OTP Group
First quarter 2013 results

Conference call – 14 May 2013

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The Group's before tax profit without one-offs increased by 7% y-o-y and by 46% q-o-q, the full year amount of the Hungarian special banking tax was recognised in the first quarter in 2013

	1Q 12	2Q 12	3Q 12 HUF billion	4Q 12	1Q 13	Q-o-Q	Y-o-Y
Consolidated after tax profit (accounting)	**12.8**	**41.1**	**42.5**	**26.1**	**11.2**	**-57%**	**-12%**
Adjustments (total)	**-30.9**	**4.1**	**-0.4**	**-0.1**	**-29.5**		**-5%**
Dividends and revaluation result of strategic open FX position	-0.1	0.2	-0.2	-0.2	-0.3	**42%**	**105%**
Special tax on financial institutions (after tax)	-29.0	-0.1	-0.2	0.1	-29.2 (1)		1%
Impact of early repayments (after tax)	-1.8	0.0	0.0	0.0	0.0		-100%
Consolidated adjusted after tax profit	**43.8**	**37.0**	**43.0**	**26.2**	**40.7**	**55%**	**-7%**
Corporate tax	-7.5	-9.1	-12.5	-13.2	-17.2	31%	131%
O/w tax shield of subsidiary investments	3.8 (2)	2.6	1.2	-2.0	-4.2 (2)	114%	-210%
Before tax profit	51.2	46.1	55.5	39.4	58.0	47%	13%
Total one-off items	-2.6	-1.8	0.5	0.0	0.5		-118%
Revaluation result of FX swaps at OTP Core	-1.2	-1.4	0.0	0.0	0.4		-136%
Gain on the repurchase of own capital instruments	1.1	0.0	0.3	0.0	0.0	-100%	-100%
Revaluation result of the treasury share swap agreement	-2.5	-0.4	0.2	0.0	0.0	-15%	-101%
Before tax profit without one-off items	**53.8**	**47.9**	**55.0**	**39.4**	**57.5**	**46%**	**7%**

1. Similar to 2012, the total annual amount of the special banking tax paid by Hungarian group-members was recognised in 1Q 2013 (after tax HUF 29.0 billion). In 1Q 2013 the Slovakian subsidiary paid HUF 272 million of banking tax (after corporate taxes).

2. In 1Q 2012 the tax shield effect of the revaluation of subsidiary investments resulted HUF 3.8 billion tax savings due to the appreciation of the forint. However, in 1Q 2013 the forint depreciation caused HUF 4.2 billion additional tax payment.

The improvement in the Group's before tax profit is due to diminishing risk cost, operating income remained stable. In Hungary operating profit dropped because of declining total income, but this was off-set by shrinking risk cost

CONSOLIDATED	1Q 12	2Q 12	3Q 12 HUF billion	4Q 12	1Q 13	Q-o-Q	Y-o-Y
Before tax profit without one-off items	**53.8**	**47.9**	**55.0**	**39.4**	**57.5**	**46%**	**7%**
Operating profit w/o one-off items	112.5	112.0	115.5	109.6	112.5	3%	0%
Total income w/o one-off items	209.3	208.0	212.4	214.9	212.9	-1%	2%
Net interest income w/o one-off items	164.1	158.9	161.3	166.0	165.9	0%	1%
Net fees and commissions	34.1	37.9	39.0	40.5	35.8	-12%	5%
Other non-interest income w/o one-off items	11.0	11.2	12.1	8.3	11.2	34%	1%
Operating cost	-96.7	-96.1	-96.9	-105.2	-100.4	-5%	4%
Total risk costs	-58.7	-64.1	-60.6	-70.3	-55.0	-22%	-6%

OTP CORE	1Q 12	2Q 12	3Q 12 HUF billion	4Q 12	1Q 13	Q-o-Q	Y-o-Y
Before tax profit without one-off items	**29.5**	**27.9**	**34.9**	**29.1**	**33.3**	**15%**	**13%**
Operating profit w/o one-off items	56.1	52.1	54.9	48.2	45.5	-6%	-19%
Total income w/o one-off items	100.6	97.0	100.4	96.2	91.7	-5%	-9%
Net interest income w/o one-off items	76.1	71.2	73.4	71.8	67.7	-6%	-11%
Net fees and commissions	20.4	22.2	21.3	21.9	19.7	-10%	-4%
Other non-interest income w/o one-off items	4.0	3.6	5.7	2.5	4.4	71%	8%
Operating cost	-44.5	-44.9	-45.5	-47.9	-46.2	-4%	4%
Total risk costs	-26.6	-24.3	-20.0	-19.1	-12.1	-37%	-54%

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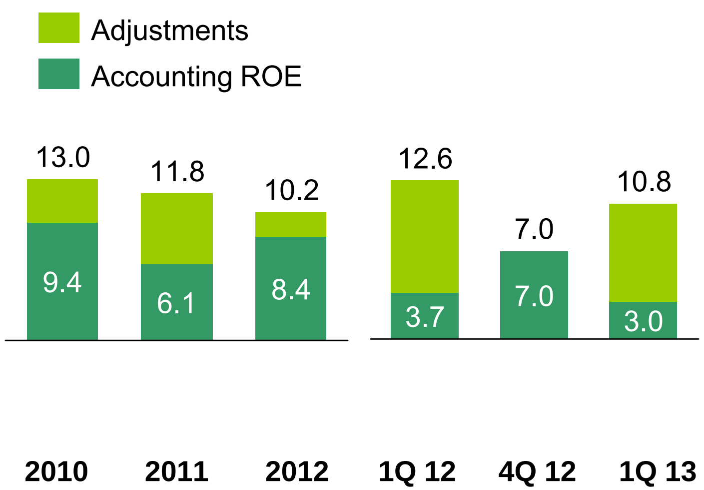
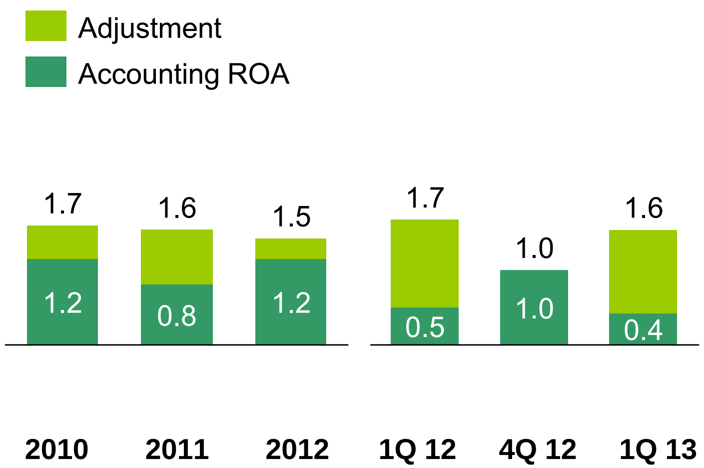
On consolidated level steadily high income- and interest margin. In spite of declining risk cost rate, the provision coverage kept improving. The deposit book expanded further, but the loan portfolio decreased again

Adjusted Return on Equity – ROE (%)

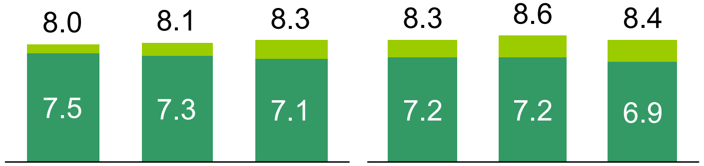


Adjusted Return on Assets – ROA (%)

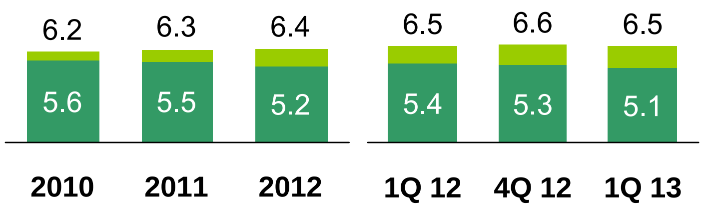


Consolidated | Consolidated w/o OTP Bank Russia

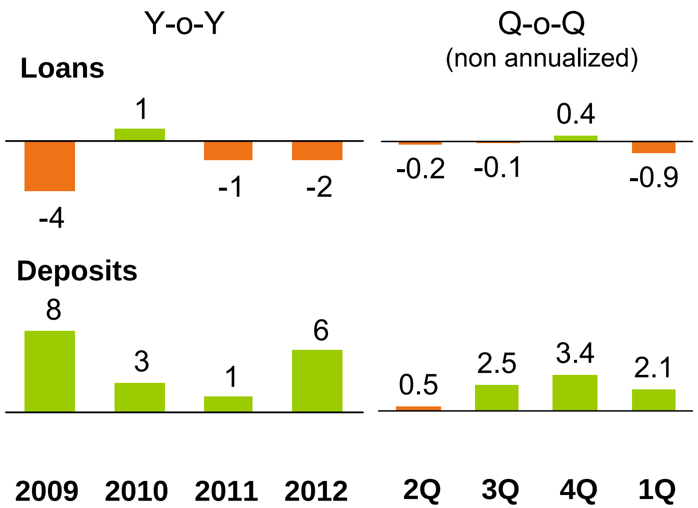
Total income margin (%)



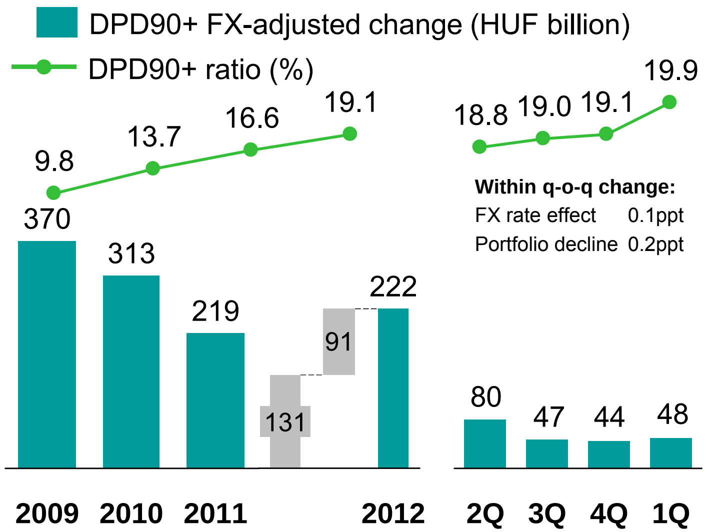
Net interest margin (%)



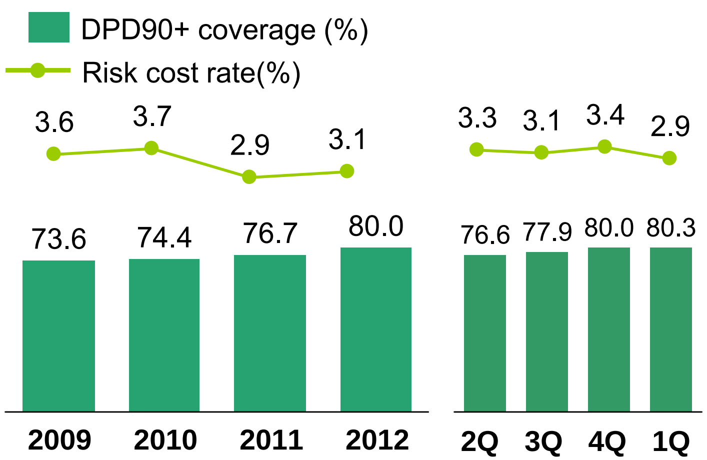
Growth of business volumes (%, FX-adj.)



