OTP Group
First quarter 2016 results

Conference call – 13 May 2016

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The consolidated accounting after tax profit was HUF 34.3 billion in 1Q 2016.
The amount of the full year special banking tax related to the Hungarian operation was booked in 1Q.

in HUF billion	1Q 15	4Q 15	1Q 16	Q-o-Q	Y-o-Y
Consolidated after tax profit (accounting)	**1.9**	**26.7**	**34.3**	**28%**	
Adjustments (total)	**-26.5**	**10.1**	**-13.3**		
Dividends and net cash transfers (after tax)	-0.1	0.0	0.1	-774%	-167%
Goodwill/investment impairment charges (after tax)	0.0	4.0	0.0	-100%	
Special banking tax (after tax)	-28.7	-0.3	1 -13.4		-53%
Fine imposed by the Hungarian Competition Authority (after tax)	0.0	-0.7	0.0	-100%	
Effect of acquisitions (after tax)	1.6	0.0	0.0		-100%
Actual and expected one-off impact of regulatory changes related to consumer contracts in Hungary (after tax)	7.4	7.6	0.0	-100%	-100%
Risk cost created toward Crimean exposures from 2Q 2014 (after tax)	0.1	-0.2	0.0	-100%	-100%
Risk cost created toward exposures to Donetsk and Luhansk from 3Q 2014 (after tax)	-1.2	-0.4	0.0	-100%	-100%
Revaluation of reverse mortgage portfolio of OTP Life Annuity Ltd. (after tax)	-5.5	0.0	0.0		-100%
Consolidated adjusted after tax profit	**28.4**	**16.6**	**47.6**	**187%**	**67%**

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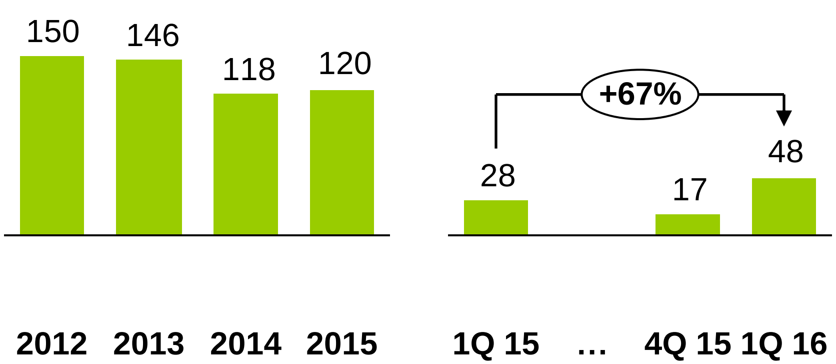
Only one larger adjustment item emerged in 1Q: the HUF 13.4 billion banking tax (after tax). The amount incorporates the whole annual Hungarian banking levy recognized by the Hungarian group members in 1Q, as well as the prorated Slovakian banking tax.

In 1Q 2016 the consolidated adjusted after tax profit increased by 67% y-o-y, and almost tripled q-o-q. The improving profit was mainly supported by the decreasing risk costs whilst the core banking revenues declined q-o-q

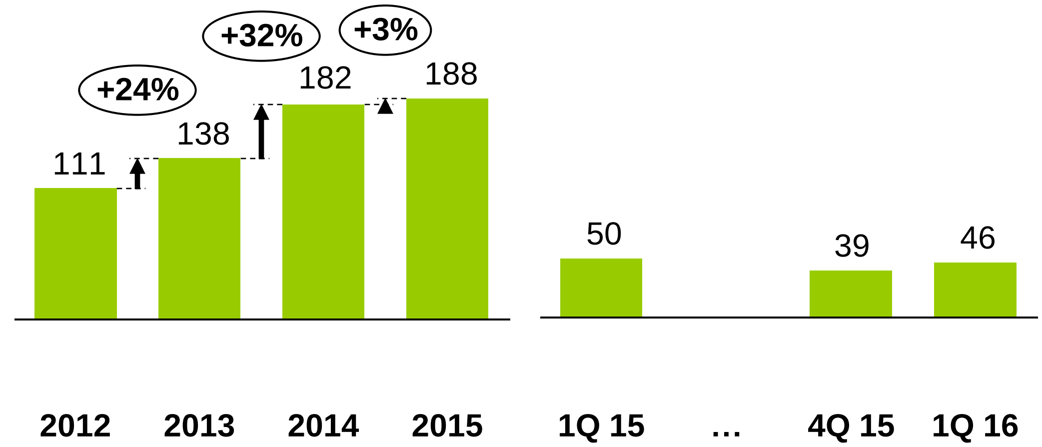
in HUF billion	1Q 15	4Q 15	1Q 16	Q-o-Q	Y-o-Y
Consolidated adjusted after tax profit	**28.4**	**16.6**	**47.6**	**187%**	**67%**
Corporate tax	-2.2	-7.3	-16.4	123%	629%
O/w tax shield of subsidiary investments	*3.0*	*3.1*	*-0.5*	*-117%*	*-117%*
Before tax profit	30.7	23.9	64.0	167%	109%
Total one-off items	-0.3	0.5	0.2	-63%	-152%
Revaluation result of FX swaps at OTP Core	-0.7	-	-		
Gain on the repurchase of own capital instruments	0.0	0.0	0.0		
Result of the Treasury share swap agreement	0.4	0.5	0.2	-63%	-52%
Before tax profit without one-off items	**31.0**	**23.5**	**63.8**	**172%**	**106%**
Operating profit w/o one-off items	95.5	76.2	84.6	11%	-11%
Total income w/o one-off items	189.5	182.8	177.5	-3%	-6%
Net interest income w/o one-off items	142.7	133.3	129.0	-3%	-10%
Net fees and commissions	37.3	43.4	38.8	-11%	4%
Other net non interest income without one-offs	9.5	6.1	9.6	58%	1%
Operating costs	-94.1	-106.6	-92.9	-13%	-1%
Total risk costs	-64.5	-52.7	-20.8	-61%	-68%

In line with the management expectation diverging trends have been easing across the Group: apart from the steadily good performance of the CEE operation, the Ukrainian and Russian subsidiaries returned to profitability in 1Q

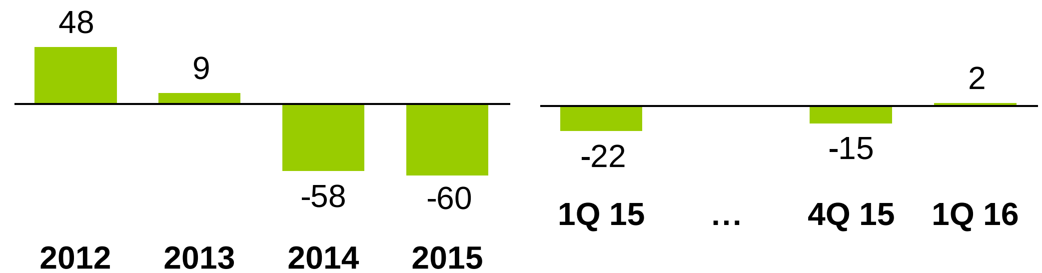
Consolidated adjusted after tax profit
(in HUF billion)



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



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



[1] Total result of CEE operations does not include the result of Corporate Centre, foreign asset management companies, other Hungarian and foreign subsidiaries and eliminations. Their aggregated results amounted to HUF -8.8 bn in 2012, -0.9 bn in 2013; -6.8 bn in 2014, -3.1 bn in 2015, 0.3 bn in 1Q 2015, -0.3 bn in 2Q 2015, -1.1 bn in 3Q 2015, -6.8 bn in 4Q 2015 and -1.3 bn in 1Q 2016, respectively.

The Russian and Ukrainian operations in total contributed HUF 2.4 billion to the consolidated earnings in 1Q, marking a sharp turnaround compared to the mainly loss-making quarters in the last two years

	2014	2015	Y-o-Y	1Q 15	4Q 15	16 1Q	Q-o-Q	Y-o-Y
	in HUF billion			in HUF billion				
Consolidated adjusted after tax profit	**118.0**	**120.2**	**2%**	**28.4**	**16.6**	**47.6**	**187%**	**67%**
CEE operation (adjusted)	**182.5**	**188.4**	**3%**	**49.8**	**38.6**	**46.4**	**20%**	**-7%**
OTP Core (Hungary)	137.4	123.4	-10%	29.4	27.9	28.9	4%	-2%
DSK (Bulgaria)	39.2	52.5	34%	17.6	10.7	13.8	29%	-22%
OBR (Romania)	0.8	1.5	94%	0.4	-1.0	0.6	-160%	53%
OBH (Croatia)	0.1	3.0		0.1	0.5	0.8	61%	
OBS (Slovakia)	0.0	0.9		0.4	-0.2	0.4	-277%	-20%
OBSrb (Serbia)	0.1	-0.4	-864%	0.1	-0.8	0.0	-104%	-73%
CKB (Montenegro)	0.4	0.9	132%	0.1	-0.3	0.1	-140%	78%
Leasing (HUN, RO, BG, CR)	-1.6	1.8	-213%	0.4	0.2	0.8	317%	100%
OTP Fund Management (Hungary)	6.1	4.8	-22%	1.3	1.6	1.0	-37%	-24%
Russian and Ukrainian operation (adjusted)	**-57.7**	**-60.3**	**4%**	**-21.6**	**-15.3**	**2.4**	**-116%**	**-111%**
OBRU (Russia)	-14.5	-15.1	4%	-10.7	0.0	2.6		-124%
Touch Bank (Russia)		-4.8		-0.7	-2.1	-1.1		
OBU (Ukraine)	-43.2	-40.3	-7%	-10.2	-13.2	0.9	-107%	-108%
Corporate Centre & Others	**-6.8**	**-7.9**	**17%**	**0.3**	**-6.8**	**-1.3**	**-81%**	**-590%**

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Miscellaneous

Hungary – special banking taxes in 2017	According to the 2017 draft budget submitted to the Parliament on 26 April 2016 the amount of the special tax on financial institutions will be reduced by HUF 12.7 billion on the sector level y-o-y. The rolling tax base will be the adjusted balance sheet total at the actual calendar year minus two years (i.e. for the 2017 banking tax calculation the end-2015 adjusted total assets must be used). The applicable tax rate will be cut to 0.21% from the current 0.24%. Furthermore, the contribution tax effective since 2006 will be abolished. In 2016 HUF 6.3 billion was booked on that line within the central budget revenues. Accordingly, on a sector level the overall burden will be reduced by HUF 19 billion y-o-y. The draft budget has not proposed any changes to the current rules of the financial transaction tax. According to the preliminary estimation of OTP Bank, against the HUF 16.1 billion banking tax paid in 2016 by the Hungarian group members, the burden will shrink to HUF 14.5 billion in 2017 (before tax). As for the contribution tax, after HUF 2.1 billion expected burden in 2016 the Bank is looking for HUF 1.9 billion due amount for 2017. Thus, with a lower banking tax being implemented and the contribution tax being entirely abolished the total special tax burden at OTP Bank and its local operations will decline by HUF 3.5 billion in 2017 (before tax). The banking tax has been booked among the adjustment items on consolidated level, whereas the contribution tax has been part of the operating expenses on the other non-interest expenses line.
Croatian CHF conversion	The conversion programme (from CHF into EUR) has been started in 4Q 2015 in line with the relevant Act. By 31 March 2016 the process was largely completed and 84% of the eligible portfolio has already been converted.
Romanian CHF conversion	The CHF mortgage loan conversion program started on 9 December 2015 and by 29 April 2016 practically all eligible clients were notified about the bank's offer. Out of those around 68% have already accepted the conditions and bulk of them signed the new contract. Around 20% of clients turned down the conversion offer. Applications for the remaining group of clients showing interest are currently being processed and might last until 30 June 2016. The conversion technically will be completed by 31 August 2016.
Romanian foreclosure law	On April 28 2016 Romania's President Mr. Klaus Johannis signed the amendment on the foreclosure law that enables mortgage borrowers to hand back the real estate serving as collateral behind the mortgage loan in exchange for discharge of the total mortgage loan obligation even if the value of the collateral does not cover the total payment obligations arising from the loan contract. Loans disbursed under the Prima Casa program as well as loans above EUR 250,000 are exempt from the Act.
Update on Visa transaction	According to the notification from Visa on 22 April 2016 there are changes compared to what the Company flagged in its 2015 4Q Stock Exchange Report. Accordingly the expected positive impact after the sale of OTP Group members' stake in Visa Europe will result in a higher cash component and compensation in form of preferred Visa Inc. shares, because the maximum amount of the earn-out component was reduced. The cash payment will be made later than originally expected, however the exact amount is not known yet.

