8,698	30,610	252%	3,697	9,482	13,092	38%	254%
Provisions for possible loan losses	10,628	29,448	177%	6,923	9,073	13,387	48%	93%
Other provisions	-1,930	1,162	-160%	-3,226	409	-295	-172%	-91%
Total one-off items	2,010	3,839	91%	-917	2,885	996	-65%	-209%
Gain on the repurchase of own Upper and Lower Tier2 Capital	0	0	0%	0	0	0	0%	0%
Revaluation result of the treasury share swap agreement	2,010	3,839	91%	-917	2,885	996	-65%	-209%
Revenues by Business Lines[1]								
RETAIL[1]								
Total income	184,954	177,926	-4%	60,468	60,422	60,843	1%	1%
Net interest income	116,328	102,769	-12%	36,345	33,566	34,562	3%	-5%
Net fees and commissions	65,737	72,558	10%	23,218	25,980	25,421	-2%	9%
Other net non-interest income	2,889	2,599	-10%	905	876	860	-2%	-5%
CORPORATE[1]								
Total income	29,225	29,391	1%	10,337	8,989	11,320	26%	10%
Net interest income	19,294	19,816	3%	6,679	5,786	7,944	37%	19%
Net fees and commissions	9,086	8,815	-3%	3,393	2,947	3,124	6%	-8%
Other net non-interest income	844	760	-10%	265	256	252	-2%	-5%
Treasury ALM[1]								
Total income	49,191	61,218	24%	18,423	24,634	17,721	-28%	-4%
Net interest income	39,313	51,587	31%	15,709	19,342	15,386	-20%	-2%
Net fees and commissions	128	1,541	1103%	30	978	214	-78%	609%
Other net non-interest income	9,749	8,090	-17%	2,684	4,314	2,121	-51%	-21%
Indicators	9M 2016 (Restated)	9M 2017	Y-o-Y	3Q 2016 (Restated)	2Q 2017 (Restated)	3Q 2017	Q-o-Q	Y-o-Y
ROE	10.7%	13.7%	2.9%p	12.4%	14.9%	13.5%	-1.4%p	1.1%p
ROA	2.0%	2.5%	0.6%p	2.3%	2.7%	2.5%	-0.2%p	0.2%p
Operating profit margin	2.2%	2.2%	0.0%p	2.3%	2.4%	2.0%	-0.4%p	-0.3%p
Total income margin	5.28%	5.09%	-0.19%p	5.33%	5.30%	4.93%	-0.37%p	-0.40%p
Net interest margin	3.48%	3.24%	-0.24%p	3.48%	3.27%	3.14%	-0.13%p	-0.34%p
Net fee and commission margin	1.49%	1.54%	0.05%p	1.58%	1.66%	1.56%	-0.11%p	-0.02%p
Net other non-interest income margin	0.31%	0.32%	0.00%p	0.27%	0.37%	0.23%	-0.13%p	-0.04%p
Operating costs to total assets ratio	3.1%	2.9%	-0.2%p	3.1%	2.9%	3.0%	0.1%p	-0.1%p
Cost/income ratio	58.1%	57.0%	-1.1%p	57.5%	54.5%	60.0%	5.5%p	2.5%p
Cost of risk/average gross loans[2]	-0.58%	-1.46%	-0.87%p	-1.13%	-1.35%	-1.92%	-0.57%p	-0.80%p
Cost of risk/average gross loans[2] (FX adjusted)	-0.59%	-1.46%	-0.87%p	-1.13%	-1.35%	-1.92%	-0.57%p	-0.79%p
Effective tax rate	19.3%	10.1%	-9.2%p	5.6%	11.4%	7.5%	-3.9%p	2.0%p

[1] In case of the Revenue by business lines table a new methodology was implemented from 3Q 2017, therefore the 3Q and 9M numbers' comparability with previous periods is limited.

[2] Negative *Cost of risk/average gross loan volumes* indicators imply provision release.

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

Main components of balance sheet closing balances in HUF mn	3Q 2016 (Restated)	4Q 2016 (Restated)	2Q 2017	3Q 2017	Q-o-Q	Y-o-Y	YTD
Total Assets	6,927,210	7,148,673	7,250,346	7,503,496	3%	8%	5%
Net customer loans	2,223,886	2,398,694	2,542,500	2,622,597	3%	18%	9%
Net customer loans (FX adjusted)	**2,223,829**	**2,395,861**	**2,543,461**	**2,622,597**	**3%**	**18%**	**9%**
Gross customer loans	2,444,225	2,610,277	2,727,902	2,791,162	2%	14%	7%
Gross customer loans (FX adjusted)	**2,443,395**	**2,605,739**	**2,728,531**	**2,791,162**	**2%**	**14%**	**7%**
Retail loans	1,598,262	1,748,062	1,800,878	1,820,160	1%	14%	4%
Retail mortgage loans (incl. home equity)	1,114,925	1,274,826	1,275,134	1,274,761	0%	14%	0%
Retail consumer loans	321,538	315,350	352,412	365,175	4%	14%	16%
SME loans	161,798	157,886	173,333	180,223	4%	11%	14%
Corporate loans	845,133	857,677	927,653	971,002	5%	15%	13%
Loans to medium and large corporates	818,976	834,264	885,802	931,982	5%	14%	12%
Municipal loans	26,157	23,413	41,851	39,020	-7%	49%	67%
Provisions	-220,339	-211,583	-185,402	-168,566	-9%	-23%	-20%
Provisions (FX adjusted)	**-219,566**	**-209,878**	**-185,071**	**-168,566**	**-9%**	**-23%**	**-20%**
Deposits from customers + retail bonds	4,568,498	4,942,606	4,899,449	5,133,355	5%	12%	4%
Deposits from customers + retail bonds (FX adjusted)	**4,561,528**	**4,920,034**	**4,896,785**	**5,133,355**	**5%**	**13%**	**4%**
Retail deposits + retail bonds	2,994,933	3,188,013	3,337,498	3,350,825	0%	12%	5%
Household deposits + retail bonds	2,456,247	2,623,179	2,736,794	2,733,434	0%	11%	4%
o/w: Retail bonds	56,718	36,921	10,368	7,096	-32%	-87%	-81%
SME deposits	538,686	564,834	600,704	617,391	3%	15%	9%
Corporate deposits	1,566,595	1,732,021	1,559,286	1,782,530	14%	14%	3%
Deposits to medium and large corporates	1,150,627	1,222,505	1,093,593	1,126,348	3%	-2%	-8%
Municipal deposits	415,968	509,516	465,693	656,182	41%	58%	29%
Liabilities to credit institutions	570,512	329,442	326,917	307,458	-6%	-46%	-7%
Issued securities without retail bonds	190,372	192,097	302,779	288,394	-5%	51%	50%
Total shareholders' equity	1,275,149	1,312,464	1,351,524	1,401,460	4%	10%	7%
Loan Quality	3Q 2016	4Q 2016	2Q 2017	3Q 2017	Q-o-Q	Y-o-Y	YTD
90+ days past due loan volume (in HUF million)	254,622	255,841	226,526	208,898	-7.8%	-18.0%	-18.3%
90+ days past due loans/gross customer loans (%)	10.4%	9.8%	8.3%	7.5%	-0.8%p	-2.9%p	-2.3%p
Total provisions/90+ days past due loans (%)	86.5%	82.7%	81.8%	80.7%	-1.2%p	-5.8%p	-2.0%p
Market Share	3Q 2016	4Q 2016	2Q 2017	3Q 2017	Q-o-Q	Y-o-Y	YTD
Loans	18.9%	20.2%	20.7%	20.6%	-0.1%p	0.3%p	0.3%p
Deposits	26.9%	26.5%	27.0%	26.1%	-1.0%p	-0.5%p	-0.5%p
Total Assets	25.0%	24.5%	25.1%	25.2%	0.1%p	0.7%p	0.7%p
Performance Indicators	3Q 2016 (Restated)	4Q 2016 (Restated)	2Q 2017	3Q 2017	Q-o-Q	Y-o-Y	YTD
Net loans to (deposits + retail bonds) (FX adjusted)	49%	49%	52%	51%	-1%p	2%p	2%p
Leverage (closing Shareholder's Equity/Total Assets)	18.4%	18.4%	18.6%	18.7%	0.0%p	0.3%p	0.3%p
Leverage (closing Total Assets/Shareholder's Equity)	5.4x	5.4x	5.4x	5.4x	0.0x	-0.1x	-0.1x
Capital adequacy ratio (OTP Bank, non-consolidated, Basel3, HAS until 4Q 2016, IFRS from 1Q 2017)	27.9%	27.7%	30.7%	30.6%	0.0%p	2.9%p	2.9%p
Common Equity Tier1 ratio (OTP Bank, non-consolidated, Basel3, HAS until 4Q 2016, IFRS from 1Q 2017)	24.9%	24.8%	28.1%	28.1%	0.0%p	3.3%p	3.3%p

- ***9M adjusted profit after tax of OTP Core reached HUF 136.9 billion (+39% y-o-y), supported also by the lower effective tax rate; the before tax profit advanced by 25% y-o-y. HUF 46.7 billion net profit was posted in 3Q***
- ***The net interest margin erosion continued***
- ***3Q operating expenses grew by 5% q-o-q mainly due to one-off items***
- ***Increasing provision releases were recorded both in y-o-y and q-o-q comparison. The DPD90+ ratio kept further decreasing***
- ***Performing loan volume growth exceeded 3% in 3Q, too, thus the ytd expansion already reached 10%, after a 5% increase in 2016 as a whole (without the AXA portfolio take-over)***
- ***9M new mortgage disbursements grew by 28% y-o-y; in 3Q the performing mortgage loan volume growth already shifted into positive territory (+0.4% q-o-q)***
- ***OTP Bank has been playing an active role in the CSOK programme: in 9M 2017 around 8.300 applications were registered by OTP Bank, their volumes exceeded HUF 29 billion. According to our estimations every second CSOK subsidy was disbursed through OTP Bank, and OTP's share out of the total subsidized housing loan disbursements was close to 70% ytd***

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

The aggregated gross loan portfolio of those companies that were included into OTP Core from 1Q 2017 amounted to HUF 21.3 billion, while the performing loan volumes represented HUF 17.8 billion at the end of September 2017 (of which HUF 15.8 billion mortgages, HUF 0.2 billion consumer loans, HUF 1.5 billion micro and small enterprise exposures and HUF 0.3 billion corporate loans). The aggregated total after tax profit of these entities amounted to HUF 1.1 billion in 9M 2017.

P&L developments

Without the effect of adjustment items[6] **OTP Core** posted a profit after tax of HUF 136.9 billion in 9M 2017, implying a 39% y-o-y increase. 3Q adjusted profit represented HUF 46.7 billion (-5% q-o-q and +20% y-o-y).

The effective corporate income tax rate for the first nine months was 10.1% versus 19.3% for the base period. The main reason behind was that effective from 1 January 2017 the Hungarian corporate tax rate was reduced uniformly to 9%. Since the switch from Hungarian Accounting Standards into IFRS financials became effective from January 2017 in Hungary, from 2017 the corporate tax line of OTP Core isn't distorted by this tax shield effect[7] related to the HUF exchange rate movements. In 3Q the effective corporate income tax rate was 7.5% versus around 11% in the preceding two quarters. The q-o-q declining tax burden (-HUF 2.6 billion q-o-q) was partially related to a one-off item reducing the tax base at the Factoring unit, resulting in tax savings at OTP Core level.

The 9M profit before tax improved by 25% y-o-y supported by both higher operating result and lower total risk costs. On quarterly basis the profit before tax moderated q-o-q as a result of lower revenues and higher operating expenses, as well as the base effect stemming from dividend proceeds booked in 2Q related to the treasury share-swap agreement. At the same time, in 3Q higher provision releases were recorded q-o-q.

9M total income without one-offs went up by 3% y-o-y. It was positive that in the first nine months the net interest income stabilized y-o-y. Gross interest revenues were supported by higher loan volumes: apart from the strong organic loan volume growth dynamics the overall portfolio was also boosted by the take-over of the AXA volumes in last November. Furthermore, it was also positive for interest revenues that the liquidity reserves have been gradually shifting toward longer duration and higher yielding Hungarian government bonds, and this trend continued throughout 9M 2017. At the same time the net interest income was negatively affected by the continuing erosion of short-term reference rates (used as benchmark rates for variable rate loans). The 9M net interest margin declined by 24 bps y-o-y.

3Q net interest income declined by 1% q-o-q (-HUF 0.8 billion). The lower NII can be partially explained by reclassification: the ytd fee revenues from housing loans disbursed by employers other than OTP, but administered by the Bank (and kept as an off-balance sheet item) were shifted from net interest income into net fees and commissions in a lump sum in September 2017 with an amount of

[6] Adjustments emerged in the presented periods: special tax on financial institutions, dividends and net cash transfers, goodwill impairment charges, impact of fines imposed by the Hungarian Competition Authority, and the gain on the sale of Visa Europe shares.

[7] In 9M 2016 this caused HUF 0.3 billion additional tax payment. In the base period the closing rate of HUF typically depreciated against the functional currencies of the subsidiary investments. Therefore a revaluation gain was realized under Hungarian Accounting Standards when translating the value of these subsidiary investments into HUF, increasing the corporate tax base. So, the corporate income tax both under HAS and IFRS was higher in the base period (ceteris paribus).

HUF 0.5 billion. Adjusted for the above-mentioned reclassification the NIM would have shrunk only by 10 bps q-o-q. In 3Q the seasonally higher local government deposits also had a dilution effect.

Short-term reference rates kept further eroding following the meeting of the Monetary Council on 19 September 2017: the closing rated of 3M BUBOR dropped by 11 bps q-o-q to 4 bps, whereas its average rate diminished by 2 bps.

9M net fee and commission income increased by 11% y-o-y. The improvement was due to stronger card-related fees induced by growing transactional turnover. However, the deposit and transaction-related, as well as loan-related and securities fee revenues strengthened, too.

Despite the above mentioned reclassification and the further increasing card and deposit related fees, in 3Q net fees and commissions declined by 4% q-o-q. Such a decline was partially shaped by 2 factors. Firstly, the financial transaction tax obligation (which is presented on the net fee and commission income line) increased q-o-q due to a base effect. The contributions into the Compensation Fund booked in 1Q 2017 were presented amongst the financial transaction taxes, thus reducing the net fee and commission income in 1Q. On the contrary, the tax deductions related to the contributions booked in 2Q exerted an opposite effect[8]. This item explained HUF 1.3 billion out of the q-o-q decline of net fee and commission income. Secondly, according to the announcement made by the Hungarian Government Debt Management Agency the distribution fees on certain household targeted government bonds were reduced starting from 17 July 2017.

Business activity will be boosted by an agreement with the Hungarian Development Bank under which OTP Bank as the leader of a consortium joined the network of HDB's selling points. Accordingly, OTP Bank will add 163 branches to the network through which OTP – in exchange for fees – will distribute EU loans and other loan products combined with non-refundable funds.

9M other net non-interest income (without one-offs) grew by 9% y-o-y. In 3Q there was a q-o-q decline on this line mainly due to the base effect of securities gain realized in 2Q on the sale of real estate investment units.

The total amount of one-off revenue items in 9M 2017 comprised HUF 3.8 billion, mostly related to a dividend income realized in 2Q on the treasury share swap agreement.

9M operating expenses increased moderately by 1% y-o-y as a result of higher personnel expenses. The inclusion of the above-mentioned four Hungarian entities into OTP Core from 1Q 2017 did not have a material impact on the dynamics of operating expenses due to eliminations, however it did influence the structure of operating costs (as a result, personnel costs grew, while administrative expenses declined). The total number of employees at OTP Core increased by 870 people y-o-y and by 701 people ytd, of which the four new entities added 572 people.

The y-o-y change in 9M personnel expenses was shaped by the following factors: at OTP Bank there was an average base salary increase of 4% in April 2016, however its effect was counterbalanced by the 5 pps cut in social and health care contributions effective from 1 January 2017. The cost base in 2Q 2016 was also affected by one-off costs emerged due to organizational changes at the Bank. The take-over of the Hungarian operation of AXA in November 2016 had an impact mainly on personnel costs. Furthermore, in April 2017 there was a base salary increase for employees working in the sales network, whereas the HQ employees received a base salary increase from July 2017.

The q-o-q 5% increase in operating expenses in 3Q 2017 (+HUF 2.7 billion) was mainly shaped by one-offs. Firstly, amortization grew by HUF 1.3 billion as a result of additional amortization related to licences taken from a Hungarian subsidiary, and also due to a lump sum write-off of POS terminals. The latter was offset by a HUF 560 million cash transfer received from the Hungarian State (and presented on the other net non-interest income line) for extending the network of POS terminals. Also, administrative expenses increased by HUF 1.0 billion q-o-q, driven by the following items: higher advisory costs in connection with acquisitions and an efficiency-boosting project, and additional payment into the Deposit Insurance Fund booked in 3Q related to the difference between the advance payment and the actual obligation based on fact numbers for the first half of the year.

On the total risk costs line a release of HUF 30.6 billion was recognized in the first 9 months, of which HUF 13.1 billion occurred in 3Q, mainly booked on the provisions for possible loan losses line.

The DPD90+ volumes adjusted for FX rate movements and sales and write offs declined by

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

HUF 4 billion in 9M 2017, of which the 3Q drop represented HUF 2 billion (whereas the decline was HUF 11 billion in 2015 and HUF 5 billion in 2016, respectively, adjusted for the technical effect of the AXA portfolio take-over). HUF 56 billion non-performing exposures were sold or written off during the last twelve months, of which HUF 11 billion in 3Q 2017. As a result, the DPD90+ ratio moderated by 0.8 pp q-o-q and by 2.9 pps y-o-y to 7.5%. The provision coverage ratio calculated as total provisions to DPD90+ loans (80.7%) moderated by 1.2 pps q-o-q.

Balance sheet trends

Loan volume growth at OTP Core further accelerated in the first nine months of 2017 following the turnaround in 2016. The FX-adjusted gross loan portfolio increased by 7% year-to-date. However, due to the sales and write-offs of non-performing loans, the performing (DPD0-90) loan volume developments are more illustrative: performing loans advanced by 3% q-o-q and by 10% ytd, which is stronger than the full-year 2016 dynamics (+5% without the take-over of the AXA portfolio).

The organic loan portfolio expansion was fuelled mainly by the corporate sector: the performing SME book advanced by 14% ytd, whereas the corporate exposures grew by 17% over the same period. During the last three months the growth rates reached 4% and 6%, respectively. Following a dynamic increase in OTP's market share in loans to Hungarian companies[9] during the last twelve months, it stabilized y-o-y (at 14.3%). Local government exposures – from a low base though – advanced by 47% q-o-q.

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

Within the household segment performing mortgage loans showed an increase q-o-q (+0.4%), following the small erosion and stabilization seen in the last couple of quarters. In 3Q mortgage loan applications at OTP Core represented HUF 81.8 billion (-6% q-o-q, +30% y-o-y). As for 3Q disbursements, they grew by 7% q-o-q at OTP Core: as a result, 9M mortgage loan origination dynamics reached +28% y-o-y. OTP Bank's market share in new mortgage loan contractual amounts reached 27.9% in 9M 2017 (-0.4 pp y-o-y).

OTP Bank helps the Hungarian families realize their housing aims through its active participation in the Housing Subsidy Scheme for Families (CSOK), too. In 3Q 2017 almost 3,000 (and around 8,300 in the first nine months) applications for the CSOK subsidy were registered at OTP Bank with a value of over HUF 29 billion in 9M 2017 (o/w 3Q: HUF 10 billion). Applicants also combined CSOK subsidy with subsidized or market-based loan applications in the amount of HUF 17 billion in 3Q 2017 (9M: HUF 47 billion). State subsidized housing loan applications in 3Q represented HUF 15.1 billion, up by 22% q-o-q and 15% y-o-y due to the additional demand generated by the accelerating demand for CSOK. According to our estimations every second CSOK subsidy was disbursed through OTP Bank, and OTP's share out of the total subsidized housing loan disbursements was close to 70% ytd.

On 19 May 2017 the NBH published the „customer-friendly housing loan" criteria for the newly issued housing loans and banks could apply for the approval from 1st June 2017. On 1 August 2017 OTP Mortgage Bank received the approval of NBH to sell its qualified customer friendly mortgage loan product. The Bank started to offer its fixed 10 year new product from the second half of August.

Performing consumer loan volumes advanced by 5% q-o-q and 20% y-o-y (FX adjusted). The yearly increase was supported by few big ticket Lombard loans disbursed in 2Q 2017 in the amount of HUF 29 billion. Performing cash loan volume growth accelerated: the quarterly growth was 11%, whereas the yearly increase was 29%. OTP's market share in the cash loan segment remained strong in terms of the outstanding stock. At the end of September the Bank had a market share of 33.2% in total cash loan volumes. Due to strong origination activity (+18% q-o-q in 3Q and +51% y-o-y in 9M) OTP Bank's market share in new cash loan disbursements reached 38.8% in 3Q (+4.2 pps q-o-q). POS and credit card loan volumes stabilized in 3Q, following a gradual erosion in the previous quarters.

