OTP Group
First nine months 2016 results

Conference call – 11 November 2016

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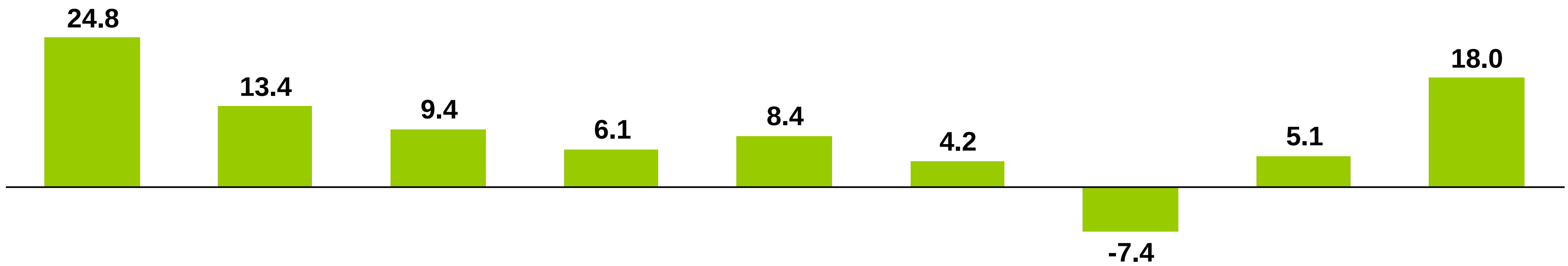
Content

Key pillars of the OTP investment rationale

1. Return on Equity has returned to attractive levels (>15% on 12.5% CET1 ratio)
2. A new era of structurally low risk environment has commenced
3. After years of deleveraging loan volumes show positive turnaround in Hungary
4. Strong capital and liquidity position coupled with robust internal capital generation
5. OTP is a frontrunner and has always been committed to innovation in digital banking

1. Return on Equity has returned to attractive levels

Consolidated ROE, accounting



Opportunity cost-adjusted[1] consolidated accounting ROE over the average 10Y Hungarian government bond yields

Price to Book ratio

	2008	2009	2010	2011	2012	2013	2014	2015	9M 16
Max	2.8	1.4	1.7	1.4	0.8	1.0	0.9	1.4	1.7
Min	0.6	0.4	0.9	0.6	0.6	0.7	0.7	0.8	1.3

Bloomberg

[1] Accounting ROE less the annual average of Hungarian 10Y government bond yields.

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1. The accounting ROE leaped in 9M 2016 on the back of moderating provision charges and vanishing negative adjustment items; the total revenue margin has been relatively resilient amid lower interest rate environment

	2008	2009	2010	2011	2012	2013	2014	2015	9M 16
Accounting ROE	24.8%	13.4%	9.4%	6.1%	8.4%	4.2%	-7.4%	5.1%	18.0%
Adjusted ROE[1]	22.5%	13.4%	13.0%	11.8%	10.2%	9.6%	8.5%	9.6%	17.7%
Total Revenue Margin[2]	8.22%	7.93%	8.03%	8.12%	8.31%	8.44%	7.74%	6.96%	6.69%
Net Interest Margin[2]	5.79%	6.17%	6.16%	6.31%	6.40%	6.37%	5.96%	5.11%	4.79%
...									
Operating Costs / Average Assets	4.08%	3.65%	3.62%	3.76%	3.89%	4.07%	3.85%	3.62%	3.60%
Risk Cost Rate	1.69%	3.57%	3.69%	2.95%	3.11%	3.51%	3.68%	3.18%	0.91%
Leverage (average equity / avg. assets)	10.9%	11.7%	12.8%	13.6%	14.4%	14.8%	13.0%	11.5%	12.0%

[1] Calculated from the Group's adjusted after tax result.
[2] Excluding one-off revenue items.

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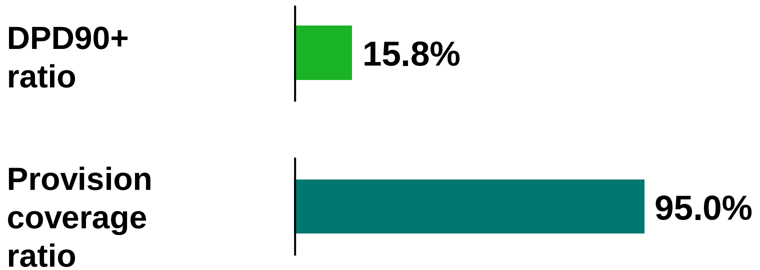
A new era of structurally low risk environment has commenced

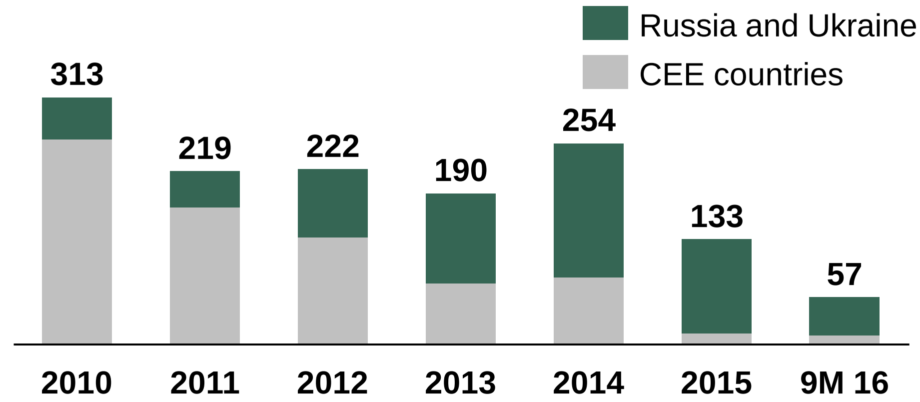
1 Existing DPD90+ loans are conservatively covered with provisions

3Q 2016, consolidated



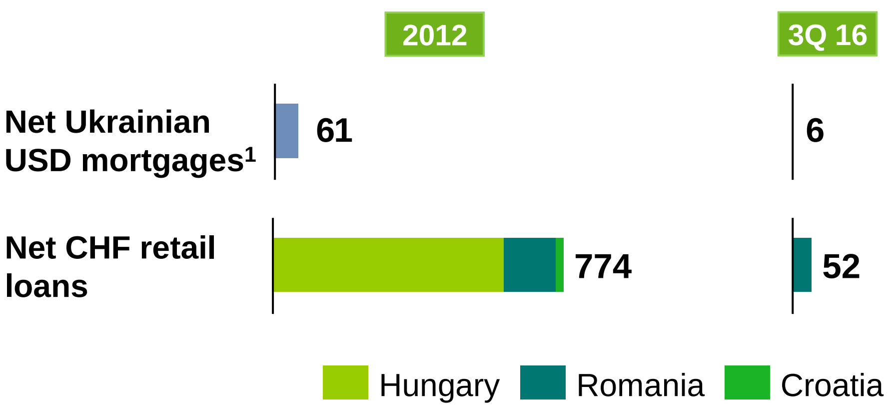
2 The DPD90+ formation has receded

(in HUF billion, without loan sales and write-offs, FX-adjusted)



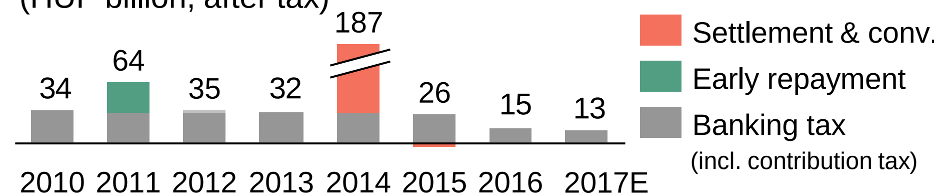
3 Vanishing „toxic” portfolios at OTP Group members

(HUF billion)



4 The Hungarian regulatory risk has moderated substantially

Special burden on the Hungarian OTP Group members
(HUF billion, after tax)

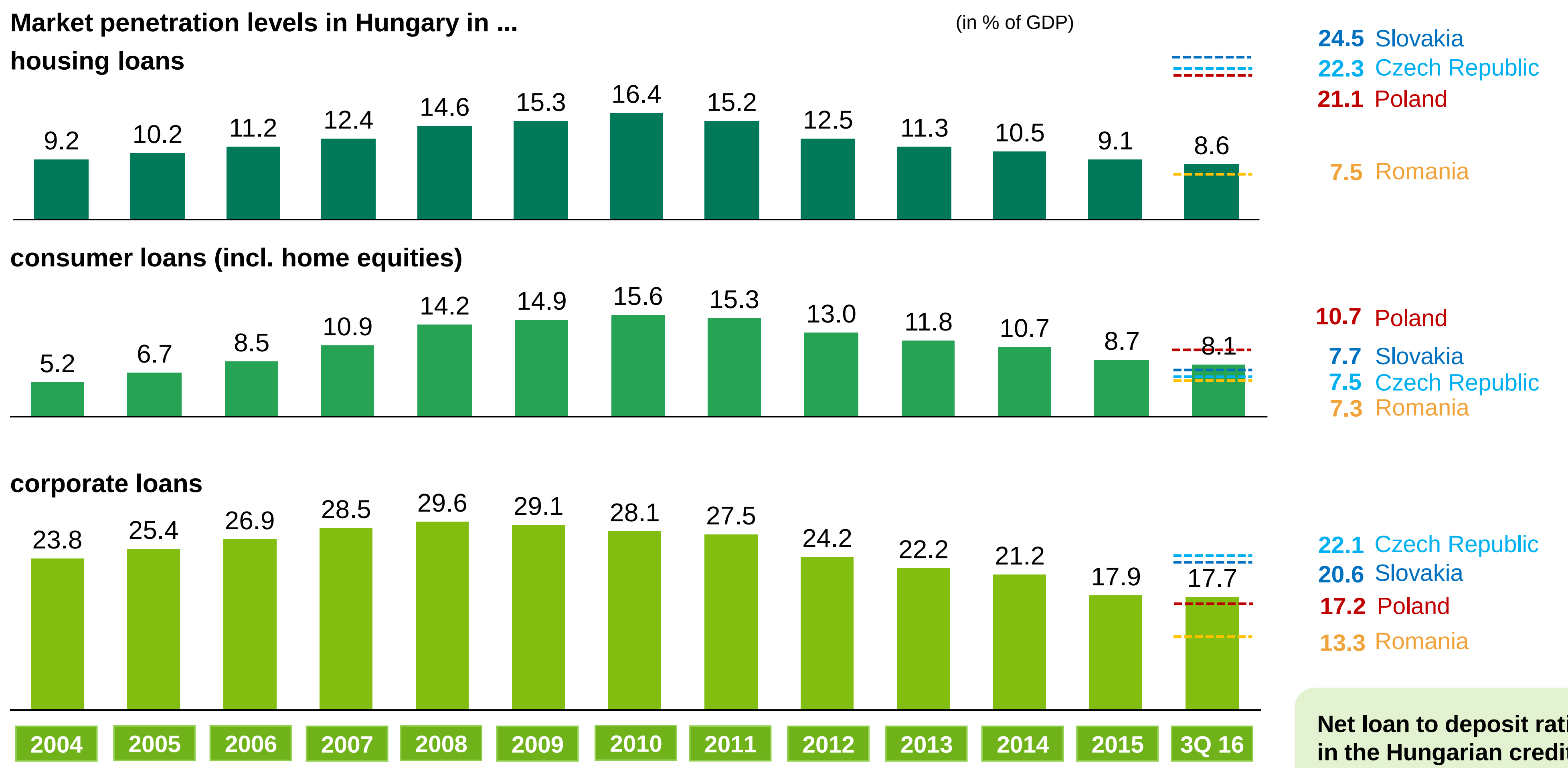


Positive measures supporting the banking system

- Funding for Growth Scheme
- Market-Based Lending Scheme
- Housing subsidy (CSOK)
- Bad bank (MARK Ltd.)
- National Asset Management Company

[1] Performing.

3. In Hungary the retail loan penetration ratios halved since 2010 and returned to the levels before the lending boom



Net loan to deposit ratio in the Hungarian credit institution system[1]

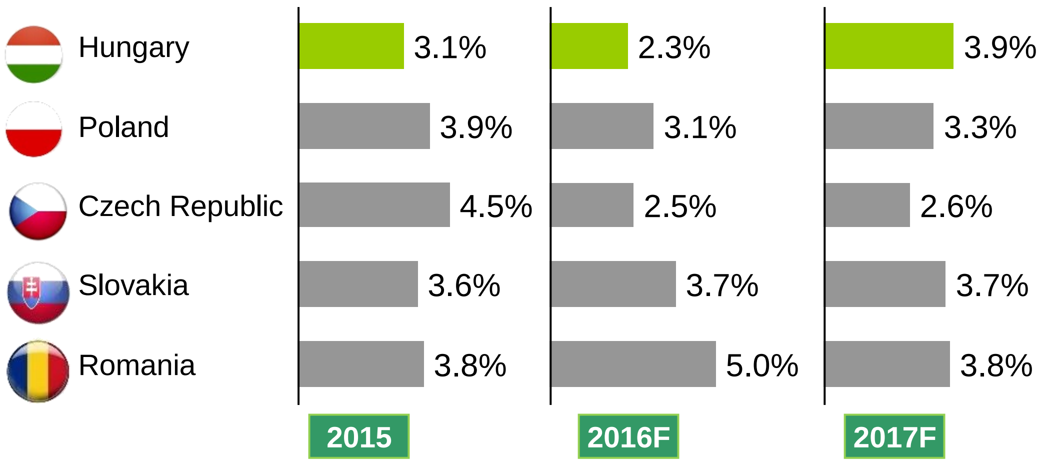
168% → 97%

1Q 09 → 3Q 16

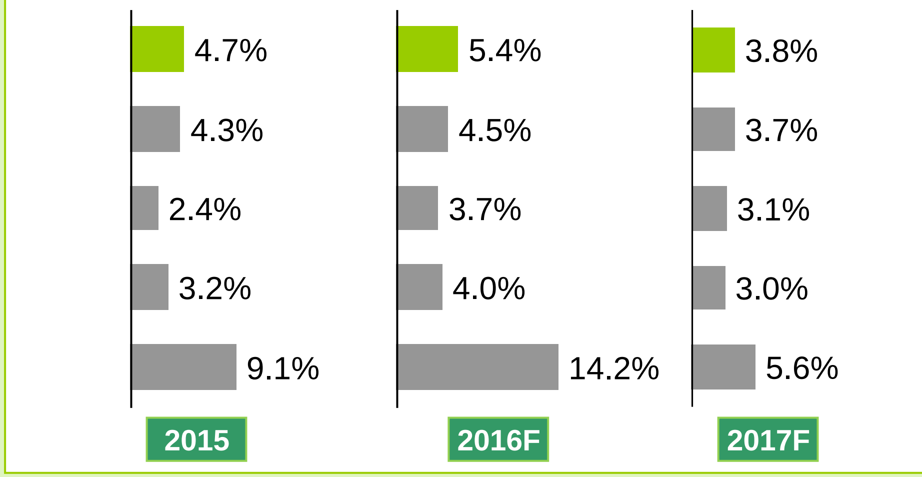
[1] According to the supervisory balance sheet data provision

3. For most of the indicators affecting loan dynamics Hungary is becoming again a frontrunner in the regional rally

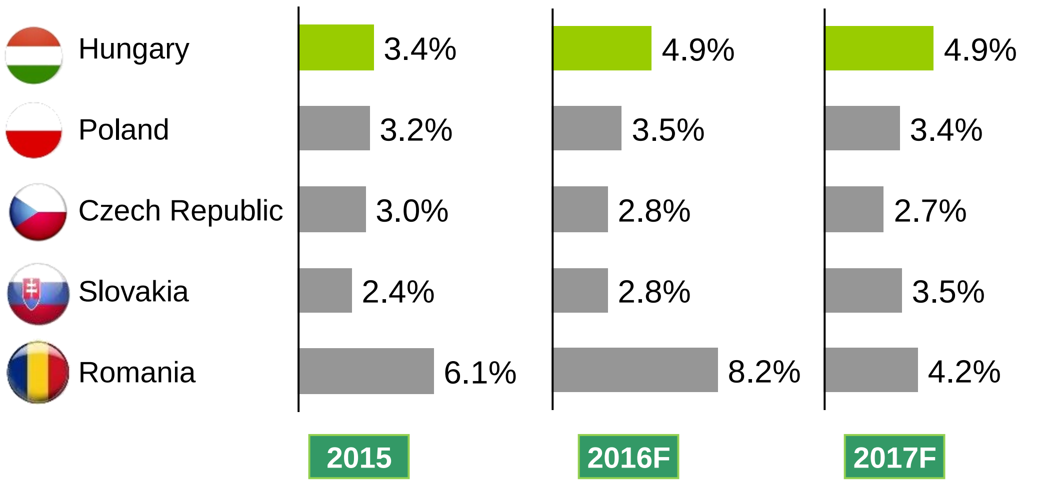
Real GDP growth (y-o-y)



