

OTP Group 2Q 2021 results

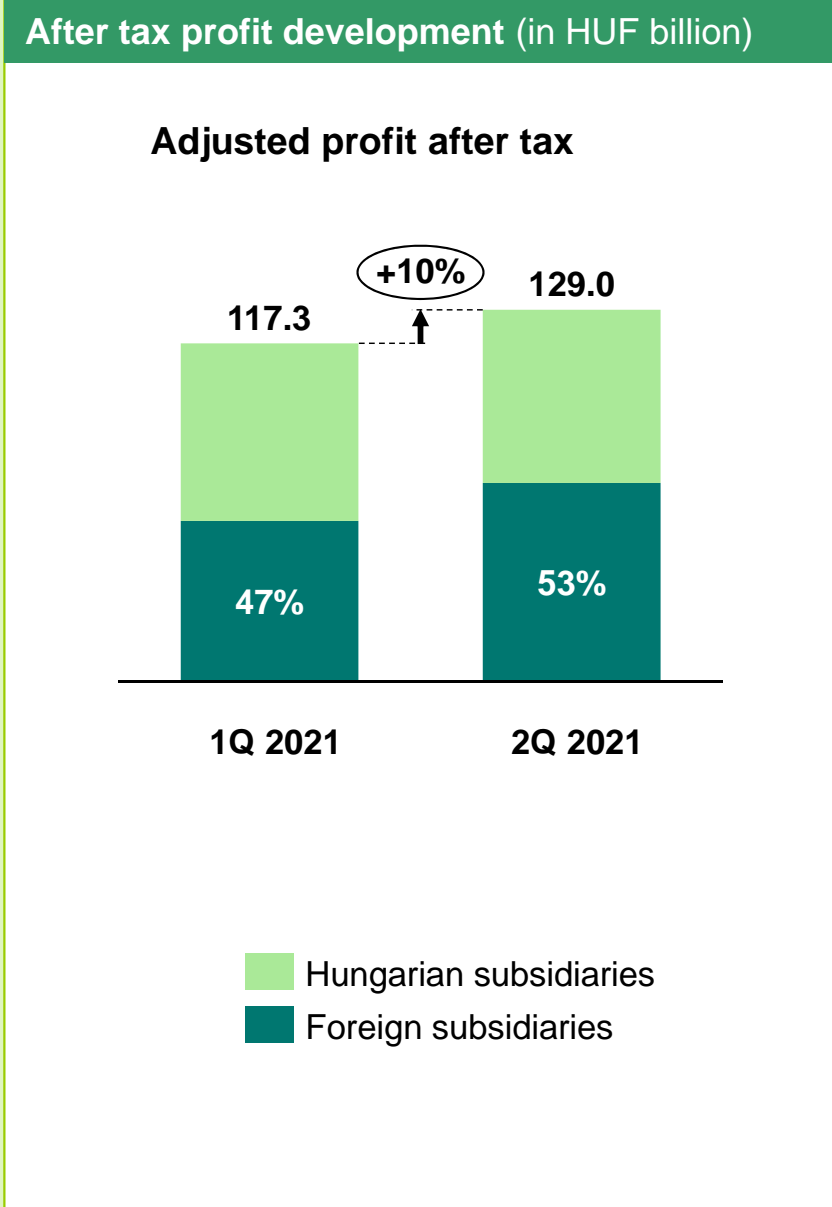
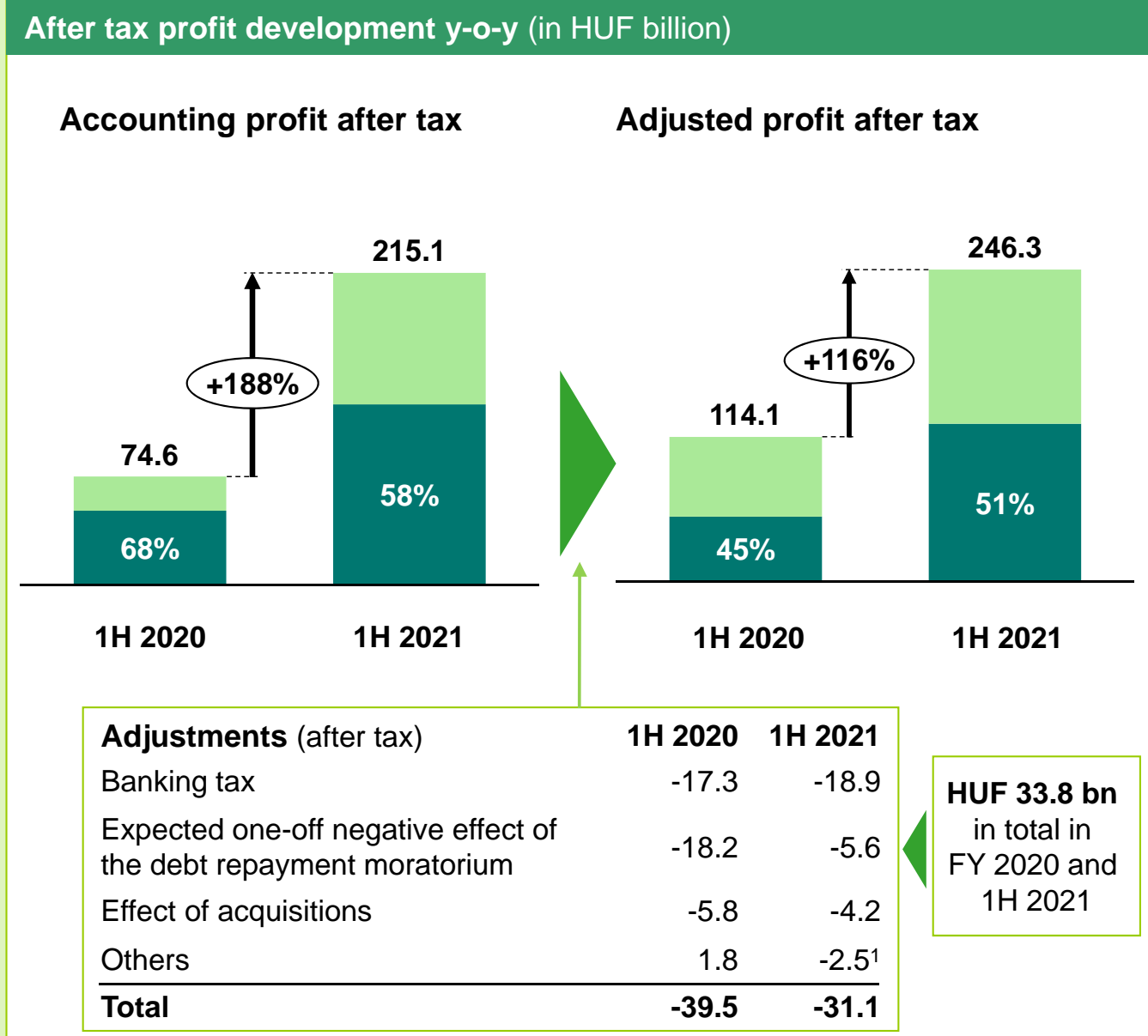
Conference call – 12 August 2021

László Bencsik

Chief Financial and Strategic Officer



The semi-annual accounting profit hit HUF 215 billion, almost three times larger than a year earlier. Both the first half and the second quarter adjusted result soared to record levels. The q-o-q growth in adjusted net result was boosted by the foreign Group members



¹ Of which -HUF 0.7 billion goodwill / investment impairment charges; +0.5 dividend and net cash transfer; -2.3 result of the treasury share swap agreement.