Portfolio quality development



Risk cost development



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Both on consolidated and stand-alone levels capital adequacy ratios are significantly above the regulatory minimum. Following a change in the regulatory environment, the Montenegrin bank received subordinated capital in April 2013

OTP Group consolidated capital adequacy ratio (IFRS)

(Basel 2)	2009	2010	2011	2012	1Q 2013
Capital adequacy ratio	17.2%	17.5%	17.3%	19.7%	19.7%
Tier1 ratio	13.7%	14.0%	13.3%	16.0%	15.5%
Core Tier1 ratio	12.0%	12.5%	12.0%	14.7%	14.2% (1)

(1) The 0.5 ppt quarterly drop in the **consolidated Core Tier1** rate is due to the 3% increase in risk weighted assets as a result of the forint's depreciation. In 2012 the 2.7 ppts improvement in the CT1 ratio was supported by the profitable operation and declining risk weighted assets, driven by contracting loan volumes and FX effect. Also, since year-end 2012 the capital requirement for operating risk has been calculated according to a new methodology (Advanced Measurement Approach).

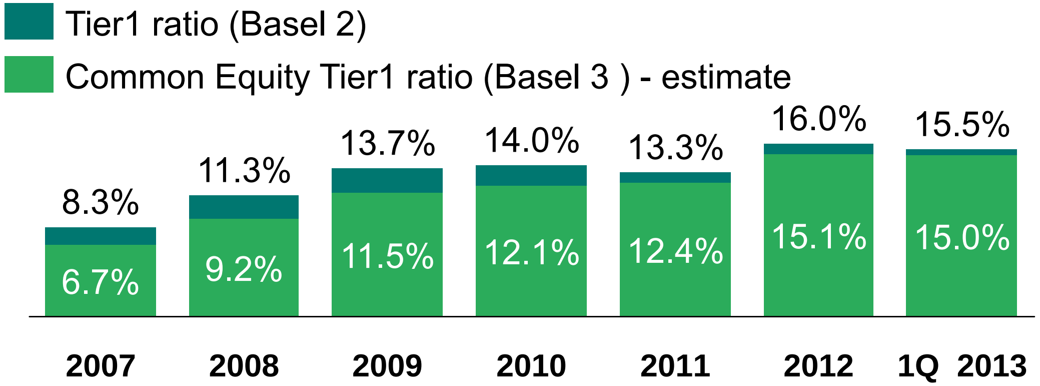
(2) The drop in the **Montenegrin capital adequacy** close to the regulatory minimum level is the result of changing regulation. In April the Bank received EUR 10 million subordinated capital injection, which would lift its CAR to 12.4% at the end of March *ceteris paribus*.

Capital adequacy ratios (under local regulation)

	Min. CAR	2010	2011	2012	1Q 2013
OTP Group (IFRS)	**8%**	**17.5%**	**17.3%**	**19.7%**	**19.7%**
Hungary	8%	18.1%	17.9%	20.4%	21.2%
Russia	11%	17.0%	16.2%	16.2%	14.9%
Ukraine	10%	22.1%	21.3%	19.6%	20.4%
Bulgaria	12%	23.7%	20.6%	18.9%	18.9%
Romania	10%	14.0%	13.4%	15.6%	14.5%
Serbia	12%	16.4%	18.1%	16.5%	42.9%
Croatia	12%	15.0%	14.8%	16.0%	16.0%
Slovakia	8%	11.1%	13.1%	12.8%	12.6%
Montenegro	10%	13.9%	13.4%	12.4%	10.1% (2)

The dividend pay-out from the 2012 net earnings is HUF 33.6 billion. In coming years the Bank is expected to be able to afford higher dividend payments even beside the persistence of existing risks

Consolidated capital adequacy ratios of OTP Group

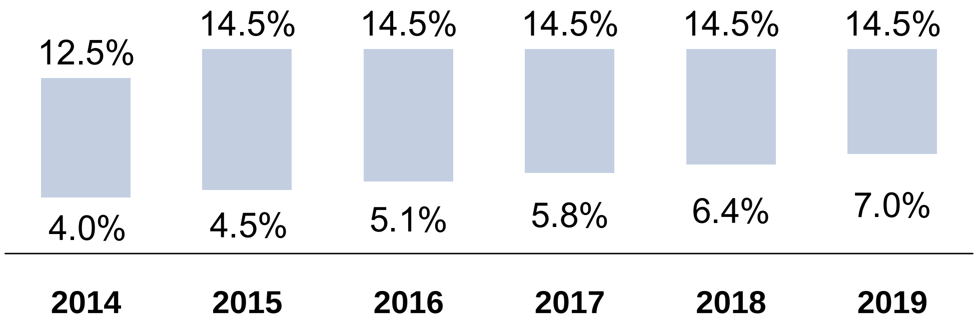


Dividend per share* (in HUF)

2007	2008	2009	2010	2011	2012
0	0	0	73	102	122

Expected minimum-maximum range of the required minimum value of Common Equity Tier1 ratio***

in accordance with the shaping CRD IV regulation



- Main risk factors:

  A/ Systemic risks
  - Eurozone crisis
  - Hungarian economy and economic policy related risks

  B/ OTP-specific risks
  - Loan quality development of the legacy book, especially that of the Hungarian and Ukrainian FX mortgage loans
  - Possible shocks affecting consumer lending markets in Russia and Ukraine

- According to the fully implemented CRD IV** (at earliest in 2014, at latest in 2019) the regulatory minimum of the Common Equity Tier1 ratio can be in a wide range between 7.0% - 14.5%

- Based on the current risk profile and expectations:
  1. Further gradual increase of dividend is possible
  2. Potential for acquisition(s) or repurchase of treasury shares in the coming 1-2 years
  3. Capital adequacy higher than the current level seems suboptimal given the underlying regulatory and risk environment.

* On shares eligible for dividend. In 2012 the calculation is based on the share count of 275,903,180 (the total number of common shares less the number of treasury shares as of 29 March 2013).

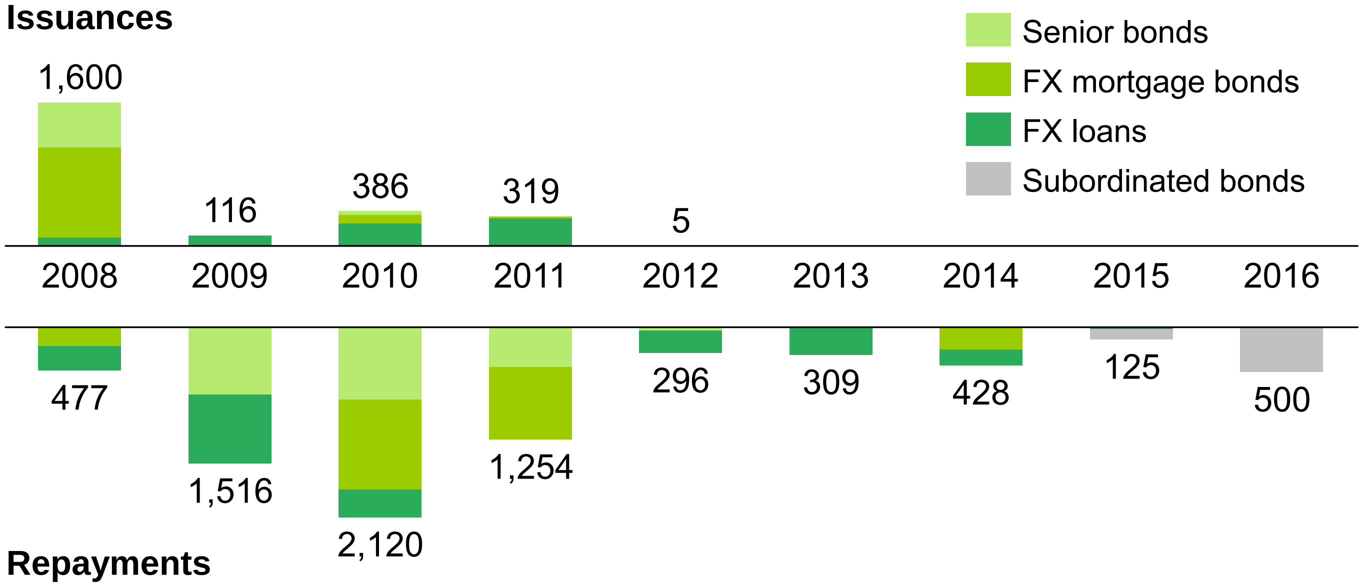
** Capital Requirements Directive IV: Legislation of the European Union aiming at the renewal of the regulation of capital requirements of financial institutions and investment firms

*** Assumptions behind the minimum and maximum expectations:
Maximum value: capital buffers will be promptly introduced with the maximum value; beside OSII buffer maximum systemic risk buffer will be introduced, but the bigger out of the two becomes compulsory.
Minimum value: buffers will be introduced gradually with their minimum values, neither OSII buffer nor systemic buffer is prescribed.

The Group's liquidity position strengthened further, swap roll-over needs for 2013 had been already renewed by end-2012

OTP Group net liquidity buffer[1]
(in EUR million, equivalent)

FX denominated wholesale funding transactions at OTP Core level[4] (in EUR mn)



Debt and capital market issuances in 2012 and 1Q 2013:

- OTP Bank Russia printed a RUB 6 billion bond in March 2012 with 3 years maturity
- Shrinking Hungarian retail bond portfolio due to strong competition from local government bonds (1Q 2013 volume at HUF 166 billion or EUR 0.5 billion).
- EUR denominated mortgage bond issuances at OTP Mortgage Bank in September 2012, total external obligations grew by EUR 5 million

Repaid debt and capital market instruments in 2012 and 1Q 2013:

- On 24 February 2012 OTP Bank paid back a CHF 100 million senior bond issued in 2010
- On 2 July 2012 OTP Bank repaid EUR 250 million syndicated loan
- OTP Bank Russia paid back about RUB 3.9 billion bonds in November 2012

OTP Bank did not participate in any LTRO tenders by the ECB

[1] operating liquidity less debt maturing over one month, within one year
[2] liquid asset surplus within one month + repo value of government bonds, covered bonds, municipal bonds
[3] as at 22/02/2012
[4] wholesale funding transactions do not include intra-group holdings

The improvement of the pre-tax profit is mainly due to better Hungarian and Ukrainian results y-o-y. The q-o-q drop in the Russian profit was offset by the strong Bulgarian result and increasing contribution of smaller foreign banks

PROFIT BEFORE INCOME TAX – 1Q 2013 without one-off items (HUF billion)			Y-o-Y change (HUF billion)	Y-o-Y change (%)	Q-o-Q change (HUF billion)	Q-o-Q change (%)
OTP Group	100%	57.5	4	7%	18	46%
OTP CORE (Hungary)	58%	33.3	4	13%	4	15%
OBRU (Russia)	17%	10.0	-5	-32%	-8	-45%
DSK (Bulgaria)	18%	10.1	-1	-8%	9	1.083%
OBU (Ukraine)	5%	3.2	5	268%	-1	-18%
OBH (Croatia)	1%	0.7	0	-30%	-1	-53%
OBS (Slovakia)	1%	0.8	1	181%	2	148%
OBR (Romania)	-1%	-0.7	0	37%	3	-82%
CKB (Montenegro)	0%	0.1	0	-68%	4	0%
OBSrb (Serbia)	-1%	-0.8	0	-83%	2	64%
Merkantil (Hungary)	1%	0.5	0	-35%	1	157%

Contribution of foreign subsidiaries: **40%**

With slightly moderating consolidated loan portfolio, the 2% increase in group-level total income reflects strong performance