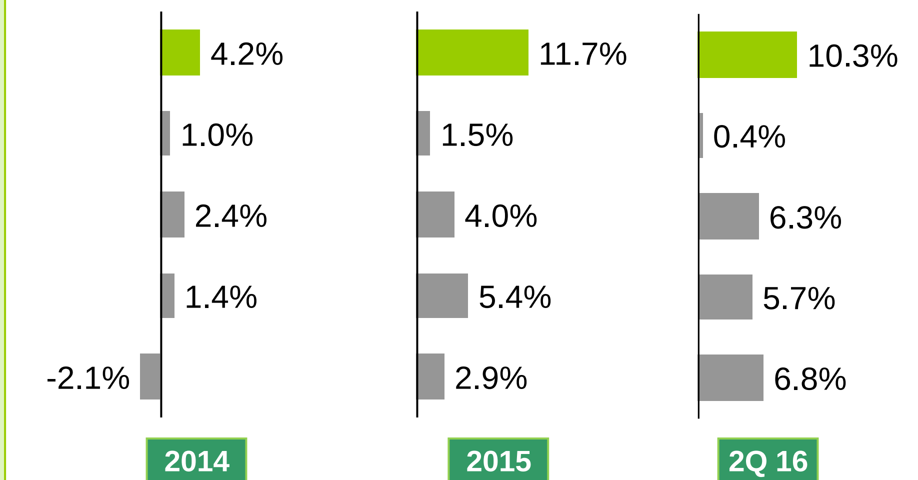
Real wage growth in the private sector (y-o-y)



Household consumption growth (y-o-y)



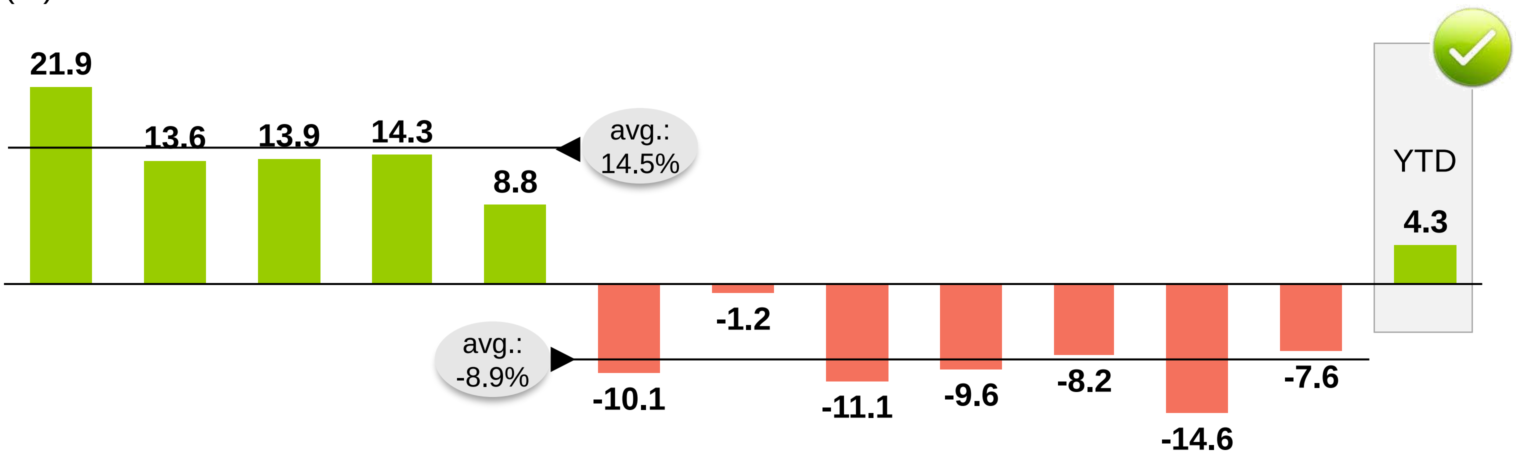
Housing price index (y-o-y)



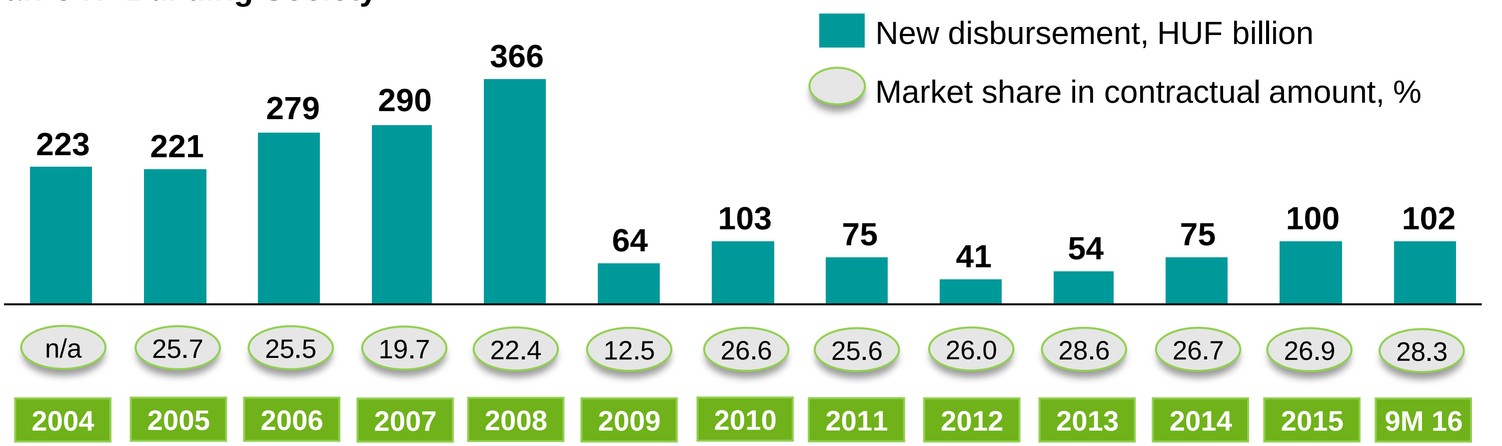
Note: OTP Research Centre's 2016 forecasts are displayed in case of real GDP growth, household consumption expenditure growth and real wage growth in Hungary, Slovakia and Romania. For Poland and Czech Republic the Focus Economics and local central bank forecasts are used. Source of housing price indices: Eurostat.

3. After years of loan volume contraction the first 9 months of 2016 underpin a definite turnaround at OTP Core

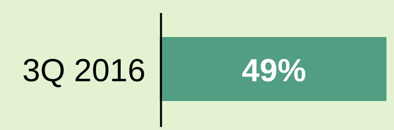
FX-adjusted Y-o-Y performing loan volume changes at OTP Core[1]
(%)



Mortgage loan disbursement[2] and market share at OTP Bank and OTP Mortgage Bank an OTP Building Society



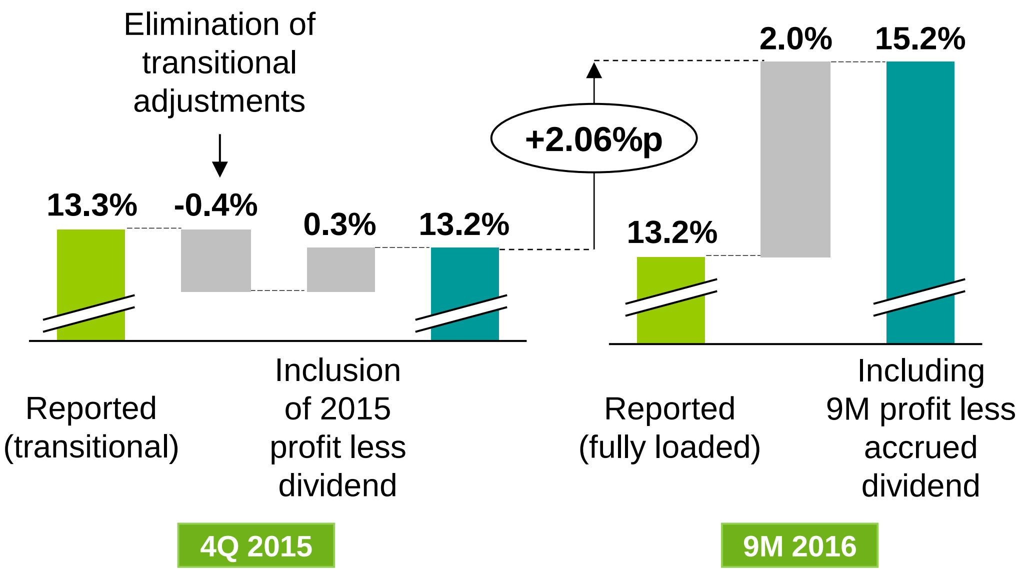
Net loan to deposit + retail bonds ratio at OTP Core



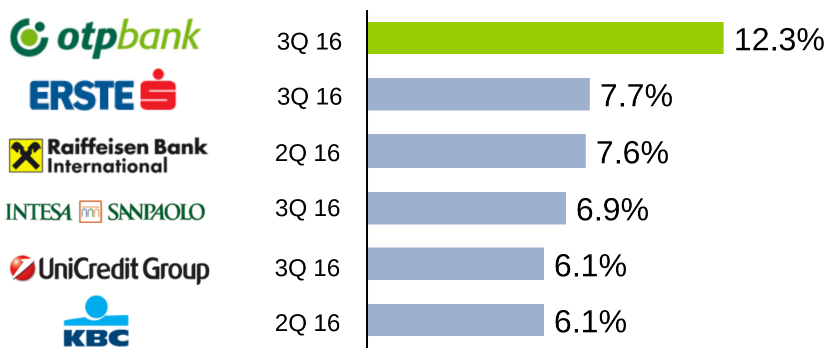
[1] 2004-2008: gross loan volume changes; from 2009: FX-adjusted performing (DPD0-90) loan volume changes, estimate. Changes are based on OTP Bank, Mortgage Bank, Building Society and Factoring aggregated volumes until 2005, and OTP Core volumes from 2006.
[2] Calculated from raw, unadjusted data.

4. Strong capital and liquidity position coupled with robust internal capital generation

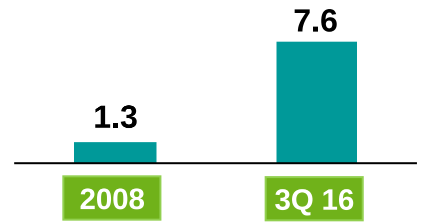
Development of the fully loaded CET1 ratio of OTP Group



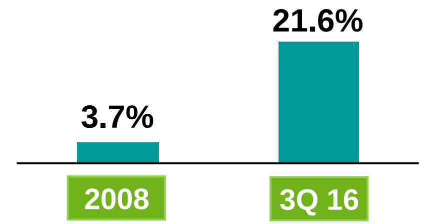
Leverage ratio (average equity / average assets)



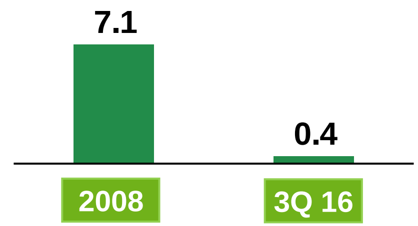
Net liquidity reserves (in EUR billion equivalent)



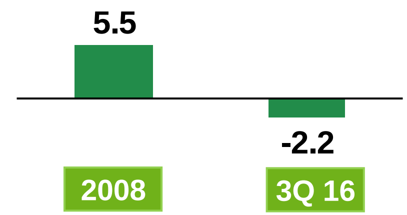
Net liquidity buffer / total assets (%)



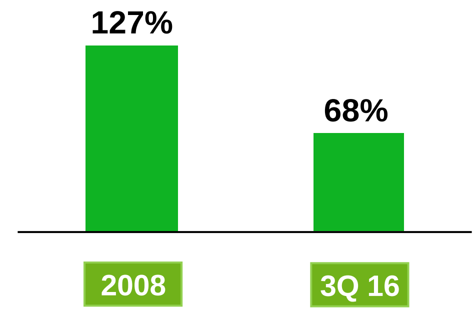
External debt[1] (in EUR billion equivalent)



Net swap book[2] (in EUR billion equivalent)

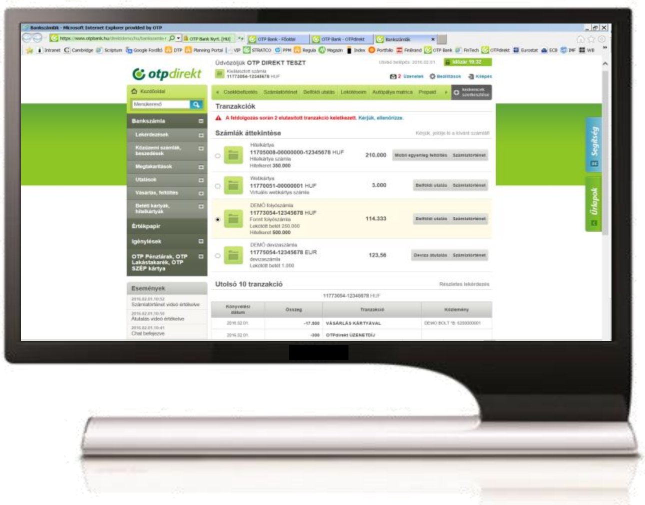


Consolidated net loan to deposit + retail bond ratio



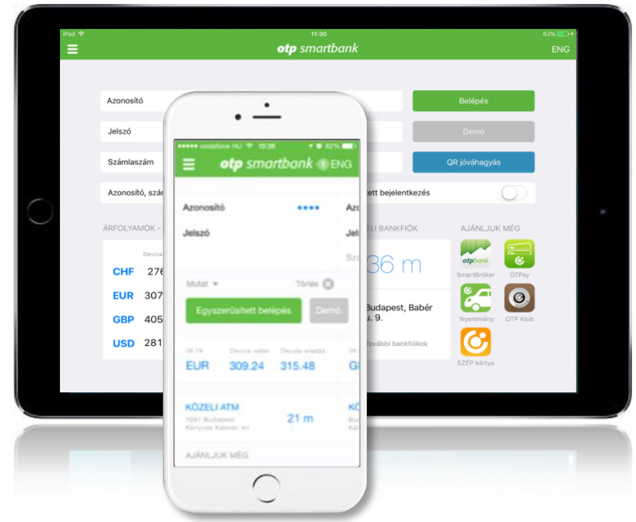
[1] Senior bonds, mortgage bonds, bilateral loans.
[2] Net FX liquidity generating swap book incl. money market and nostro account placements and securities. Negative amount implies FX liquidity placement.

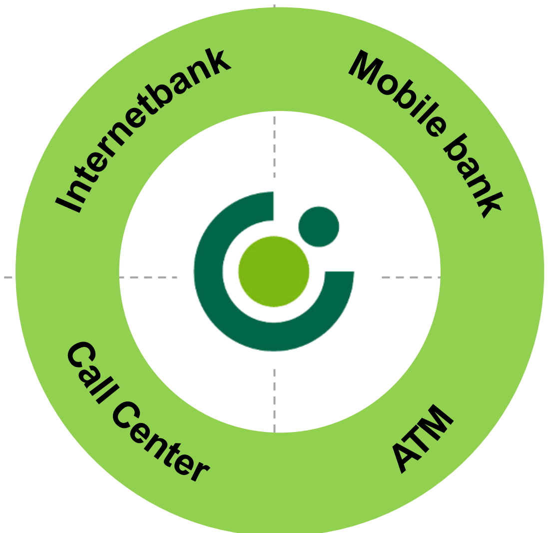
5. OTP Bank is the market leader in all direct channels in Hungary



~850 thousand regular users monthly[1]

~85 thousand users monthly[1]





~200 thousand contacts monthly[1]

Monthly ATM cash withdrawals in the amount of HUF ~240 billion[2]

[1] Based on September 2016 data.
[2] Based on 2015 data.