In 1Q total revenues declined q-o-q. The Russian and Ukrainian total income increased in local currency, in Hungary the decrease was reasoned mainly by the weaker net interest income

	TOTAL INCOME – 1Q 2016 without one-off items (HUF billion)	Q-o-Q change (HUF billion)	Q-o-Q change (%)	FX adjusted Q-o-Q change of DPD0-90 loans (%)	FX adjusted Q-o-Q change of deposits (%)
OTP Group	178	-5	-3%	0%	-1%
OTP CORE (Hungary)	88	-4	-4%	2%	0%
DSK (Bulgaria)	27	-3	-9%	0%	0%
OBRU (Russia)	23	-3	-10%/2%[1]	-6%	-10%
Touch Bank (Russia)	0		n. a.		68%
OBU (Ukraine)	11	3	37%/55%[1]	3%	-3%
OBH (Croatia)	7	0	0%	-2%	-3%
OBS (Slovakia)	4	0	-3%	0%	-1%
OBR (Romania)	7	1	27%	-6%	-2%
CKB (Montenegro)	2	0	-9%	1%	-5%
OBSrb (Serbia)	2	0	-14%	10%	11%
Others[2]	6				

Contribution of foreign subsidiaries: **47%**

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

1Q net interest income declined by 3% q-o-q mainly due to the weaker performance of Hungary and Russia

NET INTEREST INCOME – 1Q 2016 (HUF billion)			Q-o-Q (HUF bn)	Q-o-Q (%)
OTP Group	100%	129	-4	-3%
OTP CORE (Hungary)	45%	58	-3	-5% (1)
DSK (Bulgaria)	17%	21	0	-2%
OBRU (Russia)	16%	20	-2	-7%/6%[1] (2)
Touch Bank (Russia)	0%	0		-169%
OBU (Ukraine)	6%	8	1	22%/37[1] (3)
OBH (Croatia)	4%	5	0	3%
OBS (Slovakia)	3%	4	0	-3%
OBR (Romania)	4%	5	0	-1%
CKB (Montenegro)	1%	2	0	2%
OBSrb (Serbia)	1%	1	0	-10%
Merkantil (Hungary)	3%	4	-1	-13%

1 At OTP Core the net interest income decreased by HUF 3.2 billion q-o-q, of which almost half was attributable to negative FVA of derivative instruments.

2 Net interest income grew by 6% q-o-q in rouble terms, and owing to the decreasing funding costs the net interest margin improved q-o-q by 180 bps in rouble (in HUF terms NIM remained unchanged q-o-q due to the diverging quarterly development of the average and closing HUF/RUB exchange rates).

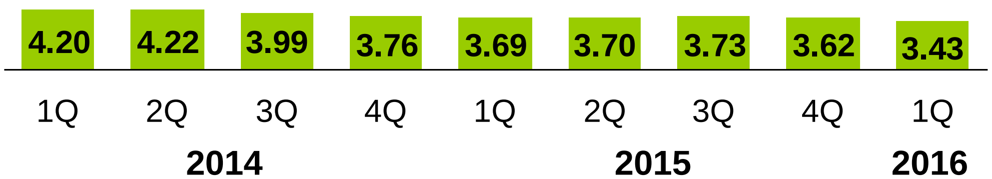
3 NII increase is partially attributable to the drop of interest expenses due to the conversion of intra-group financing and subordinated debt into equity in mid- December 2015. It was also positive that the pace of mortgage loans' restructuring slowed further down. It was further supported by the step-up in the interest rate of the restructured mortgages.

[1] Changes in local currency

At OTP Core and DSK Bank margins deteriorated q-o-q. In Russia margins widened in RUB terms (remained flat in HUF terms), whereas in Ukraine the net interest margins sharply recovered

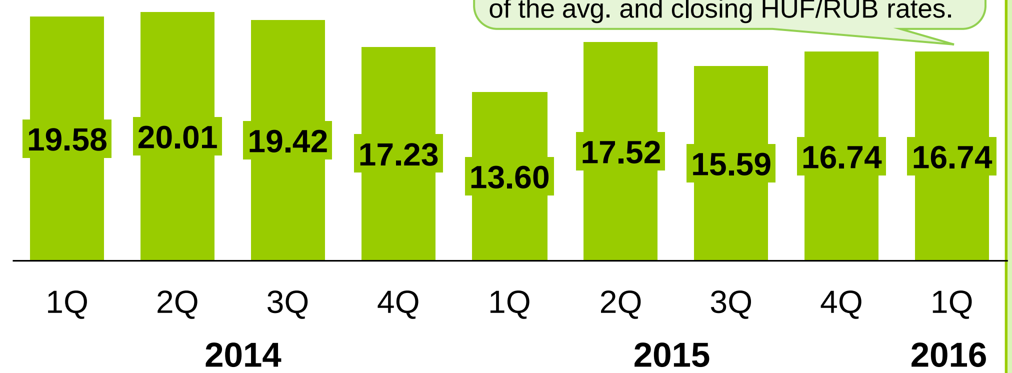
Net interest margin (%)

OTP Core Hungary

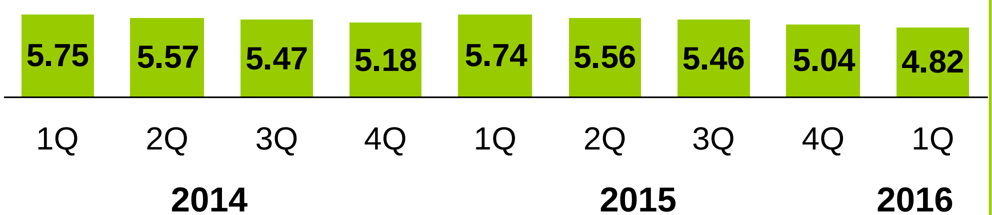


OTP Bank Russia

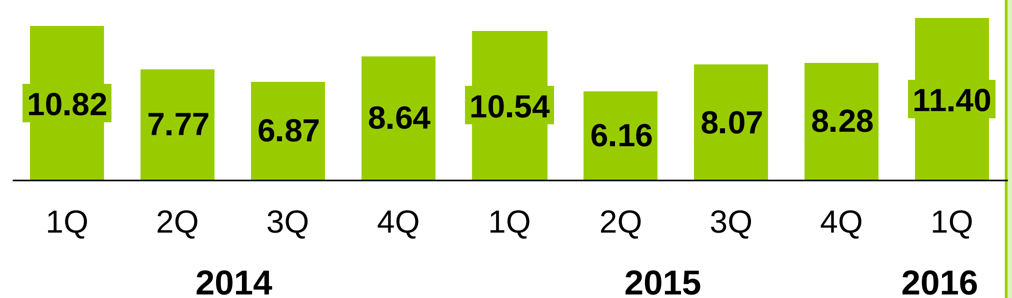
NIM widened by 180 bps in RUB terms q-o-q. In HUF terms it did not change q-o-q due to the diverging development of the avg. and closing HUF/RUB rates.



DSK Bank Bulgaria



OTP Bank Ukraine



In 1Q 2016 the consolidated net loan to deposit ratio slightly increased q-o-q

Loan to deposit ratio, % (31 March 2016)

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

Change of net loan to deposit ratio, FX-adjusted

	Net loan to deposit	Gross loan to deposit	Q-o-Q	Y-o-Y
OTP Group*	67%	81%	1%p	-6%p
OTP CORE* (Hungary)	48%	54%	1%p	-3%p
OBRU (Russia)	104%	140%	4%p	2%p
DSK (Bulgaria)	67%	78%	0%p	-9%p
OBU (Ukraine)	89%	207%	4%p	-49%p
OBR (Romania)	138%	160%	-3%p	-16%p
OBH (Croatia)	84%	94%	0%p	-1%p
OBS (Slovakia)	94%	101%	1%p	8%p
OBSrb (Serbia)	92%	130%	-12%p	-26%p
CKB (Montenegro)	69%	107%	4%p	-5%p

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

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

At OTP Core the q-o-q improvement was induced by the outstanding corporate loan origination, but consumer loans and SME loans increased, too. 1Q 2016 was the first period in many quarters that saw an increase in the FX-adjusted gross loan volumes (+2% q-o-q). The total deposit book remained stable q-o-q.

In Ukraine the q-o-q higher ratio was partially reasoned by contracting deposits as well as new corporate client acquisitions; retail loan volumes kept on melting down.

In Russia the ratio edged up q-o-q as 10% of the deposits flew out of the bank in the wake of pricing steps, which was mitigated by the further declining loan volumes q-o-q.

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

At OTP Core the performing loans increased q-o-q for the first time since 4Q 2010 due to the excellent development of the corporate portfolio. The quarterly decrease in Romania was partially reasoned by the CHF conversion program. The Russian consumer portfolio eroded further, while the Ukrainian corporate lending activity picked up

DPD0-90 volumes

Q-o-Q loan volume changes in 1Q 2016, adjusted for FX-effect

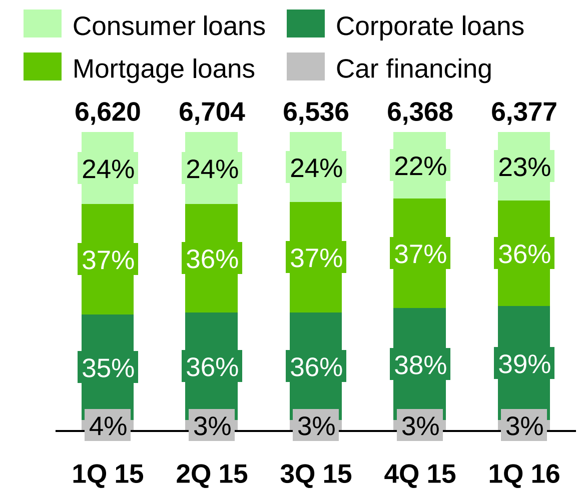
	Cons.	Core (Hungary)	DSK (Bulgaria)	OBRu (Russia)	Touch Bank (Russia)	OBU (Ukraine)	OBR (Romania)	OBH (Croatia)	OBS (Slovakia)	OBSr (Serbia)	CKB (Montenegro)
Total	0%	2%	0%	-6%		3%	-6%	-2%	0%	-1%	1%
Consumer	-1%	4%	0%	-7%		-6%	-5%	0%	4%	2%	1%
Mortgage	-2%	-2%	-1%	-4%		-2%	-7%	-4%	0%	-1%	-3%
Corporate[1]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

Y-o-Y loan volume changes in 1Q 2016, adjusted for FX-effect

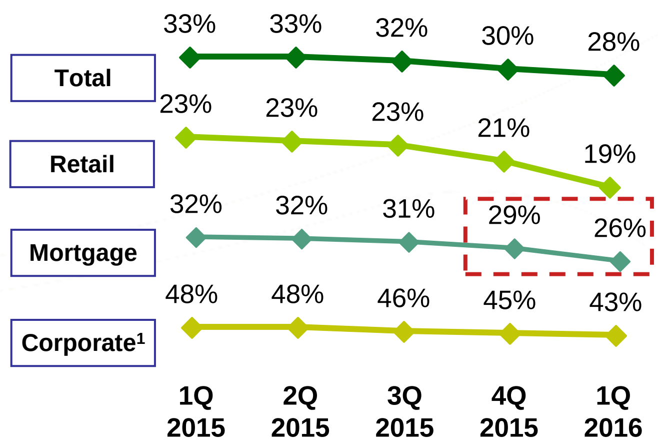
	Cons.	Core (Hungary)	DSK (Bulgaria)	OBRu (Russia)	Touch Bank (Russia)	OBU (Ukraine)	OBR (Romania)	OBH (Croatia)	OBS (Slovakia)	OBSr (Serbia)	CKB (Montenegro)
Total	-3%	-1%	2%	-21%		-18%	-9%	-2%	6%	15%	-7%
Consumer	-6%	-5%	0%	-21%		-25%	-11%	1%	26%	9%	10%
Mortgage	-8%	-8%	-2%	-28%		-29%	-13%	-5%	-1%	-3%	-5%
Corporate[1]	4%	8% / 7%[2]	9%	-13%		-15%	-3%	-1%	7%	23%	-17%
Car financing	-5%					-15%					

Gross loan volumes

Breakdown of the consolidated volumes



Proportion of FX loans in the consolidated loan portfolio



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

[2] Loans of the Hungarian group members to Hungarian companies: the estimate for volume change is based on the balance sheet data provision to the central bank, calculated from the „Loans to non-financial and other-financials companies" line.