	TOTAL INCOME – 1Q 2013 without one-off items (HUF billion)	Y-o-Y change (%)	FX adjusted Y-o-Y change of loans (%)	FX adjusted Y-o-Y change of deposits (%)
OTP Group	212.9	2%	-1%	9%
OTP CORE (Hungary)	91.7	-9%	-5%	9%
OBRu (Russia)	56.5	25%	23%	29%
DSK (Bulgaria)	23.3	-3%	-2%	1%
OBU (Ukraine)	16.6	19%	-8%	-9%
OBH (Croatia)	5.2	-6%	2%	4%
OBS (Slovakia)	3.5	-3%	1%	7%
OBR (Romania)	4.5	-18%	4%	55%
CKB (Montenegro)	2.3	-3%	-3%	0%
OBSrb (Serbia)	1.8	16%	9%	7%
Other*	7.5	11%		

53% (OBRu to OBSrb share of total income)

* Other subsidiaries and adjustments

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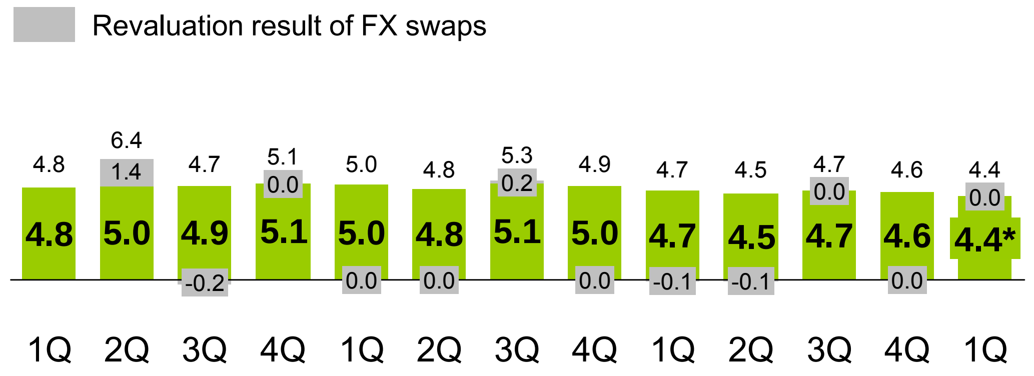
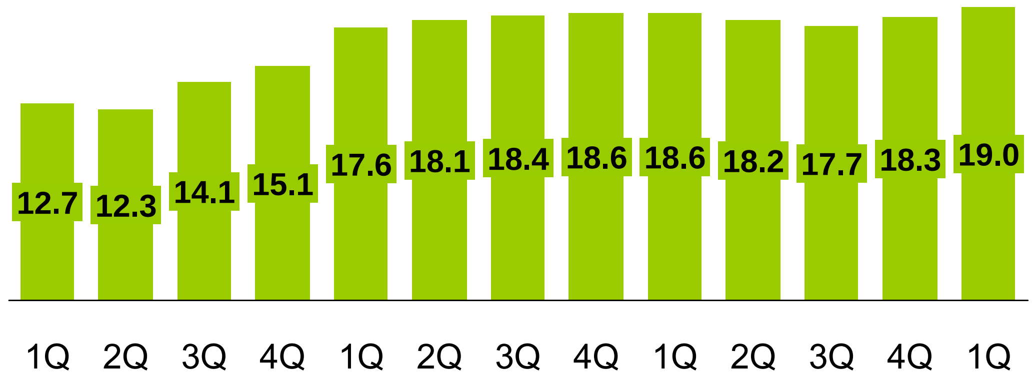
Decreasing Hungarian net interest margin due to lower deposit margins and the annual negative impact of the fixed exchange rate scheme booked in 1Q. Russian margin hit record heights; in Bulgaria the q-o-q improvement is due to higher deposit margins. In the Ukraine the trend-like improvement is driven by the strengthening of consumer lending

Net interest margin (%)

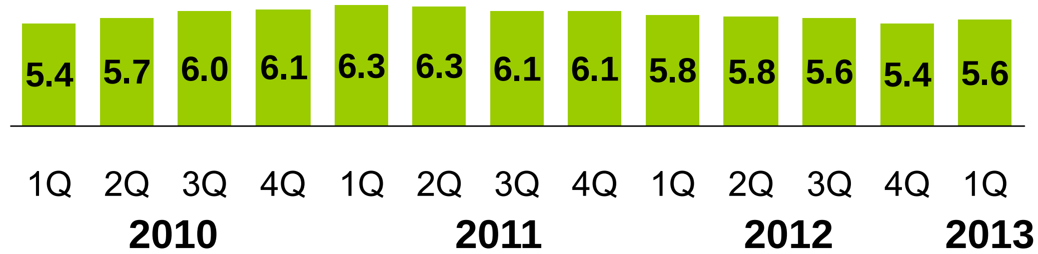
OTP Core Hungary



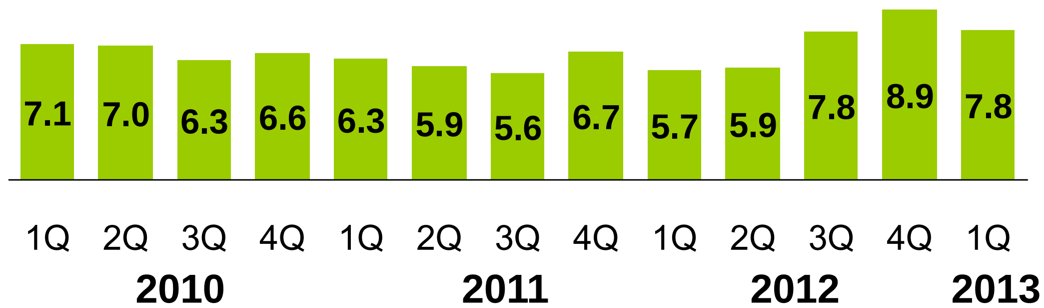
OTP Bank Russia



DSK Bank Bulgaria



OTP Bank Ukraine



* If OTP Core were to apply accrual accounting while recognising the negative impact of the fixed exchange rate scheme, the net interest margin for 1Q 2013 would have been at 4.48% instead of 4.37%.

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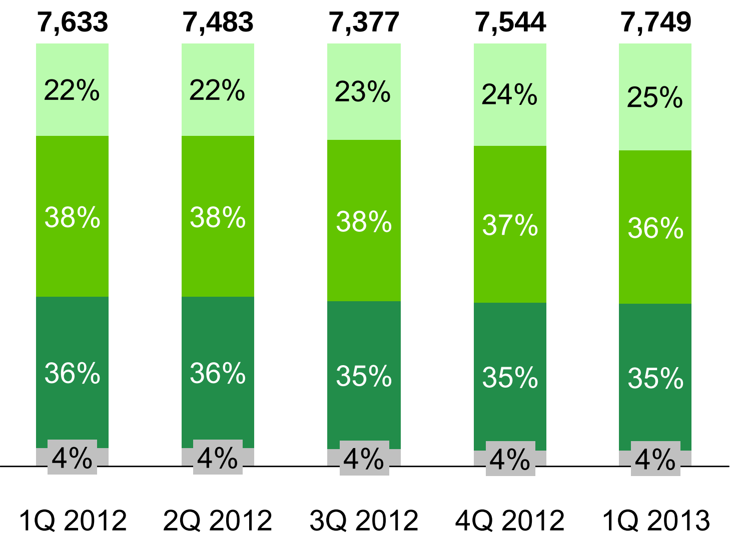
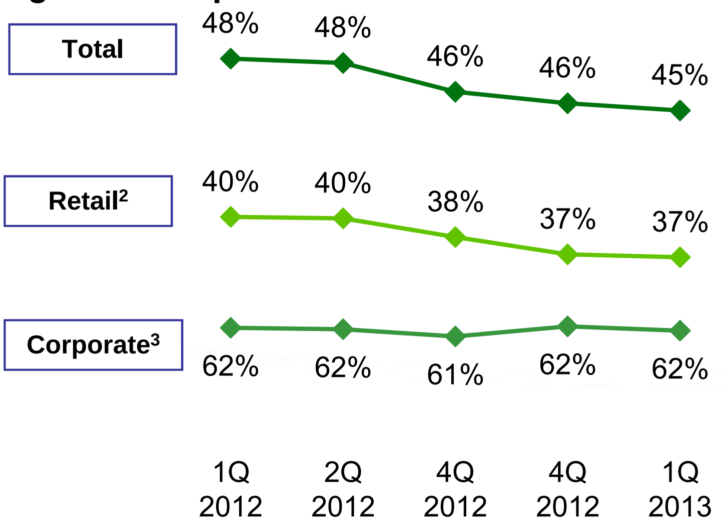
Consumer lending remained the only segment delivering substantial growth, driven not just by the Russian operation, but also by the strengthening Ukrainian, Romanian and Slovakian activity

Breakdown of consolidated gross loan book (in HUF billion)



Share of FX loans in the consolidated gross loan portfolio



Q-o-Q loan volume changes in 1Q 2013, adjusted for FX-effect

	Cons.	Core (Hungary)	Merk (Hungary)	OBRu (Russia)	DSK (Bulgaria)	OBU (Ukraine)	OBR (Romania)	OBH (Croatia)	OBS (Slovakia)	OBSr (Serbia)	CKB (Monte-negro)
Total	-1%	-2%	-6%	2%	-2%	-2%	0%	3%	0%	0%	2%
Consumer	2%	0%		4%	0%	5%	15%	1%	15%	3%	3%
Mortgage	-2%	-2%		-5%	-1%	-4%	-1%	0%	-1%	0%	-1%
Corporate[1]	-1%	-1%	2%	-14%	-5%	-2%	0%	8%	0%	-1%	3%
Car-financing	-7%		-7%	-14%		-5%		-14%	-5%		

Y-o-Y loan volume changes in 1Q 2013, adjusted for FX-effect

	Cons.	Core (Hungary)	Merk (Hungary)	OBRu (Russia)	DSK (Bulgaria)	OBU (Ukraine)	OBR (Romania)	OBH (Croatia)	OBS (Slovakia)	OBSr (Serbia)	CKB (Monte-negro)
Total	-1%	-5%	-13%	23%	-2%	-8%	4%	2%	1%	9%	-3%
Consumer	15%	-1%		35%	-1%	157%	79%	3%	100%	22%	4%
Mortgage	-5%	-6%		-21%	-2%	-13%	-2%	0%	6%	0%	-6%
Corporate[1]	-4%	-6%	28%	-47%	-2%	-10%	7%	4%	-6%	8%	-3%
Car-financing	-19%		-18%	-47%		-16%		-42%	-11%		

[1] including SME, LME and municipality loans as well
[2] including loans to households and SME loans
[3] including LME and municipality loans as well