5. The Digital Transformation Program serves as an umbrella focusing on digital customer experience and cost efficient and automatized processes

Aspirations

Digital banking products and services aim at offering an outstanding customer experience

Convenient, flexible and fast customer service

Client-focused, simple and clear-cut processes through all sales and customer service channels

Extensive services for favourable conditions

Internal processes of the digital bank are set to simplify and digitise

Further expansion of digital channels in terms of sales and customer service

Cost efficient, automatized and paperless processes

Big Data based sale and business decision making

Better transparency and compliance with regulations

Quickly adaptive organization

Facts

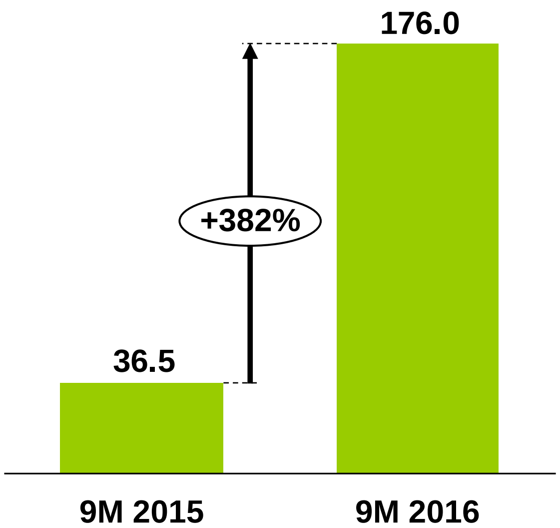
- **More than 25 flagship projects** (especially E2E processes, integrated databases, new alternative risk modelling methods, new mobile solutions) and further 70 interdivisional developments
- **More than 300K clients** use the new OTP digital solutions (Loyalty program, Simple, SME onboarding, EBP, mPOS)
- **New agile project management methodology** launched in top flagship projects
- Establishment of the **digital program management office** which coordinates, harmonizes and supports on-time delivery of several projects in the Digital Transformation Program
- **All divisions** and more than 300 colleagues are involved in the Program
- **Harmonizing group level synergies** both at Hungarian group members and foreign subsidiaries

Content

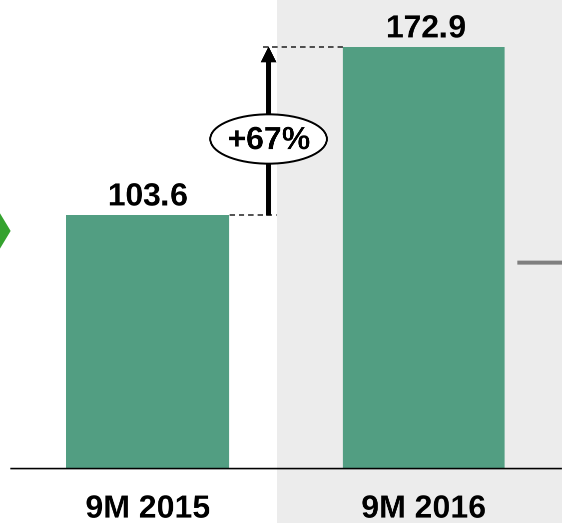
9M accounting profit surged to almost five-fold supported by the positive balance of adjustments, as well as the sharp turnaround in the Russian and Ukrainian performances; profit contribution from CEE Group members increased by 4%

(in HUF billion)

Accounting profit after tax

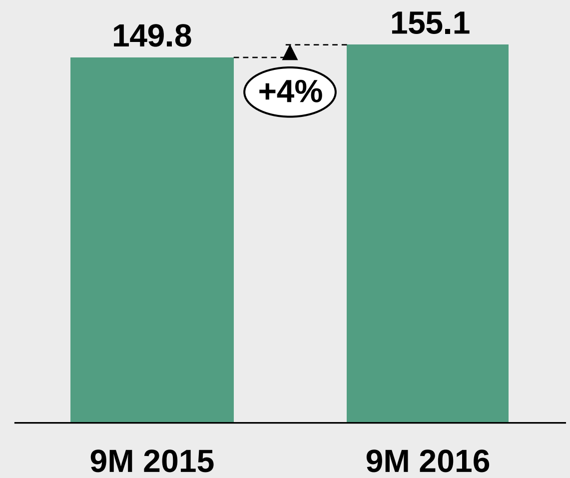


Adjusted profit after tax

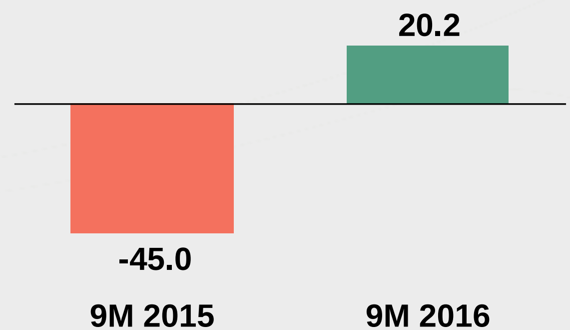


Adjustments (after tax)	**9M 2015**	**9M 2016**
Banking tax	-29.1	-13.8
Visa	0.0	13.2
Other	-38.1	3.7
Total	-67.2	3.1

Adjusted after tax results in the CEE countries[1]

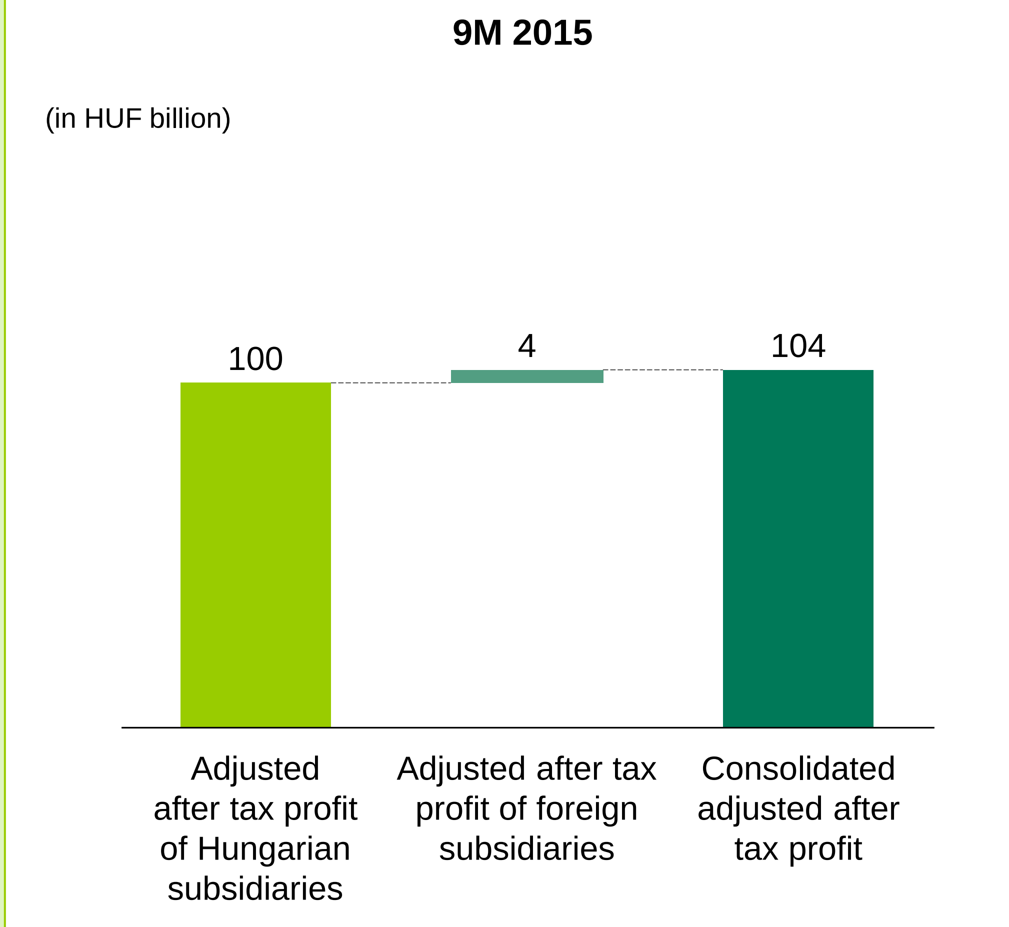


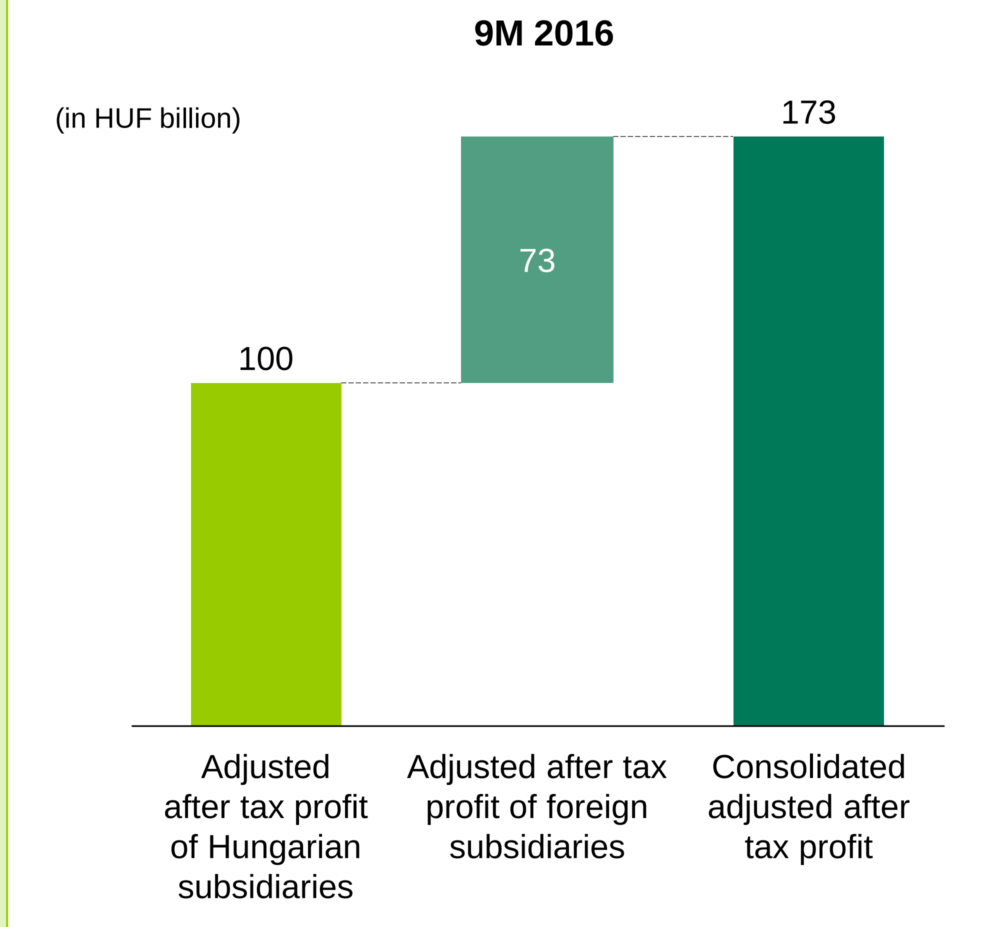
Adjusted after tax results in Russia and Ukraine (including Touch Bank)



[1] Total result of CEE operations does not include the result of Corporate Centre, foreign asset management companies, other Hungarian and foreign subsidiaries and eliminations. Their aggregated results amounted to HUF -1.2 billion in 9M 2015 and HUF -2.4 billion in 9M 2016.

In 9M 2016 Hungarian group members' adjusted profit contribution remained stable y-o-y, whereas profit contribution of foreign subsidiaries showed an almost twentyfold increase





Share of foreign subsidiaries' profit contribution, %

4% → **+38%p** → **42%**

The Russian and Ukrainian operations in total contributed HUF 9.3 billion to the consolidated earnings in 3Q (+9% q-o-q), whereas the CEE operation posted almost HUF 60 billion (+22% q-o-q) with no subsidiaries making losses

	9M 15	9M 16	Y-o-Y	3Q 15	2Q 16	3Q 16	Q-o-Q	Y-o-Y
	in HUF billion			in HUF billion				
Consolidated adjusted after tax profit	**103.6**	**172.9**	**67%**	**34.6**	**56.5**	**68.8**	**22%**	**99%**
CEE operation (adjusted)	**149.8**	**155.1**	**4%**	**55.4**	**48.8**	**59.8**	**22%**	**8%**
OTP Core (Hungary)	95.5	98.4	3%	36.3	30.7	38.8	26%	7%
DSK (Bulgaria)	41.9	42.7	2%	14.1	14.2	14.7	3%	4%
OBR (Romania)	2.5	2.2	-12%	1.4	1.0	0.6	-39%	-57%
OBH (Croatia)	2.4	3.6	47%	1.1	1.3	1.4	6%	26%
OBS (Slovakia)	1.1	0.4	-63%	0.4	-0.1	0.1	-326%	-71%
OBSrb (Serbia)	0.4	0.2	-48%	0.1	0.1	0.1	-14%	-45%
CKB (Montenegro)	1.2	1.7	40%	0.7	0.1	1.4	883%	116%
Leasing (HUN, RO, BG, CR)	1.6	3.2	99%	0.5	0.5	1.8	240%	263%
OTP Fund Management (Hungary)	3.2	2.8	-14%	0.8	0.9	0.9	4%	7%
Russian and Ukrainian operation (adjusted)	**-45.0**	**20.2**		**-19.8**	**8.5**	**9.3**	**9%**	
OBRU (Russia)	-15.1	16.0		-1.2	6.5	6.8	5%	
Touch Bank (Russia)	-2.8	-3.9	41%	-1.0	-1.5	-1.4	-3%	39%
OBU (Ukraine)	-27.1	8.1		-17.5	3.4	3.8	12%	
Corporate Centre and others	**-1.1**	**-2.4**		**-1.1**	**-0.8**	**-0.3**	**-59%**	

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The consolidated accounting after tax profit reached HUF 71.9 billion, the q-o-q decline was due to the smaller balance of adjustment items. The 9M accounting profit, however, jumped to almost five-fold. The 9M adjusted profit went up by 67%

	9M 15	9M 16	Y-o-Y	3Q 15	2Q 16	3Q 16	Q-o-Q	Y-o-Y
	in HUF billion				in HUF billion			
Consolidated after tax profit (accounting)	**36.5**	**176.0**	**382%**	**-3.7**	**71.9**	**69.8**	**-3%**	
Adjustments (total)	**-67.2**	**3.1**	**-105%**	**-38.3**	**15.4**	**1.0**	-93%	-103%
Dividends and net cash transfers (after tax)	-5.4	0.4	-107%	0.1	0.2	0.1	-21%	83%
Goodwill/investment impairment charges (after tax)	2.7	10.8	299%	0.0	2.2	1 8.6	286%	
Special banking tax (after tax)	-29.1	-13.8	-53%	-0.2	-0.2	-0.2	10%	-6%
Effect of acquisitions (after tax)	1.6	0.0	-100%	0.0	0.0	0.0		
Actual and expected one-off impact of regulatory changes related to consumer contracts in Hungary (after tax)	-3.0	0.0	-100%	-6.5	0.0	0.0		-1,0
Expected one-off impact of regulatory changes related to CHF consumer contracts in Croatia (after tax)	-6.3	0.0	-100%	-6.3	0.0	0.0		-100%
One-off impact of regulatory changes related to FX consumer contracts in Serbia (after tax)	-0.2	0.0	-100%	-0.1	0.0	0.0		-100%
Expected one-off impact of the CHF mortgage loan conversion programme and regulatory changes related to mortgage loans in Romania (after tax)	-25.5	0.0	-100%	-25.5	0.0	0.0		-100%
Risk cost created toward Crimean exposures (after tax)	0.0	-		-0.1	-	-		
Risk cost created toward Donetsk and Luhansk exposures (after tax)	-1.9	-		0.3	-	-		
Expected corporate tax impact of switching to IFRS from HAR in Hungary	0.0	-7.5		0.0	0.0	2 -7.5		
Gain on the sale of Visa Europe shares (after tax)	0.0	13.2		0.0	13.2	0.0	-100%	
Revaluation of reverse mortgage portfolio of OTP Life Annuity Ltd. (after tax)	-5.5	0.0	-100%	0.0	0.0	0.0		
Consolidated adjusted after tax profit	**103.6**	**172.9**	**67%**	**34.6**	**56.5**	**68.8**	**22%**	**99%**

1 Impairment was booked in relation to the investment in the Ukrainian Factoring Company under Hungarian Accounting Standards. While under IFRS it had no direct effect neither on the consolidated balance sheet nor on the P&L, there was a related positive tax shield of altogether HUF 8.6 billion that added to the Group's IFRS accounting profit.

2 In Hungary the switch from Hungarian Accounting Rules to IFRS will have a one-off corporate tax effect, because there are different book value calculation rules for subsidiary investments under HAR and IFRS. So far the Group treated those differences as permanent, however in accordance with the act on corporate income tax and the decision about the switch, by 30 September those differences must be accounted for as temporary differences. Therefore in 3Q deferred tax liability was booked in the amount of HUF 7.5 billion.