In 1Q 2021 the balance of adjustment items was -HUF 7.2 billion, mostly due to the extension of the moratorium in Hungary

(in HUF billion)	1H 20	1H 21	Y-o-Y	2Q 20	1Q 21	2Q 21	Q-o-Q	Y-o-Y
Consolidated after tax profit (accounting)	74.6	215.1	188%	78.7	93.3	121.8	31%	55%
Adjustments (total)	-39.5	-31.1	-21%	-3.6	-24.0	-7.2	-70%	102%
Dividends and net cash transfers (after tax)	0.2	0.5	178%	0.2	0.1	0.4	430%	184%
Goodwill/investment impairment charges (after tax)	0.9	-0.7		0.9	0.7	-1.4 ¹		
Special tax on financial institutions (after tax)	-17.3	-18.9	9%	-0.6	-18.9	0.0		
Expected one-off negative effect of the debt repayment moratorium in Hungary and Serbia (after tax)	-18.2	-5.6	-69%	2.0	0.0	-5.6 ²		
Impact of fines imposed by the Hungarian Competition Authority (after tax)	0.7	0		0.7	0	0		
Effect of acquisitions (after tax)	-5.8	-4.2	-28%	-6.8	-3.5	-0.7 ³	-79%	-89%
Result of the treasury share swap agreement (after tax)	-	-2.3		-	-2.4	0.1		
Consolidated adjusted after tax profit	114.1	246.3	116%	82.2	117.3	129.0	10%	57%

¹ -HUF 1.4 billion tax shield as a joint result of impairment charges and releases on subsidiary investments.

² In 2Q 2021 this amount was the one-off negative effect of the extension of the Hungarian payment holiday by 3 months, until 30 September 2021 with unchanged conditions.

³ -HUF 0.7 billion effect of acquisitions (after tax) related mainly to the integration costs of the Serbian, Slovenian and Bulgarian banks. Additionally, HUF 3.6 billion deferred tax on the Serbian badwill was reversed. Without this particular item the quarterly amount booked on the Effect of acquisitions line would be similar to the previous quarter.
















The semi-annual adjusted profit was shaped mainly by the lower total risk costs and the double-digit increase in revenues. In 2Q the total income grew by 5% q-o-q, while total risk costs remained favourably low

(HUF billion)	1H 2020	1H 2021	Y-o-Y	Y-o-Y	1Q 2021	2Q 2021	Q-o-Q
				FX-adjusted, w/o the sale of Slovakia			
Consolidated adjusted after tax profit	114.1	246.3	116%	112%	117.3	129.0	10%
Profit before tax	128.7	289.3	125%	122% 115% ¹	138.4	150.8	9%
Operating profit without one-offs	258.2	307.5	19%	21% 18% ¹	146.9	160.6	9%
Total income without one-offs	568.1	617.6	9%	11%	301.1	316.5	5%
Net interest income without one-offs	394.8	413.8	5%	7%	203.2	210.6	4%
Net fees and commissions	135.8	152.2	12%	14%	71.9	80.3	12%
Other net non interest income without one-offs	37.5	51.6	38%	40%	26.0	25.6	-2%
Operating expenses ¹	-309.9	-310.1	0%	3% 6% ¹	-154.2	-155.9	1%
Total risk cost	-130.7	-18.2	-86%	-85%	-8.5	-9.7	14%
One-off item: result of the share swap agreement ²	1.2	-			-	-	
Corporate tax ¹	-14.6	-43.0	193%	202% 135% ¹	-21.1	-21.9	4%

¹ The local business tax and innovation contribution paid in Hungary was booked within operating costs until end-2020. Starting from 2021 these items are booked on the corporate tax line. In 1H 2021 the total amount was HUF 9.5 billion on consolidated level. In the gray y-o-y changes column we indicated the changes adjusted for this reclassification, too.

² Starting from 1Q 2021 the result of the treasury share swap agreement is presented amongst adjustment items.

All major Group members posted significant y-o-y improvement in their semi-annual profit with Hungary, Bulgaria, Russia and Serbia delivering the largest nominal increase y-o-y

		Adjusted profit after tax (in HUF billion)		
		1H 2020	1H 2021	Y-o-Y
	OTP Group	114.1	246.3	116% ¹ / 112% ²
	OTP Core (Hungary)	54.7	107.8	97% ¹
	DSK Group (Bulgaria)	21.5	42.0	95% / 86% ³
	OBH (Croatia)	9.9	14.3	44% / 38% ³
	OBSrb (Serbia)	3.7	14.8	303%
	SKB (Slovenia)	3.2	7.5	131%
	OBR (Romania)	1.1	1.8	56%
	OBU (Ukraine)	10.8	17.7	65% / 87% ³
	OBRu (Russia)	-2.2	17.4	
	CKB Group (Montenegro)	1.6	3.1	92%
	OBA (Albania)	1.1	2.4	107%
	OTP Bank Moldova	1.7	3.1	77%
	OBS (Slovakia)	-1.6	-	-
	Merkantil Group (Hungary)	2.7	4.8	77%
	OTP Fund Mgmt. (Hungary)	1.6	1.9	14%
	Other Group members	4.1	7.9	94%
	Other Hungarian subs.	3.7	8.9	141%
	Corporate Centre	0.4	-0.7	
	Other foreign subs + eliminations	0.0	-0.3	














¹ Starting from 1Q 2021 the impact of the treasury share swap agreement between OTP and MOL is presented amongst adjustment items, thus it is no longer part of the adjusted profit from 2021.

² FX-adjusted change without the effect of the sale of OTP Bank Slovakia.

³ FX-adjusted change.

The semi-annual total income grew by 10% organically. The quarterly increase was driven by Hungary, Croatia and Ukraine

Effect of OBS sale















TOTAL INCOME without one-off items	1H 2021 (HUF billion)	2Q 2021 (HUF billion)	1H 2021 Y-o-Y (HUF billion, %)	2Q 2021 Q-o-Q (HUF billion, %)
 OTP Group	618	316	-8 57 50 9%/11% ¹	15 5%
 OTP CORE (Hungary)	254	129	38 18%	4 4%
 DSK Group (Bulgaria)	86	43	6 8%/4% ²	1 2%
 OBH (Croatia)	43	24	3 7%/3% ²	4 21%
 OBSrb (Serbia)	41	20	4 10%	0 -1%/2% ²
 SKB Banka (Slovenia)	21	11	1 4%	0 5%/7% ²
 OBR (Romania)	22	11	1 3%	0 4%/7% ²
 OBU (Ukraine)	36	19	2 6%/20% ²	2 11%
 OBRu (Russia)	56	28	-12 -17%/-6% ²	0 0%
 CKB Group (Montenegro)	11	5	0 0%	0 4%
 OBA (Albania)	6	3	1 9%	0 4%
 Mobiasbanca (Moldova)	7	4	0 2%	0 9%
 OBS (Slovakia)	-	-	-8	-
Others	34	19	14 66%	3 19%

¹ FX-adjusted change without the effect of the sale of OTP Bank Slovakia.

² FX-adjusted change.

The 1H net interest income grew by 7% organically, whereas the quarterly improvement reached 4%, with bulk of the q-o-q growth coming from Hungary, Ukraine and Croatia

■ Effect of OBS sale

NET INTEREST INCOME	1H 2021 (HUF billion)	2Q 2021 (HUF billion)	1H 2021 Y-o-Y (HUF billion, %)		2Q 2021 Q-o-Q (HUF billion, %)	
 OTP Group	414	211	-5	24 19	5%/7% ¹	7 4%
 OTP CORE (Hungary)	169	87		29	21%	5 6%
 DSK Group (Bulgaria)	55	27		0	0%/-3% ²	0 -1%/1% ²
 OBH (Croatia)	30	15		1	3%/-1% ²	1 4%/5% ²
 OBSrb (Serbia)	31	15		3	9%	0 -3%/0% ²
 SKB Banka (Slovenia)	14	7		0	-2%	0 0%/2% ²
 OBR (Romania)	17	9		1	5%/3% ²	0 4%/7% ²
 OBU (Ukraine)	27	14		2	9%/23% ²	1 11%
 OBRu (Russia)	43	22	-12		-22%/-11% ²	0 -1%/1% ²
 CKB (Montenegro)	8	4		0	-2%	0 0%
 OBA (Albania)	5	3		0	3%	0 6%
 Mobiasbanca (Moldova)	4	2		0	5%	0 3%
 OBS (Slovakia)	-	-	-5		-	-
 Merkantil³ (Hungary)	10	5		1	16%	0 10%
Corporate Centre	0	0		-1	-124%	0 -98%
Others	1	0		0	47%	0 -26%

1 In 1H the net interest income surged 21%, most of which was caused by the continued dynamic growth in business volumes, but the 4 bps y-o-y semi-annual net interest margin's improvement had a positive effect, too. The 6% quarterly growth was induced by higher volumes, with net interest margin remaining stable:

- Even though at product level the narrowing of credit spreads persisted due to strong competition, it was offset by the continued drop in the ratio of non-interest-bearing assets, and the increasing weight of consumer loans within total loans;
- Although short-term rates began to rise in end-May as a result of the central bank's hawkish tone, this was barely felt in lending rates in 2Q due to the time lag in the repricing of variable rate loans.