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The consolidated deposit base shrunk by 1% q-o-q. The Hungarian and Bulgarian deposit volumes are stable, while the deposit base of Touch Bank is dynamically growing

Q-o-Q deposit volume changes in 1Q 2016, adjusted for FX-effect

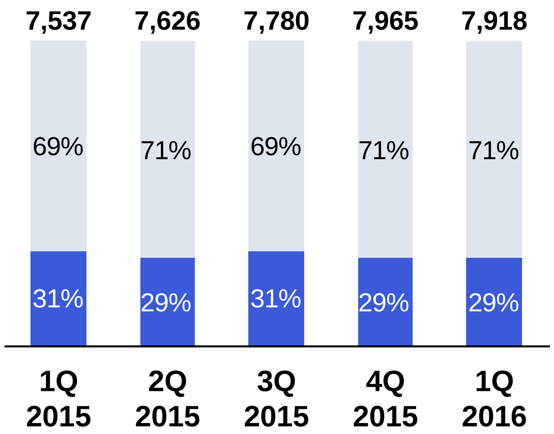
	Cons.	Core (Hungary)	DSK (Bulgaria)	OBRu (Russia)	Touch Bank (Russia)	OBU (Ukraine)	OBR (Romania)	OBH (Croatia)	OBS (Slovakia)	OBSr (Serbia)	CKB (Monte-negro)
Total	-1%	0%	0%	-10%	68%	-3%	-2%	-3%	-1%	11%	-5%
Retail	-1%	-1%	1%	-3%	68%	-1%	-1%	-2%	-4%	2%	-3%
Corporate[1]	0%	2%	-4%	-27%		-5%	-3%	-6%	6%	21%	-9%

Y-o-Y deposit volume changes in 1Q 2016, adjusted for FX-effect

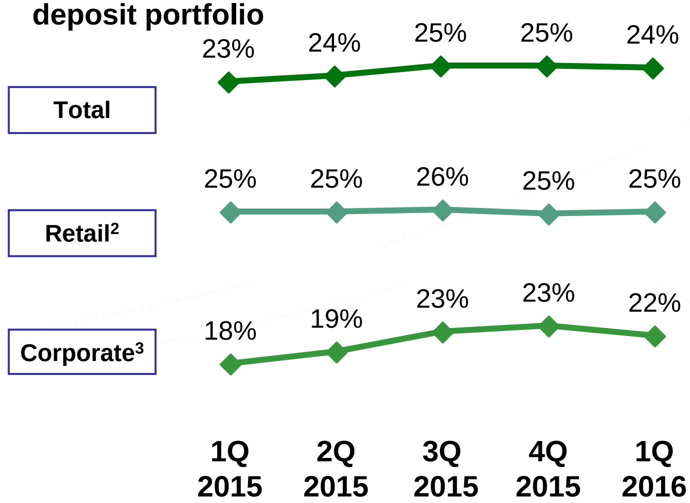
	Cons.	Core (Hungary)	DSK (Bulgaria)	OBRu (Russia)	Touch Bank (Russia)	OBU (Ukraine)	OBR (Romania)	OBH (Croatia)	OBS (Slovakia)	OBSr (Serbia)	CKB (Monte-negro)
Total	4%	4%	14%	-22%	n.a.	7%	3%	-2%	-3%	43%	0%
Retail	4%	8%	9%	-14%	n.a.	2%	-5%	-3%	-8%	10%	-4%
Corporate[1]	4%	-1%	38%	-41%		12%	13%	9%	7%	90%	10%

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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The net fee and commission income declined by 11% q-o-q due to seasonality and recurring one-off item at OTP Core. The y-o-y comparison provides better insight: the 4% growth is mainly reasoned by stronger OTP Core and Bulgaria

NET FEE AND COMMISSION INCOME – 1Q 2016 (HUF billion)	Share		Y-o-Y (HUF billion)	Y-o-Y (%)
OTP Group	100%	38.8	1.5	4%
OTP CORE (Hungary)	59%	22.7	1.4	7% (1)
DSK (Bulgaria)	15%	5.8	0.5	9%
OBRU (Russia)	7%	2.9	-0.2 / 1.4	-7%/7%[1] (2)
Touch Bank (Russia)	0%	0	-0.1	
OBU (Ukraine)	5%	2.0	0.2	9%/35%[1] (3)
OBH (Croatia)	3%	1.2	0.0	-1%
OBS (Slovakia)	2%	0.7	-0.2	-20%
OBR (Romania)	2%	0.7	-0.3	-26% (4)
CKB (Montenegro)	1%	0.6	0.0	1%
OBSrb (Serbia)	1%	0.4	0.0	-4%
Fund mgmt. (Hungary)	4%	1.6	-0.3	-17% (5)

1 Higher deposits and card transactions-related fee income due to 30% y-o-y growth of POS transactions. The reclassification of agent commission expenses into NII from 4Q 2015 played a positive role (HUF 0.25 billion impact). The financial transaction tax on card transactions was paid in a lump-sum in 1Q for the whole year of 2015 and 2016, as well (HUF 1.6 billion).

2 Net fees grew by 7% in RUB terms due to the cash loan with insurance disbursements, and the decrease of commissions paid to agencies.

3 The y-o-y 35% surge of net fees in UAH terms was due to the repayment of the subordinated debt facility to third party in 4Q 2015 as no further guarantee fee expenses occurred.

4 The cap on interchange fees effective since December 2015 was a drag on the Romanian net fee and commission income.

5 The decline was driven mainly by the decrease of assets under management.

[1] Changes in local currency

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The other net non-interest income significantly improved q-o-q due to the higher Hungarian, Ukrainian and Romanian result

OTHER NET NON-INTEREST INCOME – 1Q 2016 without one-off items (HUF billion)	Share	1Q 2016	Q-o-Q (HUF billion)	Q-o-Q (%)
OTP Group	100%	9.6	3.5	58%
OTP CORE (Hungary)	76%	7.3	1.3	22% (1)
DSK (Bulgaria)	-2%	-0.2	-2.2	-108% (2)
OBRU (Russia)	-4%	-0.4	-0.8	-196%/-209%[2]
Touch Bank (Russia)	0%	0		84%
OBU (Ukraine)	6%	0.6	1.8	-149%/-155%[2]
OBH (Croatia)	8%	0.7	0.1	9%
OBS (Slovakia)	1%	0.1	0.1	
OBR (Romania)	11%	1.1	1.7	-251% (3)
CKB (Montenegro)	0%	0.0	0.0	-41%
OBSrb (Serbia)	1%	0.1	-0.1	-46%
Others[1]	3%	0.3	1.6	-122%

1. At OTP Core the other net non-interest income further improved q-o-q due to securities gains realized on property investment funds, and also supported by FX-gains.

2. In Bulgaria the lower other net non-interest income can be explained mostly by the volatility of unrealized result on intragroup swap deals.

3. In Romania the HUF 1.7 billion jump in other revenues is related to negative items emerged in 4Q 2015 in the amount of altogether HUF 1.7 billion. O/w HUF 0.8 billion contraction was explained by one-off items: asset write offs related to the branch closures in 4Q, real estate revaluation losses, negative results realized on real estate sales and write-down of one of the IT-systems. In addition to this, HUF 0.9 billion q-o-q decline was due to items booked in relation to the restructuring and merger with Banca Millennium that reduced other revenues (these were offset on the provision for loan losses and other provisions line).

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

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Consolidated operating costs in 1Q moderated slightly y-o-y due to the significant Russian operating cost decrease

OPERATING COSTS – 1Q 2016 (HUF billion)	Share		Y-o-Y (HUF bn)	Y-o-Y (%)	Y-o-Y (FX-adj., HUF bn)	Y-o-Y (FX-adj., %)
OTP Group	100%	93	-1	-1%	1	1%
OTP CORE (Hungary)	52%	48	1	2%	1	2% (1)
DSK (Bulgaria)	11%	10	1	10%	1	9% (2)
OBRU (Russia)	10%	10	-3	-26%	-2	-15% (3)
Touch Bank (Russia)	1%	1	0	44%	1	65%
OBU (Ukraine)	4%	3	-1	-14%	0	6%
OBH (Croatia)	5%	5	0	2%	0	0%
OBS (Slovakia)	3%	3	0	0%	0	-1%
OBR (Romania)	5%	5	0	-7%	0	-7%
CKB (Montenegro)	2%	2	0	1%	0	0%
OBSrb (Serbia)	2%	2	0	1%	0	1%
Merkantil (Hungary)	2%	1	0	-4%	0	-4%

1 At OTP Core on a y-o-y base costs grew by 2%, by around HUF 1.2 billion, of that HUF 0.4 billion is explained by the higher contributions paid to the supervisory authorities. Furthermore, deductible taxes increased by HUF 0.8 billion mainly due to the higher amount of local government tax and innovation contribution.

2 The y-o-y higher operating expenses of DSK are mainly reasoned by higher amortization (+28%), but increasing marketing, IT and personnel expenses also played a role.

3 As a result of cost rationalisation 1Q operating expenses decreased by 15% y-o-y in RUB terms in spite of the 8.4% average 1Q Russian inflation rate. In line with the decreasing number of employees and smaller operation personnel expenses and other expenses declined.

OTP Core

The 1Q 2016 performance of OTP Core was driven by lower net interest income and declining risk costs

OTP CORE (in HUF billion)	1Q 15	4Q 15	16 1Q	Q-o-Q	Y-o-Y
Before tax profit without one-off items	**35.6**	**31.9**	**39.5**	**24%**	**11%**
Operating profit w/o one-off items	39.7	40.5	40.3	0%	2%
Total income w/o one-off items	86.7	92.6	88.5	-4%	2%
Net interest income w/o one-off items	63.8	61.6	1 58.4	-5%	-8%
Net fees and commissions	21.3	25.0	22.7	-9%	7%
Other net non interest income without one-offs	1.6	6.0	7.3	22%	367%
Operating costs	-47.0	-52.2	2 -48.2	-8%	2%
Total risk costs	-4.0	-8.6	3 -0.8	-91%	-81%

1 In 1Q the net interest income decreased by HUF 3.2 billion q-o-q (-5%), of which almost half was attributable to negative fair value adjustment (FVA) of derivative instruments.

2 In 1Q operating expenses decreased by 8% q-o-q mainly due to seasonal effects. On a y-o-y base costs grew by 2%, by around HUF 1.2 billion, of that HUF 0.4 billion is explained by the higher contributions paid into the Deposit Protection Fund (OBA), the Investor Protection Fund (Beva), as well as fees paid into the Resolution Fund. Furthermore, deductible taxes increased by HUF 0.8 billion mainly due to the higher amount of local government tax and innovation contribution.
Contributions into the different funds comprised HUF 6.6 billion in 2015, the 2016 expected amount is HUF 9.6 bn (HUF +3 billion y-o-y).