The 9M before tax profit without one-off items leaped by 73% thanks to the moderating risk costs. The 9% q-o-q growth seen in 3Q 2016 was driven by the better core banking revenues, but the q-o-q cost saving played a role, too

	9M 15	9M 16	Y-o-Y	3Q 15	2Q 16	3Q 16	Q-o-Q	Y-o-Y
	in HUF billion			in HUF billion				
Consolidated adjusted after tax profit	**103.6**	**172.9**	**67%**	**34.6**	**56.5**	**68.8**	**22%**	**99%**
Corporate tax	-18.5	-34.4	86%	-5.2	-13.8	-4.2	-70%	-21%
O/w tax shield of subsidiary investments	1.2	-0.3	-125%	2.5	-2.1	2.3	-210%	-7%
Before tax profit	122.1	207.3	70%	39.9	70.4	72.9	4%	83%
Total one-off items	3.7	2.0	-46%	1.5	2.8	-0.9	-133%	-160%
Revaluation result of FX swaps at OTP Core	-0.7	-		-	-	-		
Gain on the repurchase of own capital instruments	0.0	0.0		0.0	0.0	0.0		
Result of the Treasury share swap agreement	4.4	2.0	-54%	1.5	2.8	-0.9	-133%	-160%
Before tax profit without one-off items	**118.4**	**205.2**	**73%**	**38.3**	**67.6**	**73.8**	**9%**	**93%**
Operating profit w/o one-off items	286.4	250.9	-12%	96.5	79.7	86.6	9%	-10%
Total income w/o one-off items	572.1	542.7	-5%	191.4	180.3	184.9	3%	-3%
Net interest income w/o one-off items	420.4	388.8	-8%	137.7	129.1	130.7	1%	-5%
Net fees and commissions	123.8	127.7	3%	42.6	43.5	45.4	4%	7%
Other net non interest income without one-offs	27.9	26.2	-6%	11.1	7.8	8.8	13%	-21%
Operating costs	-285.7	-291.8	2%	-94.9	-100.7	-98.2	-2%	4%
Total risk costs	-168.0	-45.6	-73%	-58.2	-12.1	-12.8	6%	-78%

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Miscellaneous – 1/2

AXA portfolio takeover	The integration with AXA Bank was completed on 1 November 2016. Accordingly, OTP Bank took over the retail deposit and loan book, as well as the corporate exposure and AXA Bank' employees. The impact of the transaction will be reflected in the fourth quarter balance sheet and profit and loss account of OTP Core. Altogether **HUF 162 billion net performing (DPD0-90) mortgage loans** and HUF 15 billion net DPD90+ mortgage loans were migrated.
Expected corporate tax impact if switching to IFRS from HAR in Hungary	In Hungary it is mandatory for credit institution to shift from Hungarian Accounting Rules (HAR) to IFRS, but the deadline is optional: it can happen either from 2017 or 2018. In 3Q 2016 OTP Bank and several other Group members officially notified the National Bank of Hungary, the National Tax and Customs Administration, as well as the Central Statistical Office about their intention to implement the **shift to IFRS from 2017**. Accordingly, after the switch the IFRS financials will be used for the corporate income tax calculation, and **the shift will have a one-off tax effect**. The reason is that there are different book value calculation rules for subsidiary investments under HAR and IFRS (under the latter the book value was calculated based on the historical FX rates, whereas under HAR there was a constant FX revaluation, and there were differences in accounting of goodwill, too). So far the Group treated those differences as permanent, and has not created deferred tax liabilities for the difference. However, in accordance with the act on corporate income tax and the decision about the switch to IFRS, by 30 September those differences must be accounted for as temporary differences. Due to these differences **in 3Q deferred tax liability was booked in the amount of HUF 7.5 billion**. In the adjusted P&L structure this item was presented on consolidated level among the adjustment items on the '*Expected corporate tax impact of switching to IFRS from HAR in Hungary*' line. Similar to the previous quarters, due to FX moves there was a **tax shield effect in the adjusted P&L of OTP Core** in 3Q (3Q saw a tax saving of HUF 2.3 billion). Simultaneously, the same amount (but with negative sign) was shown on consolidated level on the above mentioned adjustment line. In 4Q the Bank will still follow such practice, because the de facto shift to IFRS will happen only from 2017.

Miscellaneous – 2/2

Developments related to Romanian mortgage loans	By 31 August 2016 the OTP Bank Romania's **own CHF mortgage loan conversion programme** that started on 9 December 2015 was completed with around 73% of the eligible clients participating (i.e. it involved about 7,000 individual contracts). On 13 May 2016 the so-called **'walk-away' law** came into effect. So far the interest was fairly benign: by 30 September around 250 clients applied for the scheme (with a gross volume of RON 76 million). OTP Bank Romania has already created the necessary individual and collective provisions. On 25 October 2016 the Romanian Constitutional Court declared several parts of the law unconstitutional. On 18 October 2016 the Romanian Parliament passed a law requiring banks to **convert all mortgages originated in CHF into local currency at rates prevailing at origination**, however on 24 October the Romanian Government sent the law to the Constitutional Court for constitutional review, consequently the President has not signed the Act either. The Constitutional Court will deal with the case on 23 November 2016. According to the management's opinion, it is of low probability that the Act will come into effect in its current form. Should the Act still become effective with unchanged content, in order to comply with it OTP Bank Romania might make significant additional provisions yet in smaller amount it had already made in 3Q 2015.
Developments related to Tier2 regulatory capital elements	On 19 September 2016 OTP Bank Plc. duly fulfilled its obligations regarding the last interest and principal payment of **EUR 500 million Subordinated Notes** (ISIN: XS0268320800). The bond (booked in the Corporate Centre and carrying a coupon of 5.27%) was repaid from the FX liquidity reserves. On 26 September 2016 Opus Securities SA, issuer of **ICES exchangeable bonds** (ISIN: XS0272723551) announced that the management of OTP Bank had analysed the conditions of redeeming ICES bonds without maturity. In that context the management considered the short and long term impacts and consequences of the bond redemption with regard to shareholders, bondholders and OTP Bank. As a result, the management of OTP Bank didn't terminate the related Subordinated Swap Agreement on 31 October 2016 therefore the ICES bonds weren't redeemed at that time. The management of the Bank – in line with the terms and conditions of the transaction – will examine the actual conditions of the potential settlement of the transaction on a quarterly base. The interest rate changed from fixed 3.95% to 3M EURIBOR + 300 bps. On 28 October 2016 OTP Bank announced that the management of OTP Bank had analysed the conditions of redeeming the **Perpetual Upper Tier2 bonds** (ISIN: XS0274147296). In that context it considered the short- and long-term impacts and consequences of the bond redemption with regard to shareholders, bondholders and OTP Bank. As a result, the management has not redeemed the Perpetual bonds on 7 November 2016. The management of the Bank – in line with the terms and conditions of the transaction – will examine the actual conditions of the potential redemption of the Perpetual bonds on a quarterly base. The interest rate changed from fixed 5.875% to 3M EURIBOR + 300 bps.

In 3Q total revenues grew by HUF 5 billion q-o-q due to all revenue lines increasing. In Hungary the 3% quarterly growth was supported by stronger core banking revenues. The Russian bank could widen its revenue base, too

TOTAL INCOME – 3Q 2016 without one-off items (HUF billion)		Q-o-Q change (HUF billion)	Q-o-Q change (%)	FX adj. Q-o-Q change of DPD0-90 loans (%)	FX adjusted Q-o-Q change of deposits (%)
OTP Group	185	5	3%	1%	3%
OTP CORE (Hungary)	90	3	3%	2%	4%
DSK (Bulgaria)	28	-1	-3%	2%	0%
OBRU (Russia)	27	1	6%/3%[1]	3%	-2%
Touch Bank (Russia)	0		n/a		22%
OBU (Ukraine)	9	-1	-8%	-2%	3%
OBH (Croatia)	8	1	7%	0%	6%
OBS (Slovakia)	4	0	-2%	-1%	-1%
OBR (Romania)	7	0	1%	0%	-3%
CKB (Montenegro)	3	0	12%	-1%	7%
OBSrb (Serbia)	2	0	-1%	8%	10%
Others[2]	7				

[1] Change in local currency
[2] Other group members and eliminations

In 3Q the net interest income improved by 1% q-o-q. Higher NII was realized in Hungary and Russia, whereas it remained stable in Bulgaria, but dropped sharply in Ukraine due to methodological changes affecting interest income recognition

NET INTEREST INCOME – 3Q 2016 (HUF billion)	Share	NII	Q-o-Q (HUF billion)	Q-o-Q (%)
OTP Group	100%	131	2	1%
OTP CORE (Hungary)	45%	59	1	2%
DSK (Bulgaria)	16%	21	0	0%
OBRU (Russia)	18%	23	0	1%/-2%[1]
Touch Bank (Russia)	0%	0		0%
OBU (Ukraine)	4%	6	-1	-15%
OBH (Croatia)	4%	6	0	3%
OBS (Slovakia)	3%	4	0	-3%
OBR (Romania)	4%	5	0	3%
CKB (Montenegro)	1%	2	0	-2%
OBSrb (Serbia)	1%	1	0	3%
Merkantil (Hungary)	3%	4	0	0%

1 At OTP Core the 1% q-o-q net interest income growth was supported by stable net interest margin, increasing performing loan volumes and calendar effect.

2 In Ukraine interest revenues were affected by a change in 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 method was applied from July and August, depending on different product categories. Therefore in 3Q 2016 both interest revenues and risk costs declined q-o-q (ceteris paribus). This explains bulk of the q-o-q NII erosion. Furthermore, performing loan volumes eroded by 2% q-o-q.

[1] Change in local currency

The net fee and commission income increased by 4% q-o-q mainly due to strong Hungarian and Russian performances

NET FEE AND COMMISSION INCOME – 3Q 2016 (HUF billion)	Share	Value	Q-o-Q (HUF billion)	Q-o-Q (%)
OTP Group	100%	45.4	1.9	4%
OTP CORE (Hungary)	59%	26.6	1.1	4% (1)
DSK (Bulgaria)	15%	6.7	-0.3	-4% (2)
OBRU (Russia)	9%	3.9	0.5	14%/11%[1] (3)
Touch Bank (Russia)	0%	0	0.0	n/a
OBU (Ukraine)	5%	2.2	0.1	6%
OBH (Croatia)	3%	1.5	0.2	12%
OBS (Slovakia)	2%	0.8	0.0	4%
OBR (Romania)	2%	1.0	0.1	10%
CKB (Montenegro)	2%	0.8	0.1	10%
OBSrb (Serbia)	1%	0.4	0.0	2%
Fund mgmt. (Hungary)	3%	1.5	0.1	4%

1. At OTP Core the q-o-q improvement was due to stronger card-related fees induced by growing transactional turnover.

2. In Bulgaria the drop in quarterly net fee income was reasoned mainly by base effect: 2Q saw a record level of corporate loan disbursement.

3. The Russian net fee and commission income grew by 11% q-o-q in local currency, due to higher insurance fee revenues partially induced by better sales performance of consumer loans with insurance policies.

[1] Change in local currency

The other net non-interest income increased by 13% q-o-q. The Russian improvement was explained by reclassification

OTHER NET NON-INTEREST INCOME – 3Q 2016 without one-off items (HUF billion)			Q-o-Q (HUF billion)	Q-o-Q (%)
OTP Group	100%	8.8	1.0	13%
OTP CORE (Hungary)	52%	4.6	0.8	23%
DSK (Bulgaria)	2%	0.2	-0.4	-68%
OBRU (Russia)	6%	0.5	0.9	
Touch Bank (Russia)	0%	0		n/a
OBU (Ukraine)	6%	0.6	0.1	26%
OBH (Croatia)	13%	1.1	0.3	32%
OBS (Slovakia)	1%	0.1	0.0	6%
OBR (Romania)	6%	0.5	-0.2	-28%
CKB (Montenegro)	3%	0.3	0.3	
OBSrb (Serbia)	0%	0.0	-0.1	-66%
Others[1]	9%	0.8	-0.7	-47%

1 At OTP Core the other net non-interest income improved mainly due to higher FX gain. At OTP Core the quarterly average of other income reached HUF 4.9 billion in the previous 6 quarters.

2 In Bulgaria the quarterly volatility of other net non-interest income is explained mainly by the better unrealized result on intragroup swap deals, explaining HUF -0.8 billion quarterly drop. This was offset by higher treasury FX gains and other items.

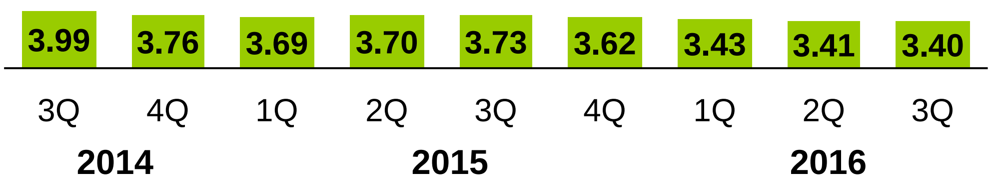
3 In Russia the q-o-q growth is reasoned by the reclassification. In 3Q 2016 deposit protection fund contributions paid in the first nine months of 2016 have been reclassified from the other net non-interest income line to operating expenses. Thus in 3Q other net non-interest income increased by HUF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

[1] Other group members and eliminations

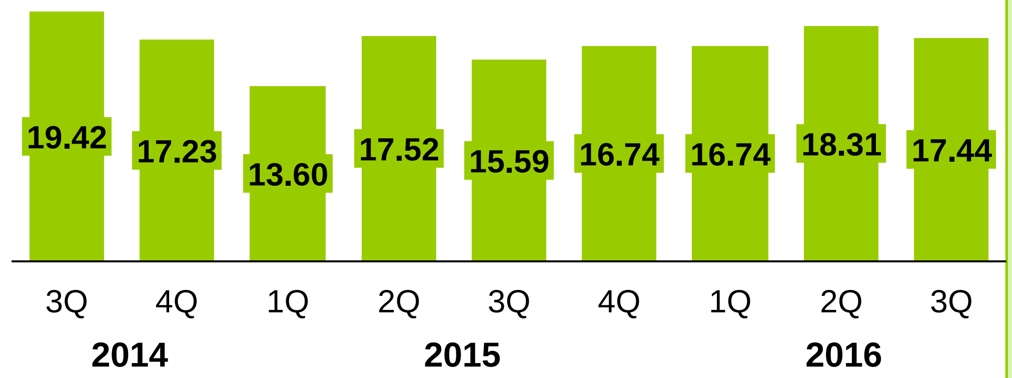
Net interest margin at OTP Core remained stable q-o-q and the quarterly decline at DSK Bank decelerated further. Russian margins eroded mainly because of the FX rate volatility. In Ukraine the net interest margin dropped due to changes in interest income recognition methodology

Net interest margin (%)

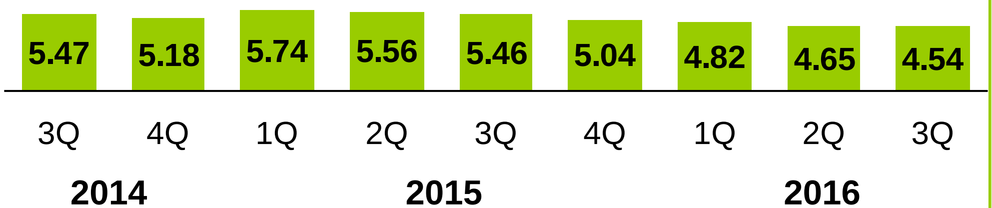
OTP Core Hungary



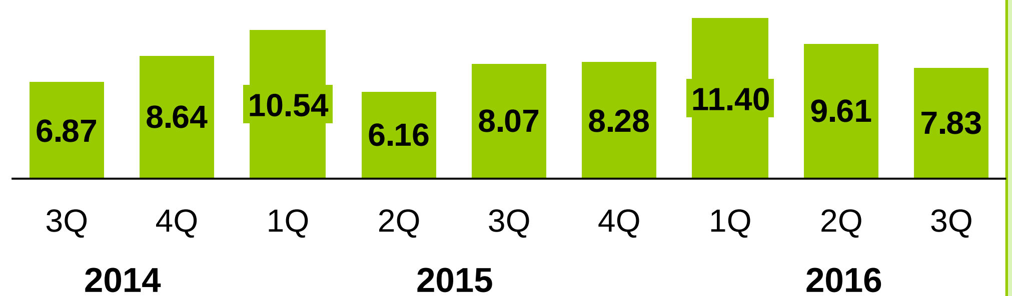
OTP Bank Russia



DSK Bank Bulgaria



OTP Bank Ukraine



In 3Q 2016 the consolidated net loan to deposit ratio slightly decreased q-o-q

Loan to deposit ratio, % (30 September 2016)

Change of net loan to deposit ratio, FX-adjusted

	Net loan to deposit	Gross loan to deposit	Q-o-Q	Y-o-Y
OTP Group*	67%	80%	-1%p	-2%p
OTP CORE* (Hungary)	47%	53%	-1%p	0%p
OBRU (Russia)	99%	128%	6%p	-2%p
DSK (Bulgaria)	67%	78%	1%p	-4%p
OBU (Ukraine)	85%	199%	0%p	-13%p
OBR (Romania)	142%	163%	4%p	-15%p
OBH (Croatia)	84%	92%	-6%p	-3%p
OBS (Slovakia)	93%	99%	0%p	10%p
OBSrb (Serbia)	104%	148%	-3%p	-11%p
CKB (Montenegro)	65%	101%	-6%p	-3%p

100%

At OTP Group the consolidated net loan to (deposit+retail bonds) ratio slightly decreased to 67% (-1 pp q-o-q on an FX-adjusted basis).