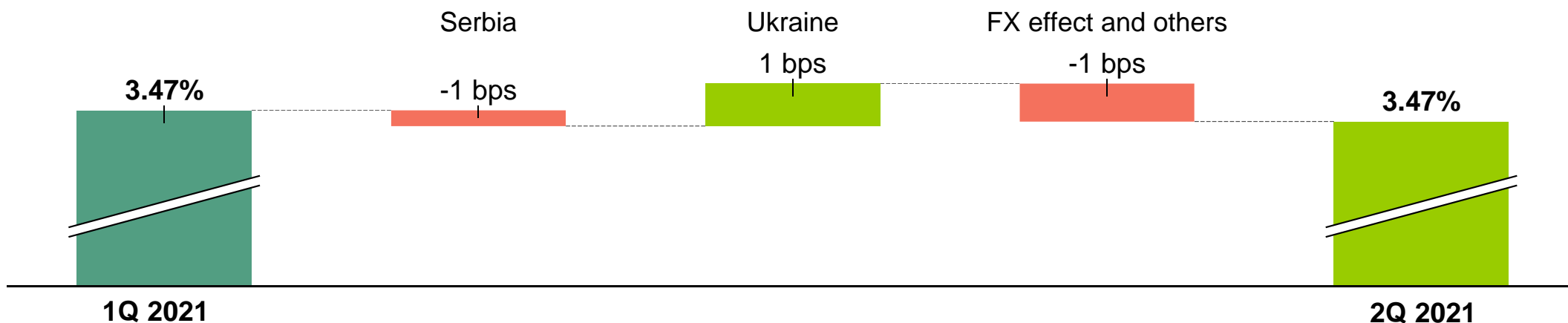
2 In 2Q the Croatian NII grew 5% in LCY, explained by the interest payment by certain borrowers classified as Stage 3, but the rising interest level of leasing products also helped.

3 The strong momentum continued in the Ukraine: the q-o-q 11% jump was driven by expanding loan volumes, whereas the rising rate environment helped margins, too.

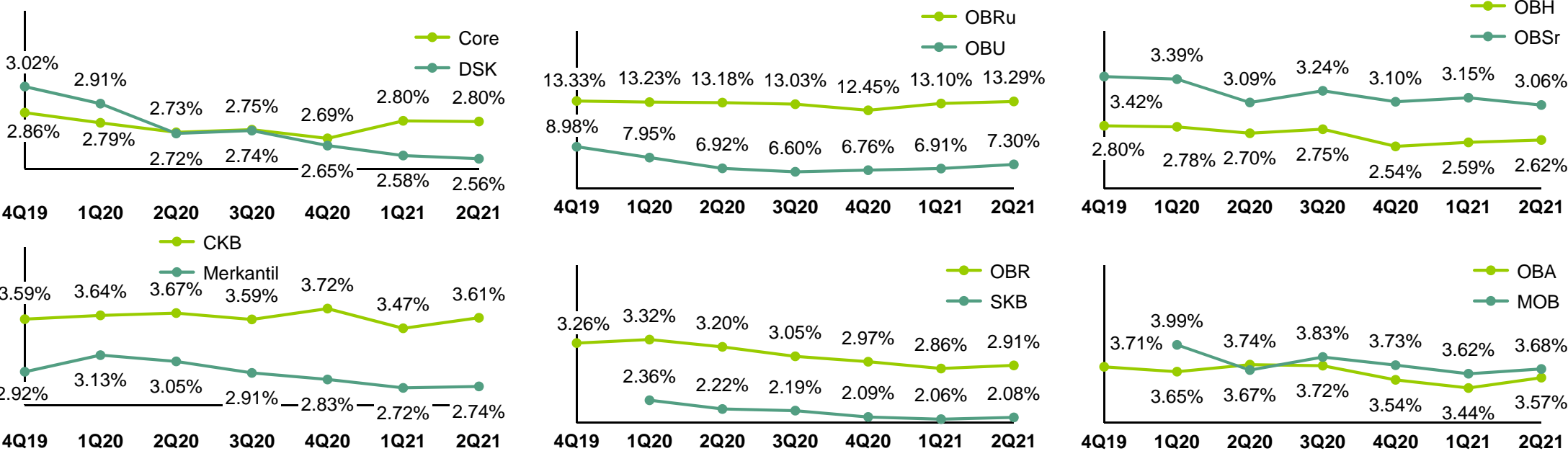
¹ FX-adjusted change without the effect of the sale of OTP Bank Slovakia.
² FX-adjusted change.

The consolidated net interest margin remained stable q-o-q: the Ukrainian improvement was offset by other minor effects. The standalone Russian margin widened due to changes in intragroup funding, but it was neutral on consolidated level

Consolidated net interest margin development



Net interest margin development at the Group members



The q-o-q growth of the consolidated performing (Stage 1+2) loans accelerated to 5% (FX-adjusted). The expansion of the Hungarian consumer loans was remarkable, while the growth of Hungarian housing and corporate loan volumes continued

Q-o-Q performing (Stage 1 + 2) LOAN volume changes in 2Q 2021, adjusted for FX-effect												
	Cons.	Core ² (Hungary)	DSK (Bulgaria)	OBH (Croatia)	OBSrb (Serbia)	SKB (Slovenia)	OBR (Romania)	OBU (Ukraine)	OBRu (Russia)	CKB (Monten.)	OBA (Albania)	OBM (Moldova)
Q-o-Q nominal change (HUF billion)	621	300	91	39	13	32	40	64	8	4	10	6
Total	5%	7%	4%	3%	1%	4%	5%	15%	1%	1%	6%	5%
Consumer	4%	9%	3%	2%	1%	-1%	6%	5%	0%	-1%	6%	10%
Mortgage	4%	5%	5%	6%	5%	3%	3%			2%	7%	8%
		Housing loan	Home equity									
		5%	0%									
Corporate ¹	5%	7%	4%	1%	-1%	7%	6%	20%	9%	2%	5%	2%
Leasing	5%	4%	5%	4%	0%	2%	7%	15%			-1%	-1%

¹ Loans to MSE and corporate clients.

² Changes of leasing volumes of Merkantil Group in Leasing row.

The consolidated performing (Stage 1+2) loans expanded 6% year-to-date (FX-adjusted). The outstanding expansion of the Hungarian loan portfolio was supported mainly by the subsidized programmes (baby loans and Funding for Growth Go!)

YTD performing (Stage 1 + 2) LOAN volume changes in 1H 2021, adjusted for FX-effect

	Cons.	Core ² (Hungary)	DSK (Bulgaria)	OBH (Croatia)	OBSrb (Serbia)	SKB (Slovenia)	OBR (Romania)	OBU (Ukraine)	OBRu (Russia)	CKB (Monten.)	OBA (Albania)	OBM (Moldova)
YTD nominal change (HUF billion)	853	440	101	49	27	48	68	77	2	0	10	11
Total	6%	10%	4%	3%	2%	6%	9%	19%	0%	0%	6%	9%
Consumer	7%	17%	4%	1%	2%	-1%	11%	9%	-1%	-5%	8%	6%
Mortgage	7%	7%	7%	11%	8%	4%	6%			0%	10%	21%
	Housing loan	Home equity										
	8%	-1%										
Corporate¹	6%	9%	2%	0%	0%	12%	10%	21%	9%	2%	5%	5%
Leasing	8%	7%	7%	7%	-2%	1%	15%	24%			-6%	1%

¹ Loans to MSE and corporate clients.

² Changes of leasing volumes of Merkantil Group in Leasing row.