FX-adjusted deposit volumes (including retail bonds) increased by 13% y-o-y and by 5% q-o-q. The quarterly growth was mainly due a seasonal inflow of municipality deposits (+41% q-o-q). Retail deposit volumes (including retail bonds) slightly declined in 3Q, following the steady expansion seen in previous periods. At the same time, the overall volume of retail savings kept at OTP Bank went on increasing dynamically in 3Q, fuelled by the growth of the securities portfolio. The gradual shift of

[9] The source of market data is the Monetary Statistics of the National Bank of Hungary. OTP volumes are calculated as the aggregated figures of OTP Bank, OTP Mortgage Bank, OTP Building Society and Merkantil Bank – based on the Supervisory Balance Sheet data provision until 4Q 2016, while from 1Q 2017 OTP figures are based on a newly established data provision related to the Monetary statistics of the National Bank of Hungary.

household savings towards securities is in line with general market trends.

According to the decision of the Monetary Council, the maximum amount of 3 months deposits placed with the central bank at the end of March 2017 was reduced to HUF 750 billion. For the end of June 2017 the limit was set at HUF 500 billion and for September at HUF 300 billion, respectively. On 19 September the MC set a new limit of HUF 75 billion applicable from the end of 2017, whereas it also reduced the overnight deposit rate by 10 bps to -15 bps. At the end of September 2017 OTP Bank kept HUF 59 billion in 3 months central bank deposits. As for the distribution of the liquidity reserves of the Bank, during the last twelve months there has been a gradual shift towards longer duration Hungarian government securities.

OTP FUND MANAGEMENT (HUNGARY)

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

Main components of P&L account in HUF mn	9M 2016	9M 2017	Y-o-Y	3Q 2016	2Q 2017	3Q 2017	Q-o-Q	Y-o-Y
After tax profit w/o dividends and net cash transfer	2,762	3,188	15%	888	986	1,156	17%	30%
Income tax	-589	-314	-47%	-201	-96	-116	21%	-42%
Profit before income tax	3,351	3,502	5%	1,088	1,081	1,272	18%	17%
Operating profit	3,351	3,502	5%	1,088	1,081	1,272	18%	17%
Total income	4,621	4,781	3%	1,551	1,595	1,648	3%	6%
Net interest income	0	0		0	0	0		
Net fees and commissions	4,604	4,810	4%	1,538	1,629	1,643	1%	7%
Other net non-interest income	17	-30		13	-35	5		-63%
Operating expenses	-1,270	-1,279	1%	-462	-513	-376	-27%	-19%
Other provisions	0	0		0	0	0		
Main components of balance sheet closing balances in HUF mn	2016	9M 2017	YTD	3Q 2016	2Q 2017	3Q 2017	Q-o-Q	Y-o-Y
Total assets	17,780	17,168	-3%	13,785	16,596	17,168	3%	25%
Total shareholders' equity	14,995	12,922	-14%	10,834	11,721	12,922	10%	19%
Asset under management in HUF bn	2016	9M 2017	YTD	3Q 2016	2Q 2017	3Q 2017	Q-o-Q	Y-o-Y
Assets under management, total (w/o duplicates)	**1,530**	**1,505**	**-2%**	**1,515**	**1,515**	**1,505**	**-1%**	**-1%**
Retail investment funds (closing, w/o duplicates)	1,000	945	-6%	996	971	945	-3%	-5%
Volume of managed assets (closing, w/o duplicates)	530	560	6%	519	544	560	3%	8%
Volume of investment funds (with duplicates)	1,153	1,171	2%	1,135	1,176	1,171	0%	3%
money market	295	219	-26%	286	248	219	-11%	-23%
bond	412	311	-24%	412	335	311	-7%	-24%
mixed	25	48	91%	22	43	48	12%	114%
security	123	148	20%	114	138	148	7%	29%
guaranteed	61	49	-20%	97	51	49	-4%	-50%
other	237	396	67%	204	362	396	9%	94%

OTP Fund Management reached HUF 3.2 billion profit after tax in 9M 2017, which was 15% higher than in the base period. In 3Q the Company posted HUF 1.2 billion profit (+17% q-o-q).

The operating profit in the first nine months increased by 5% y-o-y as a result of the 4% y-o-y increase of net fees and commissions and the 1% y-o-y rise of the operating expenses.

Considering the whole market, in 9M 2017 the assets under management of BAMOSZ members increased. Total return funds and real estate funds, as well as equity and mixed funds enjoyed inflows, whereas money market funds and bond funds suffered an outflow.

Assets under management at OTP Fund Management expanded by 3% y-o-y and in 3Q it remained stable q-o-q. The structural shift within the different types of investment funds influenced the assets of OTP Fund Management similar to the whole market during 9M 2017. The volume of the mixed funds, equity funds and other asset classes grew, while money market funds, bond funds and guaranteed funds shrunk during this period. The market share of OTP Fund Management (without duplications) was 23.6% at the end of 3Q 2017, higher by 0.5 pp y-o-y. The Company retained its market leading position.

MERKANTIL GROUP (HUNGARY)

Performance of Merkantil Bank and Car:

Main components of P&L account in HUF mn	9M 2016	9M 2017	Y-o-Y	3Q 2016	2Q 2017	3Q 2017	Q-o-Q	Y-o-Y
After tax profit without the effect of adjustments	1,965	5,943	202%	954	1,483	2,518	70%	164%
Income tax	0	-320		0	-77	-187	143%	
Profit before income tax	1,965	6,263	219%	954	1,560	2,705	73%	184%
Operating profit	4,705	5,056	7%	1,847	1,216	2,294	89%	24%
Total income	9,135	9,532	4%	3,302	2,765	3,757	36%	14%
Net interest income	11,774	9,151	-22%	3,832	2,796	3,576	28%	-7%
Net fees and commissions	-755	-320	-58%	-255	-130	-62	-53%	-76%
Other net non-interest income	-1,885	701		-275	99	243	146%	
Operating expenses	-4,431	-4,476	1%	-1,456	-1,549	-1,463	-6%	1%
Total provisions	-2,740	1,207		-893	344	411	20%	
Provision for possible loan losses	-2,613	1,586		-808	523	504	-4%	
Other provision	-127	-379	199%	-85	-180	-93	-48%	9%
Main components of balance sheet closing balances in HUF mn	**2016**	**9M 2017**	**YTD**	**3Q 2016**	**2Q 2017**	**3Q 2017**	**Q-o-Q**	**Y-o-Y**
Total assets	349,891	358,246	2%	338,751	357,751	358,246	0%	6%
Gross customer loans	286,296	292,654	2%	277,365	291,255	292,654	0%	6%
Gross customer loans (FX-adjusted)	285,989	292,654	2%	277,178	291,251	292,654	0%	6%
Retail loans	25,496	28,822	13%	24,602	28,350	28,822	2%	17%
Corporate loans	87,259	85,882	-2%	83,474	85,846	85,882	0%	3%
Car financing loans	173,234	177,950	3%	169,102	177,055	177,950	1%	5%
Allowances for possible loan losses	-37,051	-34,312	-7%	-36,749	-35,758	-34,312	-4%	-7%
Allowances for possible loan losses (FX-adjusted)	-37,010	-34,312	-7%	-36,719	-35,729	-34,312	-4%	-7%
Deposits from customers	34,554	22,903	-34%	8,376	25,911	22,903	-12%	173%
Deposits from customer (FX-adjusted)	34,554	22,903	-34%	8,376	25,911	22,903	-12%	173%
Retail deposits	28,494	21,019	-26%	3,528	23,176	21,019	-9%	496%
Corporate deposits	6,060	1,885	-69%	4,848	2,735	1,885	-31%	-61%
Liabilities to credit institutions	286,401	292,591	2%	272,450	296,054	292,591	-1%	7%
Issued securities	3	0	-100%	29,959	0	0		-100%
Total shareholders' equity	24,530	30,446	24%	23,890	27,905	30,446	9%	27%
Loan Quality	**9M 2016**	**9M 2017**	**Y-o-Y**	**3Q 2016**	**2Q 2017**	**3Q 2017**	**Q-o-Q**	**Y-o-Y**
90+ days past due loan volume (in HUF million)	32,338	30,547	-6%	32,338	31,904	30,547	-4%	-6%
90+ days past due loans/gross customer loans (%)	11.7%	10.4%	-1.2%p	11.7%	11.0%	10.4%	-0.5%p	-1.2%p
Cost of risk/average gross loans (%)	1.26%	-0.74%	-2.00%p	1.15%	-0.73%	-0.68%	0.05%p	-1.83%p
Cost of risk/average (FX-adjusted) gross loans	1.26%	-0.74%	-2.00%p	1.15%	-0.73%	-0.68%	0.05%p	-1.83%p
Total provisions/90+ days past due loans (%)	113.6%	112.3%	-1.3%p	113.6%	112.1%	112.3%	0.2%p	-1.3%p
Performance Indicators	**9M 2016**	**9M 2017**	**Y-o-Y**	**3Q 2016**	**2Q 2017**	**3Q 2017**	**Q-o-Q**	**Y-o-Y**
ROA	0.8%	2.2%	1.5%p	1.1%	1.7%	2.8%	1.1%p	1.7%p
ROE	11.8%	29.4%	17.5%p	16.4%	22.0%	34.5%	12.5%p	18.1%p
Total income margin	3.59%	3.60%	0.01%p	3.85%	3.13%	4.17%	1.04%p	0.31%p
Net interest margin	4.63%	3.46%	-1.17%p	4.47%	3.16%	3.97%	0.80%p	-0.51%p
Cost/income ratio	48.5%	47.0%	-1.5%p	44.1%	56.0%	38.9%	-17.1%p	-5.1%p

Merkantil Bank and Car posted HUF 5.9 billion aggregated adjusted after tax profit in the first nine months of 2017, which is three times the result for the base period. It was mainly attributable to the positive development of loan-related risk costs: in 9M 2017 provisions were released. In 3Q 2017 the aggregated adjusted after tax profit was HUF 2.5 billion (+70% q-o-q).

9M total income grew by 4% y-o-y. The structure of revenues was influenced by two items with a rather technical nature. On one hand, the abolishment of the structural adjustment related to intragroup securities transactions from 2017 affected the net interest income and other net non-interest income lines of the adjusted P&L and caused a y-o-y HUF 2.6 billion NII decrease in 9M (simultaneously other net non-interest income increased in the same amount). On the other hand, due to the switch to IFRS from 2017 certain items – previously treated as fee expenses – have been reclassified into NII starting from 1Q 2017. This had a negative effect of HUF 0.9 billion on NII in 9M 2017. As a result, in the first nine months of 2017 net interest income decreased by 22% y-o-y.

In 3Q the net interest income surged by 28% q-o-q (+HUF 780 million) of which around HUF 540 million can be explained by one-off technical items affecting positively the 3Q NII.

9M operating expenses increased on a yearly basis by 1%. Lower operating expenses for 3Q (-6% q-o-q) were reasoned by moderating charges paid to supervisory authorities.

In 3Q DPD90+ volumes (adjusted for FX rate changes and sold and written off volumes) decreased by HUF 1.3 billion against an increase of HUF 0.2 billion in the previous four quarters on average. The ratio of DPD90+ loans decreased by 1.2 pps y-o-y to 10.4%, while the coverage ratio remained stable (above 112%).

The FX-adjusted loan portfolio expanded by 6% on a yearly basis due to the favourable origination activity.

The volume of both retail and corporate exposures increased on a yearly basis (+17% y-o-y and 3%, respectively).The volume of car-financing loans increased by 5% y-o-y. In 9M total new loan origination grew by 15% y-o-y, within that the volume of newly disbursed car loans jumped by 20% y-o-y. Merkantil Bank and Car is kept its market leading position both in terms of new loan disbursements and outstanding volumes.

IFRS REPORTS OF THE MAIN SUBSIDIARIES

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

DSK GROUP (BULGARIA)

Performance of DSK Group:

Main components of P&L account in HUF mn	9M 2016	9M 2017	Y-o-Y	3Q 2016	2Q 2017	3Q 2017	Q-o-Q	Y-o-Y
After tax profit without the effect of adjustments	42,706	36,677	-14%	14,699	11,982	11,305	-6%	-23%
Income tax	-4,615	-4,094	-11%	-1,506	-1,400	-1,197	-14%	-21%
Profit before income tax	47,321	40,771	-14%	16,205	13,382	12,502	-7%	-23%
Operating profit	52,607	47,714	-9%	17,622	15,894	16,044	1%	-9%
Total income	83,742	81,293	-3%	27,951	27,614	27,402	-1%	-2%
Net interest income	63,706	54,501	-14%	21,101	18,284	17,825	-3%	-16%
Net fees and commissions	19,452	20,409	5%	6,669	6,931	7,085	2%	6%
Other net non-interest income	583	6,383	995%	182	2,400	2,492	4%	
Operating expenses	-31,134	-33,580	8%	-10,329	-11,720	-11,358	-3%	10%
Total provisions	-5,286	-6,943	31%	-1,417	-2,512	-3,542	41%	150%
Provision for possible loan losses	-4,625	-854	-82%	-1,068	842	-1,229	-246%	15%
Other provision	-662	-6,090	820%	-349	-3,354	-2,313	-31%	562%
Main components of balance sheet closing balances in HUF mn	**2016**	**9M 2017**	**YTD**	**3Q 2016**	**2Q 2017**	**3Q 2017**	**Q-o-Q**	**Y-o-Y**
Total assets	1,852,901	1,916,985	3%	1,838,897	1,813,437	1,916,985	6%	4%
Gross customer loans	1,151,210	1,178,804	2%	1,187,362	1,159,451	1,178,804	2%	-1%
Gross customer loans (FX-adjusted)	1,151,928	1,178,804	2%	1,195,307	1,168,258	1,178,804	1%	-1%
Retail loans	825,178	834,505	1%	852,608	833,396	834,505	0%	-2%
Corporate loans	326,750	344,299	5%	342,698	334,862	344,299	3%	0%
Allowances for possible loan losses	-142,386	-122,784	-14%	-158,837	-138,852	-122,784	-12%	-23%
Allowances for possible loan losses (FX-adjusted)	-142,437	-122,784	-14%	-159,882	-139,901	-122,784	-12%	-23%
Deposits from customers	1,547,669	1,628,749	5%	1,532,046	1,532,183	1,628,749	6%	6%
Deposits from customer (FX-adjusted)	1,541,353	1,628,749	6%	1,537,705	1,541,455	1,628,749	6%	6%
Retail deposits	1,325,317	1,396,520	5%	1,284,461	1,370,295	1,396,520	2%	9%
Corporate deposits	216,036	232,229	7%	253,244	171,160	232,229	36%	-8%
Liabilities to credit institutions	21,782	5,799	-73%	31,067	7,240	5,799	-20%	-81%
Total shareholders' equity	247,267	240,359	-3%	241,873	225,746	240,359	6%	-1%
Loan Quality	**9M 2016**	**9M 2017**	**Y-o-Y**	**3Q 2016**	**2Q 2017**	**3Q 2017**	**Q-o-Q**	**Y-o-Y**
90+ days past due loan volume (in HUF million)	159,961	110,630	-31%	159,961	128,439	110,630	-14%	-31%
90+ days past due loans/gross customer loans (%)	13.5%	9.4%	-4.1%p	13.5%	11.1%	9.4%	-1.7%p	-4.1%p
Cost of risk/average gross loans (%)	0.53%	0.10%	-0.43%p	0.36%	-0.29%	0.42%	0.71%p	0.06%p
Cost of risk/average (FX-adjusted) gross loans (%)	0.52%	0.10%	-0.42%p	0.35%	-0.29%	0.42%	0.70%p	0.06%p
Total provisions/90+ days past due loans (%)	99.3%	111.0%	11.7%p	99.3%	108.1%	111.0%	2.9%p	11.7%p
Performance Indicators	**9M 2016**	**9M 2017**	**Y-o-Y**	**3Q 2016**	**2Q 2017**	**3Q 2017**	**Q-o-Q**	**Y-o-Y**
ROA	3.1%	2.6%	-0.5%p	3.2%	2.6%	2.4%	-0.1%p	-0.7%p
ROE	24.1%	21.1%	-3.0%p	24.9%	21.8%	19.5%	-2.2%p	-5.3%p
Total income margin	6.14%	5.81%	-0.33%p	6.03%	5.90%	5.93%	0.03%p	-0.10%p
Net interest margin	4.67%	3.90%	-0.77%p	4.55%	3.91%	3.86%	-0.05%p	-0.69%p
Cost/income ratio	37.2%	41.3%	4.1%p	37.0%	42.4%	41.5%	-1.0%p	4.5%p
Net loans to deposits (FX-adjusted)	67%	65%	-2%p	67%	67%	65%	-2%p	-2%p
FX rates (in HUF)	**9M 2016**	**9M 2017**	**Y-o-Y**	**3Q 2016**	**2Q 2017**	**3Q 2017**	**Q-o-Q**	**Y-o-Y**
HUF/BGN (closing)	158.1	159.1	1%	158.1	157.9	159.1	1%	1%
HUF/BGN (average)	159.6	157.7	-1%	159.1	158.4	156.7	-1%	-2%

- ***9M ROE stood at 21.1%***
- ***HUF 36.7 billion profit after tax in 9M (-14% y-o-y) as a result of moderating operating profit (-9%) and higher risk costs (+31%)***
- ***1% quarterly improvement in operating profit due to favourable loan disbursement dynamics and stable total income margin, whereas portfolio quality improved, too***
- ***The performing loan portfolio grew by 3% q-o-q supported by strengthening retail and steadily strong corporate disbursements***

DSK Group posted an after tax profit of HUF 36.7 billion in 9M 2017, which translates into a 21% return on equity. The 14% y-o-y decrease in profits was due to the 9% weaker operating profit and the 31% higher total provisions. The 3Q after tax profit also declined (-6% q-o-q) due to the higher risk cost, but the operating profit grew by 1% q-o-q.

The 9% y-o-y decrease in 9M operating profit to a great extent reflected the 14% y-o-y erosion in net interest income: lower interest income was realized on household loans due to persistent repricing and refinancing. The 9M NIM dropped by 77 bps y-o-y to 3.90%, but in 3Q NIM eroded by only 5 bps q-o-q. The larger share of corporate deposits with negative interest rates within total deposits contributed to the relative stability of NIM during 3Q and also the volume and thus the share of performing loans within shrinking average total assets played a positive role, too. Net interest income declined by 3% q-o-q in 3Q.

9M net fee and commission income improved by 5% y-o-y partly due to the growth of transactions-related fee revenues. In 3Q net fees and commissions increased by 2% q-o-q driven by the strong pick-up in lending activity partly as a result of the further strengthening mortgage loan disbursements supported by the extended sales campaign.

Other net non-interest income in 9M exceeded HUF 6 billion versus HUF 0.6 billion in the base period. This partly resulted from the revaluation gains on derivative instruments and securities portfolio. Simultaneously, interest claims related to off-balance sheet items of the Bulgarian factoring company have been revised, resulting in a HUF 1.1 billion other non-interest revenue booked in the Bulgarian P&L in 9M 2017. Furthermore, a base effect induced by a methodological change contributed to the growth of other revenues, too: items related to the fair value adjustment of derivative instruments, that were previously accounted for on the other net non-interest income line have been booked on the NII line since the beginning of 2017. This explained HUF 1.5 billion from the yearly growth of net other non-interest income.

9M operating expenses increased by 8% y-o-y, the key reasons were the higher personnel costs, higher software amortisation and advisory costs related to the business development project in the retail area. Lower 3Q operating expenses (-3% q-o-q) were driven by savings in marketing and advisory costs.

9M total risk cost grew by 31% due to the increase in other risk cost. Provisions for possible loan losses, however, declined; the 9M risk cost rate shrank to 10 bps. Provisions for possible loan losses amounted to HUF 1.2 billion in 3Q compared to the HUF 0.8 billion release in 2Q.

Favourable credit quality trends have remained intact. The FX-adjusted DPD90+ volumes excluding the impact of loan sales and write-offs increased (3Q: HUF +0.8 billion) mainly due to worsening of the consumer loan book, whereas the quality of the mortgage loan book further improved.

The DPD90+ ratio decreased by 1.7 pps q-o-q to 9.4%. The coverage of DPD90+ loans by total provisions remained conservative (111%). During 9M 2017 around HUF 5.4 billion non-performing portfolio was sold/written-off (almost half of that in 3Q), mainly in the corporate segment.

The FX-adjusted growth of performing loans reached 3% q-o-q, supported by strengthening disbursement activity. In 3Q 2017 mortgage loan disbursements surged by 5% q-o-q in BGN terms (+46% y-o-y), thus exceeding the quarterly sales record reached in 2008. Performing mortgage loan volumes started picking up in 2Q and in 3Q the portfolio grew again by 3% q-o-q on an FX-adjusted basis. In 3Q 2017 cash loan and POS loan disbursements grew by 11% y-o-y in BGN terms. The performing consumer loan portfolio grew by 2% q-o-q.