At OTP Core the lower q-o-q ratio was explained by the inflow of retail deposit (+3% q-o-q), and the expanding corporate deposit volumes on the back of seasonally increasing municipality deposits in 3Q.

In Russia the q-o-q increase of the ratio is the result of accelerating lending activity: consumer loan volume grew by 5% q-o-q.

In Bulgaria, the outstanding growth of corporate loans explained the q-o-q improvement of the net loan to deposit ratio.

In Romania the increase is due to the outflow of corporate deposit (-7% q-o-q), while the loan volumes stabilized on quarterly basis.

All subsidiaries were below 100%, but the Romanian and Serbian entities.

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

At OTP Core the performing loans expanded by 4% ytd due to the dynamic growth of corporate and consumer loans. In Bulgaria the corporate loans were the driver of growth. The Russian consumer loans eroded by 8% ytd

YTD DPD0-90 loan volume change in 9M 2016

	Cons.	Core (Hungary)	DSK (Bulgaria)	OBRu (Russia)	Touch Bank (Russia)	OBU (Ukraine)	OBR (Romania)	OBH (Croatia)	OBS (Slovakia)	OBSr (Serbia)	CKB (Montenegro)
Total	2%	4%	5%	-8%		1%	-6%	-1%	-1%	12%	-2%
Consumer	0%	5%	1%	-8%		-6%	-5%	-1%	8%	8%	0%
Mortgage	-3%	-3%	-1%	-15%		-5%	-11%	4%	-2%	3%	0%
Corporate[1]	9%	12%	17%	-2%		3%	1%	-5%	-4%	16%	-5%
Car financing	2%					8%					

[1] Loans to MSE and MLE clients and local governments.

At OTP Core mortgage loan volumes stabilized in 3Q; total loans grew mainly due to strong corporate segment. In Bulgaria it was also the corporate segment growing the fastest. Russian consumer loans increased by 5% q-o-q

DPD0-90 volumes

Q-o-Q loan volume changes in 3Q 2016, adjusted for FX-effect

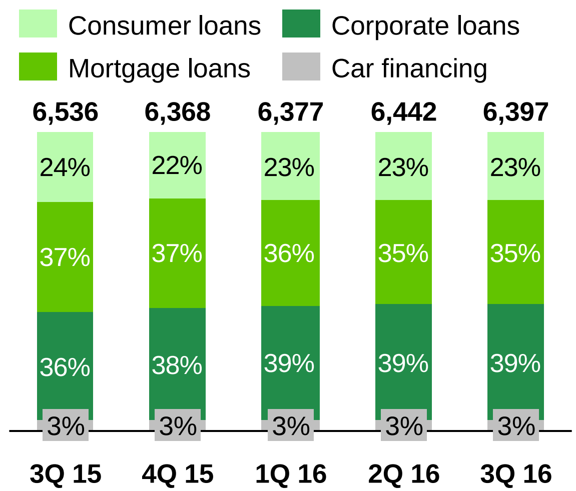
	Cons.	Core (Hungary)	DSK (Bulgaria)	OBRu (Russia)	Touch Bank (Russia)	OBU (Ukraine)	OBR (Romania)	OBH (Croatia)	OBS (Slovakia)	OBSr (Serbia)	CKB (Monte-negro)
Total	1%	2%	2%	3%		-2%	0%	0%	-1%	8%	-1%
Consumer	2%	2%	1%	5%		4%	3%	-2%	1%	4%	0%
Mortgage	0%	0%	0%	-7%		-1%	-1%	4%	-2%	1%	2%
Corporate[1]	3%	4%	6%	-7%		-2%	1%	-2%	-1%	12%	-4%
Car financing	1%					2%					

Y-o-Y loan volume changes in 3Q 2016, adjusted for FX-effect

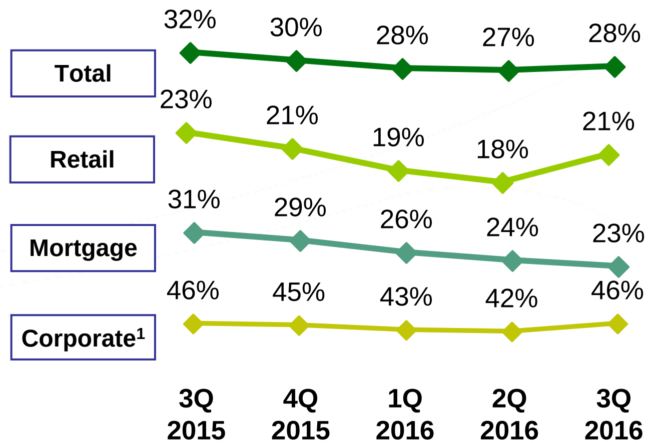
	Cons.	Core (Hungary)	DSK (Bulgaria)	OBRu (Russia)	Touch Bank (Russia)	OBU (Ukraine)	OBR (Romania)	OBH (Croatia)	OBS (Slovakia)	OBSr (Serbia)	CKB (Monte-negro)
Total	3%	5%	6%	-9%		-4%	-7%	0%	2%	24%	-3%
Consumer	-2%	0%	0%	-9%		-5%	-10%	0%	17%	11%	1%
Mortgage	-4%	-3%	-1%	-24%		-4%	-13%	4%	-1%	1%	0%
Corporate[1]	13%	18%	22%	-6%		-4%	3%	-4%	-1%	37%	-7%
Car financing	0%					3%					

Gross loan volumes

Breakdown of the consolidated volumes



Proportion of FX loans in the consolidated loan portfolio



[1] Loans to MSE and MLE clients and local governments.

The consolidated deposit base expanded by 1% in the first nine months of 2016. At OTP Core the 1% growth was due to retail deposit inflow. The strong dynamics at Touch Bank is attributable to the low base

YTD deposit volume changes in 9M 2016, adjusted for FX-effect

	Cons.	Core (Hungary)	DSK (Bulgaria)	OBRu (Russia)	Touch Bank (Russia)	OBU (Ukraine)	OBR (Romania)	OBH (Croatia)	OBS (Slovakia)	OBSr (Serbia)	CKB (Montenegro)
Total	1%	1%	4%	3%	202%	3%	-2%	3%	-6%	16%	0%
Retail	3%	5%	3%	0%	202%	-1%	-1%	0%	-8%	8%	-3%
Corporate[1]	-1%	-5%	15%	29%		13%	0%	29%	-8%	3%	16%

[1] Including SME, LME and municipality deposits

The consolidated deposit base grew by 3% q-o-q due to the seasonally higher Hungarian municipality deposits, but the retail deposit base kept expanding, too. Bulgarian deposit posted a 12% y-o-y growth

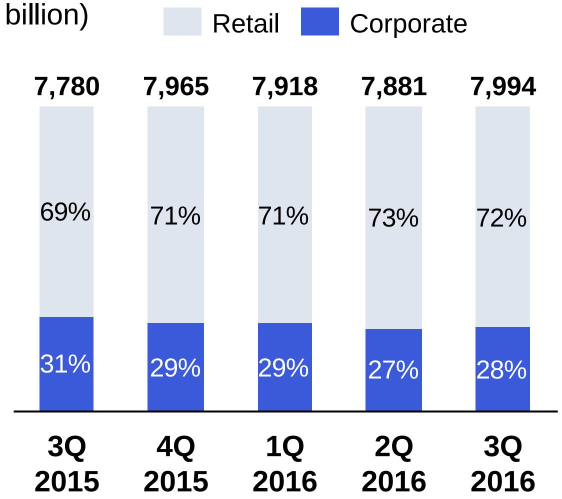
Q-o-Q deposit volume changes in 3Q 2016, adjusted for FX-effect

	Cons.	Core (Hungary)	DSK (Bulgaria)	OBRu (Russia)	Touch Bank (Russia)	OBU (Ukraine)	OBR (Romania)	OBH (Croatia)	OBS (Slovakia)	OBSr (Serbia)	CKB (Monte-negro)
Total	3%	4%	0%	-2%	22%	3%	-3%	6%	-1%	10%	7%
Retail	2%	3%	1%	-2%	22%	-1%	1%	3%	-2%	3%	0%
Corporate[1]	4%	5%	-1%	-2%		8%	-7%	22%	2%	16%	20%

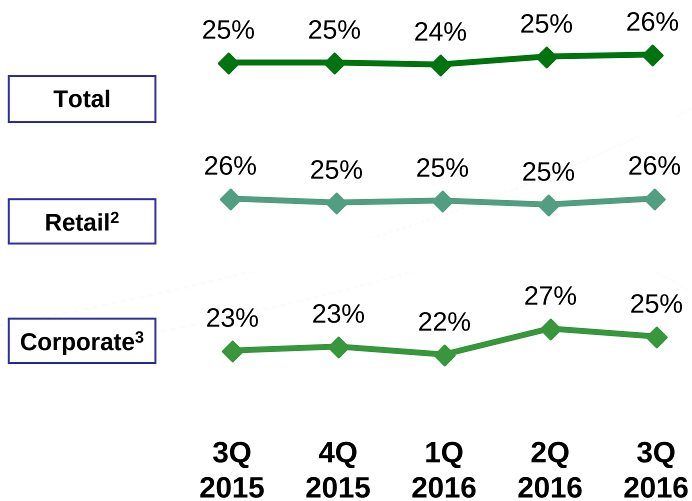
Y-o-Y deposit volume changes in 3Q 2016, adjusted for FX-effect

	Cons.	Core (Hungary)	DSK (Bulgaria)	OBRu (Russia)	Touch Bank (Russia)	OBU (Ukraine)	OBR (Romania)	OBH (Croatia)	OBS (Slovakia)	OBSr (Serbia)	CKB (Monte-negro)
Total	4%	3%	12%	-8%	n.a.	8%	4%	1%	-9%	30%	-3%
Retail	7%	12%	8%	-2%	n.a.	6%	-2%	-1%	-10%	13%	-4%
Corporate[1]	-1%	-6%	27%	-23%		9%	10%	10%	-8%	49%	-2%

Breakdown of consolidated customer deposits (in HUF billion)



Proportion of FX deposits in the consolidated deposit portfolio



[1] including SME, LME and municipality deposits
[2] including households' deposits and SME deposits
[3] including LME and municipality deposits

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Consolidated operating costs in 9M grew by 2% y-o-y (+4% adjusted for FX rate changes), mainly due to higher Hungarian personnel expenses and fund contributions, and increasing marketing spend induced by strengthening business activity

OPERATING COSTS – 9M 2016 (HUF billion)	Share	Amount	Y-o-Y (HUF bn)	Y-o-Y (%)	Y-o-Y (FX-adj., HUF bn)	Y-o-Y (FX-adj., %)
OTP Group	100%	292	6	2%	12	4%
OTP CORE (Hungary)	53%	154	10	6%	10	7% (1)
DSK (Bulgaria)	11%	31	2	3%	2	6% (2)
OBRU (Russia)	11%	31	-5	-15%	-1	-3% (3)
Touch Bank (Russia)	2%	5	1	43%	2	63%
OBU (Ukraine)	4%	11	-1	-10%	1	8%
OBH (Croatia)	5%	14	0	2%	0	0%
OBS (Slovakia)	3%	8	0	3%	0	2%
OBR (Romania)	5%	14	-2	-21%	-2	-14%
CKB (Montenegro)	2%	5	0	1%	0	1%
OBSrb (Serbia)	2%	5	0	-5%	0	0%
Merkantil (Hungary)	2%	4	0	-6%	0	-8%

1. At OTP Core 9M operating expenses increased as the Bank had to pay y-o-y HUF 2 billion higher contributions into the National Deposit Protection Fund (OBA), the Investor Protection Fund (Beva) and the Resolution Fund. Also, reviving business activity was coupled with higher marketing spending and higher deductible taxes, and the one-off costs related to organizational changes emerged in 2Q played a role. Finally, at the Bank there was an average base salary increase of 4% in April 2016.

2. In Bulgaria the 9M operating expenses increased mainly due to higher personnel expenses and marketing costs, and 15% higher depreciation.

3. In Russia 9M opex decreased by 3% y-o-y in RUB terms in spite of the 7.5% average 9M Russian inflation rate. In 3Q 2016 deposit protection fund contributions paid in the first nine months of 2016 have been reclassified from other net non-interest income to operating expenses. Without that, FX-adjusted operating expenses would have decreased by 5%.

OTP Core

9M 2016 performance of OTP Core was driven by lower net interest income and declining risk costs

OTP CORE (in HUF billion)	9M 2015	9M 2016	Y-o-Y	3Q 15	2Q 16	3Q 16	Q-o-Q	Y-o-Y
Before tax profit without one-off items	**113.2**	**119.9**	**6%**	**39.6**	**38.4**	**42.0**	**9%**	**6%**
Operating profit w/o one-off items	130.1	111.2	-15%	46.9	32.6	38.3	17%	-18%
Total income w/o one-off items	274.6	265.5	-3%	95.8	87.1	90.0	3%	-6%
Net interest income w/o one-off items	189.9	174.9	-8%	63.3	57.8	58.7	2%	-7%
Net fees and commissions	72.5	75.0	3%	25.5	25.6	26.6	4%	4%
Other net non interest income without one-offs	12.2	15.7	29%	7.0	3.7	4.6	23%	-34%
Operating costs	-144.5	-154.4	7%	-48.9	-54.5	-51.7	-5%	6%
Total risk costs	-16.9	8.7	-151%	-7.2	5.8	3.7	-36%	-151%

1 9M net interest income decreased by 8% y-o-y reasoned by 27 bps lower net interest margin. From a business perspective the lower NIM was mainly influenced by the declining interest rate environment that took its toll on the deposit margins. NIMs were also influenced by the declining share of net loans within total assets, and the structural changes within the loan book had a negative effect, too as the weight of corporate exposures with lower margins increased y-o-y.

2 In 3Q, however, operating expenses dropped by 5% q-o-q since one-off costs of organizational changes dropped out, and other expenses were also lower by HUF 1.4 billion. On the other hand, amortization increased by HUF 0.6 billion q-o-q.