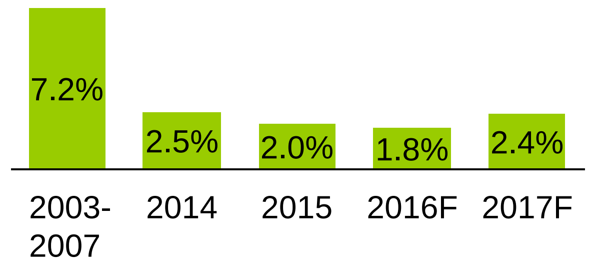
3 On a quarterly base the higher profit was a result of massively declining risk costs: total risk costs dropped by HUF 7.8 billion q-o-q. The decline was mainly due to the overall favourable asset quality trends, but provision release on a large corporate exposure sold in 1Q also played a role.

Hungary

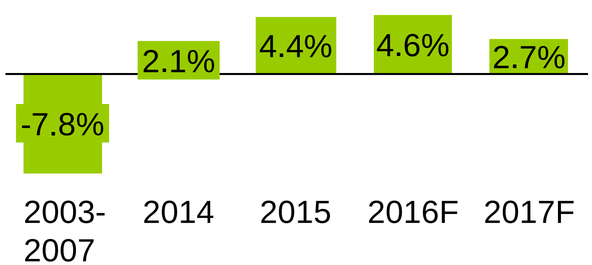
Economic growth was 2.9% in 2015. After temporary slowdown GDP growth is expected to gain momentum in 2017. The dynamic growth of household consumption as a driver of the economy may be a lasting tendency

Balance

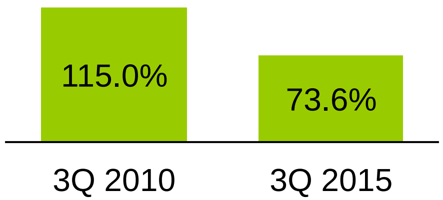
Budget deficit



Current account balance

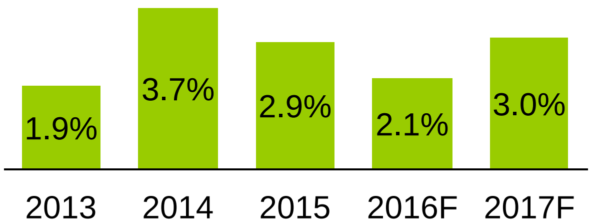


Gross external debt[1] (in % of GDP)

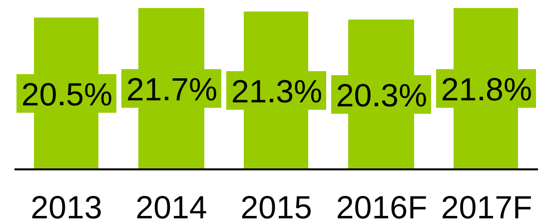


Growth

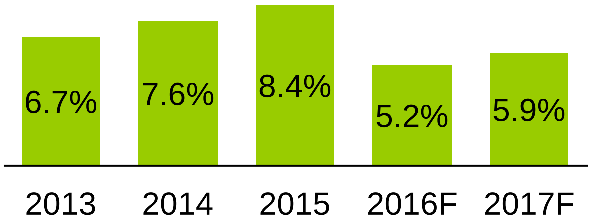
Real GDP growth



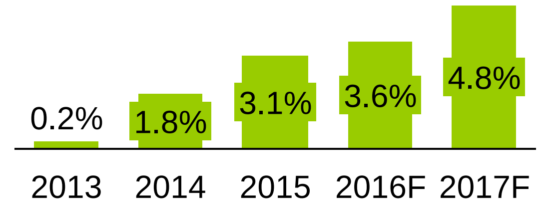
Investments to GDP



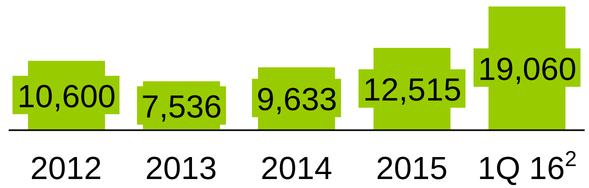
Export growth



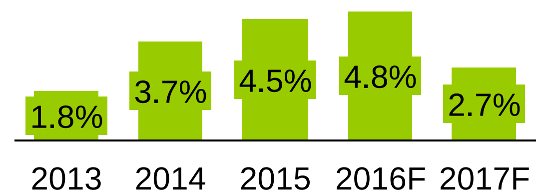
Household consumption



Housing construction permits



Real wage growth



Source: CSO, NBH; forecasts: OTP Research Centre

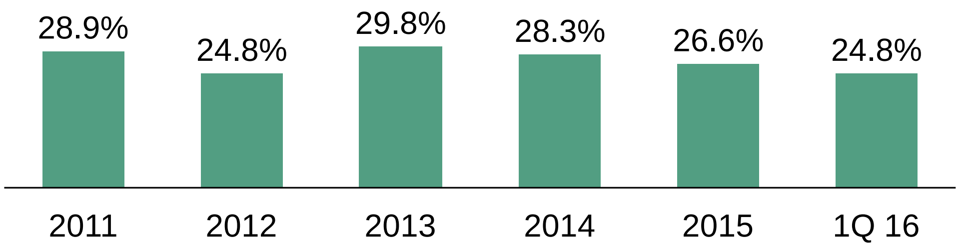
[1] Without inter-company loans

[2] Seasonally adjusted, annualized

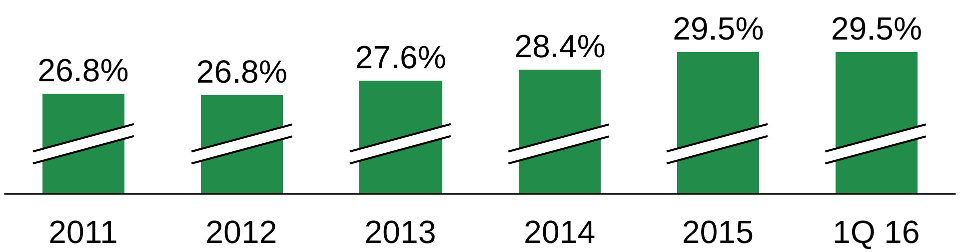
Mortgage loan applications and disbursements accelerated further, supported also by CSOK applications. OTP's market share in retail savings remained high. The climbing of market share in the corporate loans continued, thanks to outstanding new disbursements

Change of mortgage loan applications and disbursement of OTP Bank (1Q 2016, y-o-y changes)

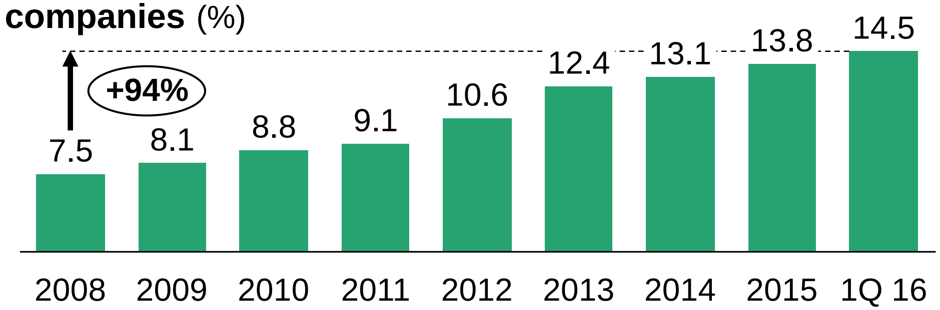
OTP Bank's market share in mortgage loan disbursement



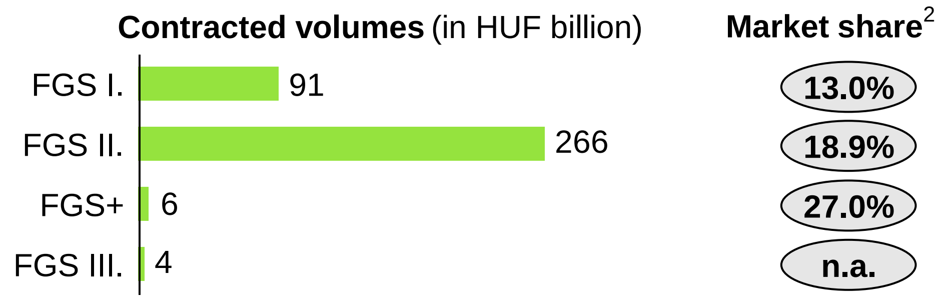
OTP Bank's market share in household savings



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

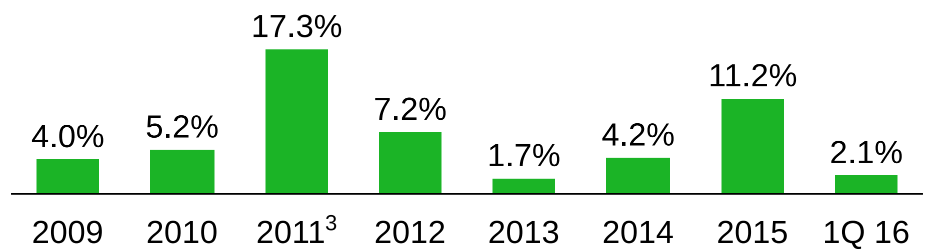


Activity of OTP Group in the Funding for Growth Scheme



Changes of SME loan volumes

(FX-adjusted y-o-y changes)



[1] Aggregated market share of OTP Bank, OTP Mortgage Bank, OTP Building Society and Merkantil Bank, based on the balance sheet data provision to the central bank, calculated from the „Loans to non-financial-, other-financial-, additional- and non-profit- institutions serving households" line.

[2] The source of the sector statistics is the central bank's publications on FGS. [3] The y-o-y increase in 2011 was influenced by reclassification, too.

OTP Core

The Digital Transformation Programme, launched in March 2015, targets the full digital renewal of OTP Bank. The completed product developments have enhanced customer satisfaction and supported our business objectives

Simple mobile application >130k reg. users

- **Mobile commerce and payment applications available on iOS, Android and Windows Phone**;
- Available not only for OTP customers;
- Search, Select, Buy, Use – at the fingertips;
- Features include: online payment of motorway toll, mobile parking, food delivery, taxi orders, mobile waiter, and online coupons;
- 30-second Cinema City ticket purchase was enabled on Simple in April – no more queuing.

OTP Discount Programme >85k reg. users

- Launched in March 2016; the first in Hungary;
- A renewing pool of discounts for bank card purchases; allowing clients to save tens of thousands forints each year;
- **Available through the internet bank and SmartBank**
- A wide range of partners;
- Discounts are automatically deducted; the current top offers:
  - DM 3%
  - Tesco up to 5%
  - MOL 1%

Online account opening for entrepreneurs

Account opening from OTP's website from March 2016, featuring client-friendly solutions:

- Online application takes just 10 minutes;
- Easy-to-select account packages;
- A background database supports entering clients' data;
- Preview of customized documentation of contracts;
- ~15 min activation in branch, with appointment.

Sorting out Payment Orders

- The feature of OTP internet bank enables easy, fast, and comfortable settlement of utility bills;
- Allows clients to schedule their payments, to best meet their needs;
- Clients are notified of new bills;
- Bill details are retrievable and easy to review.

Mobile POS

A new service was launched with Vodafone and Ingenico in November 2015. The device allows fast, comfortable, and secure bank card payment, using a smartphone, irrespective of the location, and at a lower price than with traditional POS devices.

Digital sales

OTP Bank deployed a special team to develop sales through online channels, so as to enable more targeted and effective offers to clients, by advanced-level usage of business intelligence.