Corporate and SME loan disbursements surged by 141% y-o-y in the first nine months of 2017, while increased by 35% q-o-q in 3Q. New disbursements are to a great extent related to already existing customers. The performing corporate loan portfolio grew by 2% both q-o-q and y-o-y, while the SME book advanced even faster (+6% q-o-q and +9% y-o-y).

The FX-adjusted deposit base expanded by 6% both q-o-q and y-o-y. Retail deposits kept on increasing (+2% q-o-q, +9% y-o-y). Corporate deposits recovered most of the 2Q outflow, as a result of some large corporate client's deposit placement (+36% q-o-q). As deposits grew faster than the loan book, the net loan-to-deposit ratio decreased to 65% (-2 pps q-o-q and y-o-y).

The capital adequacy ratio of DSK Bank calculated in accordance with local regulation stood at 16.7% at the end of September 2017.

The reason behind the 0.4 pp q-o-q erosion was the q-o-q increase in RWA.

OTP BANK RUSSIA

Performance of OTP Bank Russia:

Main components of P&L account in HUF mn	9M 2016	9M 2017	Y-o-Y	3Q 2016	2Q 2017	3Q 2017	Q-o-Q	Y-o-Y
After tax profit w/o dividends and net cash transfer	15,969	21,443	34%	6,842	7,497	6,393	-15%	-7%
Income tax	-4,494	-5,883	31%	-1,884	-1,954	-1,711	-12%	-9%
Profit before income tax	20,464	27,327	34%	8,725	9,451	8,104	-14%	-7%
Operating profit	44,999	55,428	23%	16,062	19,224	16,573	-14%	3%
Total income	76,394	94,594	24%	27,448	32,552	29,194	-10%	6%
Net interest income	66,372	76,940	16%	23,029	26,099	23,749	-9%	3%
Net fees and commissions	10,182	16,928	66%	3,880	6,103	5,162	-15%	33%
Other net non-interest income	-160	726		539	350	284	-19%	-47%
Operating expenses	-31,395	-39,166	25%	-11,386	-13,328	-12,621	-5%	11%
Total provisions	-24,536	-28,101	15%	-7,337	-9,773	-8,469	-13%	15%
Provision for possible loan losses	-24,305	-27,607	14%	-7,157	-9,627	-8,255	-14%	15%
Other provision	-231	-494	114%	-180	-146	-214	46%	19%
Main components of balance sheet closing balances in HUF mn	2016	9M 2017	YTD	3Q 2016	2Q 2017	3Q 2017	Q-o-Q	Y-o-Y
Total assets	622,666	616,572	-1%	520,231	562,014	616,572	10%	19%
Gross customer loans	490,086	488,161	0%	424,769	456,180	488,161	7%	15%
Gross customer loans (FX-adjusted)	466,884	488,161	5%	442,273	455,688	488,161	7%	10%
Retail loans	429,003	438,131	2%	409,870	408,788	438,131	7%	7%
Corporate loans	36,767	48,927	33%	31,270	45,798	48,927	7%	56%
Car financing loans	1,114	1,103	-1%	1,134	1,102	1,103	0%	-3%
Gross DPD0-90 customer loans (FX-adjusted)	372,721	404,135	8%	338,897	371,811	404,135	9%	19%
Retail loans	340,384	359,896	6%	312,091	330,534	359,896	9%	15%
Allowances for possible loan losses	-116,458	-109,409	-6%	-111,074	-106,793	-109,409	2%	-1%
Allowances for possible loan losses (FX-adjusted)	-110,808	-109,409	-1%	-115,477	-106,575	-109,409	3%	-5%
Deposits from customers	345,241	329,410	-5%	297,079	297,334	329,410	11%	11%
Deposits from customer (FX-adjusted)	328,039	329,410	0%	307,434	296,688	329,410	11%	7%
Retail deposits	266,228	270,223	2%	266,699	254,287	270,223	6%	1%
Corporate deposits	61,812	59,187	-4%	40,735	42,402	59,187	40%	45%
Liabilities to credit institutions	91,641	96,000	5%	54,722	80,766	96,000	19%	75%
Issued securities	1,038	654	-36%	1,158	698	654	-5%	-42%
Subordinated debt	24,778	23,204	-6%	22,993	23,379	23,204	-1%	1%
Total shareholders' equity	125,190	134,055	7%	110,034	128,002	134,055	5%	22%
Loan Quality	9M 2016	9M 2017	Y-o-Y	3Q 2016	2Q 2017	3Q 2017	Q-o-Q	Y-o-Y
90+ days past due loan volume (in HUF million)	99,503	84,026	-16%	99,503	84,082	84,026	0%	-16%
90+ days past due loans/gross customer loans (%)	23.4%	17.2%	-6.2%p	23.4%	18.4%	17.2%	-1.2%p	-6.2%p
Cost of risk/average gross loans (%)	8.07%	7.66%	-0.41%p	6.93%	7.92%	7.13%	-0.79%p	0.21%p
Cost of risk/average (FX-adjusted) gross loans	8.03%	7.40%	-0.63%p	6.72%	7.64%	6.93%	-0.71%p	0.21%p
Total provisions/90+ days past due loans (%)	111.6%	130.2%	18.6%p	111.6%	127.0%	130.2%	3.2%p	18.6%p
Performance Indicators	9M 2016	9M 2017	Y-o-Y	3Q 2016	2Q 2017	3Q 2017	Q-o-Q	Y-o-Y
ROA	4.2%	4.8%	0.6%p	5.2%	5.1%	4.4%	-0.6%p	-0.8%p
ROE	22.0%	21.8%	-0.2%p	25.9%	22.2%	20.0%	-2.2%p	-6.0%p
Total income margin	20.30%	21.33%	1.03%p	21.06%	21.96%	20.20%	-1.76%p	-0.86%p
Net interest margin	17.64%	17.35%	-0.28%p	17.67%	17.60%	16.43%	-1.17%p	-1.24%p
Cost/income ratio	41.1%	41.4%	0.3%p	41.5%	40.9%	43.2%	2.3%p	1.8%p
Net loans to deposits (FX-adjusted)	106%	115%	9%p	106%	118%	115%	-3%p	9%p
FX rates (in HUF)	9M 2016	9M 2017	Y-o-Y	3Q 2016	2Q 2017	3Q 2017	Q-o-Q	Y-o-Y
HUF/RUB (closing)	4.4	4.6	5%	4.4	4.6	4.6	0%	5%
HUF/RUB (average)	4.1	4.8	16%	4.3	4.9	4.4	-10%	3%

- ***HUF 21.4 billion after tax profit in 9M (+34% y-o-y) marked an ROE of 21.8%, the higher profit was due to improving operating performance***
- ***Net interest income grew q-o-q in RUB terms, with eroding NIM and growing performing loan volumes***
- ***In 3Q loan portfolio quality deterioration remained moderate, risk cost rate declined to close to 7%***
- ***Performing loan volumes grew by 19% y-o-y and by 9% q-o-q, within that the expansion of the corporate portfolio continued. Due to successful deposit collection the net loan-to-deposit ratio decreased q-o-q***

The HUF denominated financial figures of OTP Bank Russia are distorted by the HUF/RUB moves: in 3Q 2017 the closing rate was stable q-o-q and showed a 5% y-o-y appreciation of RUB against HUF; whereas the average 9M rate appreciated by 16% y-o-y, the 3Q average rate strengthened by 3% y-o-y and depreciated by 10% q-o-q. Therefore, local currency P&L and balance sheet dynamics can be materially different from those in HUF terms.

In 3Q 2017 **OTP Bank Russia** generated HUF 6.4 billion profit, thus the 9M after tax result exceeded HUF 21.4 billion, underpinning a 34% improvement y-o-y (+18% in RUB terms).

As for the rouble denominated 9M profit dynamics, operating profit increased by 6% owing to the 7% y-o-y growth of total income, while operating expenses were by 8% higher. Net interest income did not change on yearly basis in RUB terms as the lower interest revenues generated by the performing portfolio was offset by the declining funding costs. NIM slightly eroded in the first nine months.

At the same time, net fee and commission income grew in RUB terms by 44% y-o-y due to insurance fee income on cash loans with insurance policies and other products growing considerably, while commission income generated by credit cards declined due to the shrinking of the average outstanding portfolio. Furthermore, methodology change[10] also contributed to the growth of this line.

In 9M 2017 operating expenses grew by 8% in RUB terms. The quarterly dynamics of operating expenses in 3Q (+6% q-o-q) was affected favourably by the 1% decrease of personnel expenses (in rouble terms), partly due to the regressive nature of related taxes. Depreciation, however, increased by 6% due to growth of software amortisation. Also, other administrative expenses grew by 20% q-o-q in line with the strengthening business activity. Compared to 3Q 2016 the number of branches did not change, and the number of employees (without agents) grew by 3% y-o-y to 4,813 people (marking a slight decrease in 3Q q-o-q).

On quarterly basis the 15% decrease of 3Q profit after tax was mainly due to the FX translation effect: in RUB terms the decrease was 5%. Operating profit in RUB terms decreased by 4%, as a result of stable total income coupled with operating expenses growing by 6%. Net interest income increased by 1% q-o-q due to the dynamic growth of performing loan volumes; NIM, however, contracted by about 1 pp q-o-q. Shrinking NIM was due to the lower margins earned on loans, while the average deposit interest rates decreased only moderately q-o-q. In 3Q net F&C income decreased by 6% q-o-q in local currency terms: gross F&C income remained stable, but the increasing F&C expenses weighed on the net fee income line due to seasonally higher agent bonuses.

The FX-adjusted DPD90+ volume growth excluding the impact of sold/written-off non-performing loans amounted to HUF 8.7 billion in 3Q, after the HUF 9.6 billion growth seen in the preceding quarter. The DPD90+ ratio improved by 1.2 pps to 17.2% q-o-q (-6.2 pps y-o-y). In 3Q 2017 around RUB 1.2 billion (in the last 12 months altogether RUB 9.1 billion) non-performing loans were sold or written-off. In 3Q total risk cost declined by 3% q-o-q in RUB terms, whereas in 9M the y-o-y moderation was 2%. The risk cost rate settled below 8% (3Q: 7.13%). Total provision coverage of DPD90+ loans stood at 130% at end-3Q (+3 pps q-o-q, +19 pps y-o-y).

In 3Q the FX-adjusted performing (DPD0-90) loan portfolio expanded by 19% y-o-y and by 9% q-o-q. The quarterly growth was mainly induced by the seasonal surge of consumer loan sales, as well as the 7% q-o-q increase of performing corporate loans. POS lending strengthened: the 9M disbursements were higher by 15% y-o-y, and the 3Q disbursements grew by 32% q-o-q. The FX-adjusted performing POS loan portfolio surged by 22% y-o-y and 11% q-o-q, respectively. With regards to the credit card segment, the portfolio erosion that has been in place since 3Q 2014 stopped: in 3Q 2017 the FX-adjusted performing card loan volumes already expanded by 5% q-o-q (y-o-y they still decreased by 8%). Cash loan disbursements surged by 63% y-o-y and were stable on quarterly basis; the FX-adjusted volume of performing cash loans grew by 37% y-o-y and 11% q-o-q.

FX-adjusted performing corporate loan volumes kept on growing in 3Q (+7% q-o-q, +65% y-o-y) after the dynamic expansion experienced in 2Q, due to the

[10] From the beginning of 2017 discounts paid to retail agents related to product sale and certain agent bonuses previously treated as fee expense are now capitalised and treated as part of the amortised cost of the loans, thus these expenses will amortise through interest payment on loans during their lifetime.

favourable development of working capital financing and commercial factoring.

FX-adjusted total deposits increased significantly, by 11% q-o-q (+7% y-o-y); within that both retail and corporate segments performed well. Retail deposits increased by 6%, while the corporate deposit base went up by 40%, so the bankruptcies within the Russian banking sector in the last couple of months had no effect on the Russian bank's funding. FX-adjusted net loan-to-deposit ratio stood at 115% at the end of 3Q 2017 (-3 pps q-o-q, FX-adjusted).

The capital adequacy ratio of the bank calculated in line with local regulation stood at 16.8% at the end of September (+1.4 pps y-o-y).

TOUCH BANK (RUSSIA)

Performance of Touch Bank:

Main components of P&L account in HUF mn	9M 2016	9M 2017	Y-o-Y	3Q 2016	2Q 2017	3Q 2017	Q-o-Q	Y-o-Y
After tax profit w/o dividends and net cash transfer	-3,930	-5,155	31%	-1,419	-1,561	-1,335	-14%	-6%
Income tax	977	1,279	31%	352	389	332	-15%	-6%
Profit before income tax	-4,907	-6,434	31%	-1,771	-1,950	-1,667	-14%	-6%
Operating profit	-4,894	-5,232	7%	-1,765	-1,417	-1,150	-19%	-35%
Total income	-115	1,345		-17	621	566	-9%	
Net interest income	133	1,208	808%	49	482	508	5%	939%
Net fees and commissions	-259	114		-86	131	51	-61%	
Other net non-interest income	12	23	96%	20	8	7	-10%	-64%
Operating expenses	-4,779	-6,577	38%	-1,748	-2,037	-1,717	-16%	-2%
Total provisions	-14	-1,202		-6	-533	-517	-3%	
Provision for possible loan losses	-10	-1,197		-6	-532	-512	-4%	
Other provision	-4	-6	35%	0	-2	-5	144%	
Main components of balance sheet closing balances in HUF mn	**2016**	**9M 2017**	**YTD**	**3Q 2016**	**2Q 2017**	**3Q 2017**	**Q-o-Q**	**Y-o-Y**
Total assets	26,141	28,773	10%	19,020	26,215	28,773	10%	51%
Gross customer loans	1,609	11,884	639%	605	9,930	11,884	20%	
Gross customer loans (FX-adjusted)	1,535	11,884	674%	633	9,930	11,884	20%	
Retail loans	1,535	11,884	674%	633	9,930	11,884	20%	
Corporate loans	0	0		0	0	0		
Allowances for possible loan losses	-36	-1,195		-10	-667	-1,195	79%	
Allowances for possible loan losses (FX-adjusted)	-34	-1,195		-10	-667	-1,195	79%	
Deposits from customers	20,455	22,037	8%	14,410	20,092	22,037	10%	53%
Deposits from customer (FX-adjusted)	19,505	22,037	13%	15,054	20,088	22,037	10%	46%
Retail deposits	19,505	22,037	13%	15,054	20,088	22,037	10%	46%
Corporate deposits	0	0		0	0	0		
Liabilities to credit institutions	0	0		0	0	0		
Subordinated debt	0	0		0	0	0		
Total shareholders' equity	5,585	6,611	18%	4,539	6,026	6,611	10%	46%
Loan Quality	**9M 2016**	**9M 2017**	**Y-o-Y**	**3Q 2016**	**2Q 2017**	**3Q 2017**	**Q-o-Q**	**Y-o-Y**
90+ days past due loan volume (in HUF million)	0	800		0	176	800	354%	
90+ days past due loans/gross customer loans (%)	0.0%	6.7%	6.7%p	0.0%	1.8%	6.7%	5.0%p	6.7%p
Cost of risk/average gross loans (%)	5.80%	20.46%	14.67%p	5.47%	23.60%	18.88%	-4.72%p	13.40%p
Cost of risk/average (FX-adjusted) gross loans	5.69%	19.75%	14.06%p	5.28%	22.69%	18.32%	-4.37%p	13.04%p
Total provisions/90+ days past due loans (%)		149.3%			378.0%	149.3%		
Performance Indicators	**9M 2016**	**9M 2017**	**Y-o-Y**	**3Q 2016**	**2Q 2017**	**3Q 2017**	**Q-o-Q**	**Y-o-Y**
Total income margin	-1.14%	6.70%	7.84%p	-0.39%	9.09%	8.45%	-0.64%p	8.84%p
Net interest margin	1.32%	6.02%	4.70%p	1.11%	7.06%	7.58%	0.51%p	6.47%p
Net loans to deposits (FX-adjusted)	4%	49%	44%p	4%	46%	49%	2%p	44%p
FX rates (in HUF)	**9M 2016**	**9M 2017**	**Y-o-Y**	**3Q 2016**	**2Q 2017**	**3Q 2017**	**Q-o-Q**	**Y-o-Y**
HUF/RUB (closing)	4.4	4.6	5%	4.4	4.6	4.6	0%	5%
HUF/RUB (average)	4.1	4.8	16%	4.3	4.9	4.4	-10%	3%

- ***HUF 5.2 billion loss in 9M 2017, in 3Q the quarterly loss moderated q-o-q***
- ***Moderately increasing lending activity with operating expenses declining q-o-q***
- ***Worsening portfolio quality, q-o-q higher risk cost in RUB terms***

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

The loss of **Touch Bank** in 9M 2017 was HUF 5.2 billion, out of which HUF 1.3 loss was realized in 3Q. In RUB terms the 3Q result exhibited a decline both q-o-q and y-o-y (-5% and -8%, respectively). The quarterly changes were shaped mostly by the decreasing personnel and marketing spending with total income increasing.

In 9M 2017 altogether HUF 1.3 billion total income was booked, supported by the interest revenues from the growing loan volumes, although the growth was slower than expected. In 3Q total income kept growing (+2% q-o-q in RUB terms). Within that net interest income increased by 17% q-o-q in RUB terms, thanks to higher loan balances. The quarterly decline of net F&C income is reasoned by a base effect: in 2Q 2017 cumulated F&C expenses for 1H 2017 related to customer acquisition were reclassified in a lump-sum to marketing expenses.

3Q operating expenses dropped by 6% q-o-q in RUB terms. Some client acquisition expenses declined due to moderated portfolio growth, and the introduction of a new sales channel. Personnel expenses decreased by 6% q-o-q in RUB terms, while the number of employees decreased by 2 persons to 344.

In spite of the outstanding value proposition the pace of acquisition of potentially profit generating customers is still falling short of expectations. In 3Q 2017 the number of activated cards grew by 10% q-o-q and topped 117 thousand. Loan volumes expanded further (+20% q-o-q, FX-adjusted), reaching almost HUF 12 billion, but the pace of growth moderated further due to more stringent lending standards introduced in 2Q 2017.

The credit quality worsened, the DPD90+ ratio increased from 1.8% to 6.7% over the last quarter, while total provision coverage of DPD90+ loans stood at 149%.

After the q-o-q decline in the first quarter, FX-adjusted total deposits grew in 2Q and 3Q as well (by 6% and 10% q-o-q, respectively). The net loan-to-deposit ratio increased by 2 pps to 49% in 3Q.