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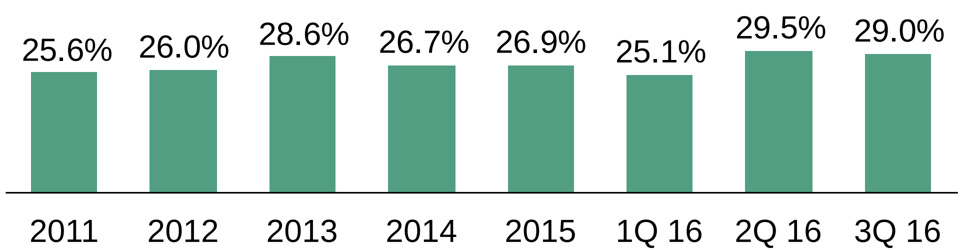
OTP Core

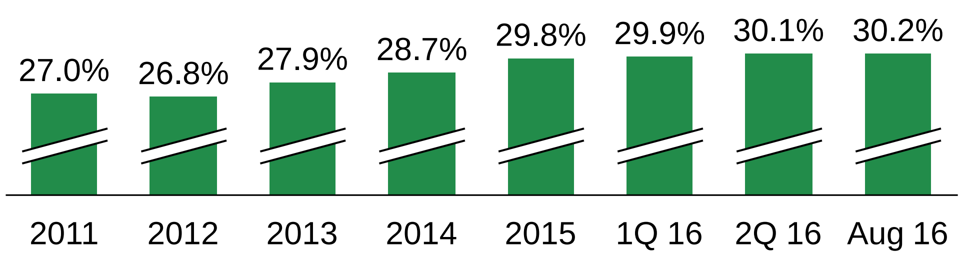
Mortgage loan applications and disbursements accelerated further, supported also by CSOK applications. OTP's market share in retail savings kept improving. The market share in corporate loans increased further

Change of mortgage loan applications and disbursement of OTP Bank (9M 2016, y-o-y changes)

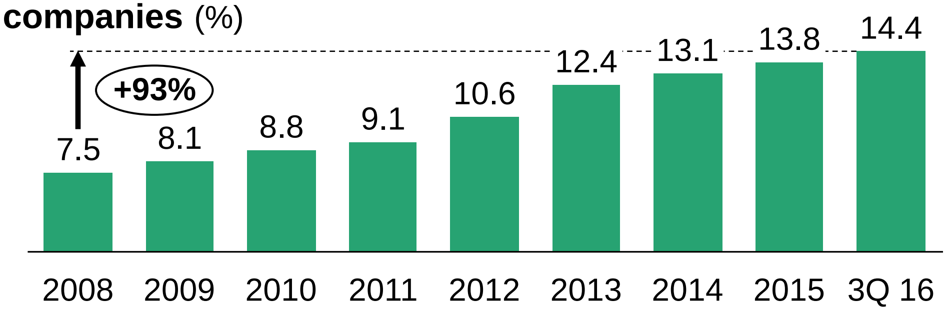
OTP's market share in mortgage loan contractual amounts[1]



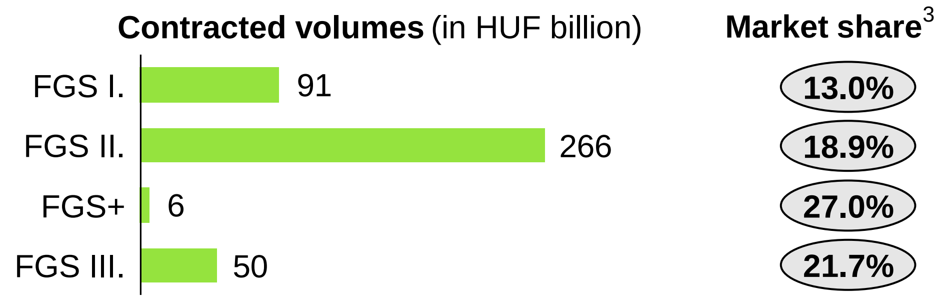
OTP Bank's market share in household savings



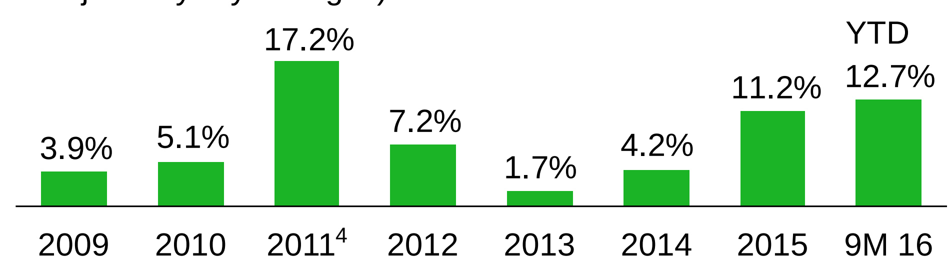
OTP Group's market share[2] in loans to Hungarian companies (%)



Activity of OTP Group in the Funding for Growth Scheme



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



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

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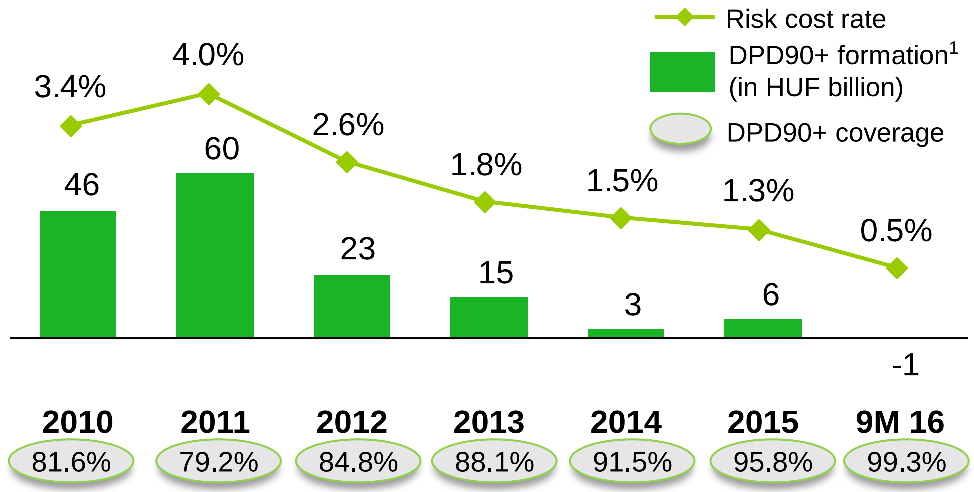
DSK Bank Bulgaria

Profitability of DSK Bank remained outstanding. Portfolio quality developments are favourable. The lending activity improved and the corporate loan market share rose further

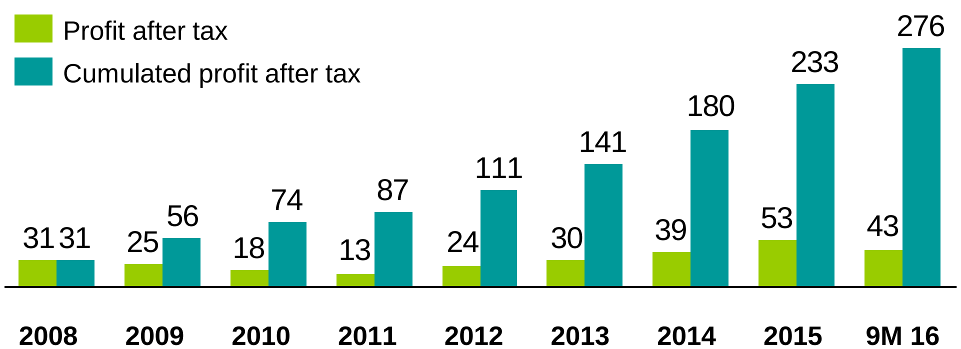
Income statement of DSK Bank

in HUF billion	2014	2015	3Q 15	2Q 16	3Q 16
Profit after tax	39.2	52.5	14.1	14.2	14.7
Profit before tax	43.6	58.3	15.7	15.8	16.2
Operating profit	62.4	73.1	19.1	18.2	17.6
Total income	102.2	114.4	29.1	28.7	28.0
Net interest income	79.1	88.7	22.6	21.1	21.1
Net fees and commissions	20.3	23.0	5.9	7.0	6.7
Other non-interest income	2.9	2.8	0.6	0.6	0.2
Operating costs	-39.8	-41.3	-10.0	-10.5	-10.3
Total risk cost	-18.8	-14.9	-3.3	-2.4	-1.4
Provisions for loans	-17.5	-14.6	-3.2	-2.2	-1.1
Other provisions	-1.3	-0.2	-0.1	-0.2	-0.3
Corporate tax	-4.4	-5.7	-1.6	-1.6	-1.5

Development of DSK Bank's risk indicators



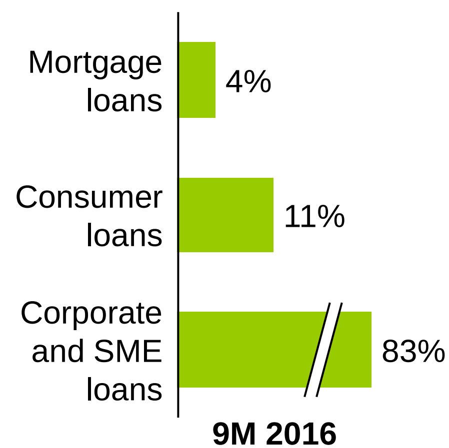
DSK Bank: profit after tax development (in HUF billion)

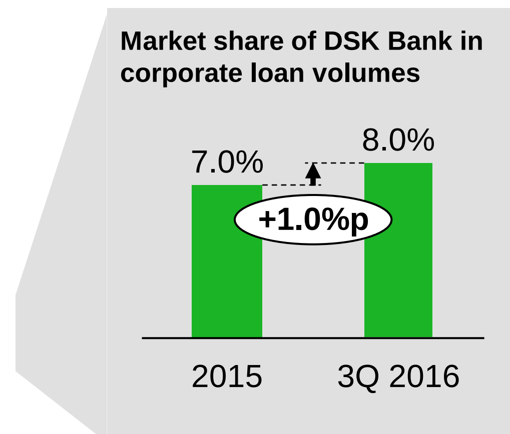


Annual real GDP growth (%)

2008	2009	2010	2011	2012	2013	2014	2015	2016E
5.6	-4.2	0.1	1.6	0.2	1.3	1.5	3.0	2.6

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





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

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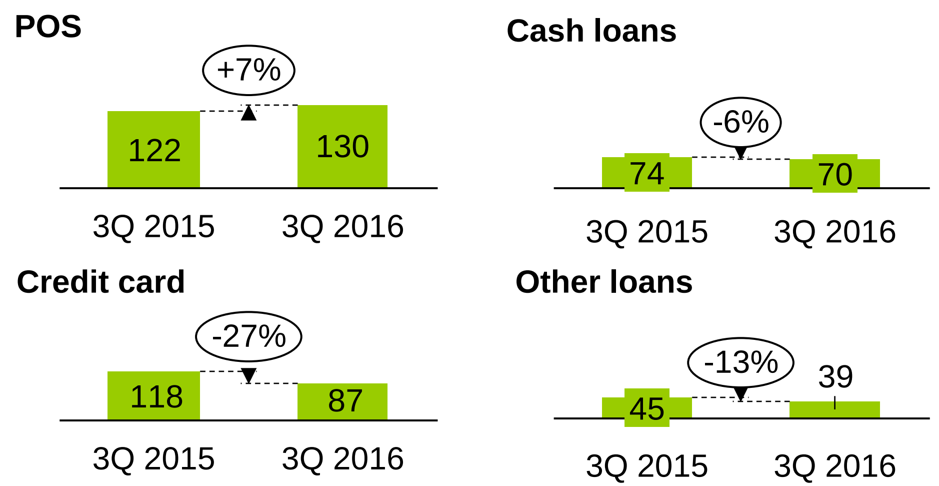
OTP Bank Russia

In 3Q 2016 the Russia profit increased further (ROE: 25.3%). Gross loans melted down y-o-y, but due to the stronger lending activity performing consumer loan portfolio grew by 5% q-o-q on an FX-adjusted basis

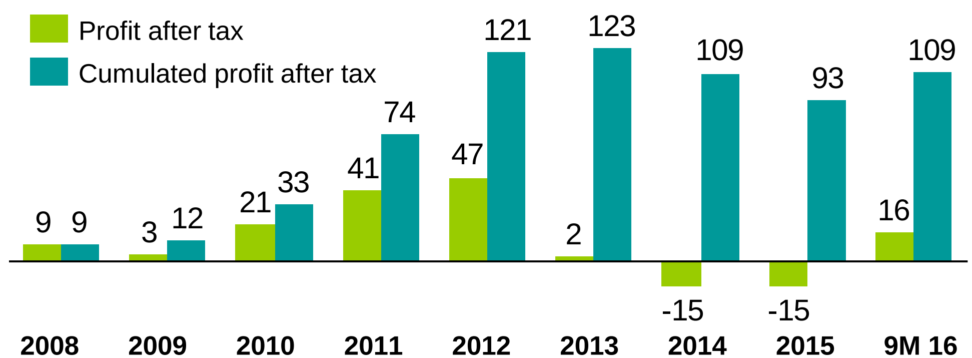
Income statement of OTP Bank Russia

in RUB billion	2014	2015	3Q 15	2Q 16	3Q 16
Profit after tax	-2.0	-3.3	-0.3	1.5	1.6
Profit before tax	-2.4	-4.0	-0.3	2.0	2.0
Operating profit	17.0	13.9	3.7	3.7	3.7
Total income	29.3	24.4	6.1	6.1	6.4
Net interest income	25.9	21.2	5.2	5.4	5.3
Net fees and commissions	3.5	3.1	0.8	0.8	0.9
Other non-interest income	-0.1	0.2	0.1	-0.1	0.1
Operating costs	-12.3	-10.6	-2.3	-2.5	-2.6
Total risk cost	-19.3	-18.0	-4.0	-1.7	-1.7
Provisions for loans	-19.1	-17.8	-4.0	-1.7	-1.7
Other provisions	-0.2	-0.2	0.0	0.0	0.0
Corporate tax	0.4	0.7	0.1	-0.4	-0.4

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



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



Annual real GDP growth (%)

2008	2009	2010	2011	2012	2013	2014	2015	2016E
5.2	-7.8	4.5	4.3	3.5	1.3	0.7	-3.7	-0.5

OTP Bank Russia - risk cost rates in different segments

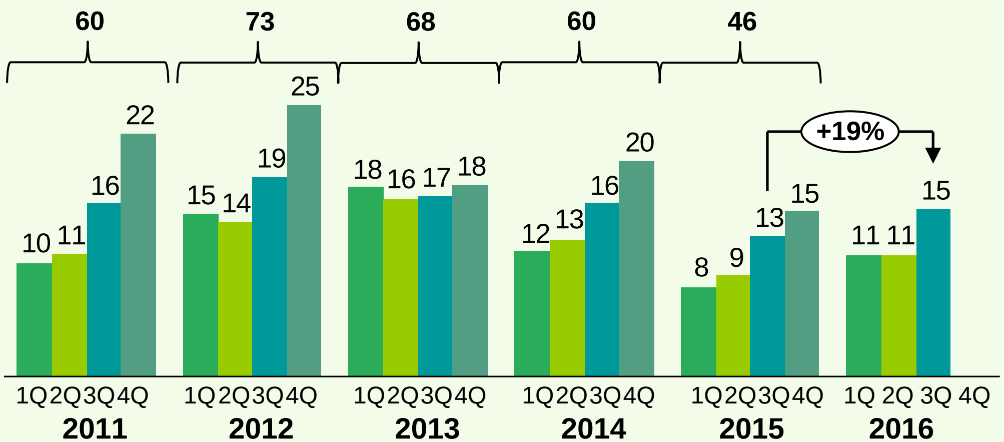
	2014	2015	1Q 15	2Q 15	3Q 15	4Q 15	1Q 16	2Q 16	3Q 16
POS loans	11.5%	10.1%	12.3%	9.6%	10.3%	8.6%	7.0%	6.5%	7.4%
Credit cards	19.7%	21.1%	25.2%	22.5%	17.2%	15.3%	14.6%	10.8%	8.3%
Cash loans	19.7%	17.4%	23.9%	18.5%	13.8%	8.1%	9.3%	7.1%	7.1%

Starting from 1Q 2015 OTP Bank Russia performance excludes the performance of Touch Bank.