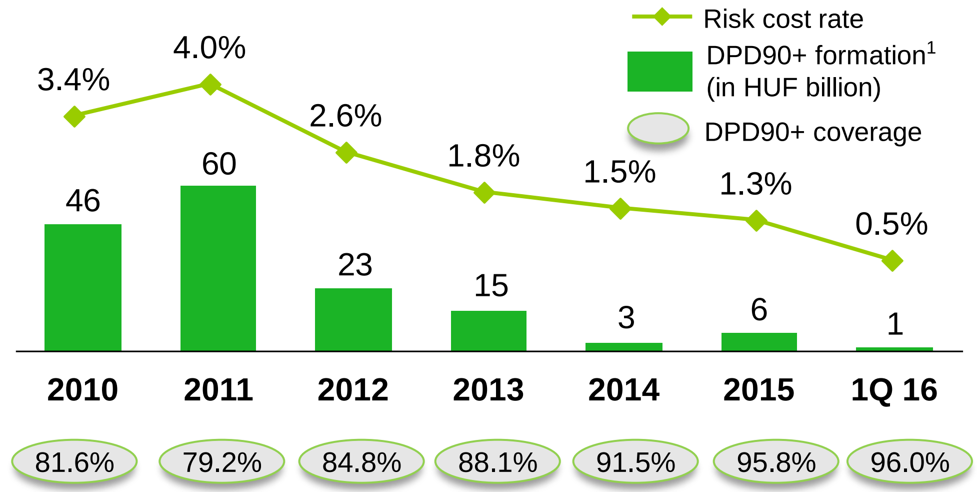
DSK Bank Bulgaria

Profitability of DSK Bank is steadily outstanding. Portfolio quality developments are favorable. The lending activity improved and the market share in corporate segment strengthened further

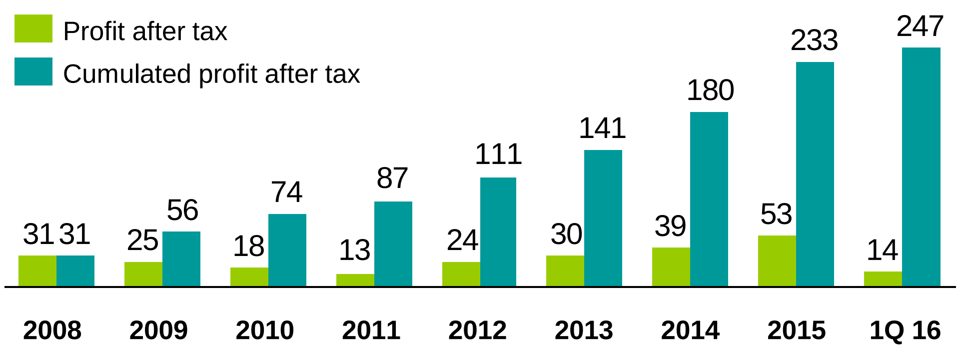
Income statement of DSK Bank

in HUF billion	2013	2014	2015	1Q 15	4Q 15	1Q 16
Profit after tax	30.2	39.2	52.5	17.6	10.7	13.8
Profit before tax	33.8	43.6	58.3	19.6	11.7	15.3
Operating profit	55.1	62.4	73.1	19.5	17.4	16.8
Total income	93.0	102.2	114.4	28.8	29.8	27.1
Net interest income	72.9	79.1	88.7	22.3	21.9	21.5
Net fees and commissions	18.2	20.3	23.0	5.4	5.8	5.8
Other non-interest income	1.8	2.9	2.8	1.1	2.1	-0.2
Operating costs	-37.9	-39.8	-41.3	-9.3	-12.3	-10.3
Total risk cost	-21.3	-18.8	-14.9	0.1	-5.8	-1.5
Provisions for loans	-20.7	-17.5	-14.6	0.2	-5.9	-1.3
Other provisions	-0.6	-1.3	-0.2	-0.1	0.1	-0.2
Corporate tax	-3.5	-4.4	-5.7	-2.0	-1.0	-1.5

Development of DSK Bank's risk indicators



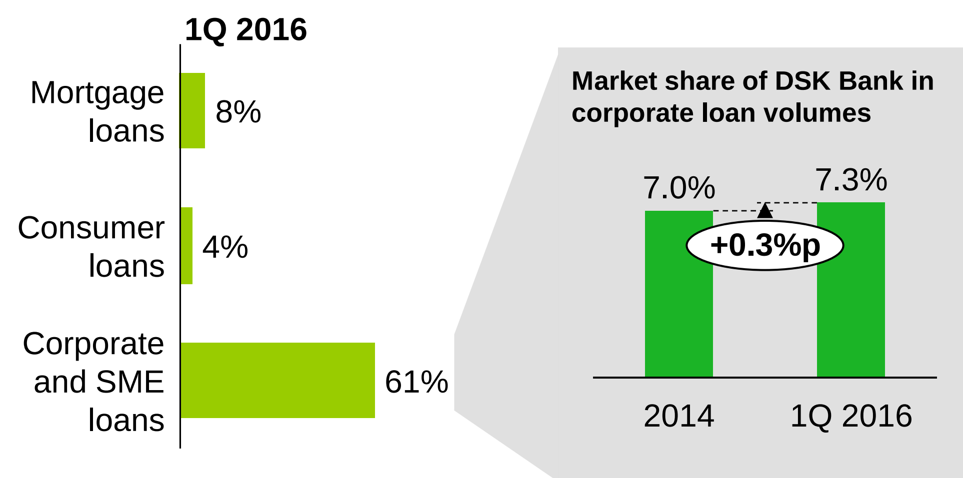
DSK Bank: profit after tax development (in HUF billion)



Annual real GDP growth (%)

2008	2009	2010	2011	2012	2013	2014	2015	2016E
6.2	-5.5	0.4	1.8	0.6	0.9	1.7	2.8	3.1

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



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

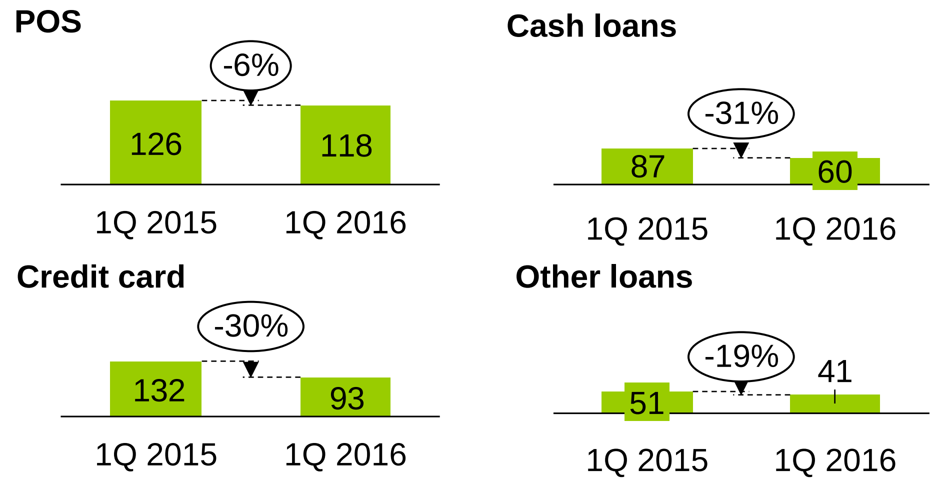
OTP Bank Russia

In 1Q 2016 OTP Bank Russia returned to profitability due to the further decrease of risk costs. Total income already grew q-o-q in RUB terms, as a joint result of better margins and shrinking performing loan portfolio

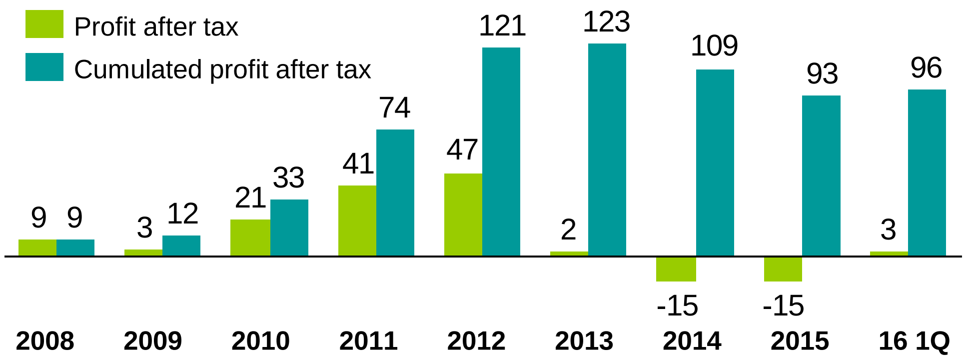
Income statement of OTP Bank Russia

in RUB billion	2014	2015	1Q 15	4Q 15	1Q 16
Profit after tax	-2.3	-3.3	-2.4	0.0	0.7
Profit before tax	-2.8	-4.0	-3.0	0.0	0.9
Operating profit	16.5	13.9	3.2	3.2	3.5
Total income	29.3	24.4	6.2	5.9	6.0
Net interest income	25.9	21.2	5.5	5.1	5.4
Net fees and commissions	3.5	3.1	0.7	0.7	0.8
Other non-interest income	-0.1	0.2	0.0	0.1	-0.1
Operating costs	-12.8	-10.6	-3.0	-2.7	-2.5
Total risk cost	-19.3	-18.0	-6.2	-3.2	-2.6
Provisions for loans	-19.1	-17.8	-6.2	-3.1	-2.6
Other provisions	-0.2	-0.2	0.0	-0.1	0.0
Corporate tax	0.5	0.7	0.6	-0.1	-0.2

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



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



Annual real GDP growth (%)

5.2 | -7.8 | 4.5 | 4.3 | 3.4 | 1.3 | 0.5 | -3.7 | 2016E -1.0

OTP Bank Russia - risk cost rates in different segments

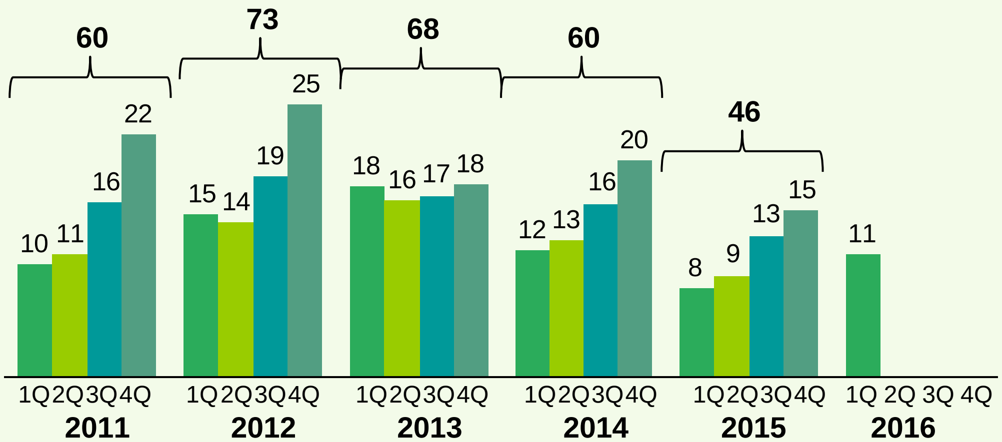
	2014	2015	1Q 15	2Q 15	3Q 15	4Q 15	1Q 16
POS loans	11.5%	10.1%	12.3%	9.6%	10.3%	8.6%	7.0%
Credit cards	19.7%	21.1%	25.2%	22.5%	17.2%	15.3%	14.6%
Cash loans	19.7%	17.4%	23.9%	18.5%	13.8%	8.1%	9.3%

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

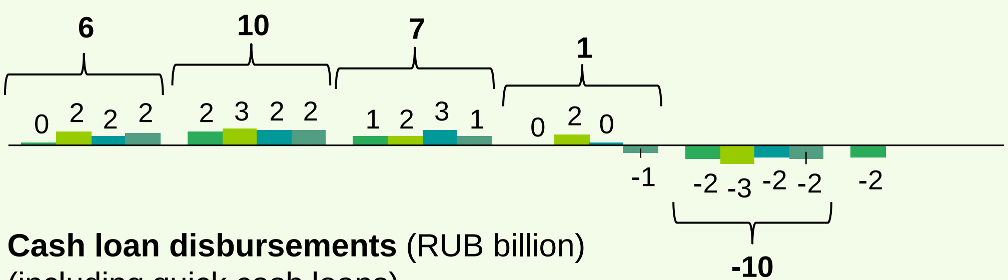
OTP Bank Russia

In 1Q 2016 POS loan disbursements grew on yearly basis, but performing credit card volumes further declined. Deposits decreased q-o-q in RUB terms. Average RUB term deposit rates further moderated