OTP BANK UKRAINE

Performance of OTP Bank Ukraine:

Main components of P&L account in HUF mn	9M 2016	9M 2017	Y-o-Y	3Q 2016	2Q 2017	3Q 2017	Q-o-Q	Y-o-Y
After tax profit without the effect of adjustments	8,137	8,878	9%	3,840	2,506	3,062	22%	-20%
Income tax	-1,385	-1,800	30%	1,656	-731	-453	-38%	
Profit before income tax	9,522	10,679	12%	2,184	3,237	3,514	9%	61%
Operating profit	17,933	14,004	-22%	5,052	4,061	4,911	21%	-3%
Total income	28,503	25,467	-11%	8,554	8,072	8,725	8%	2%
Net interest income	20,610	16,990	-18%	5,786	5,264	5,890	12%	2%
Net fees and commissions	6,290	7,028	12%	2,210	2,328	2,486	7%	13%
Other net non-interest income	1,603	1,450	-10%	559	479	349	-27%	-38%
Operating expenses	-10,570	-11,463	8%	-3,502	-4,011	-3,814	-5%	9%
Total provisions	-8,411	-3,325	-60%	-2,868	-825	-1,397	69%	-51%
Provision for possible loan losses	-9,817	-1,648	-83%	-3,173	-871	-938	8%	-70%
Other provision	1,405	-1,677		305	46	-459		
Main components of balance sheet closing balances in HUF mn	2016	9M 2017	YTD	3Q 2016	2Q 2017	3Q 2017	Q-o-Q	Y-o-Y
Total assets	307,117	305,484	-1%	290,642	307,137	305,484	-1%	5%
Gross customer loans	381,662	333,522	-13%	372,336	349,874	333,522	-5%	-10%
Gross customer loans (FX-adjusted)	345,814	333,522	-4%	351,060	336,094	333,522	-1%	-5%
Retail loans	149,075	137,972	-7%	160,568	137,690	137,972	0%	-14%
Corporate loans	177,194	172,842	-2%	170,100	176,751	172,842	-2%	2%
Car financing loans	19,545	22,708	16%	20,391	21,652	22,708	5%	11%
Gross DPD0-90 customer loans (FX-adjusted)	201,276	221,994	10%	192,706	209,816	221,994	6%	15%
Retail loans	45,706	44,244	-3%	44,341	42,997	44,244	3%	0%
Corporate loans	144,397	162,659	13%	137,454	152,836	162,659	6%	18%
Car financing loans	11,173	15,091	35%	10,912	13,982	15,091	8%	38%
Allowances for possible loan losses	-189,450	-132,447	-30%	-195,851	-160,230	-132,447	-17%	-32%
Allowances for possible loan losses (FX-adjusted)	-171,035	-132,447	-23%	-185,295	-154,243	-132,447	-14%	-29%
Deposits from customers	228,568	213,993	-6%	203,664	217,762	213,993	-2%	5%
Deposits from customer (FX-adjusted)	209,382	213,993	2%	192,450	209,367	213,993	2%	11%
Retail deposits	98,185	95,380	-3%	96,350	95,073	95,380	0%	-1%
Corporate deposits	111,197	118,613	7%	96,100	114,294	118,613	4%	23%
Liabilities to credit institutions	46,270	39,901	-14%	43,402	42,107	39,901	-5%	-8%
Subordinated debt	0	0	-100%	8,291	0	0		-100%
Total shareholders' equity	24,243	32,025	32%	23,058	30,514	32,025	5%	39%
Loan Quality	9M 2016	9M 2017	Y-o-Y	3Q 2016	2Q 2017	3Q 2017	Q-o-Q	Y-o-Y
90+ days past due loan volume (in HUF million)	167,315	111,542	-33%	167,315	131,178	111,542	-15%	-33%
90+ days past due loans/gross customer loans (%)	44.9%	33.4%	-11.5%p	44.9%	37.5%	33.4%	-4.0%p	-11.5%p
Cost of risk/average gross loans (%)	3.35%	0.62%	-2.73%p	3.33%	0.97%	1.12%	0.15%p	-2.21%p
Cost of risk/average (FX-adjusted) gross loans (%)	3.30%	0.64%	-2.67%p	3.29%	0.97%	1.12%	0.15%p	-2.16%p
Total provisions/90+ days past due loans (%)	117.1%	118.7%	1.7%p	117.1%	122.1%	118.7%	-3.4%p	1.7%p
Performance Indicators	9M 2016	9M 2017	Y-o-Y	3Q 2016	2Q 2017	3Q 2017	Q-o-Q	Y-o-Y
ROA	3.8%	3.9%	0.1%p	5.0%	3.2%	4.0%	0.8%p	-1.0%p
ROE	n.a.	41.1%		n.a.	34.0%	38.7%	4.7%p	
Total income margin	13.16%	11.05%	-2.11%p	11.07%	10.32%	11.35%	1.03%p	0.28%p
Net interest margin	9.51%	7.37%	-2.14%p	7.49%	6.73%	7.66%	0.93%p	0.17%p
Cost/income ratio	37.1%	45.0%	7.9%p	40.9%	49.7%	43.7%	-6.0%p	2.8%p
Net loans to deposits (FX-adjusted)	86%	94%	8%p	86%	87%	94%	7%p	8%p
FX rates (in HUF)	9M 2016	9M 2017	Y-o-Y	3Q 2016	2Q 2017	3Q 2017	Q-o-Q	Y-o-Y
HUF/UAH (closing)	10.7	9.9	-7%	10.7	10.4	9.9	-5%	-7%
HUF/UAH (átlag)	11.0	10.5	-5%	11.0	10.7	10.1	-6%	-8%

- ***The Ukrainian subsidiary posted the highest 9M ROE within subsidiary banks across the Group (ROE: 41.1%)***
- ***The 9M profit increased to HUF 8.9 billion (+9% y-o-y) supported mainly by lower risk costs stemming from favourable credit quality trends***
- ***The DPD90+ rate dropped by 11.5 pps y-o-y reflecting non-performing asset sales/write offs, too; the coverage ratio improved (118.7%, +1.7 pps y-o-y)***
- ***Performing loans advanced by 15% y-o-y, while the deposit book grew by 11% (FX-adjusted)***

The financial performance and indicators of OTP Bank Ukraine in HUF terms were affected by the HUF/UAH exchange rate moves: in 3Q 2017 the closing rate of UAH depreciated 5% q-o-q and 7% y-o-y. The 3Q average rates also demonstrated weakening (-6% q-o-q and -8% y-o-y respectively).The 9M average rate weakened by 5% y-o-y. As a result, there are some differences in local currency P&L and balance sheets dynamics versus those in HUF terms.

OTP Bank Ukraine posted HUF 8.9 billion adjusted after tax profit in 9M 2017 marking a 9% increase against the base period. In 3Q the Bank realized HUF 3.1 billion net profit (+22% q-o-q), thus the quarterly ROE stood reached 38.7%, the highest level among subsidiary banks across the Group.

9M operating result dropped by 22% y-o-y, the key reason was the y-o-y 18% decline in net interest income. The y-o-y NII dynamics were negatively influenced by a methodology change concerning the accounting of interest income on impaired exposures starting from July and August 2016 (different timing for different products). This change had a negative impact on net interest income, but also lowered the risk costs in the bank's standalone income statement staring from July 2016. In 3Q 2017 net interest income already advanced by 12% q-o-q. The q-o-q improvement was explained by base effect, but also by the higher volume of performing loans. In 2Q 2017 the NII was negatively affected by the higher volume of restructured corporate and mortgage loans, because at the time of restructuring the total NPV decline for the whole duration of the loan is accounted for in one sum on the net interest income line.

Net fees and commissions in 9M surged by 12%, induced by increasing income generated on corporate and credit card transactions.

9M operating expenses grew by 8% y-o-y, mainly due to higher personnel expenses driven by salary increases, while the average inflation for the first nine months reached 14.1% y-o-y. Declining operating expenses in 3Q were reasoned by lower marketing costs, as well as lower fees paid to regulatory bodies.

9M total risk costs dropped by 60% y-o-y. The credit quality of the loan book showed favourable trends: the DPD90+ volumes (FX-adjusted and excluding the impact of loan sales and write-offs) declined by HUF 5.5 billion (in HUF billion: 1Q 2017: -3.2, 2Q: +0.1, 3Q: -2.4) versus an increase of HUF 8 billion in the base period. In 3Q total risk costs went up by 69% q-o-q, within that other provision grew substantially.

The DPD90+ ratio shrank to 33.4% (-4.0 pps q-o-q and -11.5 pps y-o-y). Such a meaningful drop was induced partly by non-performing loans sales/write offs. In 3Q 2017 HUF 12.5 billion problem loans were sold or written off, thus during the last twelve months such volumes comprised HUF 35.7 billion. The total provision coverage of DPD90+ loans increased by 1.7 pps y-o-y to 118.7%.

The FX-adjusted total performing loan book grew by 15% y-o-y and by 6% q-o-q. Corporate volumes demonstrated strong dynamics (+18% y-o-y and +6% q-o-q). The retail portfolio was stable y-o-y, however already expanded by 3% q-o-q. Performing consumer loans showed a healthy dynamics (+35% y-o-y and 14% q-o-q) due to higher credit card and POS-volumes. Card loan disbursements kept increasing, whereas in the POS segment new volumes surged by 51% y-o-y (in UAH terms). Mortgage lending is still suspended, as a result the total mortgage performing book eroded by 16% y-o-y and by 5% q-o-q. By the end of September 2017 the total volume of performing USD denominated mortgage loans comprised HUF 3.9 billion, whereas the UAH denominated ones represented HUF 11.5 billion. From 1Q 2017 car loan sales was resumed, the outstanding volumes increased by 35% ytd (FX-adjusted).

Deposits (adjusted for the FX-effect) increased by 2% q-o-q and 11% y-o-y amid further declining offered deposit rates. The standalone capital adequacy ratio of the Ukrainian bank according to local standards stood at 15.0% at the end of September 2017.

The shareholders' equity of the Ukrainian operation under IFRS was HUF 32 billion at the end of September 2017. The Ukrainian shareholders' equity includes that of three entities: the Bank, the Leasing and Factoring companies' equity. Accordingly, the standalone equity of the Bank under IFRS reached HUF 30.3 billion at the end of September 2017, whereas the equity of the Leasing Company comprised HUF 1.4 billion. As for the Factoring company, its equity was HUF 0.3 billion.

At the end of 3Q 2017 the total gross amount of intragroup funding exposure toward the Ukrainian group members decreased to HUF 34 billion (-HUF 17.7 billion y-o-y) and can be broken down as follows: there was an outstanding exposure of USD 111 million toward the Leasing Company and the remaining USD 18 million toward the Factoring unit.

OTP BANK ROMANIA

Performance of OTP Bank Romania:

Main components of P&L account in HUF mn	9M 2016	9M 2017	Y-o-Y	3Q 2016	2Q 2017	3Q 2017	Q-o-Q	Y-o-Y
After tax profit without the effect of adjustments	2,205	2,084	-5%	599	-447	1,223	-373%	104%
Income tax	-327	-778	138%	-163	81	-285		75%
Profit before income tax	2,532	2,862	13%	762	-529	1,508		98%
Operating profit	6,472	8,405	30%	2,321	2,804	2,652	-5%	14%
Total income	20,041	21,125	5%	6,571	7,004	6,962	-1%	6%
Net interest income	15,172	16,123	6%	5,083	5,427	5,367	-1%	6%
Net fees and commissions	2,570	2,303	-10%	967	764	770	1%	-20%
Other net non-interest income	2,300	2,699	17%	520	814	825	1%	59%
Operating expenses	-13,569	-12,720	-6%	-4,250	-4,201	-4,310	3%	1%
Total provisions	-3,940	-5,542	41%	-1,559	-3,332	-1,145	-66%	-27%
Provision for possible loan losses	-3,985	-5,004	26%	-1,420	-2,663	-1,315	-51%	-7%
Other provision	45	-539		-139	-670	170		
Main components of balance sheet closing balances in HUF mn	**2016**	**9M 2017**	**YTD**	**3Q 2016**	**2Q 2017**	**3Q 2017**	**Q-o-Q**	**Y-o-Y**
Total assets	588,188	623,010	8%	574,360	600,792	623,010	4%	8%
Gross customer loans	524,576	550,760	6%	517,228	538,093	550,760	2%	6%
Gross customer loans (FX-adjusted)	515,404	550,760	8%	507,816	535,645	550,760	3%	8%
Retail loans	374,435	394,357	7%	368,495	386,745	394,357	2%	7%
Corporate loans	140,968	156,404	12%	139,321	148,901	156,404	5%	12%
Allowances for possible loan losses	-74,645	-70,604	-6%	-74,889	-75,003	-70,604	-6%	-6%
Allowances for possible loan losses (FX-adjusted)	-71,914	-70,604	-3%	-72,678	-73,497	-70,604	-4%	-3%
Deposits from customers	336,991	335,826	3%	327,077	334,339	335,826	0%	3%
Deposits from customer (FX-adjusted)	332,642	335,826	4%	322,347	334,257	335,826	0%	4%
Retail deposits	252,646	251,661	3%	244,726	249,268	251,661	1%	3%
Corporate deposits	79,996	84,166	8%	77,621	84,990	84,166	-1%	8%
Liabilities to credit institutions	167,372	209,134	25%	164,360	182,274	209,134	15%	27%
Total shareholders' equity	42,510	44,625	2%	43,726	43,258	44,625	3%	2%
Loan Quality	**9M 2016**	**9M 2017**	**Y-o-Y**	**3Q 2016**	**2Q 2017**	**3Q 2017**	**Q-o-Q**	**Y-o-Y**
90+ days past due loan volume (in HUF million)	92,336	85,582	-7%	92,336	89,572	85,582	-4%	-7%
90+ days past due loans/gross customer loans (%)	17.9%	15.5%	-2.3%p	17.9%	16.6%	15.5%	-1.1%p	-2.3%p
Cost of risk/average gross loans (%)	1.01%	1.26%	0.25%p	1.08%	2.01%	0.97%	-1.04%p	-0.11%p
Cost of risk/average (FX-adjusted) gross loans (%)	0.99%	1.25%	0.26%p	1.06%	1.99%	0.96%	-1.03%p	-0.10%p
Total provisions/90+ days past due loans (%)	81.1%	82.5%	1.4%p	81.1%	83.7%	82.5%	-1.2%p	1.4%p
Performance Indicators	**9M 2016**	**9M 2017**	**Y-o-Y**	**3Q 2016**	**2Q 2017**	**3Q 2017**	**Q-o-Q**	**Y-o-Y**
ROA	0.5%	0.5%	0.0%p	0.4%	-0.3%	0.8%	1.1%p	0.4%p
ROE	6.9%	6.4%	-0.5%p	5.5%	-4.1%	11.1%	15.2%p	5.6%p
Total income margin	4.43%	4.71%	0.28%p	4.44%	4.72%	4.50%	-0.21%p	0.06%p
Net interest margin	3.35%	3.60%	0.25%p	3.43%	3.65%	3.47%	-0.18%p	0.04%p
Cost/income ratio	67.7%	60.2%	-7.5%p	64.7%	60.0%	61.9%	1.9%p	-2.8%p
Net loans to deposits (FX-adjusted)	135%	143%	8%p	135%	138%	143%	5%p	8%p
FX rates (in HUF)	**9M 2016**	**9M 2017**	**Y-o-Y**	**3Q 2016**	**2Q 2017**	**3Q 2017**	**Q-o-Q**	**Y-o-Y**
HUF/RON (closing)	69.3	67.7	-2%	69.3	67.7	67.7	0%	-2%
HUF/RON (average)	69.6	67.8	-3%	69.7	68.1	66.9	-2%	-4%

- ***OTP Bank Romania posted HUF 2.1 billion profit in 9M 2017 (-5% y-o-y), 3Q net earnings represented HUF 1.2 billion***
- ***Operative trends were positive with 9M operating profit surging by 30% y-o-y***
- ***Credit quality trends were favourable in 3Q, q-o-q lower quarterly risk costs were supported by base effect, too***
- ***The performing loan portfolio kept growing both in the retail and corporate segments***

In July 2017 OTP Bank Romania S.A., the Romanian subsidiary of OTP Bank signed an acquisition agreement on purchasing a 99.28% shareholding held in the Romanian Banca Romaneasca S.A. by National Bank of Greece S.A and certain other Romanian exposures held by different subsidiaries of National Bank of Greece S.A. The financial closing of the transaction is expected to be completed at the beginning of 2018 after obtaining all the necessary regulatory approvals, thus the 9M figures did not incorporate the effect of the transaction.

OTP Bank Romania posted HUF 2.1 billion net earnings in 9M 2017. The bank reached HUF 1.2 billion profit in 3Q versus a loss of HUF 0.5 billion realized in 2Q.

The 9M operating profit surged by 30% y-o-y as a result of a 5% y-o-y increase in total income and a 6% moderation in operating expenses. The net interest income improved by 6% y-o-y. The 9M net interest margin went up by 25 bps y-o-y mainly explained by lower funding costs. Furthermore, the net interest income was supported by the increasing volume of performing loans, especially in the consumer and SME loan segments.

Net fees and commissions for the first 9M moderated by 10% y-o-y due to methodology change: effective from 4Q 2016 discounts for certain products and services previously booked within marketing expenses have been shifted into fee and commission expenses.

9M other net non-interest income improved by 17% y-o-y supported mainly by improving FX-results.

9M operating expenses declined by 6% y-o-y. Apart from lower amortization costs (-41% y-o-y) other administrative expenses came down, too (-10% y-o-y) mainly due to savings in expenses related to real estates and lower deductible taxes. At the same time personnel expenses grew by 5% y-o-y in 9M.

DPD90+ volumes (FX-adjusted, without sales and write-offs) declined by HUF 0.3 billion in 3Q versus increasing volumes in the previous quarters (2Q: HUF 0.6 billion, 1Q: HUF 1.6 billion). During the first nine months HUF 4 billion problem exposures were sold/written off, of which HUF 1.7 billion in 3Q. The DPD90+ ratio was 15.5% at the end of 3Q (-2.3 pps y-o-y, -1.1 pps q-o-q); the coverage ratio reached 82.5% (+1.4 pps y-o-y, -1.2 pps q-o-q).

9M total risk costs surged by 41% y-o-y as a result of higher provisioning in 2Q 2017. Latter reflects changes in the provisioning policy resulting in one-off additional provisions. In 3Q total provisions dropped by 66% q-o-q as a result of the base effect, but also due to favourable credit quality trends.

As a result of moderating risk costs the 3Q ROE improved and exceeded 11%. Operating profit declined by 5% q-o-q. Total income decreased by 1% q-o-q. Net interest income came lower by 1%, the impact of higher performing loan volumes was offset by shrinking net interest margin (-18 bps q-o-q). Lower quarterly NIMs were partially induced by the dilution effect of increasing intragroup financing in order to safely meet liquidity requirements.

3Q operating expenses grew by 3% q-o-q, driven by higher personnel expenses, and rising marketing expenses and expert fees within the other administrative costs.

The FX-adjusted performing loan volumes increased both in y-o-y and q-o-q comparison (+11% and +4% respectively). Both the retail and corporate segment supported the expansion. Within retail the consumer (+24% y-o-y and 9% q-o-q) and SME (+28% y-o-y and 5% q-o-q) loans demonstrated expansion. The corporate volume growth remained strong in 3Q (+6% q-o-q, +17% y-o-y).

As for new loan disbursements, the cash loan sales improved by 17% y-o-y in local currency terms. The new disbursement of mortgage loans declined after the strong 2Q, however it improved by 80% in local currency in the first nine months y-o-y.

FX-adjusted deposit volumes increased by 4% y-o-y, while they stagnated q-o-q. The yearly growth was supported by both retail and corporate inflows.

According to local regulation the Bank's standalone capital adequacy ratio stood at 15.7% at the end of 3Q 2017.

The Romanian Prime Minister denied that the government was planning to introduce a banking tax, since an opposition PM had mentioned the possibility of such a step.

OTP BANKA HRVATSKA (CROATIA)

Performance of OTP banka Hrvatska:

Main components of P&L account in HUF mn	9M 2016	9M 2017	Y-o-Y	3Q 2016	2Q 2017	3Q 2017	Q-o-Q	Y-o-Y
After tax profit without the effect of adjustments	3,581	11,071	209%	1,409	6,941	5,977	-14%	324%
Income tax	-882	-2,804	218%	-354	-1,612	-1,609	0%	355%
Profit before income tax	4,463	13,875	211%	1,762	8,553	7,586	-11%	330%
Operating profit	9,949	20,103	102%	3,898	7,371	9,592	30%	146%
Total income	23,566	44,427	89%	8,438	16,219	20,390	26%	142%
Net interest income	16,882	30,829	83%	5,836	11,511	13,363	16%	129%
Net fees and commissions	3,939	8,690	121%	1,454	3,199	4,190	31%	188%
Other net non-interest income	2,745	4,908	79%	1,148	1,509	2,837	88%	147%
Operating expenses	-13,617	-24,324	79%	-4,541	-8,849	-10,798	22%	138%
Total provisions	-5,486	-6,228	14%	-2,135	1,182	-2,006	-270%	-6%
Provision for possible loan losses	-4,057	-6,607	63%	-1,368	-156	-1,441	826%	5%
Other provision	-1,428	379	-127%	-767	1,338	-566	-142%	-26%
Main components of balance sheet closing balances in HUF mn	**2016**	**9M 2017**	**YTD**	**3Q 2016**	**2Q 2017**	**3Q 2017**	**Q-o-Q**	**Y-o-Y**
Total assets	649,063	1,778,037	174%	653,480	1,710,654	1,778,037	4%	172%
Gross customer loans	471,346	1,122,527	138%	459,131	1,123,698	1,122,527	0%	144%
Gross customer loans (FX-adjusted)	472,974	1,122,527	137%	462,511	1,126,943	1,122,527	0%	143%
Retail loans	308,950	616,700	100%	304,138	619,374	616,700	0%	103%
Corporate loans	163,892	486,916	197%	158,242	488,535	486,916	0%	208%
Car financing loans	132	18,910		131	19,034	18,910	-1%	
Allowances for possible loan losses	-50,051	-65,618	31%	-48,435	-61,180	-65,618	7%	35%
Allowances for possible loan losses (FX-adjusted)	-50,453	-65,618	30%	-48,861	-61,025	-65,618	8%	34%
Deposits from customers	515,450	1,399,289	171%	520,367	1,321,631	1,399,289	6%	169%
Deposits from customer (FX-adjusted)	511,003	1,399,289	174%	521,092	1,322,117	1,399,289	6%	169%
Retail deposits	445,554	1,005,814	126%	452,226	964,907	1,005,814	4%	122%
Corporate deposits	65,449	393,475	501%	68,866	357,210	393,475	10%	471%
Liabilities to credit institutions	44,141	89,571	103%	45,705	107,126	89,571	-16%	96%
Total shareholders' equity	74,026	231,070	212%	74,165	229,006	231,070	1%	212%
Loan Quality	**9M 2016**	**9M 2017**	**Y-o-Y**	**3Q 2016**	**2Q 2017**	**3Q 2017**	**Q-o-Q**	**Y-o-Y**
90+ days past due loan volume (in HUF million)	57,726	86,685	50%	57,726	71,678	86,685	21%	50%
90+ days past due loans/gross customer loans (%)	12.6%	7.7%	-4.9%p	12.6%	6.4%	7.7%	1.3%p	-4.9%p
Cost of risk/average gross loans (%)	1.16%	1.10%	-0.06%p	1.17%	0.08%	0.51%	0.44%p	-0.65%p
Cost of risk/average (FX-adjusted) gross loans	1.16%	1.09%	-0.07%p	1.16%	0.08%	0.51%	0.43%p	-0.65%p
Total provisions/90+ days past due loans (%)	83.9%	75.7%	-8.2%p	83.9%	85.4%	75.7%	-9.7%p	-8.2%p
Performance Indicators (%)	**9M 2016**	**9M 2017**	**Y-o-Y**	**3Q 2016**	**2Q 2017**	**3Q 2017**	**Q-o-Q**	**Y-o-Y**
ROA	0.7%	1.2%	0.5%p	0.9%	2.2%	1.4%	-0.8%p	0.5%p
ROE	6.6%	8.8%	2.2%p	7.6%	14.1%	10.4%	-3.7%p	2.8%p
Total income margin	4.92%	4.88%	-0.03%p	5.17%	5.17%	4.67%	-0.50%p	-0.50%p
Net interest margin	3.52%	3.39%	-0.13%p	3.58%	3.67%	3.06%	-0.61%p	-0.52%p
Cost/income ratio	57.8%	54.8%	-3.0%p	53.8%	54.6%	53.0%	-1.6%p	-0.9%p
Net loans to deposits (FX-adjusted)	79%	76%	-4%p	79%	81%	76%	-5%p	-4%p
FX rates (in HUF)	**9M 2016**	**9M 2017**	**Y-o-Y**	**3Q 2016**	**2Q 2017**	**3Q 2017**	**Q-o-Q**	**Y-o-Y**
HUF/HRK (closing)	41.1	41.5	1%	41.1	41.7	41.5	0%	1%
HUF/HRK (average)	41.4	41.4	0%	41.5	41.7	41.3	-1%	-1%

- ***On 2 May the financial closure of Splitska banka acquisition was completed, thus performance of Splitska banka has already been included into the financial statements of the Croatian operation since May***
- ***The Croatian banking group posted HUF 11.1 billion adjusted net profit between January and September, of which Splitska banka's contribution represented HUF 7.6 billion***
- ***In 3Q total risk costs went up q-o-q***
- ***The FX-adjusted gross loan portfolio surged by 137% ytd and deposits by 174%, driven predominantly by the acquisition***

Based on the acquisition agreement on purchasing 100% shareholding of Splitska banka d.d., member of Société Générale Group signed on 20 December 2016 between OTP banka Hrvatska, the Croatian subsidiary of OTP Bank and Société Générale Group, on 2 May 2017 the financial closure of the transaction has been completed and Splitska banka was consolidated.