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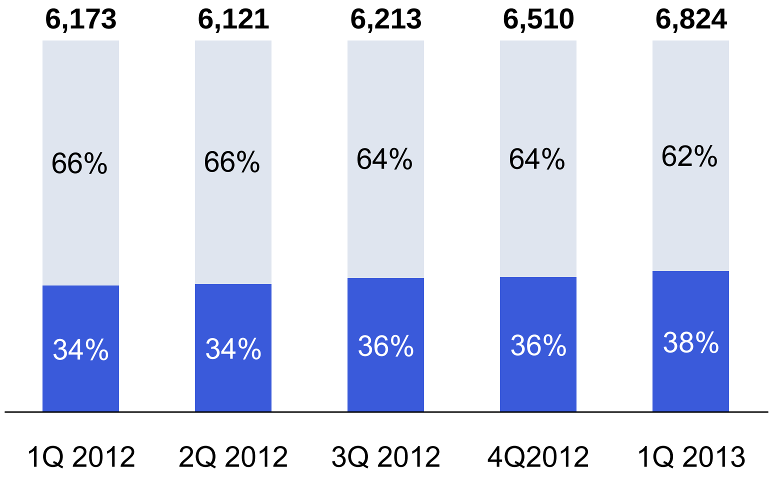
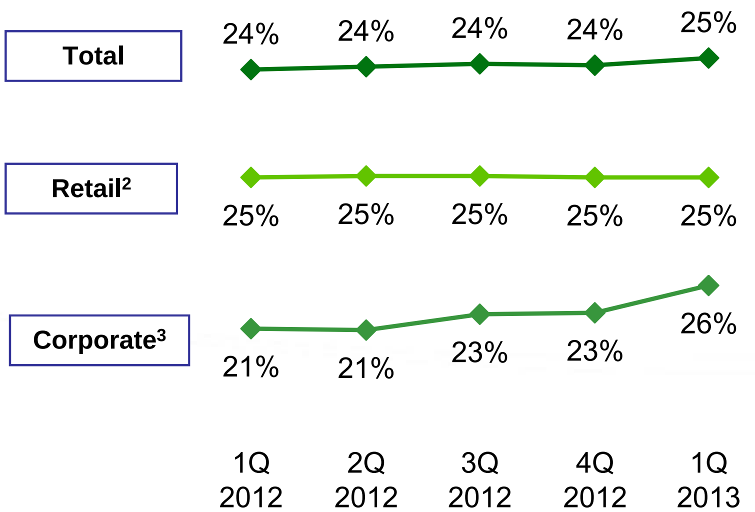
Consolidated deposit base grew by 2% q-o-q and 9% y-o-y; the deposits of Hungarian households further declined, while the 10% q-o-q growth in Hungarian corporate deposits reflects seasonal and one-off effects

Breakdown of consolidated customer deposits (in HUF billion)



Proportion of FX deposits in the consolidated deposit portfolio



Q-o-Q deposit volume changes in 1Q 2013, adjusted for FX-effect

	Cons.	Core (Hungary)	OBRu (Russia)	DSK (Bulgaria)	OBU (Ukraine)	OBR (Romania)	OBH (Croatia)	OBS (Slovakia)	OBSr (Serbia)	CKB (Monte-negro)
Total	2%	3%	-1%	0%	1%	18%	0%	1%	3%	-1%
Retail	-1%	-2%	2%	0%	0%	13%	0%	1%	2%	-1%
Corporate[1]	7%	10%	-8%	1%	2%	24%	-1%	2%	5%	-3%

Y-o-Y deposit volume changes in 1Q 2013, adjusted for FX-effect

	Cons.	Core (Hungary)	OBRu (Russia)	DSK (Bulgaria)	OBU (Ukraine)	OBR (Romania)	OBH (Croatia)	OBS (Slovakia)	OBSr (Serbia)	CKB (Monte-negro)
Total	9%	9%	29%	1%	-9%	55%	4%	7%	7%	0%
Retail	2%	-4%	25%	2%	11%	56%	3%	9%	13%	3%
Corporate[1]	21%	30%	37%	-4%	-29%	55%	8%	5%	-1%	-4%

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

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The Hungarian economy is expected to return to growth in 2013. The Funding for Growth Scheme of the NBH and the subsidized mortgage scheme should provide further impetus

In Hungary economic growth is expected to be driven by export and consumption in 2013…

	2012	2013E
GDP growth	-1.7%	1.0%
Household consumption expenditure	-1.4%	0.5%
Export	2.0%	4.1%
Investments	-3.8%	-4.3%
Inflation (yearly average)	5.7%	2.3%
Current account balance (in % of GDP)	1.6%	2.6%
Yield on one year T-bills (average)	7.0%	4.4%
Primary budget balance (ESA 95, in % of GDP)	2.3%	1.5%
Budget balance (ESA 95, in % of GDP)	-2.0%	-2.8%

… Funding for Growth Scheme will increase lending to domestic small and medium-sized enterprises

- The banking sector is expected to lend HUF 250 billion new loans or refinancing loans to small and medium-sized enterprises funded by the zero interest rate facility of the National Bank.
- Further HUF 250 billion equivalent FX loans of small and medium-sized enterprises are expected to be converted to forint funded also by zero interest rate facility of the National Bank. The FX need will be provided by the central bank from its foreign exchange reserves.

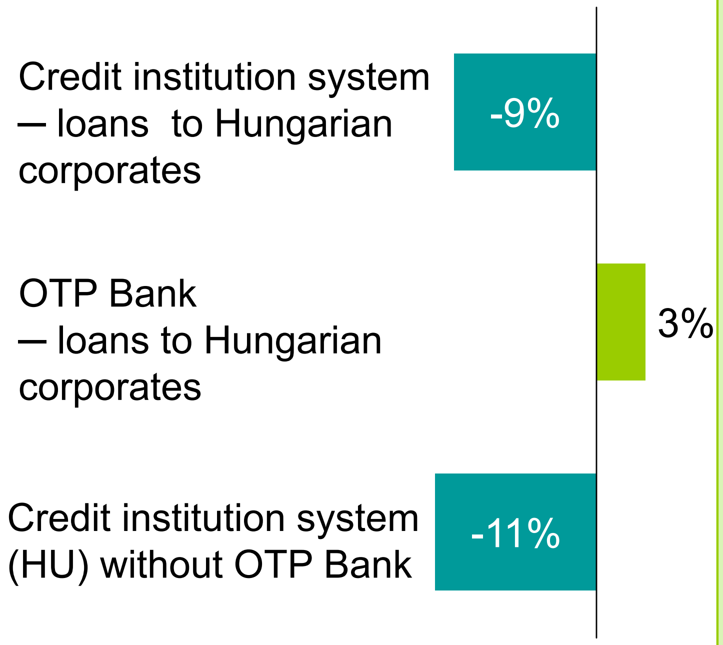
… government-subsidized housing loans may contribute to the stimulation of the housing market

- OTP Bank was the first to offer government-subsidized forint housing loans from early August 2012.
- From 2013 conditions of subsidised loans became more favourable for clients. The subsidy remains flat for a 5 years period, the available loan amount is HUF 10 million in case of a new real estate and HUF 15 million in case of a used one. The value limit of the used real estate is at HUF 20 million. The mortgage borrower can enjoy a forint interest rate of around 6-7% in the first 5 years if all relevant requirements are met.

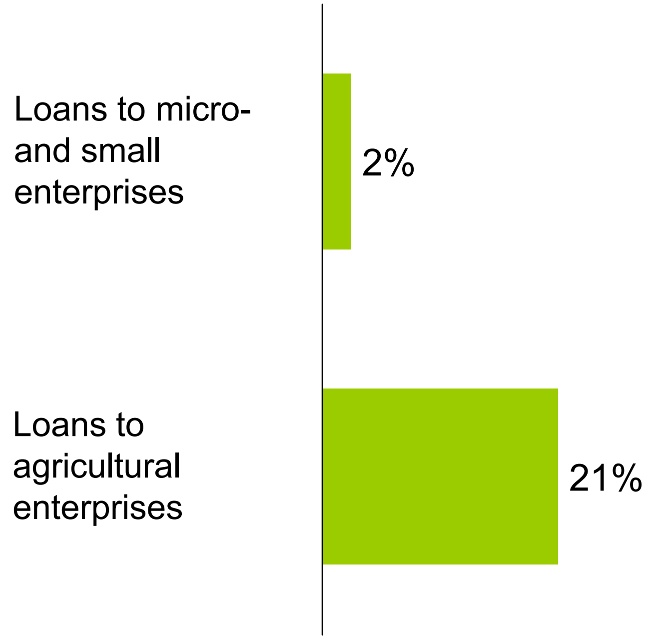
Source for 2013 forecast: OTP Research Centre

OTP's corporate lending activity gained further momentum in Hungary, increasing loan volumes were coupled with dynamically improving market share

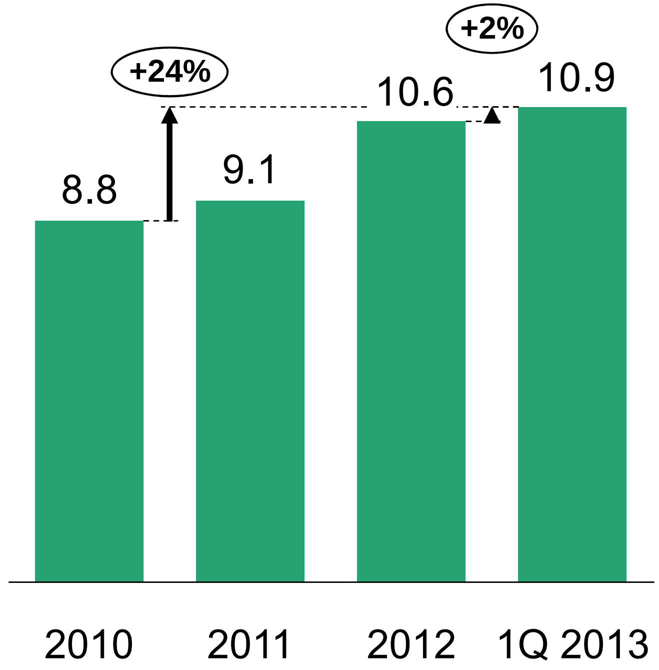
Corporate lending in Hungary* in 1Q 2013
(FX-adjusted, y-o-y change)



Development of OTP Bank's loan portfolios in 1Q 2013
(FX-adjusted, y-o-y change)



OTP Bank's market share in loans to Hungarian companies (%)



- Launching OTP's commercial factoring programme in April 2013
- OTP is going to send overdraft proposals to cca. 28 thousands of its clients in the micro- and small enterprise segment with a total principal amount of cca. HUF 350 billion in the remaining part of the year
- Funding for Growth Scheme of the National Bank of Hungary

* The estimate for volume changes is based on the Supervisory balance sheet data provision to the Hungarian Financial Supervisory Authority (HFSA), calculated from the „Loans to non-financial and other-financials companies" line, adjusted for FX-effect.