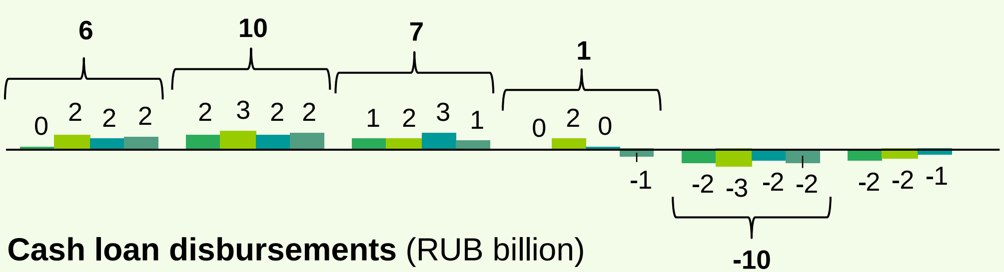
OTP Bank Russia

In 3Q 2016 POS and cash loan disbursements grew on a yearly basis, but performing credit card volumes declined further. Deposits decreased q-o-q in RUB terms. Average RUB term deposit rates kept shrinking

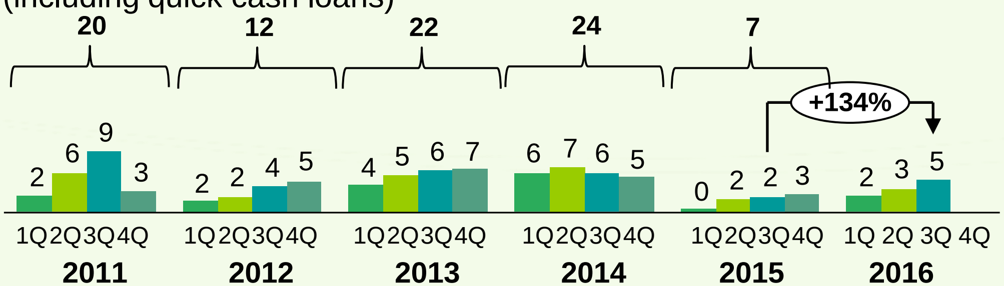
POS loan disbursements (RUB billion)



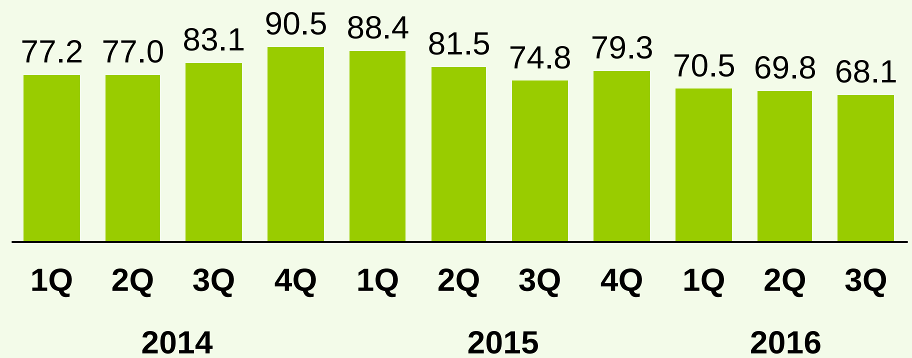
DPD0-90 credit card loan volume q-o-q changes (RUB billion)



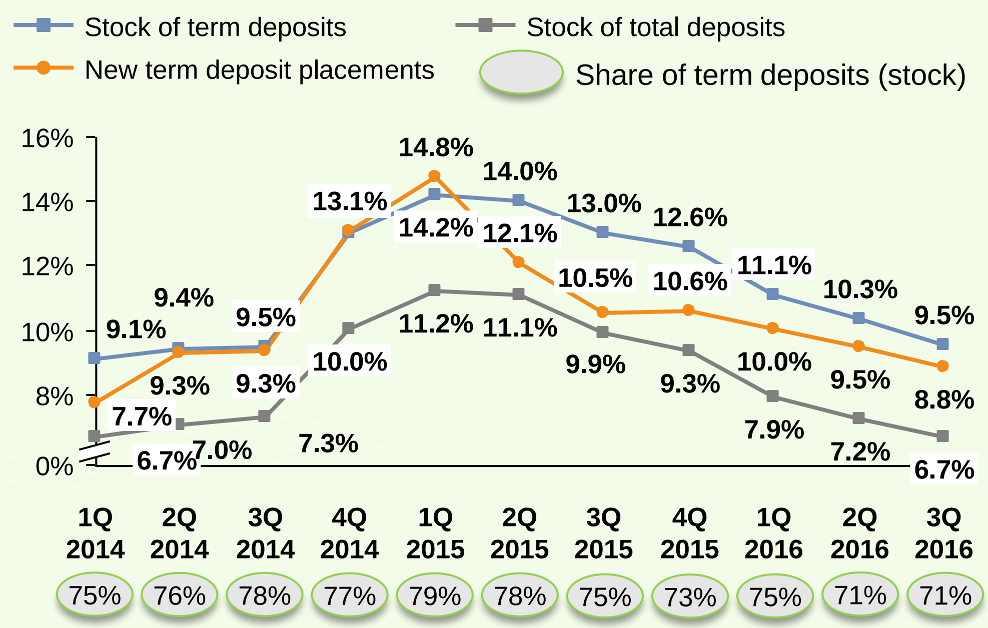
Cash loan disbursements (RUB billion) (including quick cash loans)



Development of customer deposits (RUB billion)



Average interest rates for stock and new RUB deposits



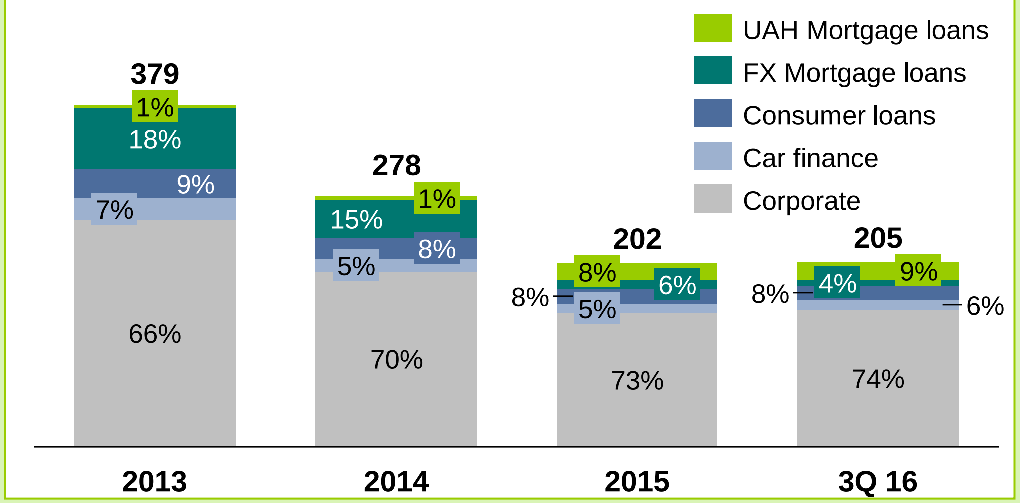
OTP Bank Ukraine

In 3Q the Ukrainian operation further improved its quarterly profit. The portfolio deterioration remained moderate in the first nine months, and the performing loan book remained flat. Due to debt-equity swap the intragroup funding exposure to the Ukrainian group members dropped to HUF 52 billion

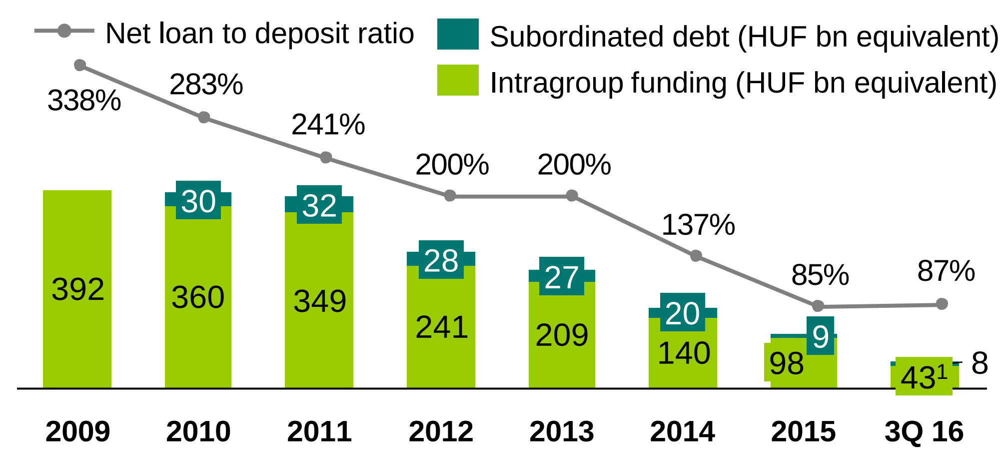
Income statement of OTP Bank Ukraine

in UAH million	2014	2015	3Q 15	2Q 16	3Q 16
Profit after tax (adjusted)	-2,324	-3,119	-1,359	313	350
Profit before tax	-2,521	-3,251	-1,417	334	199
Operating profit	1,310	1,909	381	519	460
Total income	2,571	3,138	681	848	779
Net interest income	2,261	2,237	552	619	527
Net fees and commissions	513	613	151	189	201
Other non-interest income	-204	287	-21	40	51
Operating costs	-1,261	-1,228	-300	-329	-319
Total risk cost	-3,830	-5,160	-1,798	-185	-261
Provisions for loans	-3,693	-5,040	-1,762	-198	-289
Other provisions	-137	-120	-36	13	28
Corporate tax	197	132	57	-21	151

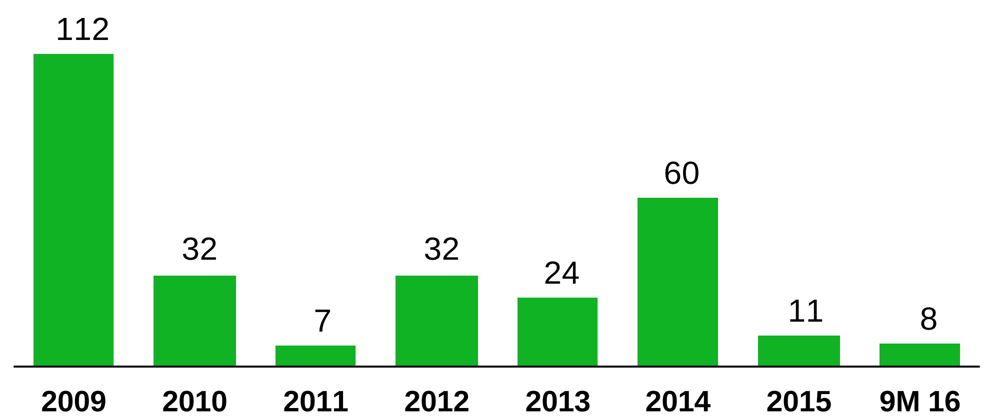
Composition of performing loan volumes (in HUF billion, FX-adj.)



Intragroup funding and net loan to deposit ratio



FX-adjusted change in DPD90+ loan volumes[2] (in HUF billion)



[1] Out of the total outstanding intragroup funding exposure of HUF 43.4 billion equivalent toward the Ukrainian operation HUF 37.9 billion (USD 137 million) was toward the leasing company and HUF 5.5 billion (USD 20 million) was toward the factoring company.
[2] Adjusted for sales and write-offs

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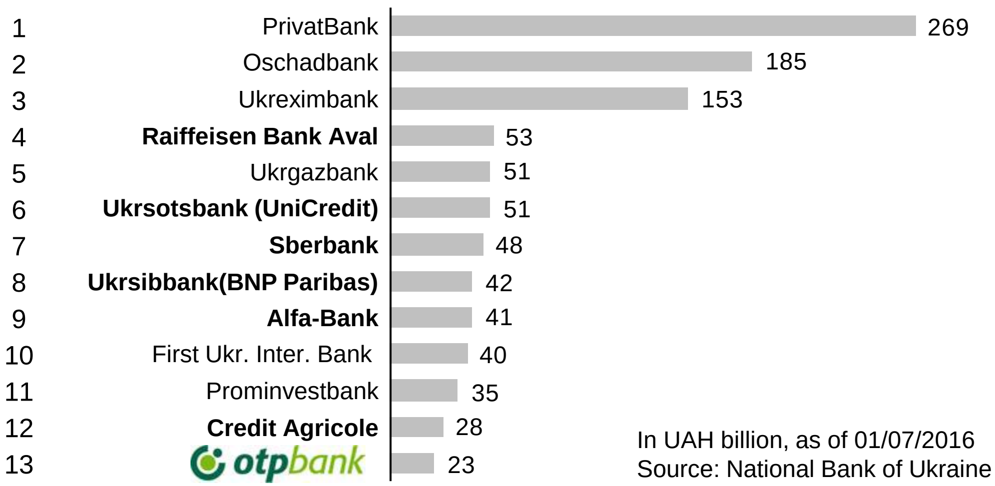
The Ukrainian subsidiary's share within the Group's performing loans decreased below 4%. The deposit base is stable. The provision coverage ratio stood at 117%

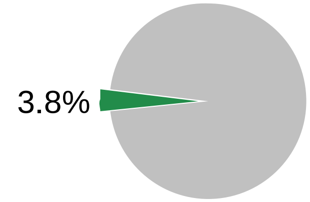
Ranking of Ukrainian banks by total assets



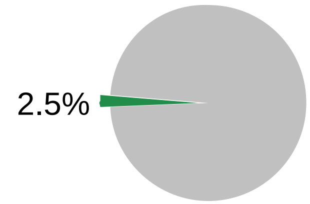
In UAH billion, as of 01/07/2016
Source: National Bank of Ukraine

OTP Ukraine's share within consolidated loans and deposits

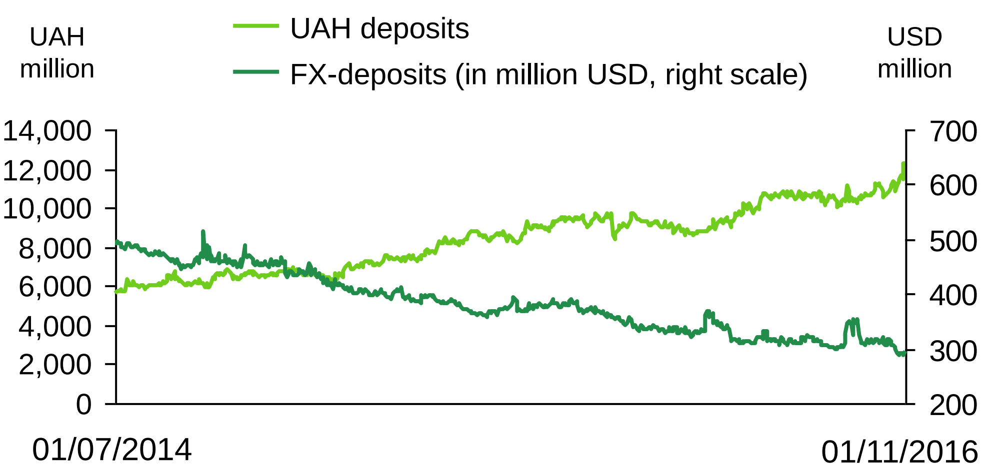
Share of the Ukrainian bank's performing loans (DPD0-90) within the Group



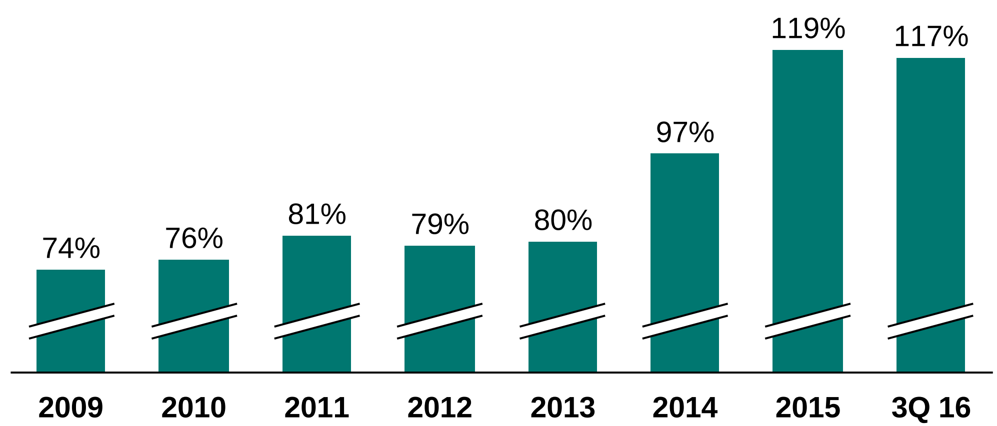
Share of the Ukrainian bank's customer deposits within the Group