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

In 9M 2017 **OTP banka Hrvatska** posted HUF 11.1 billion adjusted after tax profit, exceeding the base period by HUF 7.5 billion. The trajectory was mostly shaped by the consolidation of Splitska banka: it added HUF 7.6 billion to the combined profit through the consolidation of results reached between the first time consolidation (occurring in May) and September.

In 3Q 2017 the Croatian operation delivered a profit of HUF 6.0 billion, of which Splitska banka represented HUF 3.1 billion. The ROE indicator reached 10.4%. P&L line developments were influenced by the fact that in 2Q only the May and June results, whereas in 3Q the full quarterly performance of Splitska banka was consolidated.

In 3Q 2017 the operating result amounted to HUF 9.6 billion, boosted by the HUF 5.7 billion contribution from Splitska banka. As for other key P&L lines, in 3Q 2017 Splitska banka contributed HUF 7.5 billion to the net interest income, HUF 2.8 billion to the net fees and commissions, HUF 1.5 billion to the other net non-interest income, and HUF 6.2 billion to the operating expenses line, respectively.

The 3Q net interest margin of the Croatian operation was 3.06%, the q-o-q decline was predominantly attributable to the technical effect related to the consolidation[11].

In 3Q around HUF 0.25 billion penalty interest revenues were booked within the other net non-interest income.

In 3Q 2017 altogether HUF 2.0 billion total risk cost was booked, against the release of HUF 1.2 billion in the previous quarter. The q-o-q change was to a larger extent determined by base effect: at Splitska banka HUF 1.7 billion other provisions were written back, mostly induced by the expiry of a bank guarantee: as a consequence, the related provisions were released. However, loan-related risk costs went up q-o-q, driven by additional risk costs created mostly in relation to several corporate exposures.

DPD90+ loan volumes increased by HUF 15 billion q-o-q at the Croatian operation, mostly related to corporate exposures. The FX-adjusted increase in DPD90+ loans (adjusted for loan sales and write-offs) amounted to HUF 13.7 billion, partially triggered by the delinquency of a large corporate client (the Bank created significant provisions in 1Q 2017 toward this exposure). During the last 12 months HUF 3.3 billion non-performing loans were sold/written off (of which HUF 0.4 billion in 3Q 2017). The DPD90+ ratio changed to 7.7% (+1.3 pps q-o-q, -4.9 pps y-o-y, latter was mainly driven by the consolidation of Splitska banka). The coverage of DPD90+ loans by total provisions eroded by 9.7 pps to 75.7% q-o-q.

Based on total assets the market share of the Croatian operation jumped from 4.0% at end-December 2016 to 11.3% at end-August, mainly due to the consolidation of Splitska banka. The total number of branches increased by 93 units ytd, the number of ATMs by 258 units, whereas the number of employees by 1,348 people. In 3Q 2017 one branch was closed down, whereas the headcount diminished by 54 persons.

The year-to-date developments in loan volumes were mainly shaped by the consolidation of Splitska banka's portfolio. The performing (DPD0-90) loan portfolio was consolidated on a gross base, whereas the DPD90+ volumes on a net base (netted off with created provisions until the consolidation). In total, the gross loan portfolio increased by HUF 650 billion ytd, while the performing book by HUF 620 billion (+149% ytd), respectively. At the end of 3Q 2017 gross loans of Splitska banka amounted to HUF 630 billion, whereas performing loans to HUF 603 billion. Excluding Splitska-effect the performing loans expanded by 4% ytd.

3Q mortgage loan disbursements showed an 8% q-o-q decline, followed by the strong spring sales figures. Cash loan origination further climbed in 3Q (+5% q-o-q).

The FX-adjusted deposit base expanded by HUF 888 billion year-to-date (+174% FX-adjusted), whereas the end-September deposit book at Splistka comprised HUF 857 billion.

The q-o-q increase in shareholders' equity to a great extent was related to the capital increase by OTP Bank in order to complete the Splitska acquisition. The capital adequacy ratio of the Croatian subsidiary (holding the shares of Splitska banka) calculated in accordance with local regulation stood at 16.1% at the end of September.

[11] The 2Q 2017 Croatian margin was upwardly biased by the fact that practically the full May net interest income was consolidated, but according to the performance indicator calculation methodology, the total assets of Splitska banka (which influences the denominator of net interest margin) was counted in only from the end of May.

OTP BANKA SLOVENSKO (SLOVAKIA)

Performance of OTP Banka Slovensko*:

Main components of P&L account in HUF mn	9M 2016	9M 2017	Y-O-Y	3Q 2016	2Q 2017	3Q 2017	Q-o-Q	Y-o-Y
After tax profit without the effect of adjustments	421	-582		124	-398	-274	-31%	
Income tax	-197	-103	-48%	-61	-26	-27	0%	-57%
Profit before income tax	618	-479		185	-372	-247	-34%	
Operating profit	5,092	5,214	2%	1,786	1,708	1,705	0%	-5%
Total income	13,360	13,108	-2%	4,444	4,367	4,303	-1%	-3%
Net interest income	10,795	10,044	-7%	3,523	3,305	3,327	1%	-6%
Net fees and commissions	2,285	2,711	19%	819	892	885	-1%	8%
Other net non-interest income	279	353	26%	102	169	91	-46%	-10%
Operating expenses	-8,268	-7,894	-5%	-2,658	-2,659	-2,598	-2%	-2%
Total provisions	-4,474	-5,693	27%	-1,601	-2,080	-1,952	-6%	22%
Provision for possible loan losses	-4,410	-5,657	28%	-1,564	-2,081	-1,940	-7%	24%
Other provision	-63	-36	-43%	-37	2	-12		-68%
Main components of balance sheet closing balances in HUF mn	**2016**	**9M 2017**	**YTD**	**3Q 2016**	**2Q 2017**	**3Q 2017**	**Q-o-Q**	**Y-o-Y**
Total assets	453,720	449,154	-1%	444,503	437,280	449,154	3%	1%
Gross customer loans	388,926	389,923	0%	378,612	386,300	389,923	1%	3%
Gross customer loans (FX-adjusted)	389,188	389,923	0%	381,159	389,250	389,923	0%	2%
Retail loans	327,765	336,360	3%	322,623	333,302	336,360	1%	4%
Corporate loans	61,362	53,529	-13%	58,462	55,908	53,529	-4%	-8%
Allowances for possible loan losses	-31,462	-32,673	4%	-26,771	-34,917	-32,673	-6%	22%
Allowances for possible loan losses (FX-adjusted)	-31,483	-32,673	4%	-26,951	-35,183	-32,673	-7%	21%
Deposits from customers	366,976	345,240	-6%	356,010	344,382	345,240	0%	-3%
Deposits from customer (FX-adjusted)	366,638	345,240	-6%	358,091	346,848	345,240	0%	-4%
Retail deposits	341,162	320,251	-6%	332,306	321,228	320,251	0%	-4%
Corporate deposits	25,476	24,988	-2%	25,785	25,621	24,988	-2%	-3%
Liabilities to credit institutions	8,104	10,247	26%	7,406	10,148	10,247	1%	38%
Subordinated debt	6,223	6,228	0%	6,185	6,180	6,228	1%	1%
Total shareholders' equity	27,339	26,765	-2%	30,046	26,932	26,765	-1%	-11%
Loan Quality	**9M 2016**	**9M 2017**	**Y-o-Y**	**3Q 2016**	**2Q 2017**	**3Q 2017**	**Q-o-Q**	**Y-o-Y**
90+ days past due loan volume (in HUF million)	41,397	44,005	6%	41,397	47,361	44,005	-7%	6%
90+ days past due loans/gross customer loans (%)	10.9%	11.3%	0.4%	10.9%	12.3%	11.3%	-1.0%p	0,4%p
Cost of risk/average gross loans (%)	1.54%	1.97%	0.43%	1.63%	2.17%	2.01%	-0.16%p	0,38%p
Cost of risk/average (FX-adjusted) gross loans	1.51%	1.94%	0.42%	1.61%	2.13%	1.98%	-0.15%p	0,37%p
Total provisions/90+ days past due loans (%)	64.7%	74.2%	9.6%	64.7%	73.7%	74.2%	0.5%p	9,6%p
Performance Indicators	**9M 2016**	**9M 2017**	**Y-o-Y**	**3Q 2016**	**2Q 2017**	**3Q 2017**	**Q-o-Q**	**Y-o-Y**
ROA	0.1%	-0.2%	-0.3%p	0.1%	-0.4%	-0.2%	0.1%p	-0,4%p
ROE	1.8%	-2.9%	-4.7%p	1.6%	-5.9%	-4.1%	1.8%p	-5,7%p
Total income margin	3.93%	3.93%	0.00%p	3.90%	3.93%	3.86%	-0.07%p	-0,04%p
Net interest margin	3.17%	3.01%	-0.16%p	3.09%	2.97%	2.98%	0.01%p	-0,11%p
Cost/income ratio	61.9%	60.2%	-1.7%p	59.8%	60.9%	60.4%	-0.5%p	0,6%p
Net loans to deposits (FX-adjusted)	99%	103%	5%p	99%	102%	103%	1%p	5%p
FX rates (in HUF)	**9M 2016**	**9M 2017**	**Y-o-Y**	**3Q 2016**	**2Q 2017**	**3Q 2017**	**Q-o-Q**	**Y-o-Y**
HUF/EUR (closing)	309.2	311.2	1%	309.2	308.9	311.2	1%	1%
HUF/EUR (average)	312.2	308.4	-1%	311.2	309.9	306.4	-1%	-2%

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

- ***In 9M HUF 0.6 billion adjusted after tax loss shaped by y-o-y 27% higher risk costs and slightly improving operating income (+2%)***
- ***The DPD90+ ratio decreased by 1% y-o-y to 11.3%, its coverage kept increasing***
- ***Eroding net interest margin, y-o-y 2% increase in performing exposures (FX-adjusted)***

The **OTP Banka Slovensko** posted HUF 0.3 billion adjusted after tax loss in 3Q 2017, thus its 9M 2017 adjusted after tax loss grew to HUF 0.6 billion. The major underlying item shaping the bottom-line results was y-o-y 27% surge of risk costs which only partly offset by improving operating income (+2% y-o-y).

9M net interest income declined by 7% y-o-y due to decreasing net interest margin. The 9M NIM decreased by 16 bps y-o-y, since the lower interest income on loans couldn't be counterbalanced by lower funding cost as a result of deposit interest rate cuts. Furthermore, the Bank offered retail loans with interest discounts not only during the spring sales campaign, it was extended into the autumn period, too. In 3Q net interest income grew by 1% q-o-q supported by the higher volume of perfoming loans.

9M net fees and commission income surged by 19% y-o-y, partly due to higher income realized on prepayments and transactions on corporate exposures.

The operating expenses for the first nine months dropped by 5% y-o-y due to lower personal expenses, as well as lower amortization on software arising as a one-off.

9M total risk cost increased by 27% y-o-y, thus the 3Q total risk cost moderated by 6% q-o-q. The FX adjusted DPD90+ loan book grew by HUF 0.8 billion in 3Q (without the effect of non-performing loan sales and write-offs), while during the last 5 quarters the quarterly average was HUF 1.8 billion. The 9M increasing was HUF 5.8 billion (+28% y-o-y). The DPD90+ ratio decreased by 1.0 ppt q-o-q to 11.3% q-o-q (+0.4 ppt y-o-y). In 9M 2017 around HUF 1.6 billion equivalent non-performing loans were sold or written off, of which 3Q represented HUF 0.4 billion. The coverage of over 90 days of overdue loans reached 74.2% increasing both on a quarterly and a yearly basis as well (+0.5 pp and +9.6 pps respectively).

The FX-adjusted gross and performing loan book improved by 2% y-o-y, within higher retail (+4% y-o-y) and lower corporate loans. Thanks to the sales campaign, the amount of newly-disbursed mortgage loans increased by 16% q-o-q in local currency.

The FX-adjusted deposit volume eroded by 4% y-o-y, the latter is reasoned by the 4% drop in the volume of retail deposits; the volume of corporate deposits comprising 7% of the deposit book decreased by 3% y-o-y.

The capital adequacy ratio stood at 10.6% at the end of 3Q 2017.

OTP BANKA SRBIJA (SERBIA)

Performance of OTP banka Srbija:

Main components of P&L account in HUF mn	9M 2016	9M 2017	Y-o-Y	3Q 2016	2Q 2017	3Q 2017	Q-o-Q	Y-o-Y
After tax profit without the effect of adjustments	194	-1,270		76	-1,476	213		180%
Income tax	0	0		0	0	0		
Profit before income tax	194	-1,270		76	-1,476	213		180%
Operating profit	446	756	70%	166	337	283	-16%	71%
Total income	5,727	6,067	6%	1,910	2,061	2,117	3%	11%
Net interest income	4,298	4,441	3%	1,465	1,461	1,555	6%	6%
Net fees and commissions	1,219	1,321	8%	413	449	461	2%	11%
Other net non-interest income	211	306	45%	32	150	101	-33%	217%
Operating expenses	-5,282	-5,311	1%	-1,744	-1,724	-1,834	6%	5%
Total provisions	-251	-2,026	706%	-90	-1,813	-70	-96%	-22%
Provision for possible loan losses	-299	-836	180%	-91	-611	-102	-83%	13%
Other provision	47	-1,190		1	-1,202	32		
Main components of balance sheet closing balances in HUF mn	**2016**	**9M 2017**	**YTD**	**3Q 2016**	**2Q 2017**	**3Q 2017**	**Q-o-Q**	**Y-o-Y**
Total assets	123,279	139,201	13%	131,092	137,637	139,201	1%	6%
Gross customer loans	108,704	112,347	3%	109,979	111,915	112,347	0%	2%
Gross customer loans (FX-adjusted)	109,714	112,347	2%	111,966	113,106	112,347	-1%	0%
Retail loans	49,032	51,812	6%	48,641	51,783	51,812	0%	7%
Corporate loans	60,682	60,535	0%	63,324	61,323	60,535	-1%	-4%
Allowances for possible loan losses	-26,349	-21,431	-19%	-28,001	-25,656	-21,431	-16%	-23%
Allowances for possible loan losses (FX-adjusted)	-27,055	-21,431	-21%	-28,887	-26,052	-21,431	-18%	-26%
Deposits from customers	78,583	84,491	8%	83,577	81,950	84,491	3%	1%
Deposits from customer (FX-adjusted)	79,575	84,491	6%	85,332	82,911	84,491	2%	-1%
Retail deposits	48,559	51,612	6%	48,865	50,211	51,612	3%	6%
Corporate deposits	31,016	32,879	6%	36,467	32,700	32,879	1%	-10%
Liabilities to credit institutions	8,572	18,527	116%	11,718	19,815	18,527	-6%	58%
Subordinated debt	2,511	2,514	0%	2,497	2,497	2,514	1%	1%
Total shareholders' equity	28,805	28,533	-1%	28,838	27,754	28,533	3%	-1%
Loan Quality	**9M 2016**	**9M 2017**	**Y-o-Y**	**3Q 2016**	**2Q 2017**	**3Q 2017**	**Q-o-Q**	**Y-o-Y**
90+ days past due loan volume (in HUF million)	37,842	28,780	-24%	37,842	32,908	28,780	-13%	-24%
90+ days past due loans/gross customer loans (%)	34.4%	25.6%	-8.8%p	34.4%	29.4%	25.6%	-3.8%p	-8.8%p
Cost of risk/average gross loans (%)	0.37%	1.02%	0.64%p	0.33%	2.24%	0.36%	-1.88%p	0.03%p
Cost of risk/average (FX-adjusted) gross loans	0.37%	1.02%	0.64%p	0.33%	2.24%	0.36%	-1.88%p	0.02%p
Total provisions/90+ days past due loans (%)	74.0%	74.5%	0.5%p	74.0%	78.0%	74.5%	-3.5%p	0.5%p
Performance Indicators	**9M 2016**	**9M 2017**	**Y-o-Y**	**3Q 2016**	**2Q 2017**	**3Q 2017**	**Q-o-Q**	**Y-o-Y**
ROA	0.2%	-1.3%	-1.5%p	0.2%	-4.5%	0.6%	5.2%p	0.4%p
ROE	0.9%	-6.0%	-6.9%p	1.0%	-20.7%	3.0%	23.8%p	2.0%p
Total income margin	6.13%	6.26%	0.13%p	5.92%	6.35%	6.15%	-0.19%p	0.23%p
Net interest margin	4.60%	4.58%	-0.02%p	4.54%	4.50%	4.52%	0.02%p	-0.02%p
Cost/income ratio	92.2%	87.5%	-4.7%p	91.3%	83.6%	86.6%	3.0%p	-4.7%p
Net loans to deposits (FX-adjusted)	97%	108%	10%p	97%	105%	108%	3%p	10%p
FX rates (in HUF)	**9M 2016**	**9M 2017**	**Y-o-Y**	**3Q 2016**	**2Q 2017**	**3Q 2017**	**Q-o-Q**	**Y-o-Y**
HUF/RSD (closing)	2.5	2.6	4%	2.5	2.6	2.6	2%	4%
HUF/RSD (average)	2.5	2.5	0%	2.5	2.5	2.6	2%	1%

- ***The bank posted HUF 1.3 billion loss in 9M 2017, while in 3Q it realized HUF 0.2 billion profit***
- ***9M operating profit surged by 70% y-o-y; the surge of risk costs were induced by one-offs arising in 2Q***
- ***The DPD90+ ratio declined further q-o-q***
- ***Performing loan portfolio expanded both y-o-y and q-o-q***

On 4 August 2017 OTP banka Srbija a.d. Novi Sad, the Serbian subsidiary of OTP Bank signed an acquisition agreement on purchasing 100% shareholding held in the Serbian Vojvodjanska banka a.d. („VOBAN") and NBG Leasing d.o.o. and certain other Serbian exposures held by the Group of the National Bank of Greece S.A. The agreed consideration (purchase price) for the share capital of VOBAN and NBG Leasing amounts to EUR 125 million. The financial closing of the transaction is expected to be completed by the end of 2017 after obtaining all the necessary regulatory approvals, thus the 9M Financial Report has not incorporated the acquisition impact yet.

OTP banka Srbija posted almost HUF 1.3 billion loss in 9M 2017 versus a HUF 0.2 million profit achieved in 9M 2016. The bank reached HUF 0.2 billion profit after tax in 3Q.