Consolidated deposits grew by 1% q-o-q mainly due to the 3% increase in retail deposits in Hungary and the successful Croatian deposit collection

Q-o-Q DEPOSIT volume changes in 2Q 2021, adjusted for FX-effect

	Cons.¹	Core (Hungary)	DSK (Bulgaria)	OBH (Croatia)	OBSrb (Serbia)	SKB (Slovenia)	OBR (Romania)	OBU (Ukraine)	OBRu (Russia)	CKB (Monten.)	OBA (Albania)	OBM (Moldova)
Q-o-Q nominal change (HUF billion)	240	121	31	58	-9	-2	16	-3	-8	4	10	11
Total	1%	1%	1%	4%	-1%	0%	2%	-1%	-2%	1%	5%	6%
Retail	2%	3%	1%	3%	2%	3%	5%	1%	-2%	0%	3%	5%
Corporate¹	0%	0%	2%	5%	-4%	-6%	0%	-1%	-2%	2%	14%	8%



¹ Including MSE, MLE and municipality deposits.

Consolidated deposits grew by 4% in the first six months, within that Hungarian deposits increased by 6%. In Russia there was an outflow of 8% ytd in an increasing rate environment, in order to optimize funding costs

YTD DEPOSIT volume changes in 1H 2021, adjusted for FX-effect

	Cons.	Core (Hungary)	DSK (Bulgaria)	OBH (Croatia)	OBSrb (Serbia)	SKB (Slovenia)	OBR (Romania)	OBU (Ukraine)	OBRu (Russia)	CKB (Monten.)	OBA (Albania)	OBM (Moldova)
YTD nominal change (HUF billion)	709	481	61	68	-1	17	59	18	-28	12	10	1
Total	4%	6%	2%	4%	0%	2%	9%	4%	-8%	4%	5%	0%
Retail	5%	6%	3%	4%	4%	4%	12%	4%	-10%	1%	5%	7%
Corporate¹	3%	6%	-2%	4%	-5%	-2%	6%	3%	-2%	7%	6%	-7%
Deposits – Net loans gap (HUF billion)	4,185	3,707	1,068	108	-372	205	-103	39	-152	0	41	63

¹ Including MSE, MLE and municipality deposits.

In the first six month net fees grew by 14% y-o-y (w/o OBS sale and FX-adjusted). In 2Q net fees rose by 12% q-o-q mostly due to stronger business activity and the drop-out of negative one-off items in Hungary

Effect of OBS sale

NET FEE INCOME		1H 2021 (HUF billion)	2Q 2021 (HUF billion)	1H 2021 Y-o-Y (HUF billion, %)		2Q 2021 Q-o-Q (HUF billion, %)			
	OTP Group	152	80	-2	18	16	12%/14% ¹	8	12%
	OTP CORE (Hungary)	71	38		11		19%	4	13%
	DSK Group (Bulgaria)	26	13		5		21%/18% ²	1	10%/12% ²
	OBH (Croatia)	8	4		1		12%/8%	0	12%/13% ²
	OBSrb (Serbia)	7	4	0			0%	0	5%/8% ²
	SKB Banka (Slovenia)	6	3		1		13%	0	10%/12% ²
	OBR (Romania)	2	1		0		11%/9% ²	0	8%/11% ²
	OBU (Ukraine)	7	3		0		0%/13% ²	0	7%/8% ²
	OBRu (Russia)	12	6		0		-1%/13% ²	0	1%/3% ²
	CKB Group (Montenegro)	2	1		0		3%	0	22%
	OBA (Albania)	1	0		0		49%	0	19%
	Mobiasbanca (Moldova)	1	1		0		10%	0	13%
	OBS (Slovakia)	-	-	-2			-		-
	Fund mgmt. (Hungary)	3	2	0			-8%	0	4%

① At OTP Core the net fees grew by 19% y-o-y in 1H. The improvement can be attributed to the double-digit growth rate of commissions on deposits, transactions, cards, lending, and securities sales. One-off items explained HUF 3.4 bn of the HUF 4.3 bn q-o-q increase (1Q: lump-sum payment of financial transaction tax for bank card transactions: -HUF 1.7 bn, upfront booking of the annual Compensation Fund fee: -HUF 1.1 bn; 2Q: part of the Compensation Fund payments, HUF 0.6 billion, was offset against taxes). Commissions on deposits, transactions and cards maintained their growth, but securities sales fees sank q-o-q.

② In Bulgaria the q-o-q growth was driven by increasing business activity.

③ The q-o-q pick-up was especially strong in countries where the economy was hit hard by the pandemic and the share of tourism is high.

④ The q-o-q growth in Slovenia was partly reasoned by the introduction of deposit commissions in November 2020 for corporate deposits above a certain limit, and this threshold was lowered in April 2021. This fee was introduced in April 2021 for retail deposits above a certain limit, too.

¹ FX-adjusted change without the effect of the sale of OTP Bank Slovakia.
² FX-adjusted change.

Other net non-interest income leaped by 40% y-o-y in the first half, whereas in 2Q it remained practically flat q-o-q

Effect of OBS sale

OTHER INCOME without one-off items		1H 2021 (HUF billion)	2Q 2021 (HUF billion)	1H 2021 Y-o-Y (HUF billion, %)		2Q 2021 Q-o-Q (HUF billion, %)			
	OTP Group	52	26	-1	15	14	38%/40% ¹	0	-2%
	OTP CORE (Hungary)	15	5	-2			-14%	-5	-49%
	DSK Group (Bulgaria)	6	3		2		46%	0	-15%
	OBH (Croatia)	5	4		1		26%	3	320%
	OBSrb (Serbia)	3	2		1		52%	0	10%
	SKB Banka (Slovenia)	1	0		0		97%	0	68%
	OBR (Romania)	3	2		0		-7%	0	3%
	OBU (Ukraine)	2	1		0		-2%/11% ²	0	23%
	OBRu (Russia)	0	0		0			0	-15%
	CKB Group (Montenegro)	0	0		0		51%	0	-13%
	OBA (Albania)	0	0		0		37%	0	-52%
	Mobiasbanca (Moldova)	1	1		0		-10%	0	27%
	OBS (Slovakia)	-	-		-1		-		-
	Others	15	8		13		621%	1	17%

¹ In the first half-year, other net non-interest income sank 14%, largely because of the weaker FX result booked in the second quarter of 2021. In the first half year, other income's development benefited from that fact that, starting from 2021, the recoveries from claims written off by OTP Factoring for legal reasons (e.g. irretraceable borrower, time-barred debt) are presented in other income, rather than under risk costs (HUF 1.9 billion in 1H).

² The main reason for the q-o-q jump was the gain on selling shares adding HUF 2 billion to the other income line; in addition to this, HUF 0.7 billion revaluation result was realized in relation to Visa shares.

³ The growth was mainly related to the Other Hungarian subsidiaries segment: newly consolidated entities generated HUF 4.8 billion additional other income in 1H, and the companies consolidated with equity method improved the y-o-y dynamics by HUF 5 billion. The latter caused the q-o-q higher other income in 2Q.

¹ FX-adjusted change without the effect of the sale of OTP Bank Slovakia.
² FX-adjusted change.

Consolidated operating costs grew by 5.8% y-o-y organically, adjusted for FX and the shifting of the Hungarian local business tax to the corporate tax line

Effect of OBS sale

OPERATING COSTS	1H 2021 (HUF billion)	Y-o-Y (HUF billion, %)		Y-o-Y, FX-adjusted (HUF billion, %)			
OTP Group	310	0	10 ^{1,2}	0% / 3.1% ^{1,2}	1	17 ^{1,2}	0% / 5.8% ^{1,2}
OTP CORE (Hungary)	133	3	12 ²	2% / 9% ²	3	12 ²	2% / 9% ²
DSK Group (Bulgaria)	35	-2		-6%	-3		-9%
OBH (Croatia)	22	0		0%	-1		-3%
OBSrb (Serbia)	21	0		-1%	-1		-4%
SKB Banka (Slovenia)	12	1		12%	1		8%
OBR (Romania)	19	4		29%	4		26%
OBU (Ukraine)	13	0		-2%	1		11%
OBRu (Russia)	27	-4		-12%	0		0%
CKB Group (Montenegro)	6	-1		-14%	-1		-17%
OBA (Albania)	3	0		9%	0		5
Mobiasbanca (Moldova)	4	0		9%	0		15%
OBS (Slovakia)	0	-6		-	-7		-
Merkantil (Hungary)	5	0	0 ²	1% / 5% ²	0	0 ²	1% / 5% ²
Others	10	4	5 ²	82% / 92% ²	4	5 ²	82% / 92% ²

1 At OTP Core part the underlying cost increase, i.e. without the effect of reclassification of local business taxes, reached 9% or HUF 11.8 bn. Part of this increase was explained by another reclassification (in 2Q the total amount of provisions for untaken holidays on a pro rata temporis basis, HUF 3.1 billion, was moved to personnel costs from other risk cost). The drivers of underlying cost growth included higher personnel expenses, depreciation (in the wake of IT and digital investments), and increasing computer hardware and office equipment costs, telco expenses and supervisory charges (+HUF 1.4 bn, mostly because of payments to the Resolution Fund).