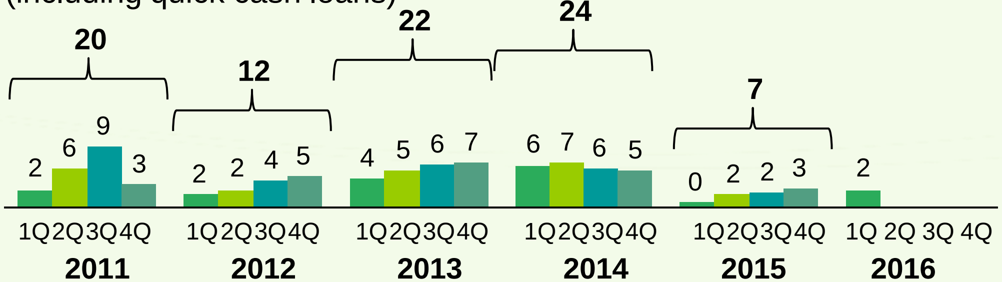
POS loan disbursements (RUB billion)



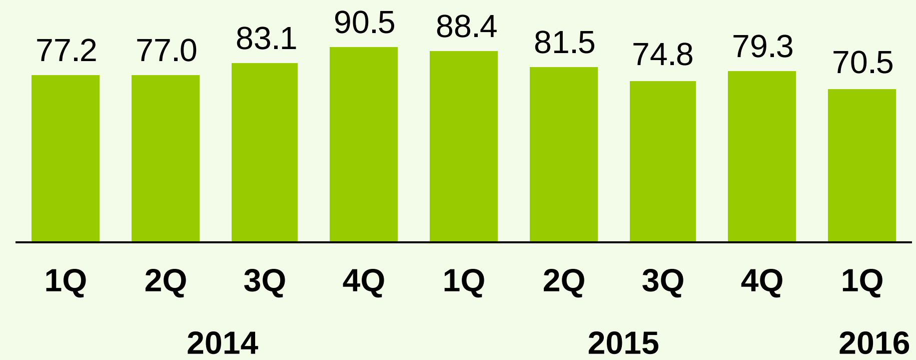
DPD0-90 credit card loan volume q-o-q changes (RUB billion)



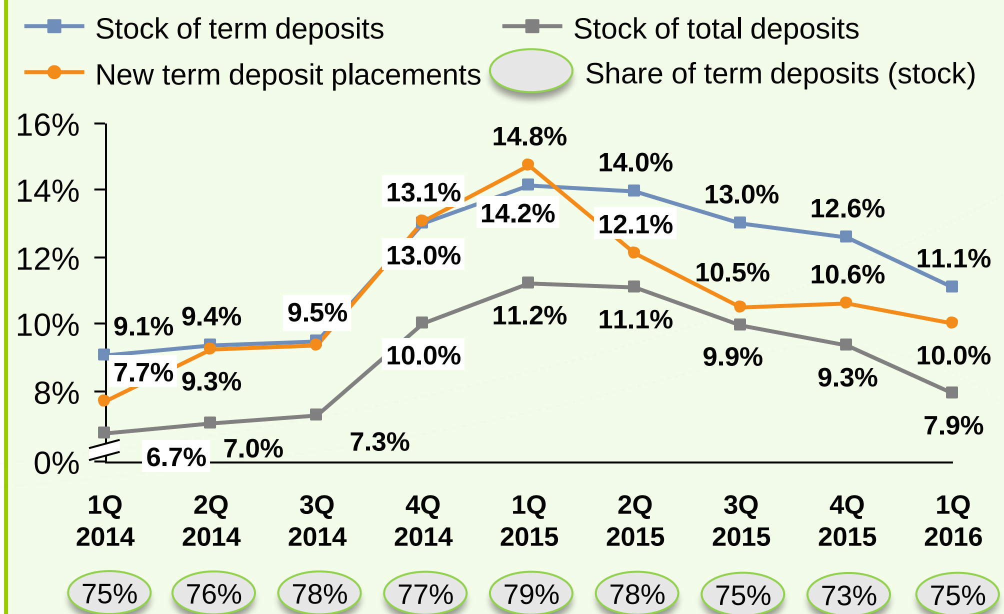
Cash loan disbursements (RUB billion) (including quick cash loans)



Development of customer deposits (RUB billion)



Average interest rates for stock and new RUB deposits



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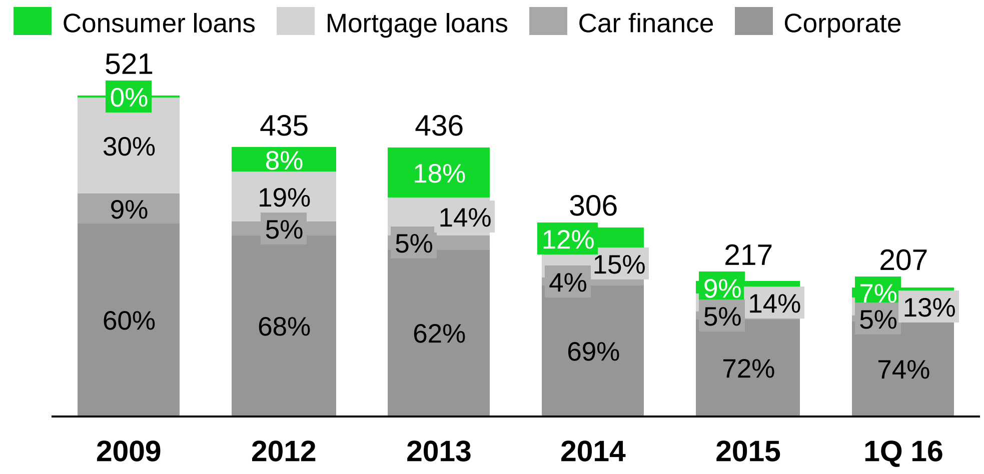
OTP Bank Ukraine

In 1Q the Ukrainian operation turned profitable due to the lower risk costs and higher revenues q-o-q. The portfolio quality deterioration remained favourably low

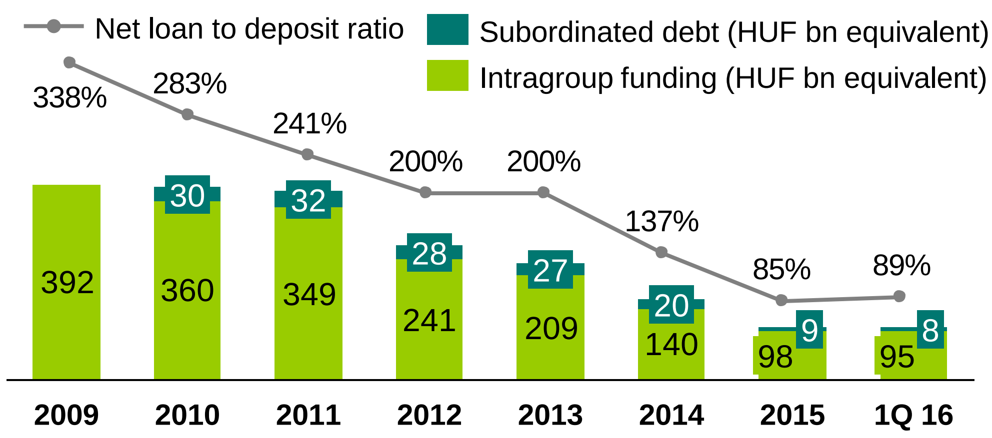
Income statement of OTP Bank Ukraine

in UAH million	2014	2015	1Q 15	4Q 15	1Q 16
Profit after tax (adjusted)	-2,324	-3,119	-748	-1,057	78
Profit before tax	-2,521	-3,251	-993	-965	332
Operating profit	1,310	1,909	956	284	649
Total income	2,571	3,138	1,252	622	962
Net interest income	2,261	2,237	735	528	726
Net fees and commissions	513	613	134	192	181
Other non-interest income	-204	287	382	-98	54
Operating costs	-1,261	-1,228	-296	-338	-312
Total risk cost	-3,830	-5,160	-1,948	-1,249	-318
Provisions for loans	-3,693	-5,040	-1,926	-1,150	-404
Other provisions	-137	-120	-23	-99	87
Corporate tax	197	132	245	-92	-254

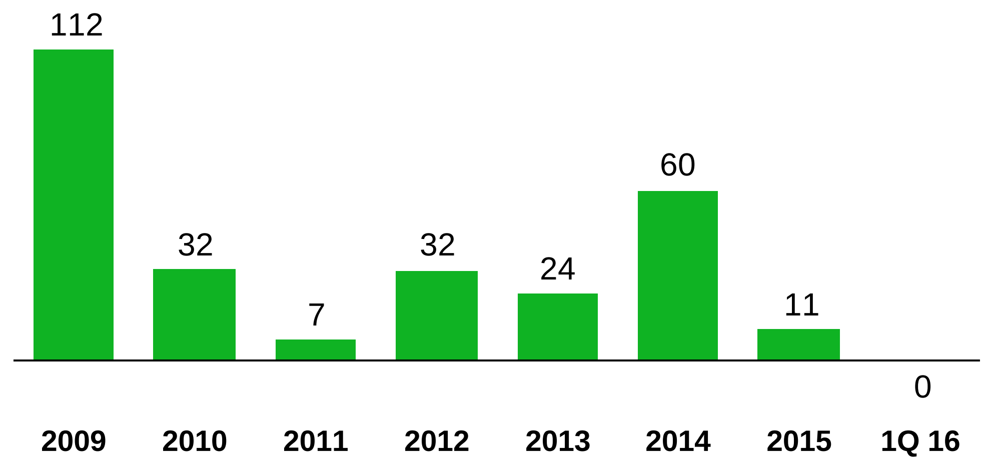
Composition of performing loan volumes (in HUF billion)



Intragroup funding and net loan to deposit ratio



FX-adjusted change in DPD90+ loan volumes[1] (in HUF billion)



[1] Adjusted for sales and write-offs

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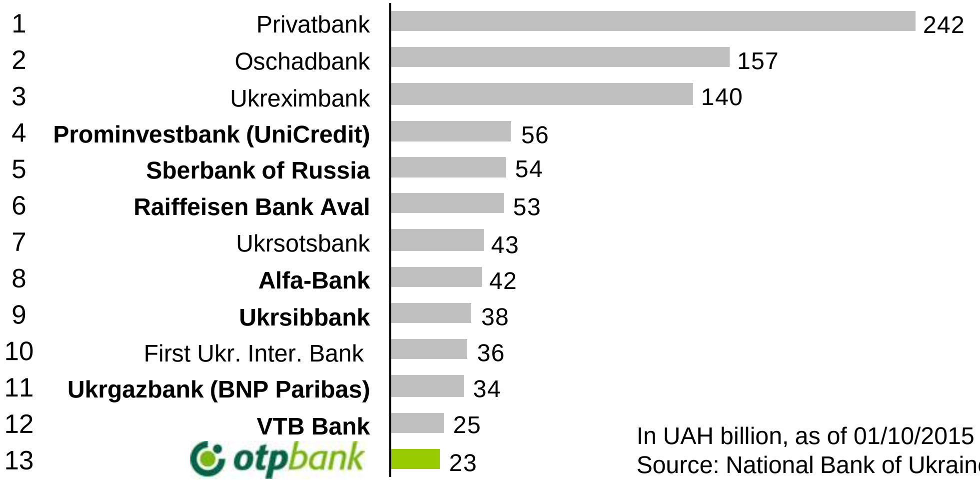
OTP Bank Ukraine

The Ukrainian subsidiary's share within the Group's performing loans declined further. The deposit base is stable and improving. The provision coverage ratio edged further up and reached 120%

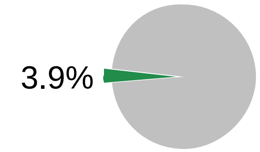
Ranking of Ukrainian banks by total assets



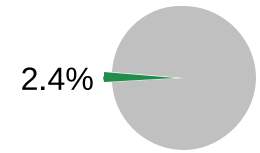
In UAH billion, as of 01/10/2015
Source: National Bank of Ukraine