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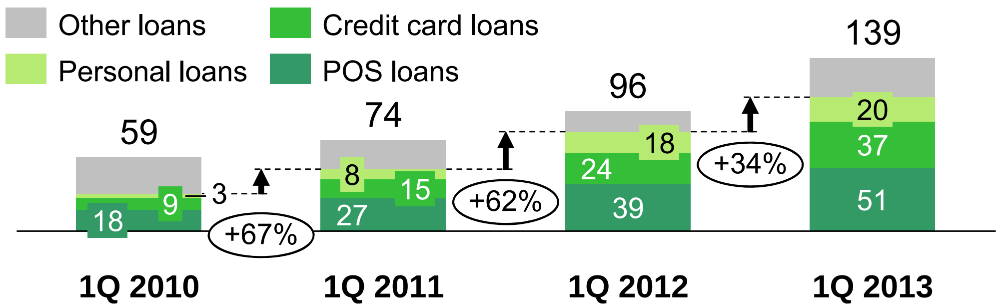
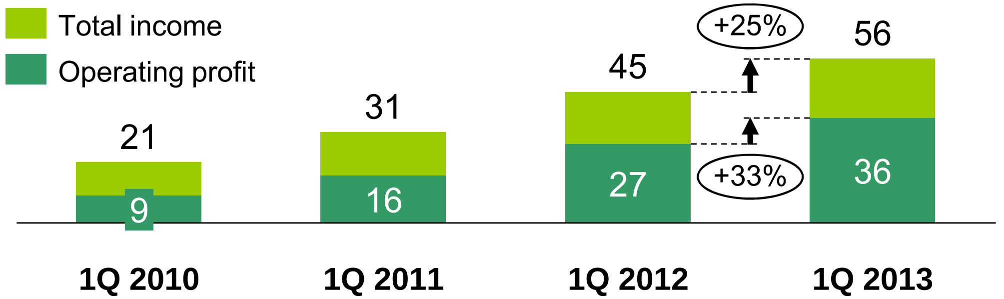
OTP Bank Russia

At OTP Russia loan volumes, revenues and operating profit kept growing dynamically, however the profitability deteriorated as a result of higher risk cost

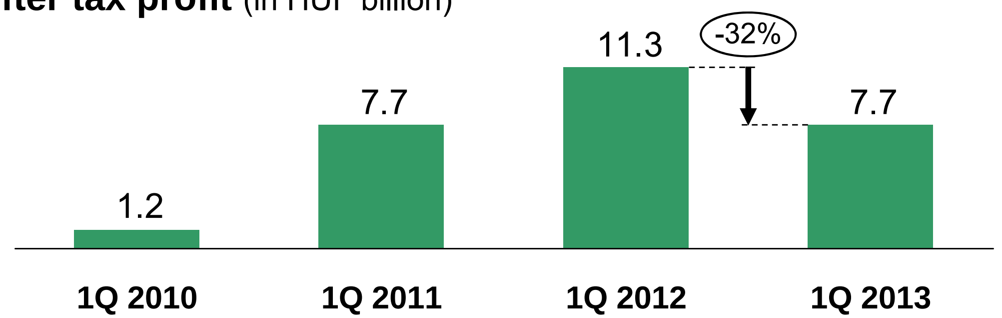
Gross loans (in RUB billion)



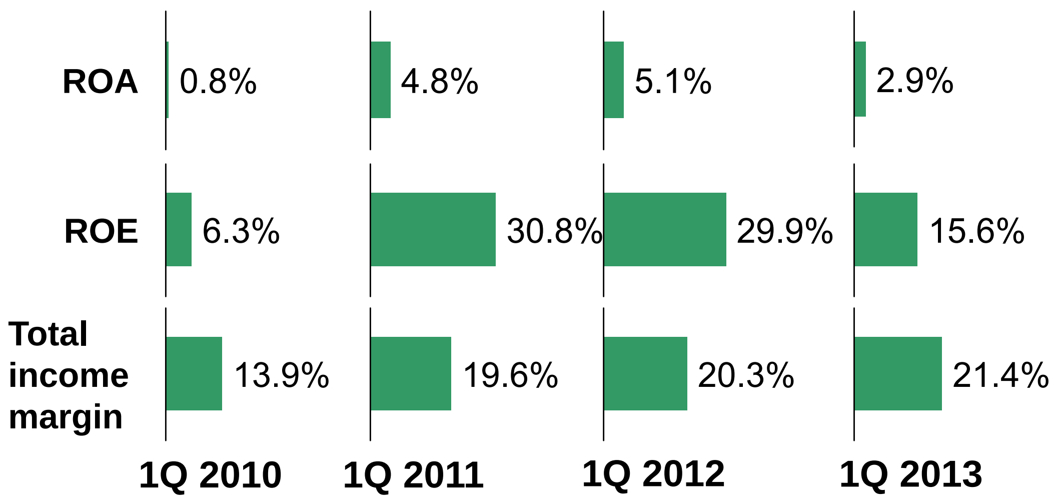
Total income and operating profit (in HUF billion)



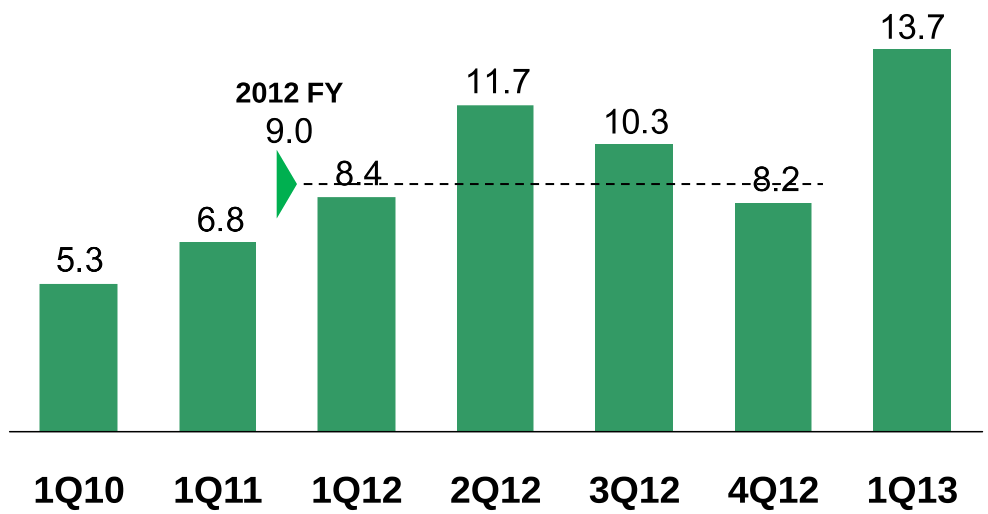
After tax profit (in HUF billion)



Performance indicators (%)



Risk cost rate of consumer loans (%)



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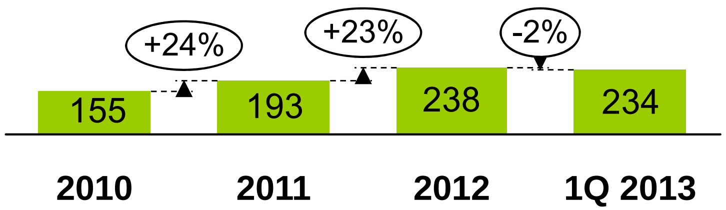
OTP Bank has a solid footprint to benefit from the growth of the Russian consumer loan market despite market growth has shifted away from the POS segment

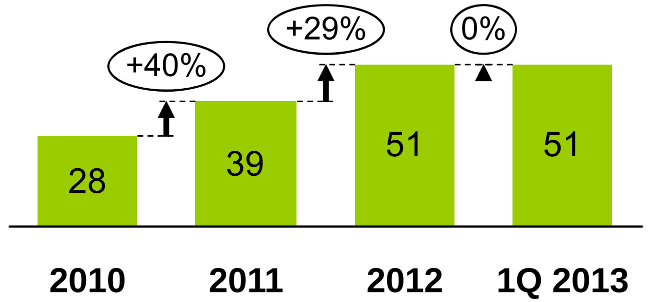
Consumer loan market segment*

Market position of OTP Bank Russia

POS loan market
(RUB billion)

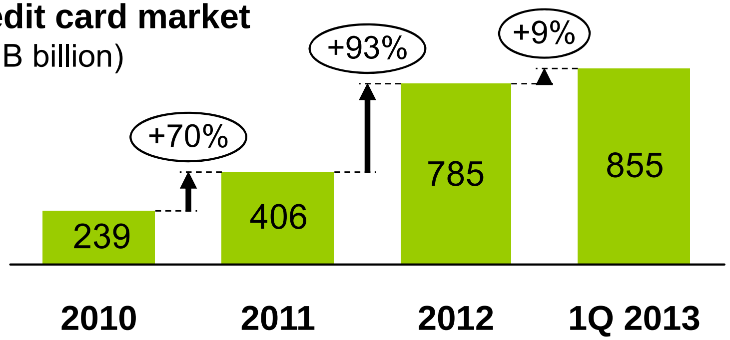


POS loan volumes of OTP Russia

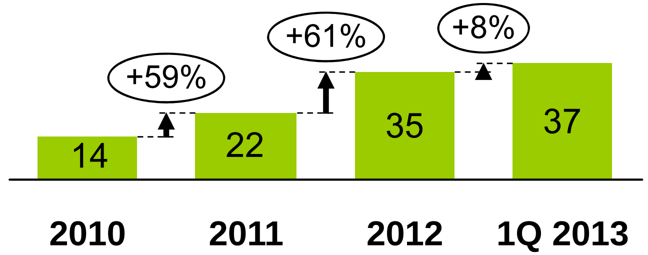


- Sales force:
  5,745 own agents**
  26,403 external agents***
- #2 in the market
- 1Q 2013 market share: 21.7%

Credit card market
(RUB billion)

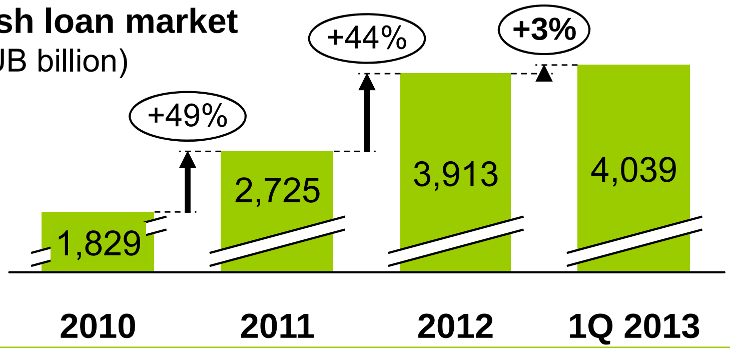


Credit card loan volumes of OTP Russia

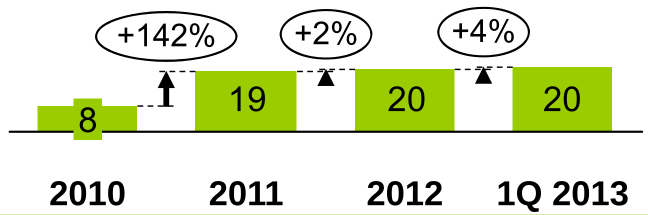


- Cross-sales to POS clients
- #7 in the market
- 1Q 2013 market share: 4.4%

Cash loan market
(RUB billion)



Cash loan volumes of OTP Russia
(including quick cash loans)



- Available in 146 branches
- #27 in the market
- 1Q 2013 market share: 0.5%

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

OTP Bank Russia

Risk cost rates increased at all three segments of consumer lending in 1Q 2013, while provision coverage rates grew in the POS and in the credit card segments

Risk cost rates and provision coverage at OTP Bank Russia (%)

POS loans

	2008	2009	2010	2011	1Q 2012	2Q 2012	3Q 2012	4Q 2012	2012	1Q 2013
Risk cost rate	7.9%	6.2%	7.9%	7.7%	10.7%	13.0%	11.0%	6.2%	9.1%	12.5%
DPD90+ coverage	93.9%	88.0%	90.9%	108.3%	113.3%	106.9%	102.2%	97.0%	97.0%	99.6%

Credit cards

	2008	2009	2010	2011	1Q 2012	2Q 2012	3Q 2012	4Q 2012	2012	1Q 2013
Risk cost rate	18.5%	14.5%	6.8%	10.3%	6.3%	12.2%	10.5%	12.3%	10.5%	16.7%
DPD90+ coverage	89.6%	85.3%	86.4%	86.9%	89.3%	91.4%	88.1%	89.8%	89.8%	94.5%

Cash loans

	2008	2009	2010	2011	1Q 2012	2Q 2012	3Q 2012	4Q 2012	2012	1Q 2013
Risk cost rate	12.2%	11.4%	-4.8%	3.7%	6.2%	8.2%	8.2%	6.1%	6.8%	11.1%
DPD90+ coverage	80.1%	86.9%	94.1%	92.9%	97.0%	102.4%	104.6%	102.9%	102.9%	99.6%