2 In Bulgaria, Serbia and Montenegro where new acquisitions have been added recently, cost savings stemmed from the realisation of cost synergies.

3 The Romanian cost growth was partly the growth strategy launched in 2019. Another reason for higher costs was that, just like in 2020, the full annual fee (HUF 1.5 bn) payable to the Deposit Protection Fund was accrued in the first quarter; it was HUF 0.65 bn higher than the fee booked in 1Q 2020.

4 The Others line grew because of entities newly consolidated from 2021 (adding HUF 4.2 billion costs in 1H 2021).

¹ Changes without the effect of the sale of OTP Bank Slovakia.

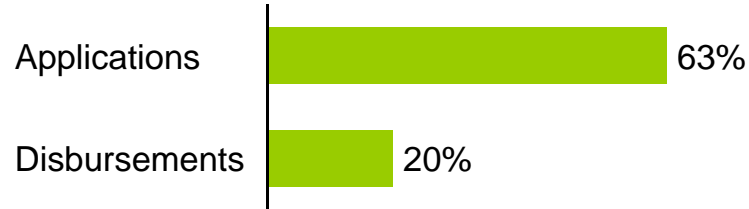
² Without the effect of the reclassification of local business tax and innovation contribution from costs to taxes.



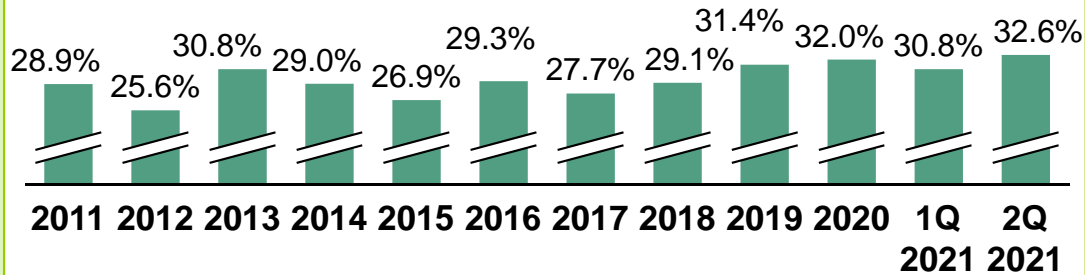
OTP CORE

In Hungary mortgage applications jumped by 63% in 1H, partly due to the exemption of duties for customers using the Housing Subsidy for Families, and to the home renovation loan. The growth of cash loans follows an accelerating trends. OTP maintained its over 30% market share in new mortgage and cash loan flows

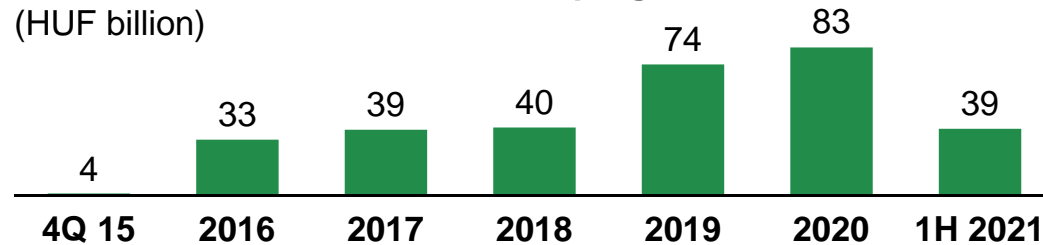
Y-o-y change of mortgage loan applications and disbursements in 1H 2021



OTP's market share in mortgage loan contractual amounts



The amount of non-refundable CSOK subsidies contracted at OTP Bank since the launch of the programme (HUF billion)

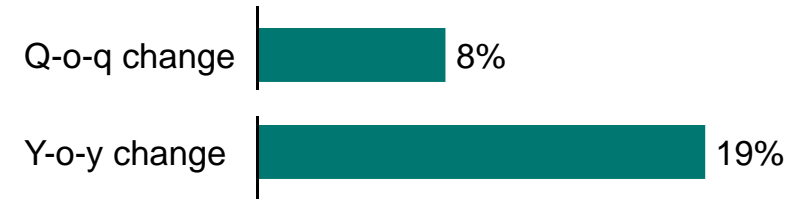


Retail loans participating in the moratorium at the end of June:

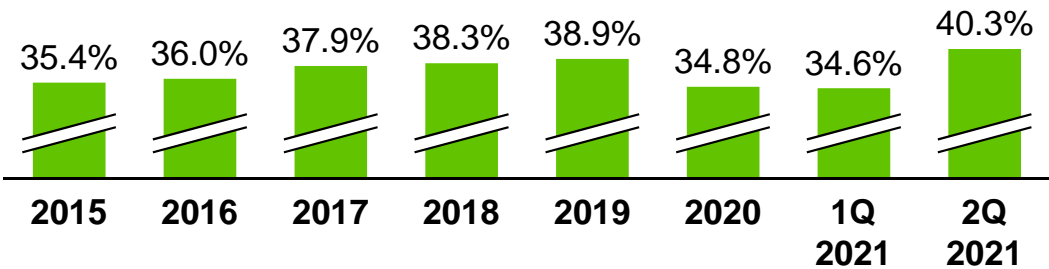
Volume: HUF 1,108 billion

39% in proportion to OTP Core total gross retail loans¹

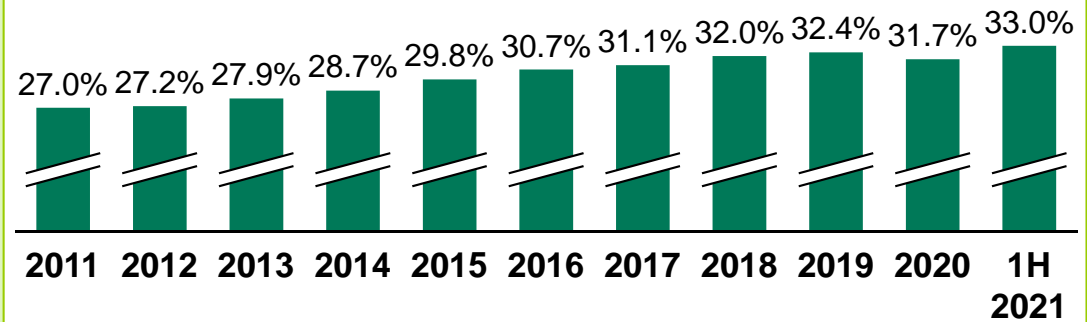
Performing (Stage 1+2) cash loan volume growth (FX-adjusted)



Market share in newly disbursed cash loans



OTP Bank's market share in household savings



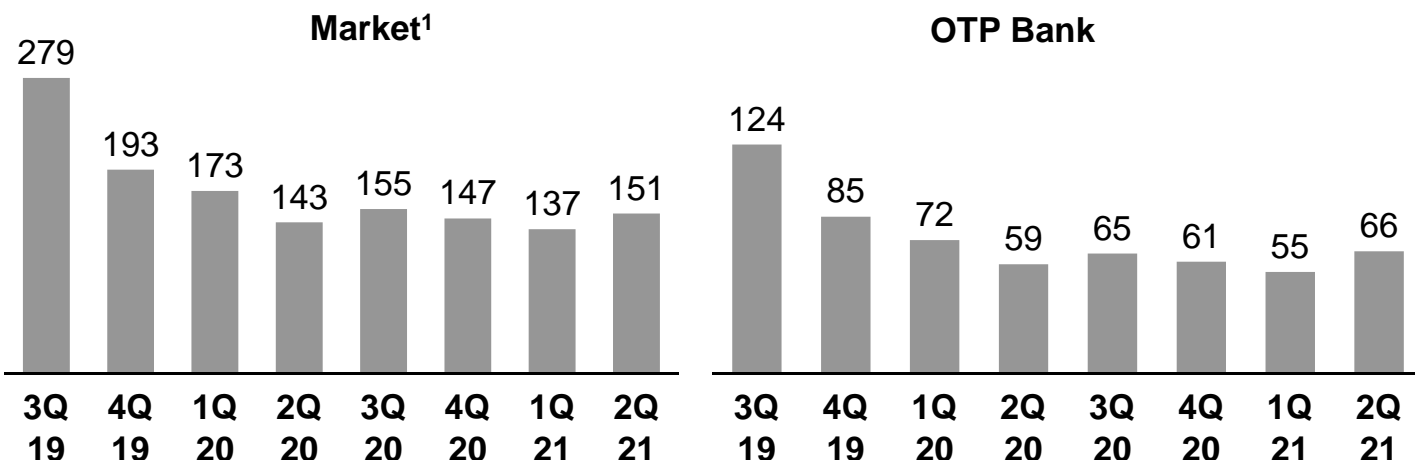
¹ The participation rate presented does not accurately reflect the actual willingness for participation since there are portfolio items within the loan volumes that are not legally eligible for participation in the moratorium.