Total risk costs surged eight folds in 9M, bulk of the increase arising in 2Q as one-off. In line with that, in

3Q risk costs declined q-o-q and were below the average level of the previous quarters.

Operating trends showed favourable picture. Operating profit improved by 70% y-o-y in 9M as a result of total income growing by 6% and opreating expenses increasing by 1% y-o-y. The net interest income grew by 3%. Net interest margins remained stable, while performing loan volumes increasing thanks to the increasing business activity. Net fees and commissions improved by 8% y-o-y in 9M where improvement of the income on lending transactions played role. Other net non-interest income grew by 45% y-o-y.

3Q operating income fell short of the previous quarter by 16% q-o-q as the 3% q-o-q icrease of total income could not off-set the negative impact of higher operating expenses (+6% q-o-q). It was positive that in 3Q net interest income grew by 6%, which reflected to the impact of stable NIM and increasing performing volumes. Higher operating expenses were induced by increasing personal expenses (+6% q-o-q), but also by higher adminsitrative costs.

DPD90+ ratio shrank to 25.6% (-8.8 pps y-o-y, -3.8 pps q-o-q). In 9M HUF 6.1 billion non-performing portfolio was sold or written-off, of which HUF 4.5 billion happened in 3Q. Total provision coverage ratio of DPD90+ loans stood at 74.5% at the end of 3Q (+0.5 pp y-o-y and -3.5 pps q-o-q).

FX-adjusted performing loan portfolio advanced by 14% y-o-y and by 5% q-o-q. Cash loan (+19% y-o-y) and mortgage loan volumes (+17% y-o-y) demonstrated dynamic growth during last 12 months. In 3Q new cash loan disbursement increased by 29%, new morgage loan disbursement by 69% and corporate disbursement was characterized by increasing activity, too.

FX-adjusted deposit base grew by 2% q-o-q, but eroded by 1% y-o-y as a result of corporate deposit outflow (-10% q-o-q).

The capital adequacy ratio of the bank stood at 24.9% at the end of 3Q (+0.1 pp q-o-q).

CRNOGORSKA KOMERCIJALNA BANKA (MONTENEGRO)

Performance of CKB:

Main components of P&L account in HUF mn	9M 2016	9M 2017	Y-o-Y	3Q 2016	2Q 2017	3Q 2017	Q-o-Q	Y-o-Y
After tax profit w/o dividends and net cash transfer	1,661	664	-60%	1,406	-94	676		-52%
Income tax	0	0		0	0	0		
Profit before income tax	1,661	664	-60%	1,406	-94	676		-52%
Operating profit	2,241	1,483	-34%	999	538	422	-22%	-58%
Total income	7,608	6,702	-12%	2,792	2,215	2,209	0%	-21%
Net interest income	5,260	4,879	-7%	1,744	1,647	1,609	-2%	-8%
Net fees and commissions	2,011	1,939	-4%	760	656	752	15%	-1%
Other net non-interest income	337	-116		289	-88	-152	74%	
Operating expenses	-5,367	-5,218	-3%	-1,793	-1,678	-1,787	7%	0%
Total provisions	-580	-819	41%	407	-632	254		-38%
Provision for possible loan losses	-496	-161	-68%	265	-432	463		75%
Other provision	-84	-658	685%	143	-200	-209	5%	
Main components of balance sheet closing balances in HUF mn	**2016**	**9M 2017**	**YTD**	**3Q 2016**	**2Q 2017**	**3Q 2017**	**Q-o-Q**	**Y-o-Y**
Total assets	197,562	203,001	3%	198,770	187,188	203,001	8%	2%
Gross customer loans	143,331	134,830	-6%	144,468	139,204	134,830	-3%	-7%
Gross customer loans (FX-adjusted)	143,428	134,830	-6%	145,440	140,267	134,830	-4%	-7%
Retail loans	71,732	74,008	3%	71,932	72,704	74,008	2%	3%
Corporate loans	71,697	60,822	-15%	73,508	67,563	60,822	-10%	-17%
Allowances for possible loan losses	-56,513	-42,846	-24%	-52,665	-52,605	-42,846	-19%	-19%
Allowances for possible loan losses (FX-adjusted)	-56,551	-42,846	-24%	-53,019	-53,007	-42,846	-19%	-19%
Deposits from customers	149,119	155,984	5%	145,931	140,337	155,984	11%	7%
Deposits from customer (FX-adjusted)	148,419	155,984	5%	146,526	141,127	155,984	11%	6%
Retail deposits	113,106	115,085	2%	112,697	109,018	115,085	6%	2%
Corporate deposits	35,313	40,899	16%	33,830	32,109	40,899	27%	21%
Liabilities to credit institutions	20,765	18,271	-12%	21,440	19,122	18,271	-4%	-15%
Subordinated debt	0	0	-100%	0	0	0	-100%	-100%
Total shareholders' equity	21,188	21,983	4%	24,538	21,098	21,983	4%	-10%
Loan Quality	**9M 2016**	**9M 2017**	**Y-o-Y**	**3Q 2016**	**2Q 2017**	**3Q 2017**	**Q-o-Q**	**Y-o-Y**
90+ days past due loan volume (in HUF million)	61,379	49,208	-20%	61,379	55,296	49,208	-11%	-20%
90+ days past due loans/gross customer loans (%)	42.5%	36.5%	-6.0%p	42.5%	39.7%	36.5%	-3.2%p	-6.0%p
Cost of risk/average gross loans (%)	0.44%	0.16%	-0.29%p	-0.72%	1.25%	-1.36%	-2.61%p	-0.65%p
Cost of risk/average (FX-adjusted) gross loans	0.44%	0.15%	-0.29%p	-0.71%	1.23%	-1.34%	-2.57%p	-0.64%p
Total provisions/90+ days past due loans (%)	85.8%	87.1%	1.3%p	85.8%	95.1%	87.1%	-8.1%p	1.3%p
Performance Indicators	**9M 2016**	**9M 2017**	**Y-o-Y**	**3Q 2016**	**2Q 2017**	**3Q 2017**	**Q-o-Q**	**Y-o-Y**
ROA	1.1%	0.5%	-0.7%p	2.9%	-0.2%	1.4%	1.6%p	-1.5%p
ROE	9.5%	4.2%	-5.3%p	23.5%	-1.8%	12.5%	14.3%p	-10.9%p
Total income margin	5.26%	4.70%	-0.55%p	5.67%	4.78%	4.50%	-0.27%p	-1.17%p
Net interest margin	3.63%	3.42%	-0.21%p	3.54%	3.55%	3.28%	-0.27%p	-0.26%p
Cost/income ratio	70.5%	77.9%	7.3%p	64.2%	75.7%	80.9%	5.2%p	16.7%p
Net loans to deposits (FX-adjusted)	63%	59%	-4%p	63%	62%	59%	-3%p	-4%p
FX rates (in HUF)	**9M 2016**	**9M 2017**	**Y-o-Y**	**3Q 2016**	**2Q 2017**	**3Q 2017**	**Q-o-Q**	**Y-o-Y**
HUF/EUR (closing)	309.2	311.2	1%	309.2	308.9	311.2	1%	1%
HUF/EUR (average)	312.2	308.4	-1%	311.2	309.9	306.4	-1%	-2%

- ***HUF 0.7 billion net profit in 9M which mainly posted in 3Q***
- ***9M operating profit dropped by 24% y-o-y as a result of 12% lower total income and 3% erosion in operating expenses y-o-y***
- ***The DPD90+ ratio (36.5%) further improved, which was also supported by sale/write offs in 3Q***
- ***FX-adjusted performing loan volume increase was due to the expansion of retail segment***

The Montenegrin **CKB Bank** posted HUF 0.7 billion profit in 9M 2017 which was almost identical to the 3Q earnings (HUF 0.7 billion).

The 9M operating profit declined by 24% y-o-y as a result of lower operating expenses (-3% y-o-y and 12% decrease of total income. The latter was mainly determined by the fall of net interest income (-7% y-o-y) and other net non-interest income. The net interest margin for 9M eroded by 21 bps y-o-y, because lower interest income on newly disbursed exposures couldn't be off-set by moderating cost of funding. As for other net no-interest income similar to 2Q, in 3Q there were losses realized on property sales.

In 3Q the operating income dropped by 22% as a result of stable total income, but increasing operational expenses (+7% q-o-q). Latter was induced by higher personal expenses (+9% q-o-q).

The total risk cost in 9M increased by 41% y-o-y. In 3Q, however there was a provision release due to positive return on a sale of a delinquent exposure and total risk costs turned into positive.

The DPD90+ 90 ratio (36.5%) improved by 6.0 pps y-o-y. The DPD90+ loan volume decreased by around HUF 10 billion y-o-y (FX-adjusted, without sales and write offs). During 9M 2017 almost HUF 11 billion non-performing assets were sold/written off, of which HUF 5 billion was happened in 3Q. The coverage of DPD90+ loans stood at 87.1% at the end of 3Q 2017 (+1.3% pps y-o-y, -8.1 pps q-o-q).

The FX-adjusted performing loan portfolio increased by 2% y-o-y due to the retail segment: mortgage loans advanced by 11%, the consumer portfolio by 6% y-o-y. Mortgage loan disbursement demonstrated a q-o-q increase, while corporate volumes kept eroding in 3Q.

The FX-adjusted deposit portfolio grew by 6% y-o-y and by 11% q-o-q.

The capital adequacy ratio calculated according to local requirements stood at 21.1% at the end of 3Q 2017.

STAFF LEVEL AND OTHER INFORMATION

The closing staff number of OTP Group (including the number of employed selling agents) was 33,342 as of 30 September 2017.

OTP Group provides services through 1,383 branches and more than 4,202 ATMs in 9 countries of the CEE-region. In Hungary, OTP Bank has an extensive distribution network, which includes 362 branches and 1,925 ATM terminals. The Bank (Hungary) has more than 64 thousands POS terminals.

	31/12/2016				30/09/2017			
	Branches	ATM	POS	Headcount (closing)	Branches	ATM	POS	Headcount (closing)
OTP Core	367	1,883	59,988	8,293	362	1,925	64,534	8,994
o/w: new OTP Core members from 1Q 2017								572
DSK Group	372	892	5,723	4,679	368	889	6,611	4,804
OTP Bank Russia (w/o employed agents)	134	267	1,446	4,744	134	236	1,102	4,813
Touch Bank (Russia)	0	0	0	268	0	0	0	344
OTP Bank Ukraine (w/o employed agents)	84	118	246	2,151	85	127	364	2,203
OTP Bank Romania	100	147	3,374	1,119	96	139	4,263	1,161
OTP banka Hrvatska	103	273	2,269	1,097	196	531	11,357	2,445
OTP Banka Slovenko	61	142	223	667	61	145	224	674
OTP banka Srbija	52	118	2,303	611	52	119	2,713	639
CKB	29	87	4,991	424	29	91	5,248	430
Foreign subsidiaries, total	**935**	**2,044**	**20,575**	**15,758**	**1,021**	**2,277**	**31,882**	**17,511**
Other Hungarian and foreign subsidiaries[1]				1,327				824
OTP Group (w/o employed agents)				**25,378**				**27,329**
OTP Bank Russia - employed agents				*6,324*				5,367
OTP Bank Ukraine - employed agents				*633*				646
OTP Group (aggregated)	**1,302**	**3,927**	**80,563**	**32,335**	**1,383**	**4,202**	**96,416**	**33,342**

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

PERSONAL AND ORGANIZATIONAL CHANGES

In consideration of retirement the employment relationship of Antal Kovács, Deputy Chief Executive Officer, head of the Retail Division and internal member of the Board of Directors, was terminated by mutual agreement on 17 March 2017. According to the Act on Credit Institutions and Financial Enterprises, the internal membership of the Board of Directors was terminated at the time his employment was terminated.

Antal Kovács and OTP Bank Plc. concluded an employment contract for an indefinite duration from 20 March 2017 and based thereon Antal Kovács as a head of division and – as of the date of delivery of the permission of National Bank of Hungary – as the Deputy Chief Executive Officer (according to the Act on Credit Institutions and Financial Enterprises as managing director) will be the head of the Retail Division.

The Annual General Meeting elects Mr. György Antal Kovács as member of the Board of Directors of the Company until the Annual General Meeting of the Company closing the 2020 business year but not later than 30 April 2021.

The Annual General Meeting elects Mr. Tibor Tolnay Dr. Gábor Horváth, Mr. András Michnai, Mrs. Ágnes Rudas, Mr. Dominique Uzel and Dr. Márton Gellért Vági as members of the Supervisory Board of the Company until the Annual General Meeting of the Company closing the 2019 business year but not later than 30 April 2020.

The Annual General Meeting elects Dr. Gábor Horváth, Mr. Tibor Tolnay Mr. Dominique Uzel and Dr. Márton Gellért Vági as members of the Audit Committee of the Company until the Annual General Meeting of the Company closing the 2019 business year but not later than 30 April 2020.

The Annual General Meeting elects concerning the audit of OTP Bank Plc.'s separate and consolidated annual financial statements in accordance with International Financial Reporting Standards for the year 2017, 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 2017 until 30 April 2018.

Based on the decision of the Board of Directors Mr. György Kiss-Haypál, Chief of Credit Approval and Risk Management Division, was appointed as Deputy Chief Executive Officer – possessing the necessary permissions – from 3 May 2017.

FINANCIAL DATA

SEPARATE AND CONSOLIDATED IFRS STATEMENT OF FINANCIAL POSITION

in HUF million	OTP Bank			Consolidated		
	30/09/2017	30/09/2016 (Restated)	change	30/09/2017	30/09/2016 (Restated)	change
Cash, amounts due from banks and balances with the National Bank of Hungary	436,666	1,134,250	-62%	1,182,704	1,645,754	-28%
Placements with other banks, net of allowance for placement losses	952,334	953,175	0%	462,832	395,755	17%
Financial assets at fair value through profit or loss	290,872	160,327	81%	322,404	179,984	79%
Securities available-for-sale	1,663,684	1,453,137	14%	2,040,018	1,618,352	26%
Loans, net of allowance for loan losses	2,171,475	1,735,780	25%	6,694,349	5,480,609	22%
Investments in subsidiaries, associates and other investments	825,049	672,868	23%	11,824	10,446	13%
Securities held-to-maturity	1,004,991	830,842	21%	1,250,083	906,836	38%
Property, equipments and intangible assets	88,584	90,738	-2%	377,592	343,806	10%
Other assets	114,740	118,108	-3%	299,885	290,794	3%
TOTAL ASSETS	**7,548,394**	**7,149,226**	**6%**	**12,641,691**	**10,872,335**	**16%**
Amounts due to banks and Hungarian Government, deposits from the National Bank of Hungary and other banks	748,497	1,073,212	-30%	497,513	774,595	-36%
Deposits from customers	4,944,372	4,337,668	14%	9,671,295	8,009,324	21%
Liabilities from issued securities	63,195	140,441	-55%	251,527	212,918	18%
Financial liabilities at fair value through profit or loss	75,519	81,881	-8%	62,920	62,835	0%
Other liabilities	273,559	194,838	40%	506,092	357,769	41%
Subordinated bonds and loans	109,793	116,820	-6%	76,903	82,809	-7%
TOTAL LIABILITIES	**6,214,933**	**5,944,860**	**5%**	**11,066,251**	**9,500,248**	**16%**
Share capital	28,000	28,000	0%	28,000	28,000	0%
Retained earnings and reserves	1,152,078	1,024,249	12%	1,394,849	1,225,993	14%
Net earnings for the year	163,101	163,972	-1%	212,691	175,723	21%
Treasury shares	-9,718	-11,855	-18%	-63,485	-60,722	5%
Non-controlling interest	0	0		3,385	3,092	9%
TOTAL SHAREHOLDERS' EQUITY	**1,333,461**	**1,204,366**	**11%**	**1,575,440**	**1,372,086**	**15%**
TOTAL LIABILTITIES AND SHAREHOLDERS' EQUITY	**7,548,394**	**7,149,226**	**6%**	**12,641,691**	**10,872,335**	**16%**

SEPARATE AND CONSOLIDATED IFRS STATEMENT OF RECOGNIZED INCOME

in HUF million	OTP Bank			Consolidated		
	9M 2017	9M 2016	change	9M 2017	9M 2016	change
Loans	89,185	87,874	1%	387,722	375,005	3%
Placements with other banks	36,146	63,661	-43%	32,480	46,310	-30%
Amounts due from banks and balances with the National Banks	1,199	8,261	-85%	1,230	8,278	-85%
Securities held for trading	0	0		0	0	
Securities available-for-sale	22,450	30,825	-27%	25,070	32,167	-22%
Securities held-to-maturity	33,501	30,871	9%	42,627	35,476	20%
Other interest income	0	0		7,451	5,784	29%
Interest income	*182,482*	*221,492*	*-18%*	*496,581*	*503,021*	*-1%*
Amounts due to banks, the Hungarian Government, deposits from the National Banks and other banks	-41,883	-69,867	-40%	-34,199	-48,428	-29%
Deposits from customers	-7,429	-11,946	-38%	-38,730	-50,236	-23%
Liabilities from issued securities	-146	-1,090	-87%	-4,273	-3,567	20%
Subordinated bonds and loans	-2,286	-12,395	-82%	-1,717	-9,392	-82%
Other interest expense	0	0		-5,633	-4,327	30%
Interest expense	*-51,744*	*-95,298*	*-46%*	*-84,553*	*-115,950*	*-27%*
Net interest income	**130,738**	**126,194**	**4%**	**412,028**	**387,071**	**6%**
Provision for impairment on loans	-826	-5,087	-84%	-23,113	-54,992	-58%
Provision for impairment on placement losses	30	0		-202	-67	203%
Provision for impairment on loans and placement losses	-796	-5,088	-84%	-23,316	-55,058	-58%
NET INRETEST INCOME AFTER PROVISION FOR IMPAIRMENT ON LOAN AND PLACEMENT LOSSES	129,942	121,106	7%	388,713	332,013	17%
Income from fees and commissions	153,511	139,787	10%	228,371	196,509	16%
Expense from fees and commissions	-21,175	-18,117	17%	-38,969	-34,123	14%
NET PROFIT FROM FEES AND COMMISSIONS	132,337	121,670	9%	189,402	162,386	17%
Foreign exchange gains, net (-)/(+)	4,202	4,235	-1%	9,848	20,409	-52%
Gains / (losses) on securities, net	6,117	34,453	-82%	6,529	19,932	-67%
Gains on real estate transactions	161	195	-17%	1,683	1,421	18%
Dividend income	82,630	90,465	-9%	4,062	3,311	23%
	0	0		159	0	
Gains and losses on derivative financial instruments	-245	0		1,963	0	
Other operating income	8,416	2,988	182%	34,972	8,508	311%
Other operating expense	4,437	-11,759	-138%	-25,154	-9,736	158%
NET OPERATING RESULT	105,718	120,576	-12%	34,062	43,845	-22%
Personnel expenses	-67,857	-67,473	1%	-156,829	-142,528	10%
Depreciation and amortization	-15,562	-16,335	-5%	-35,674	-32,552	10%
Other administrative expenses	-109,346	-103,403	6%	-177,720	-162,459	9%
OTHER ADMINISTRATIVE EXPENSES	-192,765	-187,211	3%	-370,223	-337,538	10%
PROFIT BEFORE INCOME TAX	**175,231**	**176,142**	**-1%**	**241,954**	**200,705**	**21%**
Income tax	-12,131	-12,169	0%	-29,069	-24,727	18%
NET PROFIT FOR THE PERIODS	**163,101**	**163,972**	**-1%**	**212,885**	**175,978**	**21%**
From this, attributable to non-controlling interest	0	0		-195	-255	-24%
NET PROFIT FOR THE PERIODS ATTRIBUTABLE OWNERS OF THE COMPANY	**163,101**	**163,972**	**-1%**	**212,691**	**175,723**	**21%**

SEPARATE AND CONSOLIDATED IFRS STATEMENT OF CASH FLOWS

in HUF million	OTP Bank			Consolidated		
	30/09/2017	30/09/2016	change	30/09/2017	30/09/2016	change
OPERATING ACTIVITIES						
Profit before income tax	175,231	176,142	-1%	241,955	200,705	21%
Adjustments to reconcile income before income taxes to net cash provided by operating activities						
Income tax paid	0	-264		-11,784	-10,464	13%
Depreciation and amortization	15,562	16,334	-5%	35,674	32,552	10%
Provision for impairment / Release of provision	-7,208	5,170	-239%	41,012	24,249	69%
Share-based payment	2,528	2,798	-10%	2,528	2,798	-10%
Unrealized (losses) / gains on fair value adjustment of securities held for trading	1,849	-11,513	-116%	-1,849	-11,511	-84%
Unrealized losses on fair value adjustment of derivative financial instruments	7,894	10,413	-24%	12,013	10,379	16%
Changes in operating assets and liabilities	-260,027	-133,950	94%	78,901	-69,689	-213%
Net cash provided by operating activities	**-64,170**	**65,130**	**-199%**	**398,450**	**179,019**	**123%**
INVESTING ACTIVITIES						
Net cash used in investing activities	**-429,392**	**-288,012**	**49%**	**-790,283**	**-393,615**	**101%**
FINANCING ACTIVITIES						
Net cash used in financing activities	**2,228**	**26,851**	**-92%**	**-14,059**	**15,538**	**-190%**
Net increase in cash and cash equivalents	**-491,334**	**-196,031**		**-405,892**	**-199,058**	**104%**
Cash and cash equivalents at the beginning of the period	880,266	1,238,858	-29%	1,128,610	1,427,292	-21%
Cash and cash equivalents at the end of the period	**388,932**	**1,042,827**	**-63%**	**722,718**	**1,228,234**	**-41%**