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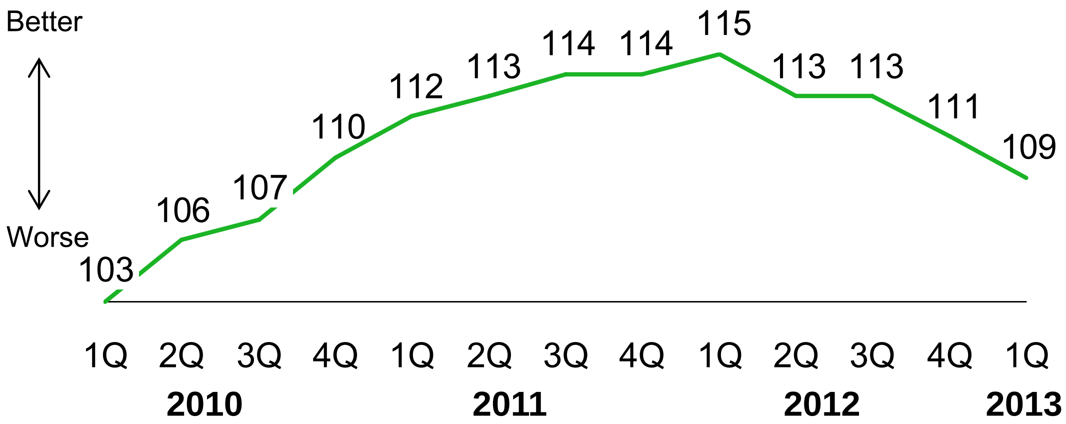
OTP Bank Russia

While consumer loan quality worsened somewhat in the market, OTP Bank Russia's approved POS loans showed stable quality. Collection performance deteriorated considerably

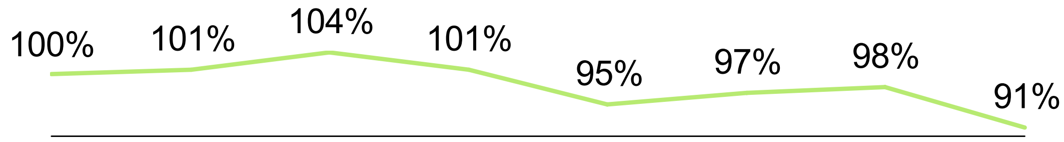
FICO Credit Health Index of the Russian market

Based on consumer loans' and credit cards' 60 days deliquency reported to National Bureau of Credit Histories

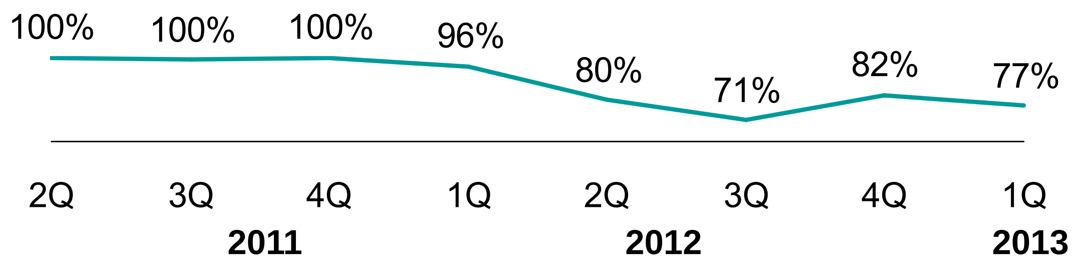


Consumer loan's soft collection efficiency[1] 2Q 2011=100%

at OTP Bank Russia

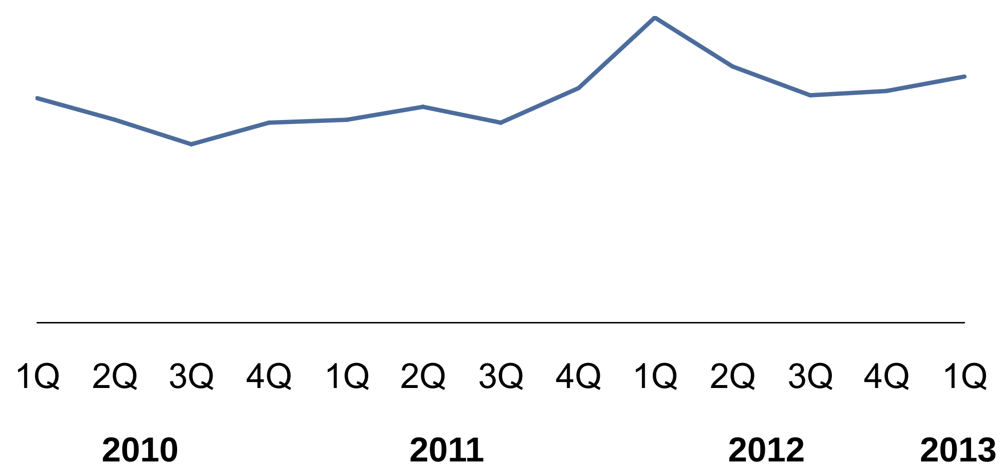


Consumer loan's hard collection efficiency[2] 2Q 2011=100%



7+day First Payment Delinquence (FPD 7+) of POS loans

at OTP Bank Russia



Key factors explaining weaker collection results in 1Q

- Capacity problems at OTP Bank Russia's collection
- Decreasing efficiency of external collectors

Measures taken to improve collection performance

- Hiring new collectors
- Opening new call center in Omsk
- Modifying the incentive scheme of collectors
- Revised strategy of allocating loans to external debt agencies
- Fixed IT-system to support collection activity

Source: FICO, OTP Bank Russia

[1] Measured as 1 minus the multiplication of one-bucket migration rates of deliquency buckets 1-3.

[2] Measured as 1 minus the multiplication of one-bucket migration rates of deliquency buckets 4-13.

OTP Bank Russia

A comprehensive Transformation Project has been launched at OTP Bank Russia

Challenges and opportunities

- Strong position in the already saturating POS loan market, potential for dynamic growth in credit card and cash loans
- Potential ti increase branch penetration
- Significant additional cross selling potential for more than 10 million clients with credit history
- Ever-changing and challenging risk environment, considerable room for improvement in collection

Transformation project (from November 2012)

Improving risk management

- Transformation of the overall credit scoring and collection process
- Systemic renewal of the collection activity
- Risk-based product optimization

Transformation of sales model

- Potential for network enhancement by 300 light branches and cca. 1.000 micro POS sales points* until 2015 in several phases and subject to our experiences
- Introduction of new cash-on-card and prompt card products in POS-network

Enhancing cross-selling

- Improving credit card delivery service and activation
- Broadening cross selling activity in order to reach new target groups
- Automation of cross selling, applying analytical tools in the management of marketing campaigns

Business process reengineering

- Improving the branch sales and call centre processes, moving away from paper-based solutions, improving client service
- Centralized back office to support the branch network
- Integration of central services formerly provided by four banks

IT-system development

- Introduction of standard, integrated IT-system
- Implementation of the CFT system widely used by the Russian banking industry

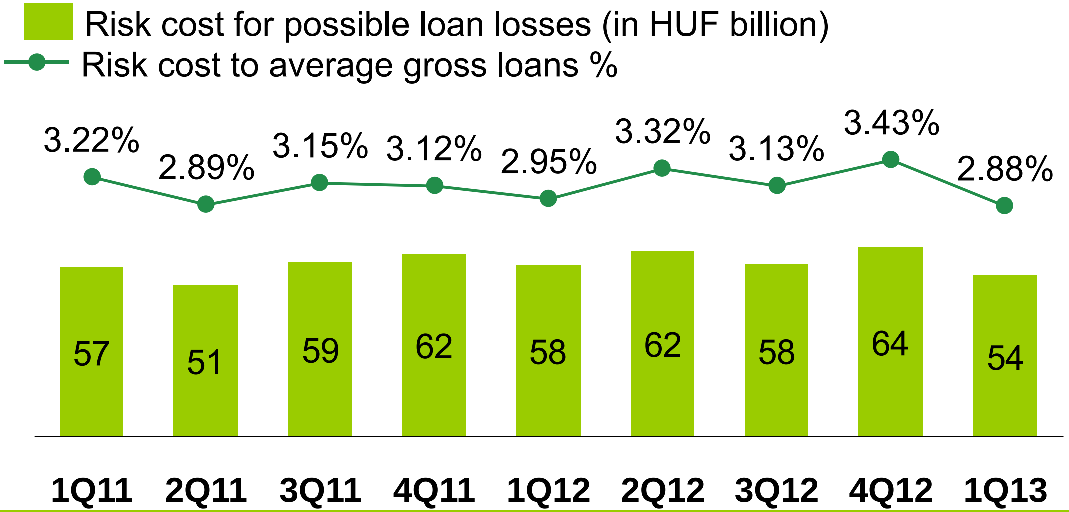
Expected output of the project

- **Improved risk management**
- **Repositioning the bank from a POS lending specialist into a diversified consumer financing service provider and integrated retail bank**
- **Establishing long-term multi-product client relationships parallel with more diversified distribution network**

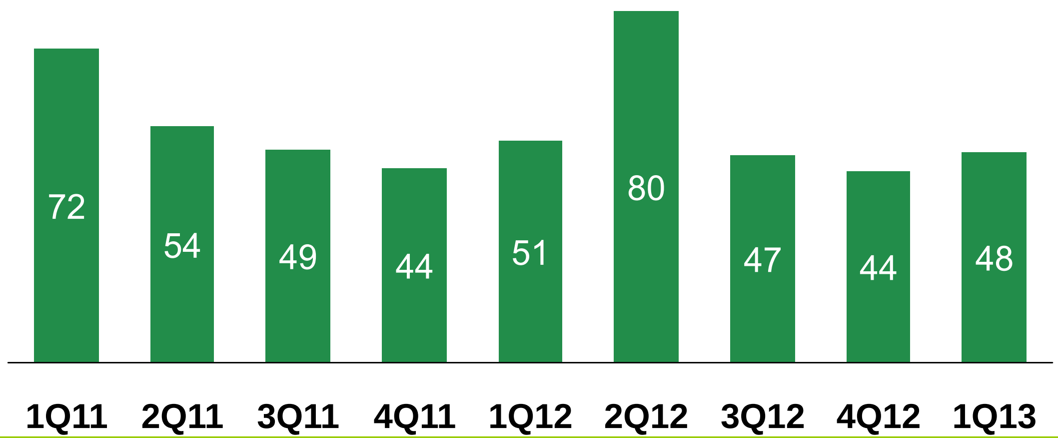
* Cca. 5 square meters stand with 2 agents dedicated for consumer lending in commercial chains.