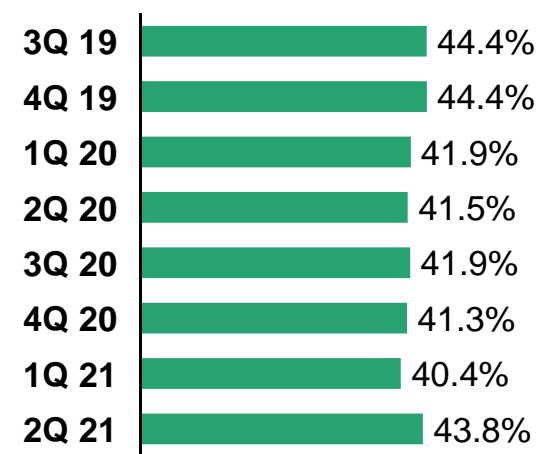
Demand for baby loans strengthened in 2Q, with four out of ten families choosing OTP Bank. The Bank also actively participates in the sale of subsidized loan products introduced in 2021

Baby loans

Contractual amounts (HUF billion)



OTP Bank's market share calculated from the contractual amount



Home renovation loan and Home renovation cash loan²

Amount submitted: HUF 32.9 billion
 Market share of OTP: n/a
 Applications submitted: 7,045 pieces
 Average loan amount: HUF 4.7 million
 Average maturity: 9.3 years

Interest-free loan programme for businesses²

Amount accepted: HUF 22.5 billion
 Market share of OTP: 38.0%
 Applications accepted: 2,601 pieces
 Average loan amount: HUF 8.6 million
 Average maturity: 10 years

¹ Based on NBH statistics.

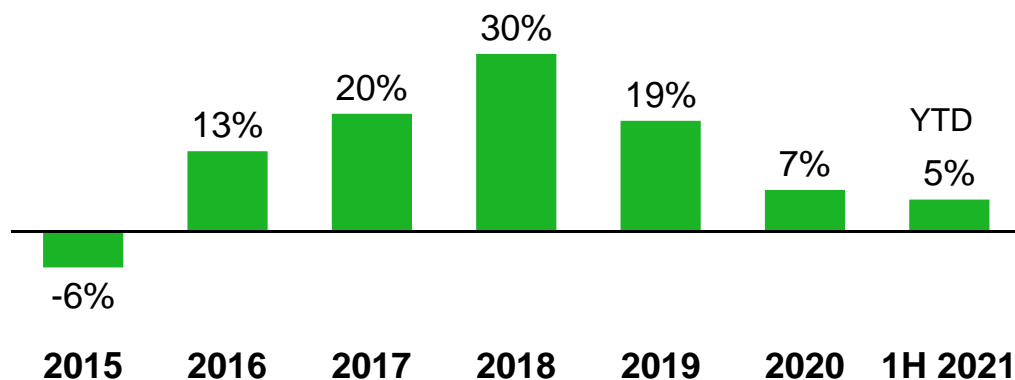
² Figures reflect data as at 30 June.



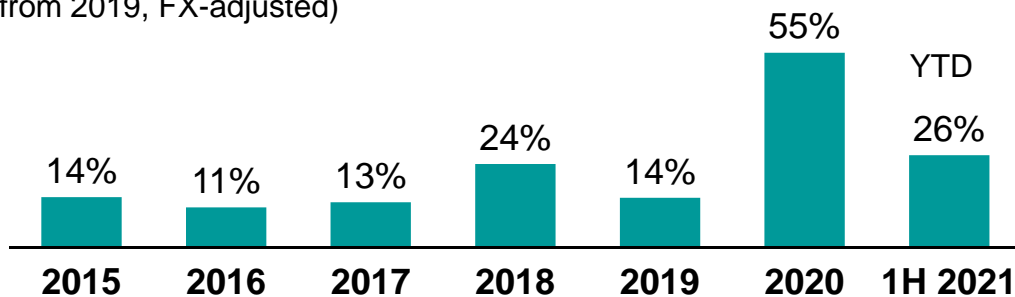
OTP CORE

OTP's micro and small enterprises loans grew by 26% ytd due to the outstanding performance in the *Funding for Growth Go!* scheme, which was recognized by the central bank with the FGS Excellence Award both in 1Q and 2Q. OTP's corporate loan market share continued its upward trend and exceeded 18% by the end of June

Performing corporate loan volume changes (DPD0-90 loan changes until 2018, Stage 1+2 from 2019, FX-adjusted)



Performing loan volume changes in the micro and small companies segment (DPD0-90 loan changes until 2018, Stage 1+2 from 2019, FX-adjusted)

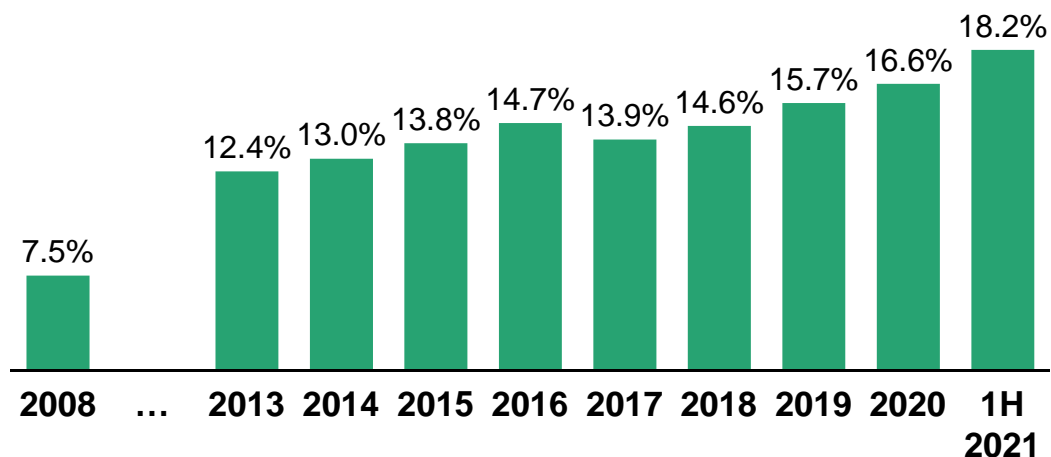


Corporate loans taking part in the moratorium at the end of June:

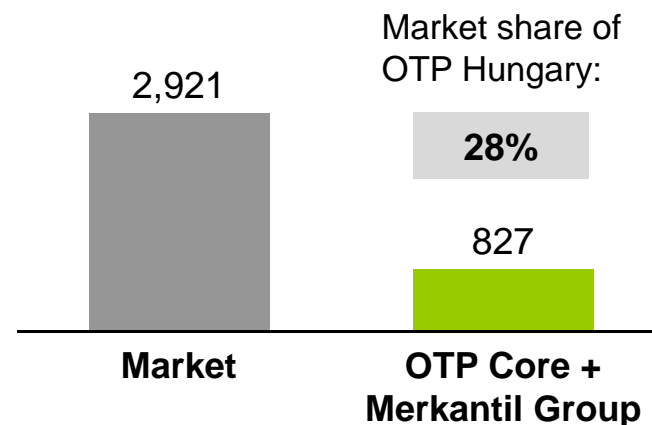
Volume: HUF 333 billion

15% in proportion to OTP Core MSE+corporate loans²

OTP Group's market share in loans to Hungarian companies¹



Contracted amount and market share under the *Funding for Growth Go!* Scheme (HUF billion)