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY (IFRS)

in HUF million	Share capital	Capital reserve	Share based payment reserve	Retained earnings and reserves	Put option reserves	Treasury shares	Non-controlling interest	Total
Balance as at 1 January 2016	**28,000**	**52**	**24,707**	**1,291,738**	**-55,468**	**-58,021**	**2,651**	**1,233,659**
Net profit for the year	--	--	--	175,723		--	255	175,978
Other comprehensive income				13,862			186	14,048
Share-based payment	--	--	2,798			--	--	2,798
Terminated share based payment								
Treasury shares								
Dividend for the year 2015	--	--	--	-46,200		--	--	-46,200
Put option								
Treasury shares								
– sale						9,280		9,280
– loss on sale				-3,775				-3,775
– volume change						-11,982		-11,982
Payment to ICES holders				-1,720				-1,720
Balance as at 30 September 2016	**28,000**	**52**	**27,505**	**1,429,628**	**-55,468**	**-60,723**	**3,092**	**1,372,086**

in HUF million	Share capital	Capital reserve	Share based payment reserve	Retained earnings and reserves	Put option reserves	Treasury shares	Non-controlling interest	Total
Balance as at 1 January 2017	**28,000**	**52**	**28,237**	**1,476,657**	**-55,468**	**-60,121**	**3,292**	**1,420,649**
Net profit for the year	--	--	--	212,691		--	195	212,886
Other comprehensive income				-839			-102	-941
Share-based payment	--	--	2,528			--	--	2,528
Treasury shares								
Dividend for the year 2016	--	--	--	-53,200		--	--	-53,200
Put option								
Treasury shares								
– sale						10,146		10,146
– loss on sale				-1,436				-1,436
– volume change						-13,510		-13,510
Payment to ICES holders				-1,681				-1,681
Balance as at 30 September 2017	**28,000**	**52**	**30,765**	**1,632,192**	**-55,468**	**-63,485**	**3,385**	**1,575,441**

Ownership structure of OTP Bank Plc.

as at 30 September 2017

Description of owner	Total equity					
	At the beginning of actual year			End of actual period		
	%[1]	%[2]	Qty	%[1]	%[2]	Qty
Domestic institution/company	20.20%	20.47%	56,561,346	20.17%	20.40%	56,484,394
Foreign institution/company	64.83%	65.71%	181,528,602	64.91%	65.64%	181,762,002
Domestic individual	4.42%	4.48%	12,364,400	4.01%	4.05%	11,225,066
Foreign individual	0.16%	0.16%	447,025	0.21%	0.22%	600,704
Employees, senior officers	0.79%	0.80%	2,214,853	0.81%	0.82%	2,258,641
Treasury shares[3]	1.33%	0.00%	3,737,768	1.11%	0.00%	3,094,819
Government held owner[4]	0.08%	0.08%	225,928	0.08%	0.08%	226,472
International Development Institutions[5]	0.02%	0.02%	49,715	0.02%	0.02%	46,800
Other[6]	8.17%	8.28%	22,870,373	8.68%	8.78%	24,301,112
TOTAL	**100.00%**	**100.00%**	**280,000,010**	**100.00%**	**100.00%**	**280,000,010**

[1] Ownership share. The data of Domestic individual and Employees, senior officers were revised for the beginning of actual year.
[2] Voting rights
[3] From 2Q 2017 treasury shares do not include the OTP shares held by ESOP.
[4] E.g.: State Privatization Holding Co. Ltd., Social Security, Municipality, 100% state-owned companies, Pension Reform and Debt Reduction Fund etc.
[5] E.g.: EBRD, EIB, etc.
[6] Non-identified shareholders according to the shareholders' registry.

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

	1 January	31 March	30 June	30 September
OTP Bank	1,281,704	1,343,799	820,776	1,021,259
ESOP	382,504	382,504		
Subsidiaries	2,073,560	2,073,560	2,073,560	2,073,560
TOTAL	3,737,768	3,799,863	2,894,336	3,094,819

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

Name	Number of shares	Ownership	Voting rights
Megdet, Timur and Ruszlan Rahimkulov	24,186,511	8.64%	8.73%
MOL (Hungarian Oil and Gas Company Plc.)	24,000,000	8.57%	8.67%
OPUS Securities S.A.	14,496,476	5.18%	5.24%
Groupama Group	14,369,541	5.13%	5.19%

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

Type[1]	Name	Position	No. of shares held
IT	Dr. Sándor Csányi [2]	Chairman and CEO	605,097
IT	Mihály Baumstark	member	54,400
IT	Dr. Tibor Bíró	member	22,356
IT	Tamás Erdei	member	16,039
IT	Dr. István Gresa	member	143,071
IT	Antal Kovács	member, Deputy CEO	23,728
IT	Dr. Antal Pongrácz	member	82,101
IT	Dr. László Utassy	member	200,000
IT	Dr. József Vörös	member	153,714
IT	László Wolf	member, Deputy CEO	601,164
FB	Tibor Tolnay	Chairman	145,598
FB	Dr. Gábor Horváth	member	54
FB	András Michnai	member	0
FB	Ágnes Rudas	member	6,274
FB	Dominique Uzel	member	0
FB	Dr. Márton Gellért Vági	member	0
SP	László Bencsik	Chief Financial and Strategic Officer, Deputy CEO	34,961
SP	András Tibor Johancsik	Deputy CEO	4,510
SP	György Kiss-Haypál	Deputy CEO	6,935
TOTAL No. of shares held by management:			**2,100,002**

[1] Employee in strategic position (SP), Board Member (IT), Supervisory Board Member (FB)
[2] Number of OTP shares owned by Mr Csányi directly or indirectly: 2,405,097

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

a) Contingent liabilities

	30/09/2017	30/09/2016
Commitments to extend credit	1,660,906	1,254,052
Guarantees arising from banking activities	490,091	451,019
Confirmed letters of credit	13,613	11,676
Legal disputes (disputed value)	16,226	32,584
Contingent liabilities related to OTP Mortgage Bank	-	-
Other	384,763	289,994
Total:	**2,565,599**	**2,039,325**

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

Security issuances on Group level between 01/10/2016 and 30/09/2017

Issuer	Type of security	Security name	Date of issue	Date of maturity	Ccy	Outstanding consolidated debt (in original currency or HUF million) 30/09/2017	Outstanding consolidated debt (in HUF million) 30/09/2017
OTP Bank Plc	Retail bond	OTP_VK1_18/1	20/01/2017	20/01/2018	USD	2,786,700	735
OTP Bank Plc	Retail bond	OTP_VK1_18/2	03/03/2017	03/03/2018	USD	4,251,000	1,121
OTP Bank Plc	Retail bond	OTP_VK1_18/3	13/04/2017	13/04/2018	USD	2,490,300	657
OTP Bank Plc	Retail bond	OTP_VK1_18/4	02/06/2017	02/06/2018	USD	4,199,100	1,108
OTP Bank Plc	Corporate bond	OTP_DK_18/I	31/05/2017	31/05/2018	HUF	833	0
OTP Bank Plc	Retail bond	OTP_VK1_18/5	14/07/2017	14/07/2018	USD	2,241,500	591
OTP Bank Plc	Retail bond	OTP_VK1_18/6	04/08/2017	04/08/2018	USD	694,900	183
OTP Bank Plc	Retail bond	OTP_VK1_18/7	29/09/2017	29/09/2018	USD	4,493,100	1,185
OTP Mortgage Bank	Mortgage bond	OJB2020_III	23/02/2017	20/05/2020	HUF	40,000	29,941
OTP Mortgage Bank	Mortgage bond	OJB2021_I	15/02/2017	27/10/2021	HUF	122,100	96,750
OTP Mortgage Bank	Mortgage bond	OJB2022_I	24/02/2017	24/05/2022	HUF	30,000	20,622
OTP Banka Slovensko	Mortgage bond	OTP XXX.	16/12/2016	15/12/2017	EUR	14,000,000	0
OTP Banka Slovensko	Mortgage bond	OTP XXXI.	29/03/2017	28/03/2018	EUR	8,000,000	0
OTP Banka Slovensko	Corporate bond	Bonds OTP IV.	28/02/2017	27/02/2018	EUR	65,000,000	0
OTP Banka Slovensko	Corporate bond	Bonds OTP V.	31/07/2017	30/07/2018	EUR	40,000,000	0

Security redemptions on Group level between 01/10/2016 and 30/09/2017

Issuer	Type of security	Security name	Date of issue	Date of maturity	Ccy	Outstanding consolidated debt (in original currency or HUF million) 30/09/2016	Outstanding consolidated debt (in HUF million) 30/09/2016
OTP Bank Plc.	Corporate bond	OTP 2016/Ax	11/11/2010	03/11/2016	HUF	3,385	3,385
OTP Bank Plc.	Corporate bond	OTP 2016/Bx	16/12/2010	19/12/2016	HUF	2,511	2,511
OTP Bank Plc.	Retail bond	OTP TBSZ2016/I	14/01/2011	15/12/2016	HUF	1,138	1,138
OTP Bank Plc.	Corporate bond	OTP 2017/Ax	01/04/2011	31/03/2017	HUF	3,939	3,939
OTP Bank Plc.	Corporate bond	OTP 2017/Bx	17/06/2011	20/06/2017	HUF	3,773	3,773
OTP Bank Plc.	Retail bond	OTP TBSZ2016/II	26/08/2011	15/12/2016	HUF	626	626
OTP Bank Plc.	Corporate bond	OTP 2017/Cx	19/09/2011	25/09/2017	HUF	2,877	2,877
OTP Bank Plc.	Retail bond	OTP OJK 2017/I	27/01/2012	27/01/2017	HUF	4	4
OTP Bank Plc.	Corporate bond	OTP 2016/Ex	28/12/2012	27/12/2016	HUF	301	301
OTP Bank Plc.	Retail bond	OTP TBSZ 4 2016/I	18/01/2013	15/12/2016	HUF	156	156
OTP Bank Plc.	Corporate bond	OTP 2016/Dx	22/12/2011	29/12/2016	EUR	1,081,400	334
OTP Bank Plc.	Corporate bond	OTP 2017/Fx	19/06/2012	16/06/2017	EUR	776,800	240
OTP Bank Plc.	Retail bond	OTP EUR 2 2016/XIX	03/10/2014	03/10/2016	EUR	1,891,400	585
OTP Bank Plc.	Retail bond	OTP_VK_USD_2_2016/I	28/11/2014	28/11/2016	USD	6,695,800	1,850
OTP Bank Plc.	Retail bond	OTP_VK_USD_2_2017/I	10/04/2015	10/04/2017	USD	285,500	79
OTP Bank Plc.	Retail bond	OTP EUR 1 2016/IX	25/09/2015	09/10/2016	EUR	20,829,900	6,440
OTP Bank Plc.	Retail bond	OTP EUR 1 2016/X	30/10/2015	13/11/2016	EUR	14,305,900	4,423
OTP Bank Plc.	Retail bond	OTP EUR 1 2016/XI	11/11/2015	25/11/2016	EUR	8,278,100	2,559
OTP Bank Plc.	Retail bond	OTP EUR 1 2016/XII	27/11/2015	11/12/2016	EUR	5,789,400	1,790
OTP Bank Plc.	Retail bond	OTP EUR 1 2016/XIII	30/12/2015	13/01/2017	EUR	25,461,700	7,871
OTP Bank Plc.	Retail bond	OTP EUR 1 2017/I	29/01/2016	12/02/2017	EUR	14,619,900	4,520
OTP Bank Plc.	Retail bond	OTP_VK_USD_1_2017/I	29/01/2016	29/01/2017	USD	3,885,900	1,074
OTP Bank Plc.	Retail bond	OTP EUR 1 2017/II	12/02/2016	26/02/2017	EUR	4,395,500	1,359
OTP Bank Plc.	Retail bond	OTP EUR 1 2017/III	26/02/2016	12/03/2017	EUR	7,477,200	2,312
OTP Bank Plc.	Retail bond	OTP EUR 1 2017/IV	18/03/2016	01/04/2017	EUR	6,559,600	2,028
OTP Bank Plc.	Retail bond	OTP_VK_USD_1_2017/II	18/03/2016	18/03/2017	USD	1,973,100	545
OTP Bank Plc.	Retail bond	OTP EUR 1 2017/V	15/04/2016	29/04/2017	EUR	8,688,200	2,686
OTP Bank Plc.	Retail bond	OTP EUR 1 2017/VI	27/05/2016	10/06/2017	EUR	11,824,700	3,656
OTP Bank Plc.	Retail bond	OTP_VK_USD_1_2017/III	27/05/2016	27/05/2017	USD	6,281,400	1,736
OTP Bank Plc.	Retail bond	OTP EUR 1 2017/VII	10/06/2016	24/06/2017	EUR	3,626,500	1,121
OTP Bank Plc.	Retail bond	OTP EUR 1 2017/VIII	01/07/2016	15/07/2017	EUR	6,819,700	2,108
OTP Bank Plc.	Retail bond	OTP EUR 1 2017/IX	10/08/2016	24/08/2017	EUR	8,672,800	2,681
OTP Bank Plc.	Retail bond	OTP EUR 1 2017/X	16/09/2016	30/09/2017	EUR	4,460,900	1,379
OTP Bank Plc.	Retail bond	OTP_VK_USD_1_2017/IV	16/09/2016	17/09/2017	USD	1,455,900	402
OTP Mortgage Bank	Mortgage bond	OMB2017_I	29/01/2015	28/07/2017	EUR	0	0
OTP Banka Slovensko	Mortgage bond	OTP XXVII.	17/12/2015	16/12/2016	EUR	0	0
OTP Banka Slovensko	Mortgage bond	OTP XXVIII.	30/03/2016	29/03/2017	EUR	0	0
OTP Banka Slovensko	Mortgage bond	OTP XXIX.	28/09/2016	27/09/2017	EUR	0	0
OTP Banka Slovensko	Corporate bond	Bonds OTP II.	29/02/2016	28/02/2017	EUR	0	0

RELATED-PARTY TRANSACTIONS

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

Compensations in HUF million	9M 2016	9M 2017	Y-o-Y	3Q 2016	2Q 2017	3Q 2017	Q-o-Q	Y-o-Y
Total	**9,286**	**8,097**	**-13%**	**2,538**	**3,452**	**2,528**	**-27%**	**0%**
Short-term employee benefits	7,120	6,090	-14%	1,850	2,811	1,872	-33%	1%
Share-based payment	1,747	1,698	-3%	582	548	566	3%	-3%
Other long-term employee benefits	393	300	-24%	106	93	90	-3%	-15%
Termination benefits	26	9		0	0	0		
Redundancy payments								
Loans provided to companies owned by the management (normal course of business)	25,912	88,048	240%	25,912	83,438	88,048	6%	240%
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)	298	3,731		298	3,735	3,731	0%	
Commitments to extend credit and guarantees	29,372	37,050	26%	29,372	43,899	37,050	-16%	26%
Loans provided to unconsolidated subsidiaries	2,173	4,666	115%	2,173	4,524	4,666	3%	115%

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

SUPPLEMENTARY DATA

RESTATEMENT DUE TO A CHANGE IN THE ACCOUNTING POLICY

According to the announcement made by OTP Bank Plc. on 28 June 2017 the share swap agreement between OTP Bank Plc. and MOL Plc. has been amended. Taking into account the economic substance of the deal and the amendment of certain elements of the contract, in order to show a full and reliable picture, the Bank decided to account for the deal on a net base, which provides a better reflection of the deal's economic substance, rather than booking it on a gross base. Simultaneously, the accounting policy has been changed. Pursuant to the change, the MOL shares (previously booked on the trading securities balance sheet line) and the related financial liabilities have been netted off. Consequently, only the net fair value of the share swap deal is presented in the balance sheet.

The consolidated balance sheet and the balance sheet of OTP Bank and OTP Core were affected by the change; however, the change was neutral on the shareholders' equity and the statement of recognised income.

As a result of the above mentioned change in the accounting policy, the balance sheets for the base periods have been restated. This Summary contains the restated balance sheets for 3Q 2016 and 4Q 2016. The balance sheets presented in the Half-year Financial Report about the 1H 2017 results were made according to the amended accounting policy.

Affected balance sheet lines were as follows: *Financial assets at fair value through profit and loss, Other assets, Total assets, Other liabilities, Total liabilities, Total liabilities and shareholders' equity*.

Consequently, in this Summary performance indicators with total assets in their denominators changed, too retroactively for the following periods: 9M 2016, 3Q 2016, 2Q 2017.

Affected performance indicators were as follows: *ROA (from adjusted net earnings), Operating profit margin, Total income margin, Net interest margin, Net fee and commission margin, Net other non-interest income margin, Cost-to-asset ratio, Total risk cost-to-asset ratio, Leverage.*

The change in the accounting policy affected the separate regulatory capital of OTP Bank Plc. and the consolidated regulatory capital, and thus the capital adequacy ratios, too, through the *Prudential filters* which is part of the Common Equity Tier 1 capital. In this Summary the restated consolidated regulatory capital and capital adequacy ratios have been presented for the following periods: 3Q 2016 and 4Q 2016.

In order to present comparable time series restated balance sheets, capital adequacy ratios and performance indicators have been put in the Analyst tables from 4Q 2015. The restatement affected the separate capital adequacy ratios of OTP Bank only for 1Q 2017, because the restatement did not have an impact on the regulatory capital under Hungarian Accounting Standards presented until 4Q 2016.

CHANGE IN THE PRESENTATION OF ACCRUED INTEREST RECEIVABLES RELATED TO LOANS

In 3Q 2017 the way of presentation of accrued interest receivables related to loans has been unified at certain Group members. In essence, the accrued interest receivables have been included in the gross customer loans line in the balance sheet of these Group members.

At the affected Group members the accrued interest receivables related to loans were presented on a separate line apart from the gross customer loans line. However, in case of certain Group members the accrued interest receivables related to loans were continued to be presented on the Accrued interest receivables related to loans line.

Mainly as a result of this change, the balance of *Bills and accrued interest receivables related to loans* line in the consolidated balance sheet declined by around HUF 30 billion q-o-q. The change, however, did not affect the total exposure of the Bank.

Furthermore, in the adjusted balance sheets presented in the analytical section of this Summary the total amount of accrued interest receivables related to DPD90+ loans 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 in the balance sheets also had an impact (among others) on the q-o-q dynamics of gross loans and performing (DPD0-90) loans presented in the analysing section of this Summary.

The one-off effect of the inclusion of accrued interest receivables into the gross customer loans:

in HUF billion	One-off impact on gross loans	One-off impact on performing (DPD0-90) loans
Consolidated	29.9	16.2
OTP Core	0.0	0.0
OTP Bank Russia	6.0	5.9
Touch Bank (Russia)	0.3	0.3
OTP Bank Ukraine	5.7	1.0
DSK Bank (Bulgaria)	3.9	3.9
OBR (Romania)	6.1	2.5
OBH (Croatia)	1.6	1.6
OBS (Slovakia)	0.6	0.6
OBSrb (Serbia)	0.2	0.0
CKB (Montenegro)	5.5	0.3
Merkantil	0.0	0.0

ADJUSTMENTS OF THE CONSOLIDATED IFRS BALANCE SHEET LINES:

in HUF million	3Q 2017
Gross customer loans (incl. accrued interest receivables related to loans)	7,536,850
(-) Accrued interest receivables related to DPD90+ loans	38,728
Gross customer loans (adjusted)	7,498,123
Allowances for loan losses	-842,502
(-) Allocated provision on accrued interest receivables related to DPD90+ loans	-38,728
Allowances for loan losses (adjusted)	-803,774

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

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

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

(2) OTP Core is an economic unit for measuring the result of core business activity of OTP Group in Hungary. Financials of OTP Core are calculated from the partially consolidated IFRS financial statements of certain companies engaged in OTP Group's operation in Hungary. These companies include OTP Bank Hungary Plc., OTP Mortgage Bank Ltd, OTP Building Society Ltd, OTP Factoring Ltd, OTP Financial Point Ltd., and companies providing intragroup financing; OTP Bank Employee Stock Ownership Plan Organization was included from 4Q 2016; OTP Card Factory Ltd., OTP Facility Management Llc., MONICOMP Ltd. and OTP Real Estate Lease Ltd. were included from 1Q 2017. The consolidated accounting results of these companies are segmented into OTP Core and Corporate Centre. Latter is a virtual entity.