Due to the still moderate portfolio deterioration, provision coverage ratio reached its highest level in last four years despite the lowest quarterly risk cost rate over the same period

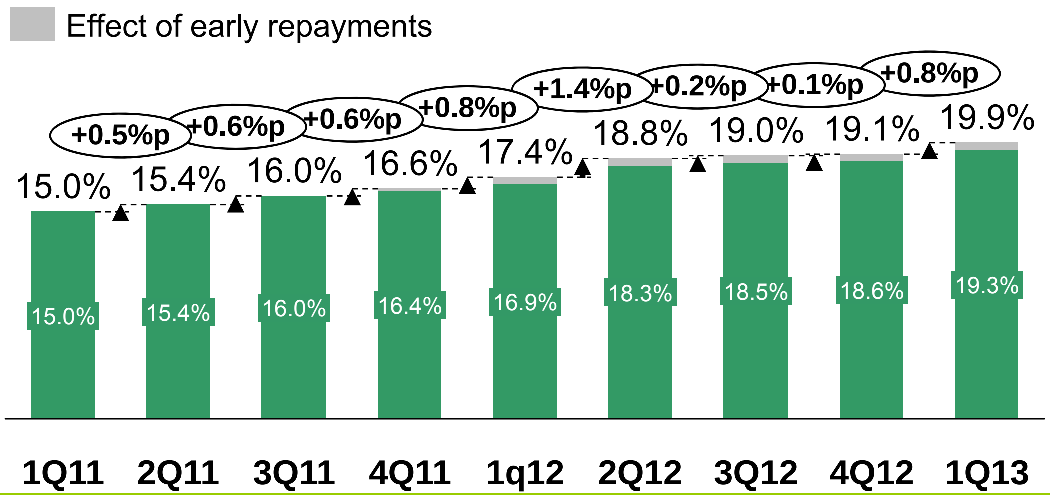
Consolidated risk cost for possible loan losses and its ratio to average gross loans



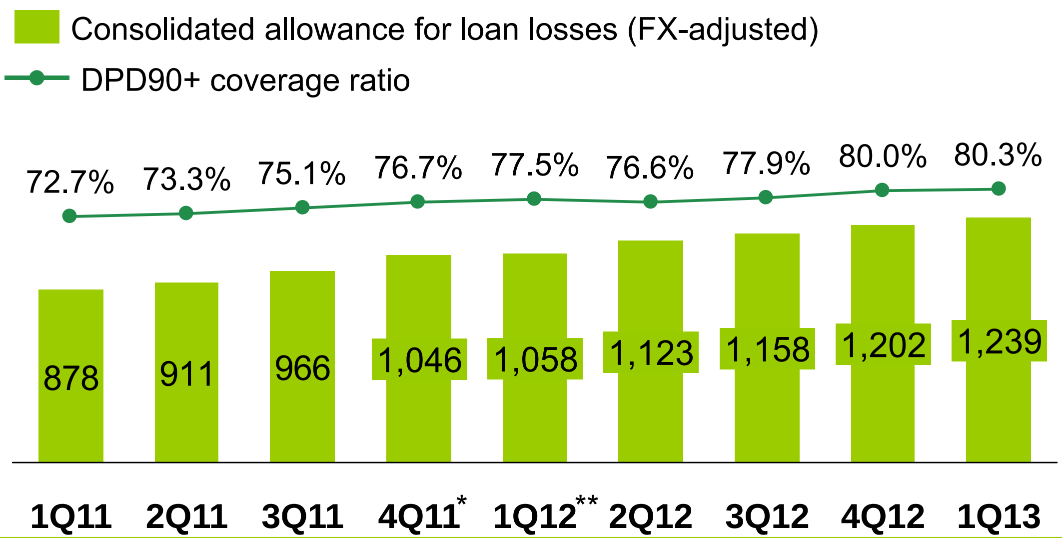
Quarterly change in DPD90+ loan volumes
consolidated, FX-adjusted, in HUF billion



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



Consolidated provision coverage ratio



* Without HUF 36.5 billion provisions accrued for the FX mortgage loan prepayment at end-2011

** Due to an accounting error in 1Q, consolidated gross loans and provisions was reduced retroactively by HUF 15.2 billion each. Consequently, consolidated provisions decreased from HUF 1,045 billion to HUF 1,030 billion, thus the provision coverage of DPD90+ portfolio moderated from 78.6% to 77.5%.

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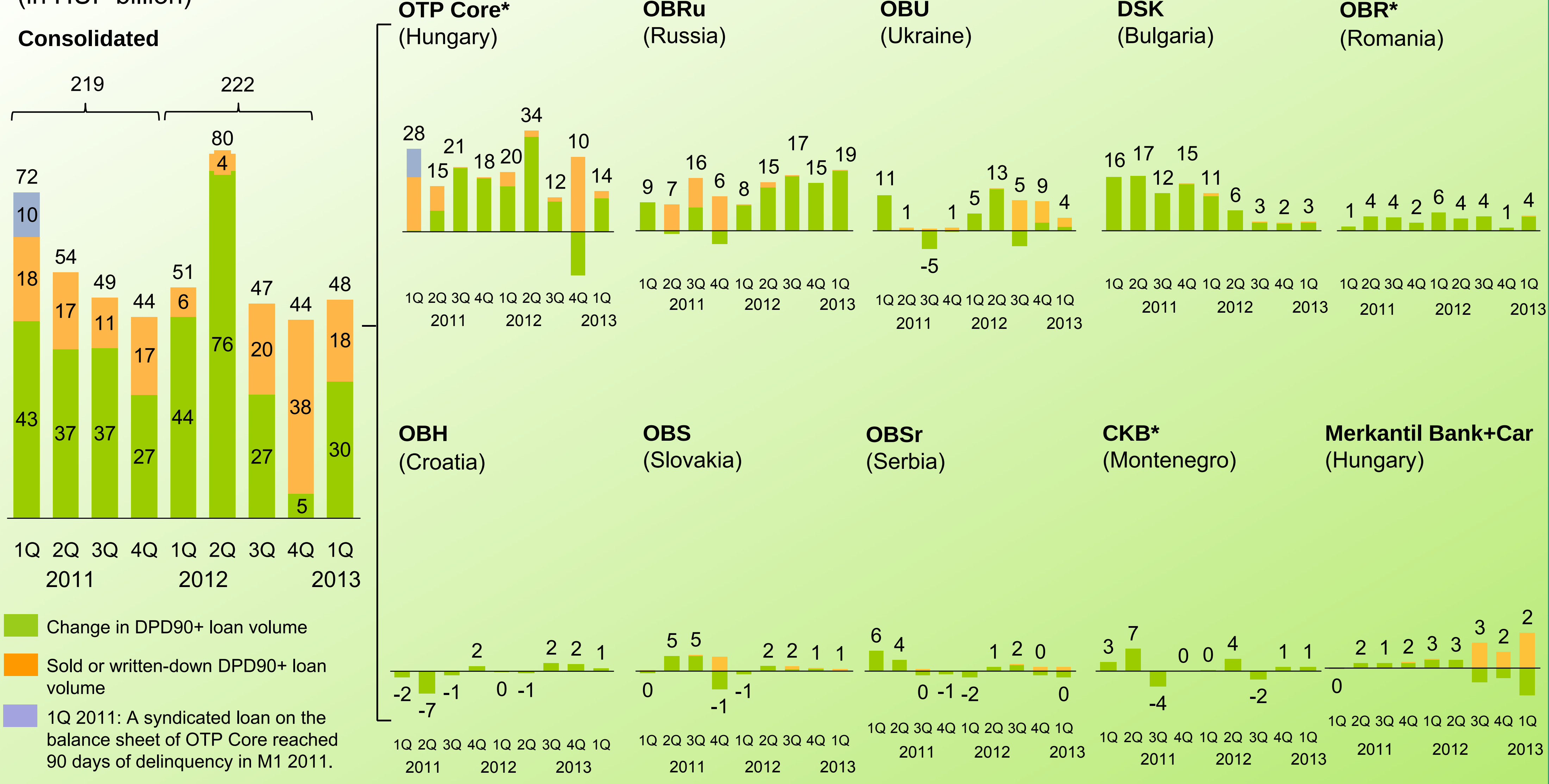
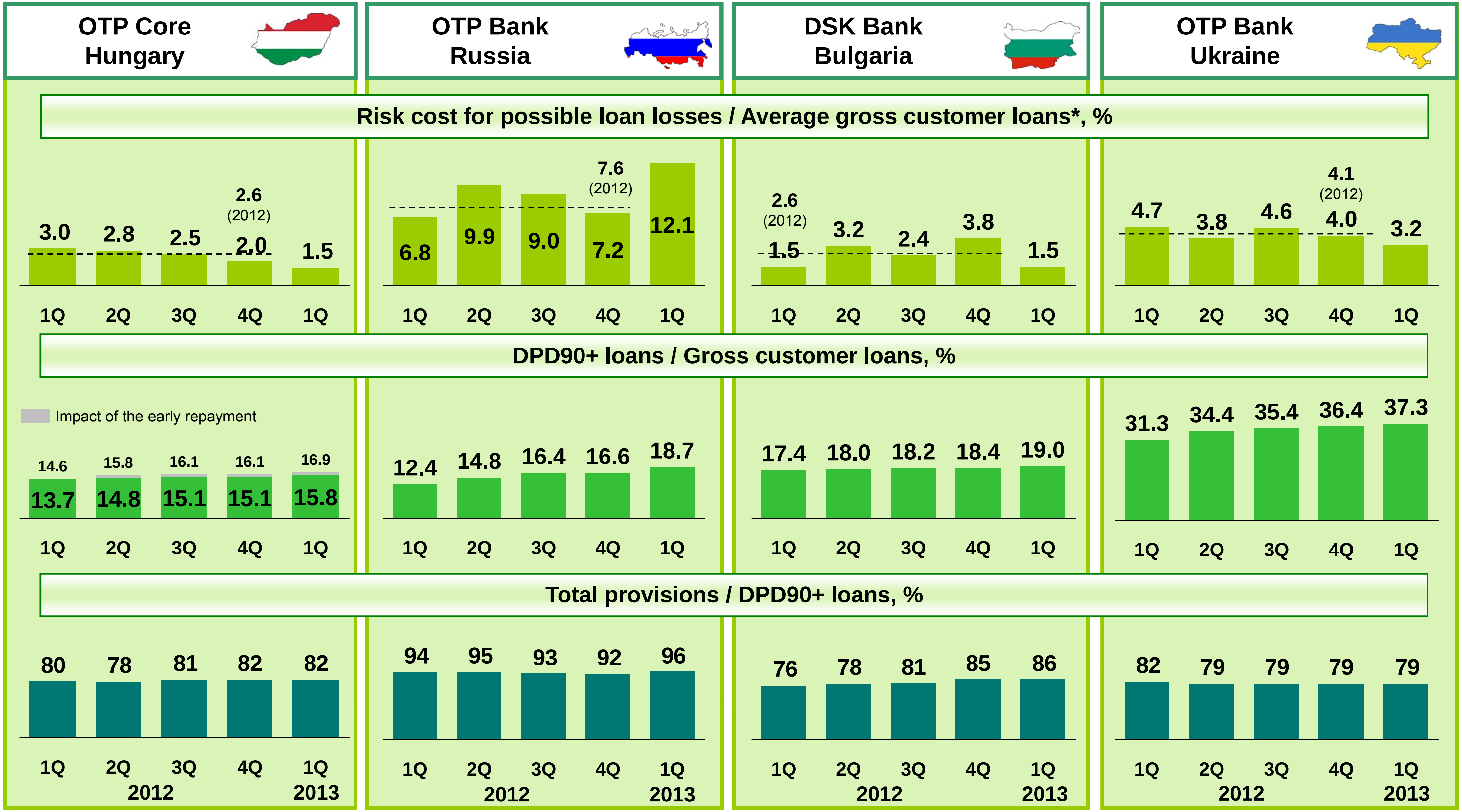
During the first quarter Russian consumer loans, Hungarian FX mortgage loans and the Romanian portfolio showed the highest deterioration. The pace of the Bulgarian portfolio deterioration stabilized at low level

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



* DPD90+ loan formation statistics of both OTP Core and CKB were adjusted for the effect of a portfolio swap between the two companies in 1Q 2011. From legal aspects the portfolio swap was necessary because of the enforceability of the collaterals behind non-performing loans. Similarly, the statistics have been adjusted with the corporate portfolio took over from OTP Romania by OTP Core in 4Q 2011, and from OTP Core by OTP Ukraine in 1Q 2012.

The Hungarian coverage ratio remained stable over the first quarter even with further decrease in risk cost rate. Higher Russian risk cost rate was driven both by portfolio deterioration and improving provision coverage



* Risk cost ratios were adjusted for the revaluation result of FX-denominated provisions.

In the Russian consumer book deterioration was material in all segments, Hungarian mortgages deteriorated further, the Bulgarian and the Ukrainian deterioration was primarily driven by lower loan volumes.