OTP Ukraine's share within consolidated loans and deposits

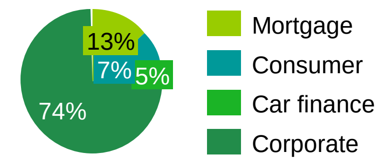
Share of the Ukrainian bank's performing loans (DPD0-90) within the Group



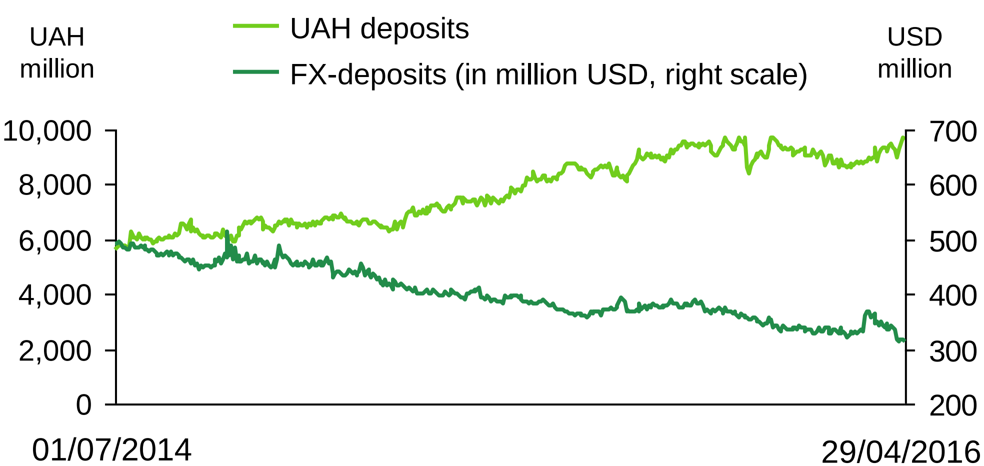
Share of the Ukrainian bank's customer deposits within the Group



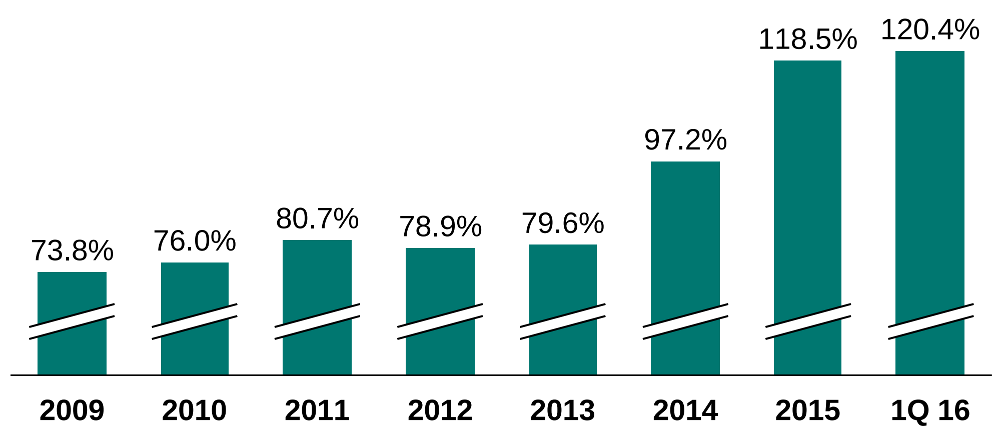
Composition of the Ukrainian bank's performing (DPD0-90) loans



Daily development of customer deposits



Development of the DPD90+ coverage ratio

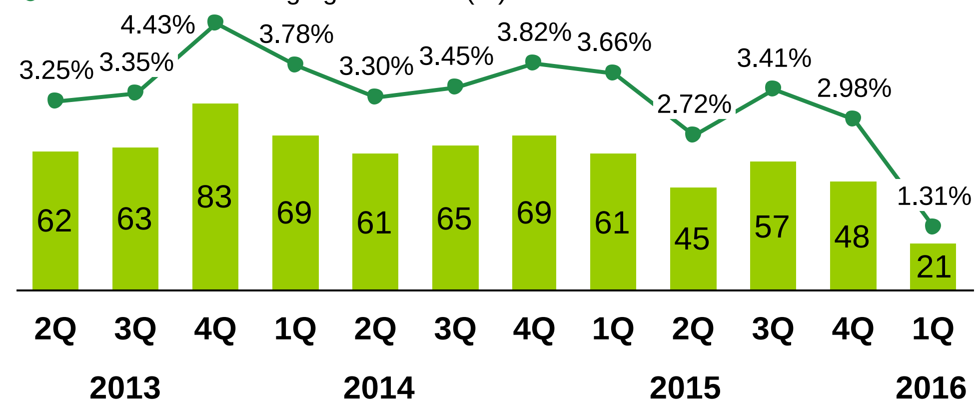


The consolidated DPD90+ ratio remained flat q-o-q. The risk cost rate sank to multi-year lows

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

Risk cost for possible loan losses (in HUF billion)

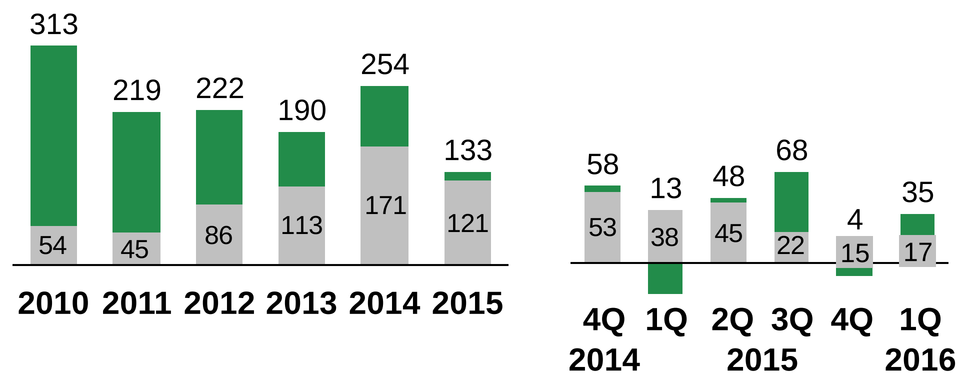
Risk cost to average gross loans (%)



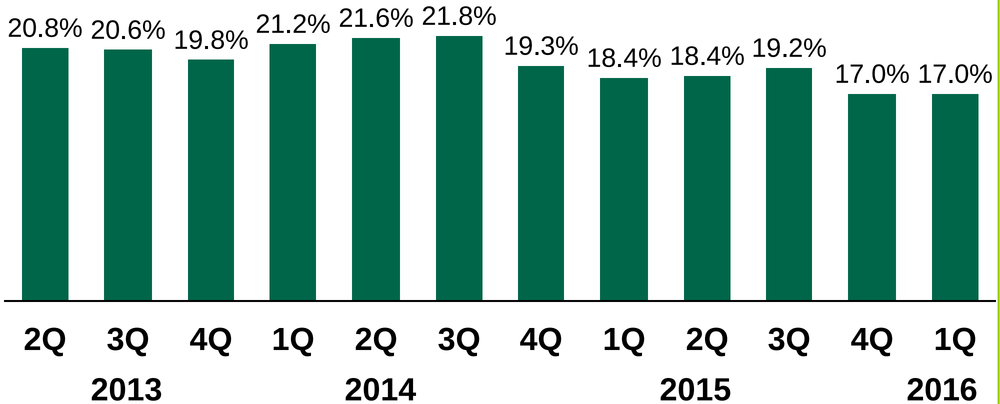
Change in DPD90+ loan volumes

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

Contribution of Russia and Ukraine



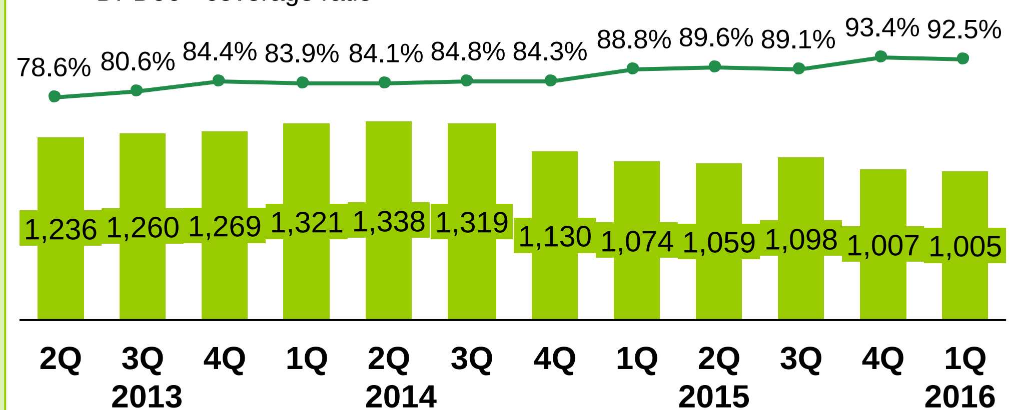
Ratio of consolidated DPD90+ loans to total loans (%)



Consolidated provision coverage ratio

Consolidated allowance for loan losses (FX-adjusted, in HUF billion)

DPD90+ coverage ratio

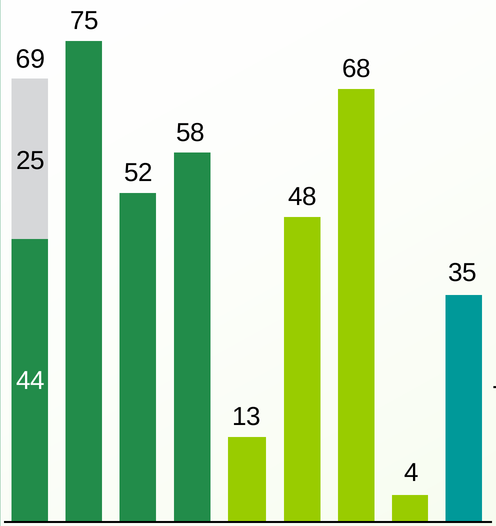


In 1Q 2016 the consolidated quarterly FX-adjusted DPD90+ formation reached HUF 35 billion mainly due to the Russian and Romanian non-performing loan growth; Hungary and Bulgaria remained stable