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

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

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

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

(7) From 3Q 2010 the result and balance sheet of OTP Factoring Bulgaria LLC was included. DSK Group balance sheet contains the loans sold to the factoring company at before sale gross value and the related provisions, as well.

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

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

(10) Splitska banka was consolidated into OBH's results from 2Q 2017. Banco Popolare Croatia was consolidated into OBH's results from 2Q 2014. From 1Q 2015 including the financial result and volumes of OTP Faktoring d.o.o.

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

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

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

(14) OTP Leasing Romania IFN S.A. (Romania), OTP Leasing d.d. and SG Leasing d.o.o. (Croatia), DSK Leasing AD (Bulgaria).

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

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

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

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

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

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

Adjustments:

- As non-recurring results, the after tax effect of the following items are shown separately on the Statement of Recognised Income: received dividends, received and paid cash transfers, goodwill write-offs, the tax shield effect of investment write-offs, special tax on financial institutions, the one-timer payment compensating the underperformance of the financial transaction tax in 2013, impact of fines imposed by the Hungarian Competition Authority, the corporate tax impact of the transfer of general risk reserves to retained earnings, the effect of acquisitions, the one-off impact of regulatory changes in relation to consumer contracts and the impact of the related methodological changes in Hungary, the expected one-off impact of regulatory changes related to CHF consumer contracts in Croatia, the one-off impact of regulatory changes related to FX consumer contracts in Serbia, the expected one-off impact of the CHF mortgage loan conversion programme and regulatory changes related to mortgage loans in Romania, the risk cost created toward Crimean exposures from 2Q 2014 until 4Q 2015, the risk cost related toward exposure to Donetsk and Luhansk from 3Q 2014 until 4Q 2015, the corporate tax impact of switching to IFRS from HAR in Hungary, revaluation of deferred taxes recognized in the P&L due to the corporate tax rate cut in Hungary, gain on the sale of Visa Europe shares, the revaluation of reverse mortgage portfolio of OTP Life Annuity Ltd. simultaneous with regulatory changes, and the net loss from early repayment of FX mortgage loans in Hungary. Beside the Slovakian banking levy, the total amount of the special banking tax includes and the Slovakian Deposit Protection Fund contributions being introduced again in 2014, and the contribution into the Resolution Fund in Slovakia, too. The special banking tax, however, does not include the special tax levied on the result of investment services in the year of 2017 in Hungary, this item is presented among the operating expenses.
- Other non-interest income elements stemming from provisioning release in connection with provisions on loans originated before the acquisitions of the subsidiaries have been reclassified to and deducted from the volume of provisions for possible loan losses in the income statement.
- Other non-interest income is shown together with gains/losses on real estate transactions, but without the above mentioned income from the release of pre-acquisition provisions and without received cash transfers. However other non-interest expenses stemming from non-financial activities are added to the adjusted net other non-interest income line, therefore the latter incorporates the net amount of other non-interest income from non-financial activities.
- 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. Furthermore, received cash transfers within the framework of the subsidy programme targeting the expansion of POS network in Hungary in 3Q 2017 were reclassified from the After tax dividends and net cash transfers line to the Net other non-interest result (adj.) without one-offs line.
- In 4Q 2016 certain components of the result on derivative instruments have been presented on a separate line in the accounting P&L structure: on the Gains and losses on derivative financial instruments line (certain other components were continued to be booked on the net interest income and foreign exchange result line). In the previous accounting and adjusted P&L structure, items currently booked on the Gains and losses on derivative financial instruments line were accounted for on the net interest income, foreign exchange result and gains/losses on securities line. In 4Q 2016 the full annual amounts have been moved in one sum to the Gains and losses on derivative financial instruments line. In the adjusted P&L structure this new line constitutes part of the Net other non-interest result among Other net non-interest income.
- Out of other expenses, other provisions are deducted and shown separately as other risk costs in the adjusted income statement. Other provisions contain provisioning on off-balance sheet liabilities and on legal contests, provisioning on securities, shares and other investments as well as provisioning on other assets.
- Other administrative expenses have been adjusted in the following way in order to create a category comprising administrative cost items exclusively. Other costs and expenses and other non-interest expenses were included into the adjusted Other non-interest expenses. At the same time, the following cost items were excluded from adjusted other non-interest expenses: paid cash transfers– except for movie subsidies and cash transfers to public benefit organisations – , Other non-interest expenses stemming from non-financial activities, Special tax on financial institutions and the one-timer payment compensating the underperformance of the financial transaction tax.
- From 4Q 2010 the fee expenses paid by Merkantil Group to car dealers ('dealer fees') were registered as interest expense in the accounting income statement. Earlier this item had been booked as fee expense. From 4Q 2010 to 4Q 2015 dealer fee expenses have been reclassified from net interest income to net fees and commissions – both on the consolidated and on a standalone level.
- Within the aggregated income statement of Merkantil Bank and Car, other risk cost related to leasing companies – as investments of the Merkantil Group – is eliminated. The reason behind is that this provisioning is eliminated in the consolidated income statement of OTP Group, and only the net result of the leasing companies is making part of OTP Group's consolidated net earnings.
- Performing indicators such as cost/income ratio, net interest margin, risk cost to average gross loans as well as ROA and ROE ratios are calculated on the basis of the adjusted profit and loss statement, excluding adjustment items such as received dividends and net cash transfers, goodwill write-offs, the tax shield effect of investment write-offs, special tax on financial institutions, the one-timer payment compensating the underperformance of the financial transaction tax in 2013, the impact of fines imposed by the Hungarian Competition Authority, the corporate tax impact of the transfer of general risk reserves to retained earnings, the effect of Banco Popolare Croatia acquisitions, the one-off impact of regulatory changes in relation to consumer contracts and the impact of the related methodological changes in Hungary, the expected one-off impact of regulatory changes related to CHF consumer contracts in Croatia, the one-off impact of regulatory changes related to FX consumer contracts in Serbia, the expected one-off impact of the CHF mortgage loan conversion programme and regulatory changes related to mortgage loans in Romania, the risk cost created toward

Crimean exposures from 2Q 2014 until 4Q 2015, the risk cost related toward exposure to Donetsk and Luhansk from 3Q 2014 until 4Q 2015, the corporate tax impact of switching to IFRS from HAR in Hungary, revaluation of deferred taxes recognized in the P&L due to the corporate tax rate cut in Hungary, gain on the sale of Visa Europe shares, the revaluation of reverse mortgage portfolio of OTP Life Annuity Ltd. simultaneous with regulatory changes, and the net loss from early repayment of FX mortgage loans in Hungary.

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

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

  For the sake of presenting comparable time series, in the adjusted P&L structure showed in the analytical sections of the report this particular item representing the ytd difference between the old and new methods was eliminated both from the Ukrainian and consolidated Profit and Loss accounts. In periods booked under the new methodology there is no such structural correction.
- The *Net insurance result* line appearing in the consolidated accounting P&L structure from 3Q 2017 is presented on the *Net other non-interest result* line within the *Other net non-interest income* in the adjusted P&L structure.
- Within the report, FX-adjusted statistics for business volume developments and their product breakdown are disclosed, too. For FX adjustment, the closing cross currency rates for the current period were used to calculate the HUF equivalent of loan and deposit volumes in the base periods. Thus the FX adjusted volumes will be different from those published earlier.

ADJUSTMENTS OF CONSOLIDATED IFRS P&L LINES

in HUF million	1Q 16	2Q 16	3Q 16	9M 16	4Q 16 Audited	2016 Audited	1Q 17	2Q 17	3Q 17	9M 17
Net interest income	**130,789**	**129,338**	**126,945**	**387,071**	**132,658**	**519,729**	**135,080**	**137,987**	**138,961**	**412,028**
(-) Revaluation result of FX provisions	255	229	75	559	264	823	343	-319	123	148
(+) Presentation of the revaluation result of intra-group swaps on the net interest income line realized at the Romanian and Slovakian operations	-1,492	-42	303	-1,231	791	-440	-120	87	-50	-83
(+) Structural correction related to the amendment of interest income recognition methodology in Ukraine in 3Q 2016			3,484	3,484	0	3,484	0	0	0	0
(-) Netting of interest revenues on DPD90+ loans with the related provision (booked on the Provision for loan losses line) at OTP Core							2,437	1,467	1,102	5,006
(-) Effect of acquisitions									660	660
Net interest income (adj.)	**129,041**	**129,067**	**130,657**	**388,765**	**133,184**	**521,949**	**132,180**	**136,925**	**137,026**	**406,131**
Net fees and commissions	**50,478**	**54,902**	**57,006**	**162,386**	**60,605**	**222,991**	**58,572**	**64,941**	**65,890**	**189,402**
(+) Financial Transaction Tax	-11,660	-11,382	-11,595	-34,636	-12,388	-47,025	-14,022	-11,189	-12,841	-38,052
(-) Effect of acquisitions								-5	0	-5
Net fees and commissions (adj.)	**38,819**	**43,520**	**45,411**	**127,750**	**48,217**	**175,966**	**44,549**	**53,757**	**53,049**	**151,355**
Foreign exchange result	**15,727**	**-3,172**	**7,854**	**20,409**	**8,896**	**29,305**	**2,913**	**2,168**	**4,767**	**9,848**
(-) Revaluation result of FX positions hedging the revaluation of FX provisions	13,909	-8,510	3,340	8,739	8,065	16,804	-1,923	-4,243	-874	-7,040
(-) Presentation of the revaluation result of intra-group swaps on the net interest income line realized at the Romanian and Slovakian operations	-1,492	-42	303	-1,231	791	-440	-120	87	-50	-83
(-) Effect of acquisitions								122	0	122
Foreign exchange result (adj.)	**3,311**	**5,379**	**4,211**	**12,901**	**40**	**12,941**	**4,955**	**6,203**	**5,691**	**16,849**
Gain/loss on securities, net	**3,361**	**16,213**	**358**	**19,932**	**896**	**20,828**	**1,677**	**3,115**	**1,737**	**6,529**
(-) Gain on the sale of Visa Europe shares		15,924	0	15,924	0	15,924	0	0	0	0
Gain/loss on securities, net (adj.) with one-offs	**3,361**	**290**	**358**	**4,008**	**896**	**4,904**	**1,677**	**3,115**	**1,737**	**6,529**
(-) Revaluation result of the treasury share swap agreement (booked as Gain on securities, net (adj) at OTP Core)	169	-83	-917	-831	80	-751	-42	-198	996	756
Gain/loss on securities, net (adj.) without one-offs	**3,192**	**373**	**1,275**	**4,839**	**816**	**5,655**	**1,719**	**3,312**	**741**	**5,772**
Gains and losses on real estate transactions	**583**	**714**	**124**	**1,421**	**502**	**1,923**	**897**	**630**	**156**	**1,683**
(+) Other non-interest income	**3,138**	**2,481**	**2,889**	**8,508**	**9,196**	**17,704**	**5,622**	**20,523**	**8,827**	**34,972**
(+) Gains and losses on derivative financial instruments					**6,838**	**6,838**	**-263**	**596**	**1,631**	**1,963**
(+) Net insurance result									**159**	**159**
(-) Received cash transfers	10	17	5	32	5	37	1	1	572	575
(+) Received cash transfers within the framework of the subsidy programme targeting the expansion of POS network in Hungary									560	560
(-) Non-interest income from the release of pre-acquisition provisions	194	210	120	525	210	735	116	2,764	4,183	7,063
(+) Other other non-interest expenses	-22,063	-5,445	-466	-27,974	-1,247	-29,221	-1,044	-1,061	-866	-2,971
(+) Change in shareholders' equity of companies consolidated with equity method	1	-177	276	101	-264	-163	32	-149	459	342
(-) Effect of acquisitions	0	0	0	0	0	0	0	14,228	275	14,503
(-) One-off impact of regulatory changes related to CHF consumer contracts in Croatia	-8,720	-244	-116	-9,080	11	-9,068	-36	-6	-8	-51
(-) One-off impact of the CHF mortgage loan conversion programme and regulatory changes related to mortgage loans in Romania	-12,965	-4,412	-484	-17,861	-486	-18,347	-58	-233	-206	-497
(-) Impact of fines imposed by the Hungarian Competition Authority					3,922	3,922	194	0	0	194
(-) Netting of refunds related to legal cases (accounted for on the Net other non-interest result line) with the release of provisions created earlier for these cases (accounted for on the Other provisions line) from 1Q 2017 at OTP Bank Romania							-325	-539	-201	-1,066
Net other non-interest result (adj.) with one-offs	**3,139**	**2,001**	**3,299**	**8,439**	**11,364**	**19,803**	**5,352**	**4,324**	**6,310**	**15,986**
(-) 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	**3,139**	**2,001**	**3,299**	**8,439**	**11,364**	**19,803**	**5,352**	**4,324**	**6,310**	**15,986**
Provision for loan losses	**-35,123**	**-8,902**	**-11,033**	**-55,058**	**-38,414**	**-93,472**	**-11,737**	**-5,965**	**-5,614**	**-23,316**
(+) Non-interest income from the release of pre-acquisition provisions	194	210	120	525	210	735	116	2,764	4,183	7,063
(-) Revaluation result of FX provisions	-14,184	8,290	-3,433	-9,328	-8,321	-17,648	1,558	4,558	757	6,873
(-) Expected one-off impact of regulatory changes related to CHF consumer contracts in Croatia	0	0	-574	-574	0	-574	0	0	0	0
(-) Expected one-off impact of the CHF mortgage loan conversion programme and regulatory changes related to mortgage loans in Romania		-3,103	-1,312	-4,415	-361	-4,776	-95	-148	-189	-432
(+) Structural correction related to the amendment of interest income recognition methodology in Ukraine in 3Q 2016			-3,484	-3,484	0	-3,484	0	0	0	0
(+) Netting of interest revenues on DPD90+ loans with the related provision (booked on the Provision for loan losses line) at OTP Core							2,437	1,467	1,102	5,006
Provision for loan losses (adj.)	**-20,745**	**-13,879**	**-9,077**	**-43,701**	**-29,522**	**-73,223**	**-10,647**	**-6,145**	**-896**	**-17,687**

in HUF million	1Q 16	2Q 16	3Q 16	9M 16	4Q 16 Audited	2016 Audited	1Q 17	2Q 17	3Q 17	9M 17
Dividend income	**59**	**2,834**	**419**	**3,311**	**-258**	**3,054**	**171**	**3,142**	**748**	**4,062**
(+) Received cash transfers	10	17	5	32	5	37	1	1	572	575
(+) Paid cash transfers	-516	-3,091	-4,690	-8,297	-4,834	-13,131	-494	-398	-645	-1,537
(-) Sponsorships, subsidies and cash transfers to public benefit organisations	-516	-3,091	-4,689	-8,296	-4,834	-13,130	-492	-398	-645	-1,535
(-) Received cash transfers within the framework of the subsidy programme targeting the expansion of POS network in Hungary									560	560
(-) Dividend income of swap counterparty shares kept under the treasury share swap agreement	0	2,841	0	2,841	0	2,841	0	3,082	0	3,082
(-) Change in shareholders' equity of companies consolidated with equity method	1	-177	276	101	-264	-163	32	-149	459	342
After tax dividends and net cash transfers	**68**	**186**	**146**	**401**	**11**	**412**	**139**	**209**	**302**	**650**
Depreciation	**-10,433**	**-10,724**	**-11,395**	**-32,552**	**-11,876**	**-44,428**	**-9,722**	**-12,054**	**-13,897**	**-35,674**
(-) Effect of acquisitions								-627	-940	-1,567
Depreciation (adj.)	**-10,433**	**-10,724**	**-11,395**	**-32,552**	**-11,876**	**-44,428**	**-9,722**	**-11,427**	**-12,957**	**-34,107**
Personnel expenses	**-45,383**	**-49,687**	**-47,457**	**-142,528**	**-48,915**	**-191,443**	**-49,560**	**-53,438**	**-53,831**	**-156,829**
(-) Effect of acquisitions	0	0	0	0	0	0	0	-7	-4	-11
Personnel expenses (adj.)	**-45,383**	**-49,687**	**-47,457**	**-142,528**	**-48,915**	**-191,443**	**-49,560**	**-53,432**	**-53,827**	**-156,818**
Income taxes	**-13,388**	**-12,425**	**1,086**	**-24,727**	**-9,217**	**-33,944**	**-7,525**	**-12,312**	**-9,232**	**-29,069**
(-) Corporate tax impact of goodwill/investment impairment charges	0	2,214	8,555	10,768	784	11,552	512	-782	-189	-459
(-) Corporate tax impact of the special tax on financial institutions	2,968	47	52	3,068	52	3,120	1,423	46	46	1,514
(+) Tax deductible transfers	-31	-1,894	-4,116	-6,041	-3,523	-9,565	0	-45	0	-45
(-) Corporate tax impact of the effect of fines imposed by the Hungarian Competition Authority	0	0	0	0	0	0	-17	0	0	-17
(-) Corporate tax impact of the effect of acquisitions	0	0	0	0	0	0	0	439	215	655
(-) Corporate tax impact of the gain on the sale of Visa Europe shares		-2,764	0	-2,764	0	-2,764	0	0	0	0
(-) Corporate tax impact of switching to IFRS from HAR in Hungary			-7,477	-7,477	1,711	-5,766	0	0	0	0
(-) Revaluation of deferred taxes recognized in the P&L due to the corporate tax rate cut in Hungary					-6,054	-6,054	0	0	0	0
Corporate income tax (adj.)	**-16,388**	**-13,816**	**-4,159**	**-34,363**	**-9,233**	**-43,596**	**-9,442**	**-12,060**	**-9,304**	**-30,806**
Other operating expense, net	**-1,939**	**-484**	**-7,313**	**-9,736**	**-26,669**	**-36,405**	**-3,667**	**-16,067**	**-5,420**	**-25,154**
(-) Other costs and expenses	-1,135	-1,627	-1,514	-4,276	-1,364	-5,639	-838	-964	-1,149	-2,951
(-) Other non-interest expenses	-22,579	-8,536	-5,156	-36,271	-6,080	-42,351	-1,538	-1,459	-1,511	-4,508
(-) Effect of acquisitions	0	0	0	0	0	0	0	-10,884	0	-10,884
(-) Revaluation result of FX provisions	20	-9	18	30	-8	22	22	4	-6	19
(-) Expected one-off impact of regulatory changes related to CHF consumer contracts in Croatia	8,720	244	690	9,654	-11	9,642	36	6	8	51
(-) Expected one-off impact of the CHF mortgage loan conversion programme and regulatory changes related to mortgage loans in Romania	12,965	7,515	1,796	22,276	847	23,123	153	380	395	929
(-) Impact of fines imposed by the Hungarian Competition Authority	119	119	555	793	-2,000	-1,207	0	0	0	0
(-) Netting of refunds related to legal cases (accounted for on the Net other non-interest result line) with the release of provisions created earlier for these cases (accounted for on the Other provisions line) from 1Q 2017 at OTP Bank Romania							325	539	201	1,066
Other provisions (adj.)	**-49**	**1,810**	**-3,703**	**-1,942**	**-18,053**	**-19,995**	**-1,828**	**-3,688**	**-3,359**	**-8,876**
Other administrative expenses	**-63,613**	**-49,152**	**-49,693**	**-162,459**	**-57,769**	**-220,228**	**-69,598**	**-52,567**	**-55,554**	**-177,720**
(+) Other costs and expenses	-1,135	-1,627	-1,514	-4,276	-1,364	-5,639	-838	-964	-1,149	-2,951
(+) Other non-interest expenses	-22,579	-8,536	-5,156	-36,271	-6,080	-42,351	-1,538	-1,459	-1,511	-4,508
(-) Paid cash transfers	-516	-3,091	-4,690	-8,297	-4,834	-13,131	-494	-398	-645	-1,537
(+) Film subsidies and cash transfers to public benefit organisations	-516	-3,091	-4,689	-8,296	-4,834	-13,130	-492	-398	-645	-1,535
(-) Other other non-interest expenses	-22,063	-5,445	-466	-27,974	-1,247	-29,221	-1,044	-1,061	-866	-2,971
(-) Special tax on financial institutions (recognised as other administrative expenses)	-16,381	-215	-238	-16,834	-235	-17,069	-16,153	-215	-208	-16,576
(-) Tax deductible transfers	-31	-1,894	-4,116	-6,041	-3,523	-9,565	0	-45	0	-45
(-) Financial Transaction Tax	-11,660	-11,382	-11,595	-34,636	-12,388	-47,025	-14,022	-11,189	-12,841	-38,052
(-) Impact of fines imposed by the Hungarian Competition Authority	-119	-119	-555	-793	0	-793	0	0	0	0
(-) Effect of acquisitions								-84	-362	-445
Other non-interest expenses (adj.)	**-37,074**	**-40,259**	**-39,393**	**-116,726**	**-47,820**	**-164,545**	**-40,753**	**-42,397**	**-43,937**	**-127,087**

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