Daily development of customer deposits

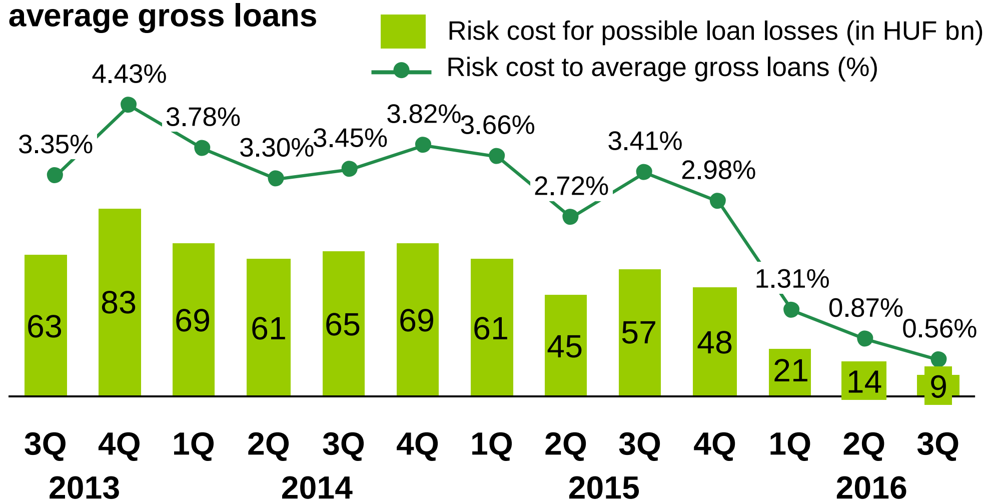


Development of the DPD90+ coverage ratio



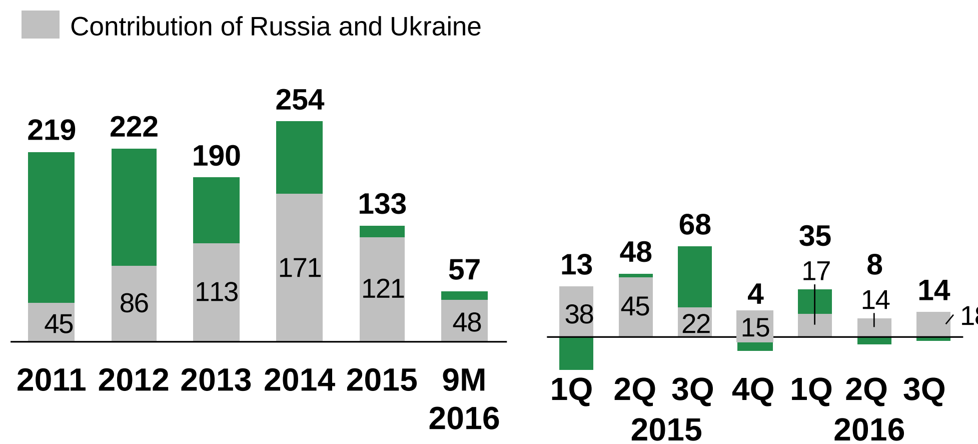
The consolidated DPD90+ ratio declined further. The risk cost rate sank to multi-year lows

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

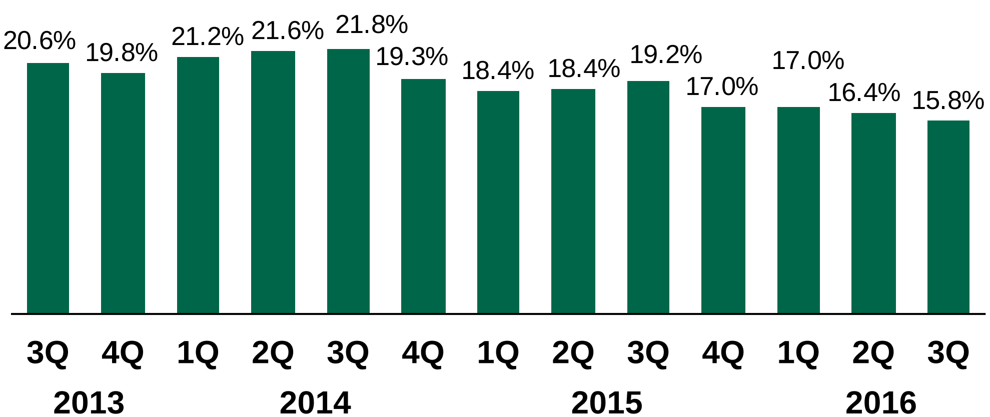


Change in DPD90+ loan volumes

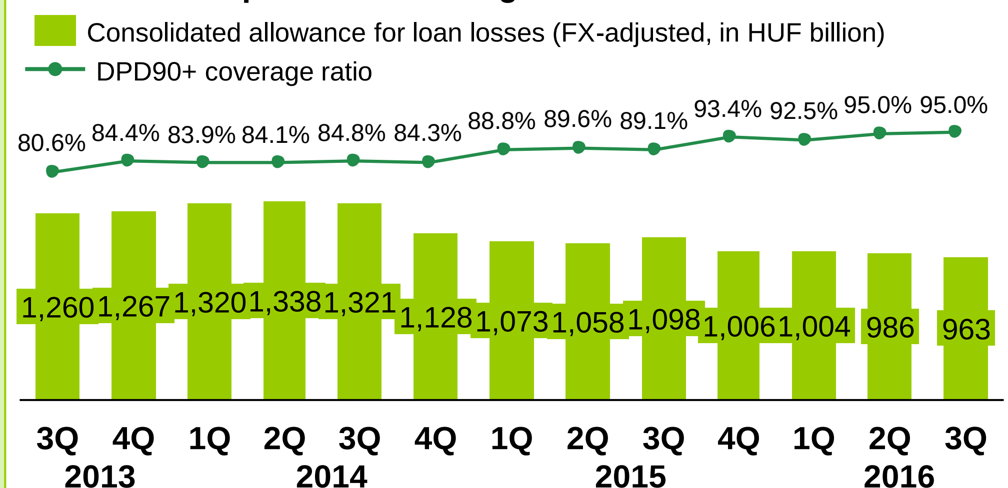
(consolidated, adjusted for FX and sales and write-offs, in HUF billion)



Ratio of consolidated DPD90+ loans to total loans



Consolidated provision coverage ratio



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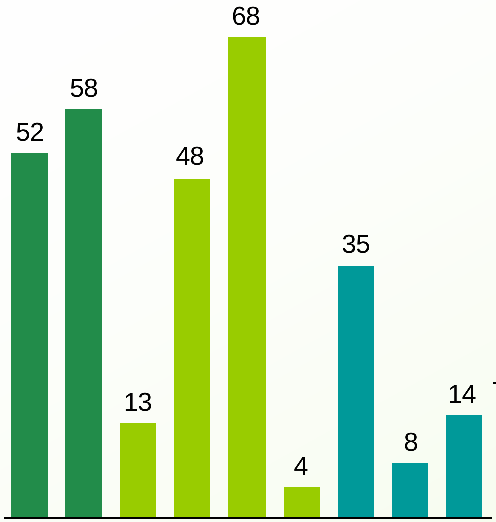
In 3Q 2016 the consolidated quarterly FX-adjusted DPD90+ formation reached HUF 14 billion. The Russian inflow kept on decelerating. Hungary and Bulgaria demonstrated improving portfolio quality, whereas the Ukrainian increase was owing to a large corporate exposure

FX-adjusted quarterly change in DPD90+ loan volumes

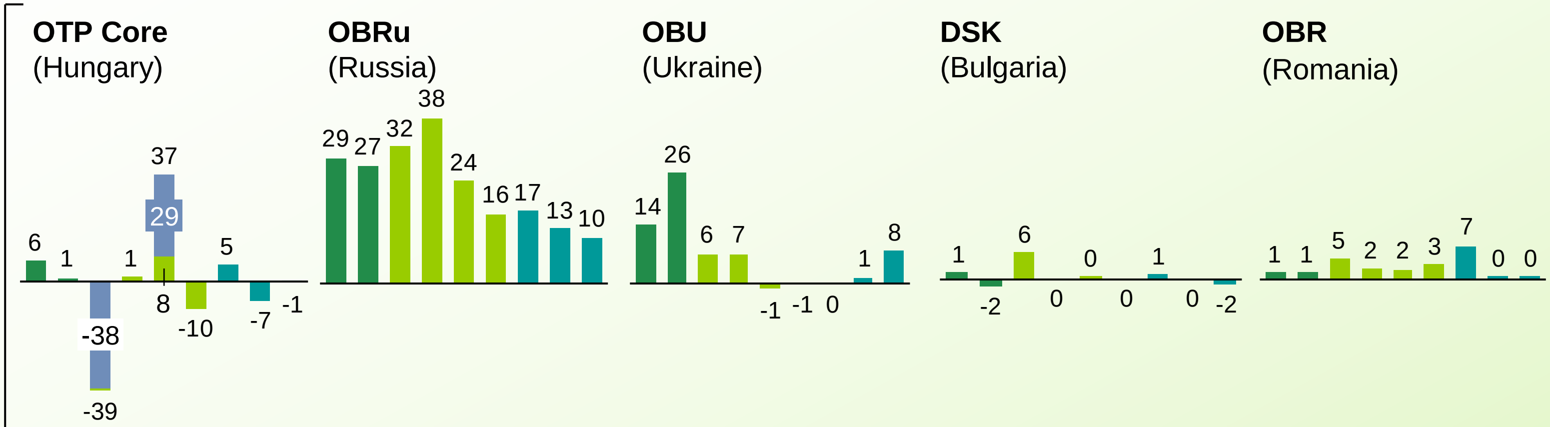
(without the effect of sales / write-offs, in HUF billion)



FX-adjusted sold or written-off loan volumes:

	3Q 2014	4Q 2014	1Q 2015	2Q 2015	3Q 2015	4Q 2015	1Q 2016	2Q 2016	3Q 2016
Consolidated	61	287	86	71	18	150	20	35	42

Technical effect of settlement: In 3Q 2015 mortgages worth HUF 29 billion (FX-adjusted) slipped into the DPD90+ category again after the HUF 38 billion technical healing in 1Q.



FX-adjusted sold or written-off loan volumes:

	3Q 2014	4Q 2014	1Q 2015	2Q 2015	3Q 2015	4Q 2015	1Q 2016	2Q 2016	3Q 2016
OTP Core (Hungary)	53	36	71[1]	18	12	27	8	11	9
OBRu (Russia)	0	128	9	48	1	52	1	2	15
OBU (Ukraine)	4	40	3	2	3	57	6	19	7
DSK (Bulgaria)	1	61	0	0	1	6	4	1	3
OBR (Romania)	0	5	1	0	0	3	0	1	5
OBH (Croatia)	0	0	0	0	0	0	0	0	0
OBS (Slovakia)	1	5	1	0	0	4	0	0	0
OBSr (Serbia)	0	4	0	2	0	0	1	1	2
CKB (Montenegro)	0	9	0	0	0	0	0	0	0
Merkantil Bank+Car (Hungary)	0	0	0	0	0	1	0	0	1

[1] The netting out at Factoring induced by the conversion in 1Q 2015 was equivalent of HUF 65 billion on an FX-adjusted basis.
[2] In 2Q 2015 at Merkantil the settlement reduced the DPD90+ volumes by HUF 7 billion (FX-adjusted) and HUF 3 billion re-defaulted in 3Q.
[3] In 4Q 2015 at Merkantil the FX car financing loan conversion reduced the DPD90+ volumes by HUF 3 billion. In 1Q part of these volumes redefaulted.

The risk cost rate and the DPD90+ ratio declined q-o-q all across the board (except for Ukraine) with the provision coverage ratios remaining conservative

Risk cost for possible loan losses / Average gross customer loans, %

	OTP Core Hungary	DSK Bank Bulgaria	OTP Bank Russia	OTP Bank Ukraine
(2015)	0.8	1.3	17.0	13.3
(9M 2016)	-0.6	0.5	7.9	3.3
3Q 2015	1.1	1.1	14.4	17.4
4Q 2015	1.2	2.0	12.5	12.2
1Q 2016	0.0	0.5	10.0	4.4
2Q 2016	-0.6	0.8	7.0	2.2
3Q 2016	-1.1	0.4	6.7	3.3

DPD90+ loans / Gross customer loans, %

	OTP Core Hungary	DSK Bank Bulgaria	OTP Bank Russia	OTP Bank Ukraine
3Q 2015	13.8	15.5	23.4	53.8
4Q 2015	12.1	14.9	19.4	48.6
1Q 2016	11.7	14.6	22.5	47.5
2Q 2016	11.0	14.1	24.6	43.9
3Q 2016	10.4	13.5	23.4	44.9

Total provisions / DPD90+ loans, %

	OTP Core Hungary	DSK Bank Bulgaria	OTP Bank Russia	OTP Bank Ukraine
3Q 2015	78	93	110	111
4Q 2015	86	96	115	119
1Q 2016	84	96	113	120
2Q 2016	87	97	111	123
3Q 2016	87	99	112	117

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At OTP Core, DSK Bank and the Russian operation the DPD90+ ratio decreased q-o-q partly as a result of DPD90+ portfolio sales and write-offs

DPD90+ ratio (%)

OTP Core (Hungary)	3Q15	4Q15	1Q16	2Q16	3Q16	Q-o-Q (%-point)
Total	**13.8%**	**12.1%**	**11.7%**	**11.0%**	**10.4%**	*-0.6*
Retail	15.4%	14.0%	13.6%	13.0%	12.2%	*-0.8*
Mortgage	13.1%	12.5%	12.4%	11.8%	11.1%	*-0.7*
Consumer	23.0%	19.2%	18.0%	17.0%	16.0%	*-1.1*
MSE	8.3%	7.7%	7.4%	6.8%	6.4%	*-0.4*
Corporate	11.8%	9.6%	9.4%	8.5%	8.3%	*-0.2*
Municipal	0.7%	0.4%	0.2%	2.2%	4.1%	*1.9*

DPD90+ ratio (%)

OTP Bank Russia	3Q15	4Q15	1Q16	2Q16	3Q16	Q-o-Q (%-point)
Total	**23.4%**	**19.4%**	**22.5%**	**24.6%**	**23.4%**	*-1.2*
Mortgage	32.9%	36.6%	35.2%	35.5%	37.1%	*1.6*
Consumer	23.4%	18.4%	21.8%	24.7%	23.2%	*-1.5*
Credit card	27.4%	23.9%	28.5%	32.4%	32.7%	*0.4*
POS loan	16.4%	11.1%	13.3%	15.9%	14.4%	*-1.5*
Personal loan	26.9%	22.0%	25.4%	26.9%	24.3%	*-2.6*

DPD90+ ratio (%)

DSK Bank (Bulgaria)	3Q15	4Q15	1Q16	2Q16	3Q16	Q-o-Q (%-point)
Total	**15.5%**	**14.9%**	**14.6%**	**14.1%**	**13.5%**	*-0.6*
Mortgage	22.0%	21.4%	21.5%	21.2%	21.0%	*-0.2*
Consumer	8.0%	8.1%	7.9%	8.2%	8.5%	*0.3*
MSE	29.4%	26.1%	25.2%	22.8%	20.6%	*-2.2*
Corporate	14.5%	13.7%	13.4%	12.2%	10.4%	*-1.9*

DPD90+ ratio (%)

OTP Bank Ukraine	3Q15	4Q15	1Q16	2Q16	3Q16	Q-o-Q (%-point)
Total	**53.8%**	**48.6%**	**47.5%**	**43.9%**	**44.9%**	*1.0*
Mortgage	80.4%	76.1%	76.6%	74.2%	74.1%	*-0.2*
Consumer	54.5%	42.9%	43.4%	40.6%	38.3%	*-2.4*
SME	90.5%	87.5%	88.1%	86.2%	87.8%	*1.6*
Corporate	15.7%	16.7%	15.2%	14.2%	19.0%	*4.8*
Car-financig	60.8%	53.0%	51.8%	47.9%	46.6%	*-1.4*

Restructured retail volumes decreased q-o-q on group level

Definition of retail restructured loans:

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

Restructured retail loans with less than 90 days of delinquency

	3Q 2015		4Q 2015		1Q 2016		2Q 2016		3Q 2016	
	HUF mn	*%[1]*	*HUF mn*	*%[1]*	*HUF mn*	*%[1]*	*HUF mn*	*%[1]*	*HUF mn*	*%[1]*
OTP Core (Hungary)	15,444	1.0%	15,672	1.1%	15,080	1.0%	14,799	1.0%	15,369	1.1%
OBRu (Russia)	2,813	0.7%	3,012	0.8%	3,980	1.1%	4,542	1.2%	3,852	1.0%
DSK (Bulgaria)	16,193	2.0%	20,763	2.6%	22,618	2.9%	23,924	3.0%	21,137	2.7%
OBU (Ukraine)	19,847	8.5%	21,210	11.6%	16,958	10.1%	18,813	11.7%	14,126	9.4%
OBR (Romania)	11,569	3.3%	10,051	2.9%	7,467	2.3%	3,506	1.1%	2,782	0.9%
OBH (Croatia)	1,415	0.5%	1,432	0.5%	2,856	1.0%	2,897	1.0%	2,453	0.9%
OBS (Slovakia)	665	0.3%	795	0.4%	1,085	0.5%	1,089	0.5%	782	0.4%
OBSr (Serbia)	894	2.4%	962	2.6%	1,027	2.7%	704	1.8%	404	1.0%
CKB (Montenegro)	109	0.2%	145	0.2%	171	0.3%	157	0.2%	117	0.2%
Merkantil (Hungary)	1,009	0.6%	287	0.2%	981	0.6%	1,158	0.7%	1,339	0.8%
Other leasing[2] (Hungary)	289	1.2%	404	1.7%	316	1.4%	233	1.1%	354	1.6%
TOTAL	**70,248**	**1.7%**	**74,733**	**1.9%**	**72,538**	**1.8%**	**71,823**	**1.8%**	**62,713**	**1.6%**

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

Forward looking statements

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

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