FX-adjusted quarterly change in DPD90+ loan volumes

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

Consolidated

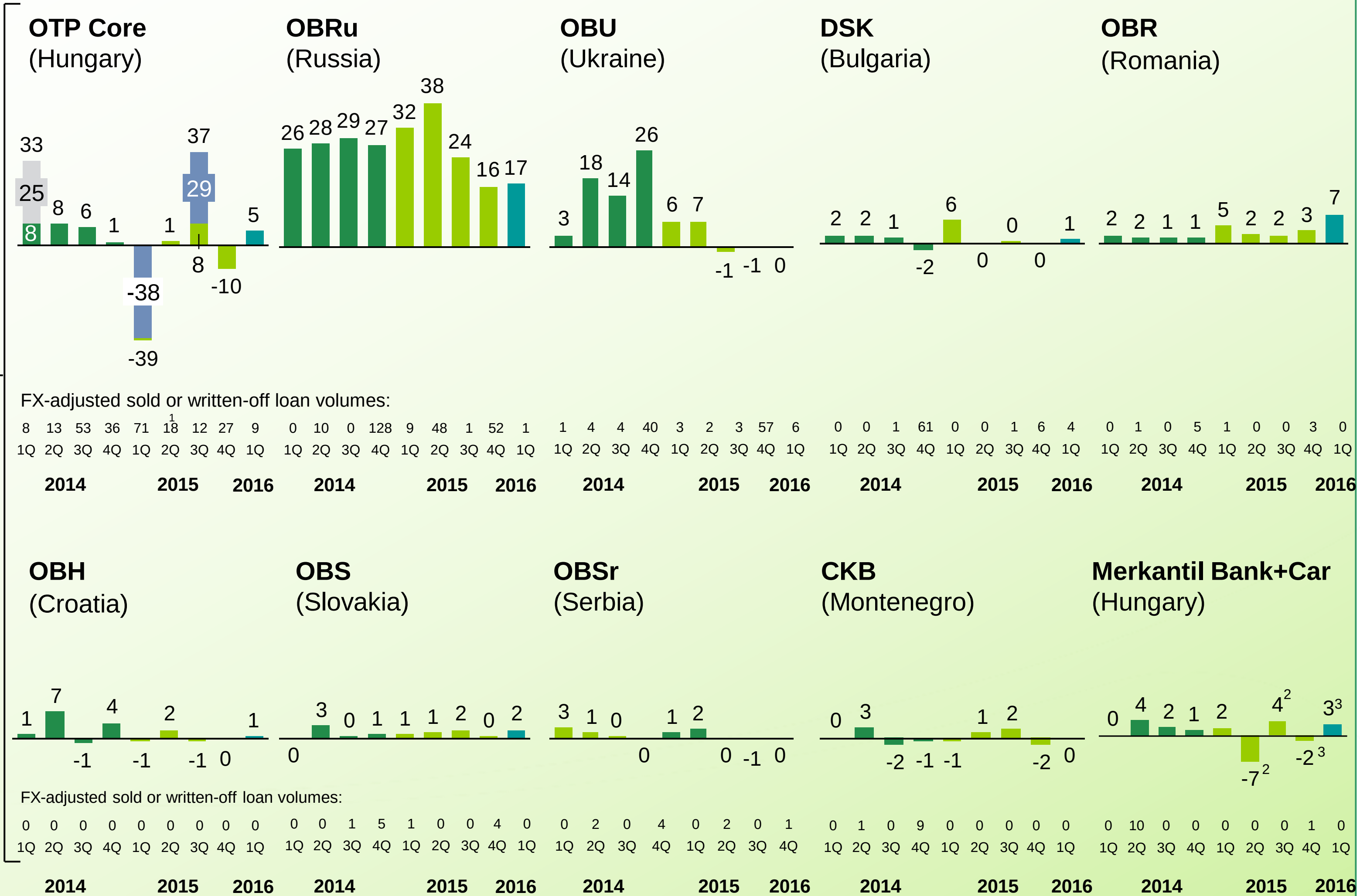


FX-adjusted sold or written-off loan volumes:

	2014				2015				2016
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
	10	44	61	287	86	71	18	150	29

1Q 2014: A big project loan on the balance sheet of OTP Core reached 90 days of delinquency.

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:

	2014				2015				2016
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
OTP Core (Hungary)	8	13	53	36	71	18[1]	12	27	9
OBRu (Russia)	0	10	0	128	9	48	1	52	1
OBU (Ukraine)	1	4	4	40	3	2	3	57	6
DSK (Bulgaria)	0	0	1	61	0	0	1	6	4
OBR (Romania)	0	1	0	5	1	0	0	3	0
OBH (Croatia)	0	0	0	0	0	0	0	0	0
OBS (Slovakia)	0	0	1	5	1	0	0	4	0
CKB (Montenegro)	0	1	0	9	0	0	0	0	0
Merkantil Bank+Car (Hungary)	0	10	0	0	0	0	0	1	0

	2014				2015			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
OBSr (Serbia)	0	2	0	4	0	2	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.

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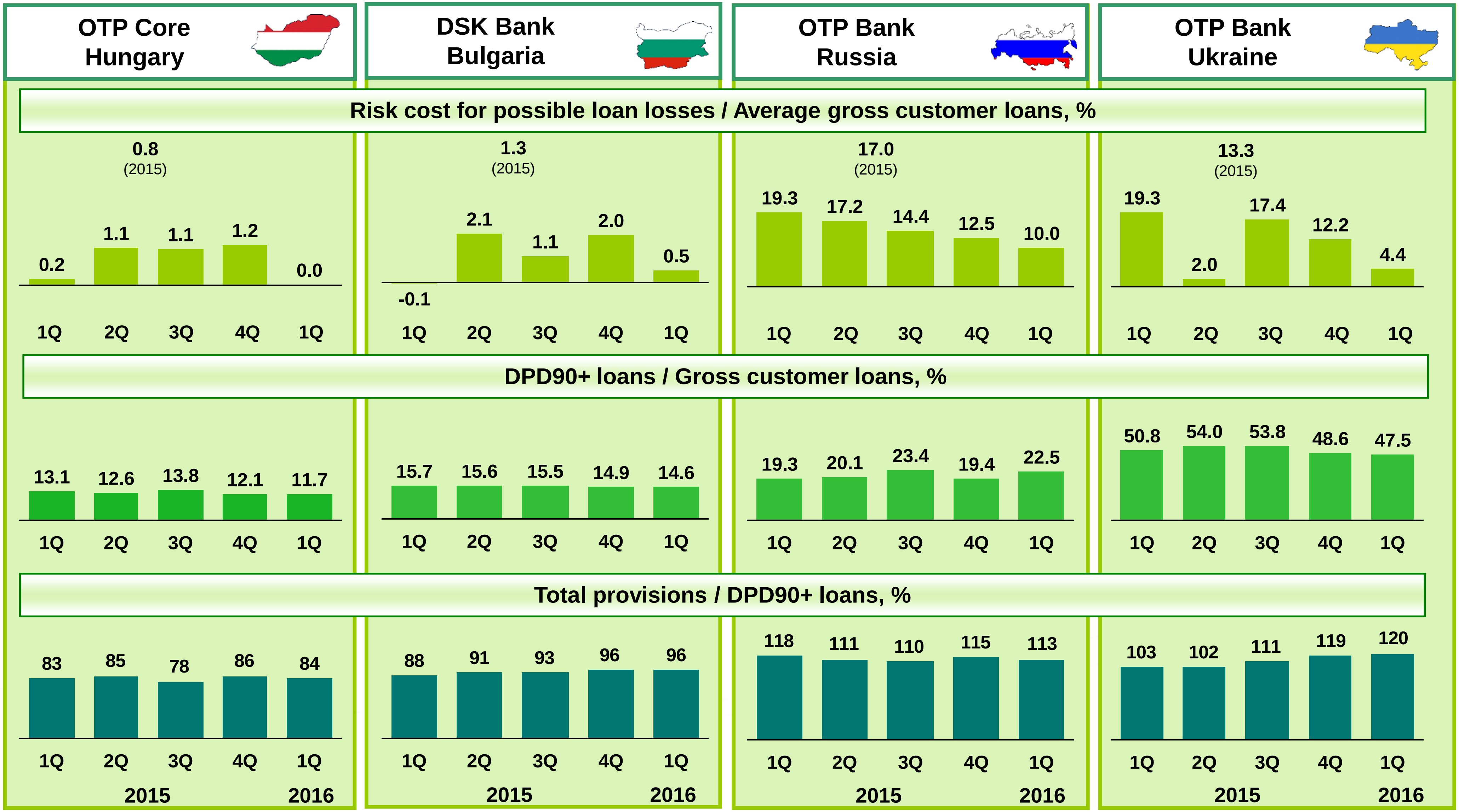
The risk cost rate declined all across the board, similar to the DPD90+ ratio (except Russia)



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

DPD90+ ratio (%)

OTP Core (Hungary)	1Q15	2Q15	3Q15	4Q15	1Q16	Q-o-Q (%-point)
Total	**13.1%**	**12.6%**	**13.8%**	**12.1%**	**11.7%**	*-0.4*
Retail	14.9%	14.2%	15.4%	14.0%	13.6%	*-0.4*
Mortgage	11.7%	11.1%	13.1%	12.5%	12.4%	*-0.2*
Consumer	25.3%	24.4%	23.0%	19.2%	18.0%	*-1.2*
MSE**	9.4%	8.9%	8.3%	7.7%	7.4%	*-0.2*
Corporate	10.6%	10.4%	11.8%	9.6%	9.4%	*-0.3*
Municipal	0.6%	1.2%	0.7%	0.4%	0.2%	*-0.2*

DPD90+ ratio (%)

OTP Bank Russia	1Q15	2Q15	3Q15	4Q15	1Q16	Q-o-Q (%-point)
Total	**19.3%**	**20.1%**	**23.4%**	**19.4%**	**22.5%**	*3.1*
Mortgage	26.2%	31.2%	32.9%	36.6%	35.2%	*-1.4*
Consumer	19.6%	19.5%	23.4%	18.4%	21.8%	*3.4*
Credit card	21.2%	22.2%	27.4%	23.9%	28.5%	*4.6*
POS loan	15.4%	14.8%	16.4%	11.1%	13.3%	*2.2*
Personal loan	22.7%	21.7%	26.9%	22.0%	25.4%	*3.5*

DPD90+ ratio (%)

DSK Bank (Bulgaria)	1Q15	2Q15	3Q15	4Q15	1Q16	Q-o-Q (%-point)
Total	**15.7%**	**15.6%**	**15.5%**	**14.9%**	**14.6%**	*-0.2*
Mortgage	22.4%	22.4%	22.0%	21.4%	21.5%	*0.1*
Consumer	7.7%	8.0%	8.0%	8.1%	7.9%	*-0.2*
MSE**	34.2%	31.8%	29.4%	26.1%	25.2%	*-0.9*
Corporate	14.2%	13.8%	14.5%	13.7%	13.4%	*-0.3*

DPD90+ ratio (%)

OTP Bank Ukraine	1Q15	2Q15	3Q15	4Q15	1Q16	Q-o-Q (%-point)
Total	**50.8%**	**54.0%**	**53.8%**	**48.6%**	**47.5%**	*-1.1*
Mortgage	75.7%	79.6%	80.4%	76.1%	76.6%	*0.5*
Consumer	46.5%	52.7%	54.5%	42.9%	43.4%	*0.5*
SME	86.8%	89.6%	90.5%	87.5%	88.1%	*0.5*
Corporate	16.8%	17.7%	15.7%	16.7%	15.2%	*-1.6*
Car-financig	58.6%	60.2%	60.8%	53.0%	51.8%	*-1.3*

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

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Restructured retail volumes decreased q-o-q on group level. In Ukraine the pace of FX mortgage loan restructuring slowed down in 1Q 2016

Definition of retail restructured loans:

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

Restructured retail loans with less than 90 days of delinquency

	1Q 2015		2Q 2015		3Q 2015		4Q 2015		1Q 2016	
	HUF mn	*%*[1]	*HUF mn*	*%*[1]	*HUF mn*	*%*[1]	*HUF mn*	*%*[1]	*HUF mn*	*%*[1]
OTP Core (Hungary)	19,351	1.2%	16,184	1.0%	15,444	1.0%	15,672	1.1%	15,080	1.0%
OBRu (Russia)	158	0.0%	1,122	0.2%	2,813	0.7%	3,012	0.8%	3,980	1.1%
DSK (Bulgaria)	13,549	1.8%	12,193	1.5%	16,193	2.0%	20,763	2.6%	22,618	2.9%
OBU (Ukraine)	12,827	5.4%	16,071	6.7%	19,847	8.5%	21,210	11.6%	16,958	10.1%
OBR (Romania)	15,206	4.3%	14,315	3.9%	11,569	3.3%	10,051	2.9%	7,467	2.3%
OBH (Croatia)	1,893	0.7%	1,850	0.6%	1,415	0.5%	1,432	0.5%	2,856	1.0%
OBS (Slovakia)	244	0.1%	405	0.2%	665	0.3%	795	0.4%	1,085	0.5%
OBSr (Serbia)	455	1.3%	769	2.0%	894	2.4%	962	2.6%	1,027	2.7%
CKB (Montenegro)	190	0.3%	146	0.2%	109	0.2%	145	0.2%	171	0.3%
Merkantil (Hungary)	1,653	0.9%	1,283	0.7%	1,009	0.6%	287	0.2%	981	0.6%
Other leasing[2] (Hungary)	192	0.7%	237	1.0%	289	1.2%	404	1.7%	316	1.4%
TOTAL	**65,720**	**1.5%**	**64,575**	**1.5%**	**70,248**	**1.7%**	**74,733**	**1.9%**	**72,538**	**1.8%**

[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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