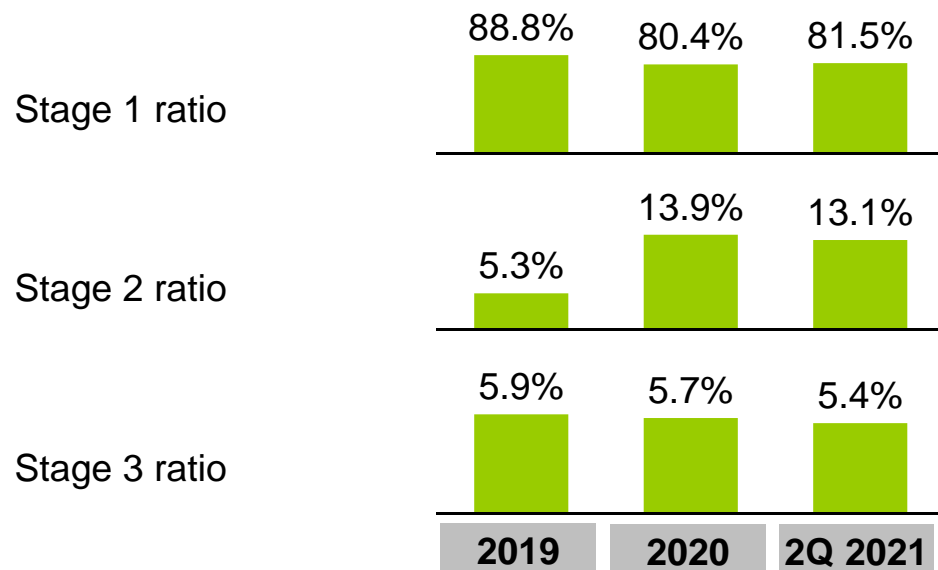
Data as at 31/07/2021

¹ Aggregated market share of OTP Bank, OTP Mortgage Bank, OTP Building Society and Merkantil, based on central bank data (Supervisory Balance Sheet data provision until 2016 and Monetary Statistics from 2017).

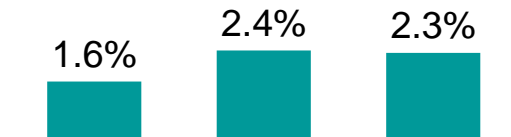
² The participation rate presented does not accurately reflect the actual willingness for participation since there are portfolio items within the loan volumes that are not legally eligible for participation in the moratorium.

In 1H 2021 portfolio quality remained stable. The provision coverage levels at OTP screen favourably compared to its regional peers

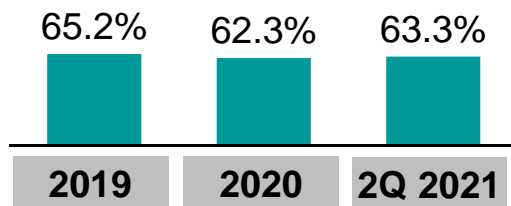
Changes in different Stage categories



Own coverage of Performing (Stage 1+2) loans



Own coverage of Non-performing (Stage 3) loans



OTP Group's conservative provisioning policy is demonstrated through a peer group comparison


Own coverage of Stage (1+2) loans compared to regional peers

	otpbank Group	otpbank Group w/o Russia	ERSTE	Raiffeisen BANK	KBC	UniCredit	INTESA SANPAOLO
2019	1.6%	1.2%	0.5%	0.5%	0.2%	0.4%	0.5%
2020	2.4%	2.1%	0.9%	0.7%	0.6%	0.9%	0.6%
2Q 2021	2.3%	2.1%	1.0%	0.7%	0.5%	0.9%	0.6%

Own coverage of Stage 3 loans compared to regional peers

	otpbank	ERSTE	Raiffeisen BANK	KBC	UniCredit	INTESA SANPAOLO
2019	65.2%	56.6%	62.8%	45.4%	65.1%	54.6%
2020	62.3%	54.2%	64.0%	47.7%	59.8%	49.4%
2Q 2021	63.3%	54.1%	61.8%	48.2%	57.6%	49.7%

The total volume of loans at Group level under the loan repayment moratoria reached HUF 1,600 billion at the end of June, representing 11% of the consolidated total gross loan book. The Hungarian payment holiday was extended by 3 months until the end of September with unchanged conditions

Details of the currently running payment holiday schemes in the countries of OTP Group	Currently in force?	Opt-in / opt-out	Interest charged on unpaid interest	Application deadline	Term of the moratorium	Participation ratio ¹
 Hungary	Yes	Opt-out till 31/12/2020 Opt-in from 01/01/2021 ²	No	30/09/2021	1 st phase: max. 9 months 2 nd phase: max. 9 months	28.0% (OTP Core: 28.7%, Merkantil: 20.5%)
 DSK Group (Bulgaria)	No	Opt-in	No	23/03/2021	max. 9 months (all phases combined)	0.7%
 OBH (Croatia)	No	Opt-in	No	31/03/2021	max. 9 months, except for the victims of the earthquake (12 months or more)	0.4%
 OBSrb (Serbia)	No	Opt-out till Dec 2020 Opt-in from Dec 2020	Yes (in the case of the last phase started in Dec '20)	30/04/2021	6 months	1.5%
 SKB Banka (Slovenia)	No	Opt-in	No	26/02/2021	max. 9 months	1.1%
 OBR (Romania)	No	Opt-in	No	31/03/2021	max. 9 months (all phases combined)	0.4%
 OBU (Ukraine)	-	-	-	-	-	-
 OBRu (Russia)	No	Opt-in	No	30/09/2020	6 months, CBR recommendation to reschedule till the end of 2020 for a maximum 12 months	0.2%
 CKB Group (Montenegro)	Yes	Opt-in	Yes	31/12/2021	max. 6 months	1.8%
 OBA (Albania)	Expired on 30/06/2021					
 Mobiasbanca (Moldova)	Expired on 30/06/2020					

¹ The participation ratios were calculated from participating volumes at the end of June, divided by total gross loan volumes.

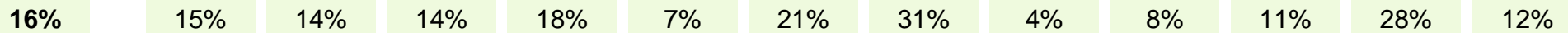
² Borrowers who participated at the end of 2020 remained in the scheme, but those who want to join the scheme have to submit their request to their bank.

Based on macro scenarios and the potential COVID-19 impact on specific sectors, OTP Group classified the corporate exposures into four categories. 71% of the portfolio is in sectors with light / no impact expected

Classification of the corporate¹ exposures based on their anticipated vulnerability (2Q 2021, in % of the total corporate exposures)



Low / no impact: Agriculture; Food production; Pharmacy; Healthcare; Water supply; Public admin and defense; Education; etc.



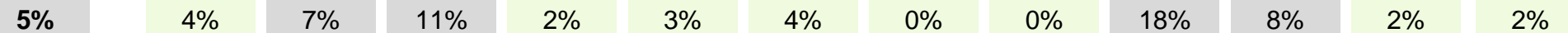
Light impact: Manufact. of petroleum, Chemicals, IT; Metal processing; Electricity supply; Logistics; Financial, insurance activities; etc.