DPD90+ ratio (%)

OTP Core (Hungary)	1Q 12	2Q 12	3Q 12	4Q 12	1Q 13	Q-o-Q (%-point)
Total	**14.6**	**15.8**	**16.1**	**16.1**	**16.9**	***0.8***
Total*	***13.7***	***14.8***	***15.1***	***15.1***	***15.8***	***0.7***
Retail	16.3	17.7	18.4	19.1	20.5	*1.4*
*Retail**	*14.8*	*16.1*	*16.7*	*17.3*	*18.5*	*1.2*
Mortgage	14.5	16.2	16.9	17.6	19.2	*1.6*
*Mortgage**	*12.8*	*14.3*	*14.9*	15.5	16.8	*1.3*
Consumer	23.1	23.6	24.2	24.8	25.5	*0.7*
MSE**	14.0	13.8	13.9	13.8	14.2	*0.4*
Corporate	14.7	16.1	15.4	13.1	12.7	*-0.4*
Municipal	0.2	0.2	0.3	0.6	0.6	*0.0*

DPD90+ ratio (%)

OTP Bank Russia	1Q 12	2Q 12	3Q 12	4Q 12	1Q 13	Q-o-Q (%-point)
Total	**12.4**	**14.8**	**16.4**	**16.6**	**18.7**	***2.1***
Mortgage	10.9	10.9	11.4	12.0	12.7	*0.7*
Consumer	12.7	15.3	16.9	17.0	19.1	*2.1*
Credit card	19.8	20.0	21.3	22.1	23.8	*1.7*
POS loan	10.3	14.3	16.2	15.4	18.1	*2.6*
Personal loan	8.0	9.9	11.1	12.0	13.6	*1.6*

DPD90+ ratio (%)

DSK Bank (Bulgaria)	1Q 12	2Q 12	3Q 12	4Q 12	1Q 13	Q-o-Q (%-point)
Total	**17.4**	**18.0**	**18.2**	**18.4**	**19.0**	***0.6***
Mortgage	19.1	20.4	21.3	21.7	22.0	*0.3*
Consumer	14.7	15.2	15.6	15.7	16.0	*0.3*
MSE**	40.0	39.9	40.8	41.2	42.7	*1.5*
Corporate	12.3	11.9	10.6	11.1	12.4	*1.3*

DPD90+ ratio (%)

OTP Bank Ukraine	1Q 12	2Q 12	3Q 12	4Q 12	1Q 13	Q-o-Q (%-point)
Total	**31.3**	**34.4**	**35.4**	**36.4**	**37.3**	***0.9***
Mortgage	46.9	49.3	51.7	52.8	54.7	*1.9*
Consumer	8.6	9.9	12.3	11.0	8.9	*-2.1*
SME***	56.7	59.6	63.3	64.0	67.3	*3.3*
Corporate	16.1	20.3	19.5	22.6	23.4	*0.8*
Car-financing	40.0	42.8	46.2	43.7	44.6	*0.8*

* Without the effect of early repayment of FX mortgages
** Micro and small enterprises
*** Small and medium enterprises

Lacking straightforward guidance from IFRS, in its annual financial reports OTP classifies its loans in line with local regulation, which is not immediately suitable for analytical purposes

Risk categories under IFRS

- **IFRS7:6**
  When this IFRS requires disclosures by class of financial instrument, an entity shall group financial instruments into classes that are appropriate to the nature of the information disclosed and that take into account the characteristics of those financial instruments. An entity shall provide sufficient information to permit reconciliation to the line items presented in the statement of financial position.
- **IFRS7:34**
  For each type of risk arising from financial instruments, an entity shall disclose:
  - (a) summary quantitative data about its exposure to that risk at the end of the reporting period. This disclosure shall be based on the information provided internally to key management personnel of the entity (as defined in IAS 24 Related Party Disclosures), for example the entity's board of directors or chief executive officer. (…)
  - (c) concentrations of risk if not apparent from the disclosures made in accordance with (a) and (b).
- **IFRS7:36**
  An entity shall disclose by class of financial instrument: (…)
  - (c) information about the credit quality of financial assets that are neither past due nor impaired.
- **IFRS7:37**
  An entity shall disclose by class of financial asset:
  - (a) an analysis of the age of financial assets that are past due as at the end of the reporting period but not impaired; and
  - (b) an analysis of financial assets that are individually determined to be impaired as at the end of the reporting period, including the factors the entity considered in determining that they are impaired.

Definition of risk categories* in the IFRS reports of OTP Group

OTP Core (Hungary)	Risk category is defined by the loan's provision coverage rate, that equals the expected loss. The regulation is based on the Government Decree No.250/2000.
OBRu (Russia)	For loans under collective impairment the risk category is defined by the provision coverage rate. Applicable minimum provisioning rates and risk groups are stipulated in order 254-П of the Russian Central Bank.
DSK (Bulgaria)	Loans are classified in four risk categories in line with the requirements of the Bulgarian National Bank.
OBU (Ukraine)	Risk category is defined by the loan's provision coverage rate, it is based on internal methodology.
OBR (Romania)	The classification is based on internal methodology, which is similar to that of OTP Core, thus based on the Government Decree No.250/2000. Risk category is defined by the loan's provision coverage rate.
OBH (Croatia)	The definition of risk categories is based on a regulation of the Croatian National Bank.
OBS (Slovakia)	Risk category is defined by the loan's delinquency, it is based on internal methodology.
OBSr (Serbia)	The classification is based on the bank's own internal IFRS methodology.
CKB (Montenegro)	Risk category is defined by a regulation of the National Bank of Montenegro.

No standardized definition for risk categories under IFRS

OTP's accounting practice reported in the financial statements follows mostly local regulations, that is not immediately suitable for analytical purposes

* Applied risk groups are the following: performing, to-be-monitored, below average, doubtful, bad.

After clarification of OTP's „old" restructuring definition for retail loans, according to the new methodology restructured retail volumes made up 2.2% of total retail loans in 1Q 2013

Revised 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 anymore, if:
  - the restructuring period with more favourable conditions is over and the client is servicing his loan according to the original terms for more than 12 months, and/or
  - the client is servicing his contract according to the prolonged conditions for more than 12 months.
- Hungarian FX mortgage loans in the fixed exchange rate scheme are not included in the restructured category (their principal was at HUF 158 billion by end-2012).
- 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

	Old methodology		New methodology			
	4Q 2012		4Q 2012		1Q 2013	
	HUF mn	*%**	*HUF mn*	*%***	*HUF mn*	*%***
OTP Core (Hungary)	36,410	1.8%	39,814	1.9%	36,065	1.8%
OBRu (Russia)			80	0.0%	86	0.0%
DSK (Bulgaria)	48,150	5.9%	21,010	2.6%	20,459	2.4%
OBU (Ukraine)	41,164	18.9%	6,157	2.4%	6,665	2.5%
OBR (Romania)	23,215	9.1%	41,104	16.1%	36,828	13.9%
OBH (Croatia)			872	0.4%	915	0.4%
OBS (Slovakia)			726	0.5%	644	0.4%
OBSr (Serbia)			478	1.7%	701	2.3%
CKB (Montenegro)			1,490	2.7%	1,131	1.9%
Merkantil (Hungary)			7,573	3.4%	6,499	3.1%
Other leasing*** (Hungary)			65	0.2%	52	0.2%
TOTAL	**148,939**	**3.2%**	**119,369**	**2.4%**	**110,044**	**2.2%**

* Share out of retail portfolio (without SME)
** Share out of retail + car-financing portfolio (without SME)
*** Merkantil Real Estate Lease + OTP Flat Lease

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Ongoing fiscal consolidation all over the countries of OTP Group. Domestic demand deteriorates and the external demand remains the main factor behind GDP growth. In Croatia export is insufficient to offset weak domestic performance

REAL GDP GROWTH

	2011	2012	2013F	2014F
Hungary	1.6%	-1.7%	1.0%	1.7%
Ukraine	5.2%	0.2%	1.2%	3.0%
Russia	4.3%	3.4%	2.3%	2.3%
Bulgaria	1.8%	0.8%	1.5%	2.3%
Romania	2.2%	0.7%	1.5%	2.6%
Croatia	0.0%	-2.0%	-0.8%	0.6%
Slovakia	3.2%	2.0%	1.1%	2.4%
Serbia	1.6%	-1.7%	0.6%	1.4%
Montenegro	3.2%	-0.5%	1.0%	2.0%

EXPORT GROWTH

	2011	2012	2013F	2014F
Hungary	8.4%	2.0%	4.1%	6.4%
Ukraine	2.2%	-6.0%	0.0%	2.1%
Russia	0.4%	1.4%	1.2%	3.0%
Bulgaria	12.3%	-0.4%	3.9%	6.5%
Romania	11%	-3.1%	-0.4%	3.2%
Croatia	2.0%	0.4%	1.5%	5.2%
Slovakia	12.7%	8.6%	5.2%	5.0%
Serbia	13.9%	3.6%	3.9%	5.8%
Montenegro	37.5%	-19%	7.0%	8.0%

UNEMPLOYMENT

	2011	2012	2013F	2014F
Hungary	10.9%	10.9%	11.4%	11.5%
Ukraine	8.5%	7.3%	8.5%	8.0%
Russia	6.6%	5.5%	6.3%	6.5%
Bulgaria	11.3%	12.3%	12.2%	11.7%
Romania	7.4%	7.0%	6.5%	6.1%
Croatia	17.9%	19.1%	20.5%	19.8%
Slovakia	13.6%	14.0%	14.3%	13.9%
Serbia	23.0%	22.4%	22.3%	22.0%
Montenegro	15.9%	18.7%	18.3%	18.0%

BUDGET BALANCE*

	2011	2012	2013F	2014F
Hungary	4.3%	-1.9%	-2.8%	-2.9%
Ukraine	-1.8%	-3.8%	-4.0%	-4.0%
Russia	0.8%	0.0%	-0.4%	-1.0%
Bulgaria	-2.1%	-0.8%	-1.2%	-1.1%
Romania	-5.2%	-2.9%	-2.9%	-2.8%
Croatia	-5.7%	-3.8%	-4.5%	-4.3%
Slovakia	-5.1%	-4.4%	-3.2%	-3.0%
Serbia	-5.0%	-6.7%	-4.5%	-4.0%
Montenegro	-5.9%	-4.7%	-4.0%	-4.0%

CURRENT ACCOUNT BALANCE

	2011	2012	2013F	2014F
Hungary	1.4%	1.6%	2.6%	4.0%
Ukraine	-5.5%	-7.3%	-5.4%	-3.0%
Russia	5.3%	4.8%	3.3%	3.0%
Bulgaria	0.1%	-1.3%	-1.2%	-2.1%
Romania	-4.4%	-3.9%	-3.2%	-3.5%
Croatia	-0.9%	0.1%	0.3%	-0.2%
Slovakia	-2.1%	2.3%	1.6%	0.6%
Serbia	-9.2%	-11%	-7.7%	-7.0%
Montenegro	-18%	-18%	-17%	-16%

INFLATION

	2011	2012	2013F	2014F
Hungary	3.9%	5.7%	2.3%	2.0%
Ukraine	8.0%	0.6%	7.5%	7.0%
Russia	8.5%	5.1%	6.0%	6.0%
Bulgaria	4.2%	3.0%	3.1%	3.4%
Romania	5.8%	3.3%	4.9%	3.2%
Croatia	2.3%	3.4%	3.1%	2.6%
Slovakia	3.9%	3.6%	2.4%	2.5%
Serbia	11.0%	7.3%	9.8%	4.3%
Montenegro	3.1%	4.0%	3.5%	3.0%

Source: OTP Research
* For EU members deficit under the Maastricht criteria

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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