Medium impact: Mining; Metal production; Machinery; Construction; Real Estate Development; Retail trade; Wood processing



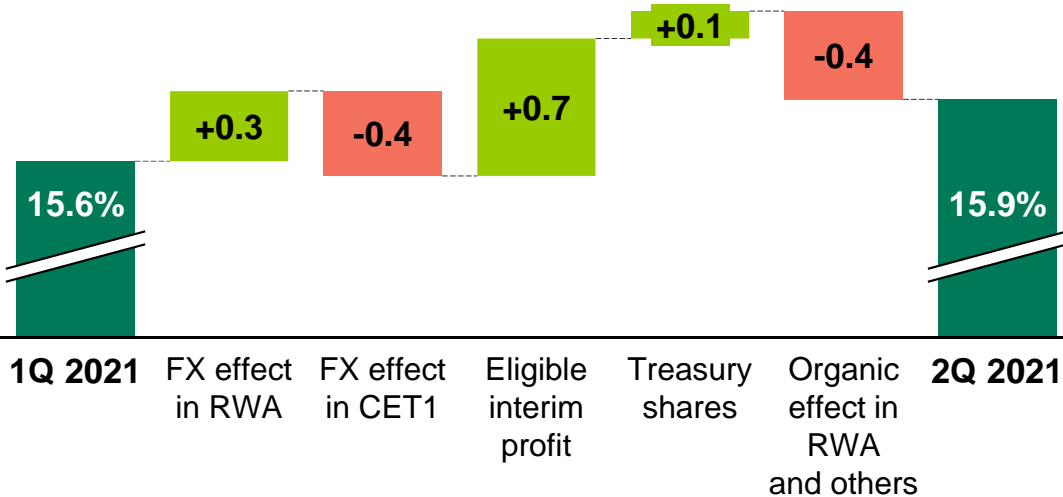
High impact: Accommodation; Air transport; Travel agencies; Tour operators; Passenger water transport; Aircraft/ship manufacturing



¹ Third party exposures towards non-financial legal entities, including MLE, MSE and SL segments. Exposures include on and off balance sheet exposures, EUR 28.4 billion equivalent in total.

Strong capital position, all capital ratios are well above the regulatory requirements

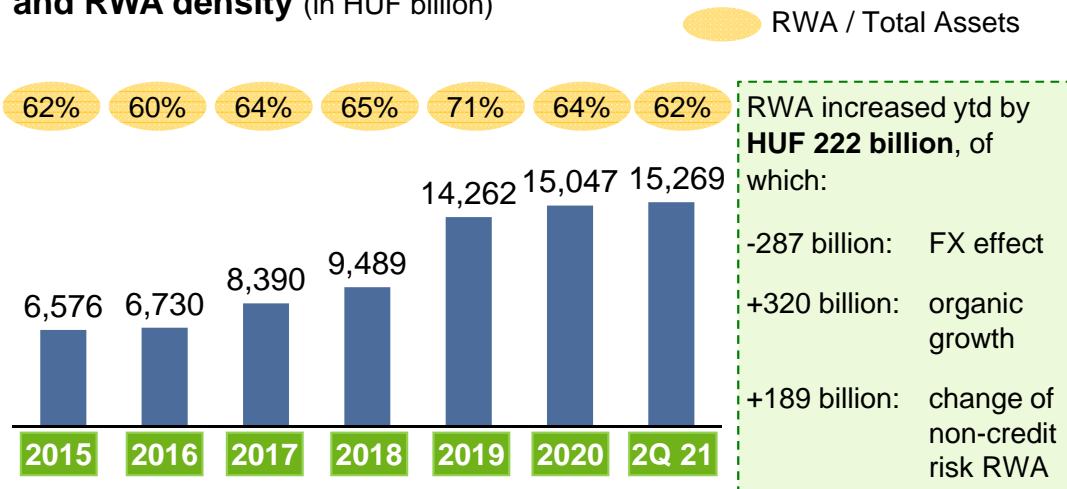
Decomposition of the change in CET1 ratio in 2Q 2021 (changes in pp)



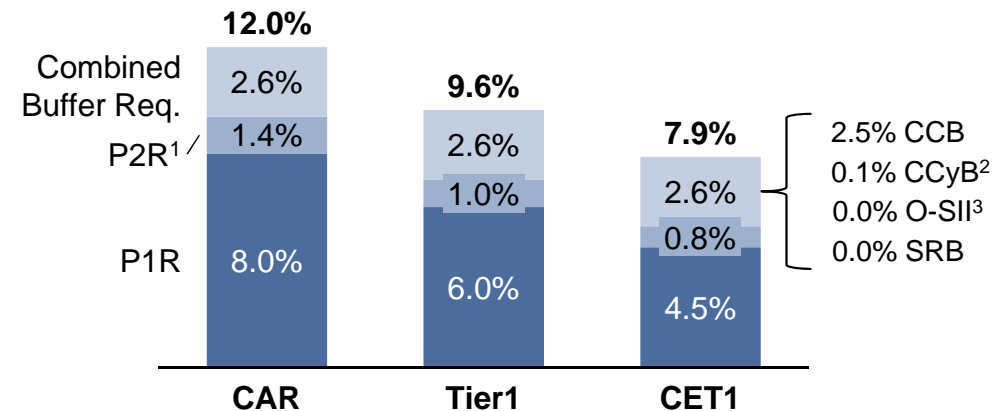
Effects impacting the CET1 ratio in 2Q 2021

- In 1H the CET1 capital was boosted by the interim accounting profit (HUF 215 billion) reduced by the calculated dividend (HUF 42 billion), i.e. by HUF 173 billion in total, of which in 2Q by HUF 98 billion.
- The deducted dividend for 1H 2021 can't be considered as an indication from the management for the dividend after the 2021 fiscal year, but it was determined in accordance with the Commission Delegated Regulation (EU) No. 241/2014. Article 2. (7) Paragraph. The accrued dividend of HUF 119 billion after 2019 and 2020 reduced the retained earnings.
- The amount of treasury shares decreased by HUF 20 billion q-o-q, which improved the CET1 ratio by 13 bps.

Development of the Risk Weighted Assets of OTP Group and RWA density (in HUF billion)











Regulatory minima of capital adequacy ratios for OTP Group, in 2Q 2021



Abbreviations: P1R: Pillar 1 requirement; P2R: Pillar 2 req.; CCB: Capital conservation buffer; CCyB: Countercyclical buffer; O-SII: Other Systemically Important Institutions buffer; SRB: Systemic Risk buffer. ¹ The (P1R + P2R) / P1R ratio on OTP Group was set by the NBH at 117.25% for 2021. ² The CCyB is 0.5% in Bulgaria, therefore on Group level the CCyB is 0.1%. ³ On 1 April the NBH reduced the O-SII buffer req. to zero effective from 1 July 2020 until 31 December 2021.

Main macroeconomic indicators in the CEE region's countries: in terms of growth a substantial rebound is expected in all countries in 2021

	 Hungary		 Bulgaria		 Croatia		 Serbia	
	2020A	2021F	2020A	2021F	2020A	2021F	2020A	2021F
GDP growth (y-o-y, %)	-5.0	6.0	-4.2	4.6	-8.0	6.5	-1.0	6.5
Unemployment (%)	4.1	4.0	5.1	5.0	7.5	7.7	10.5	9.7
Fiscal balance (% of GDP)	-8.1	-7.5	-3.4	-3.1	-7.4	-4.5	-8.1	-7.0
CPI (avg. %)	3.3	4.5	1.7	2.0	0.1	1.7	1.6	2.0
Base rate¹ (%)	0.75	2.1	0.0	0.0	0.1	-0.7	1.0	1.0

	 Russia		 Ukraine		 Romania		 Slovenia	
	2020A	2021F	2020A	2021F	2020A	2021F	2020A	2021F
GDP growth (y-o-y, %)	-3.0	4.2	-4.0	4.0	-3.9	7.0	-5.5	5.8
Unemployment (%)	5.8	5.0	9.5	9.2	4.9	5.5	5.0	4.7
Fiscal balance (% of GDP)	-3.9	-2.6	-5.3	-6.0	-9.2	-8.2	-8.4	-7.1
CPI (avg. %)	3.4	6.2	2.7	8.0	2.6	4.2	-0.3	1.3
Base rate (%)	4.25	7.25	6.0	9.0	1.5	1.75	-0.56	-0.57

	 Montenegro		 Albania		 Moldova	
	2020A	2021F	2020A	2021F	2020A	2021F
GDP growth (y-o-y, %)	-15.2	7.0	-3.3	6.5	-7.0	6.4
Unemployment (%)	17.9	18.7	12.2	10.0	4.0	3.9
Fiscal balance (% of GDP)	-10.0	-6.2	-6.9	-6.0	-5.3	-5.0
CPI (avg. %)	-0.3	1.9	1.6	1.8	4.0	3.2
Base rate (%)	-	-	1.0	0.9	3.9	3.6

Source: OTP Research Centre, and management expectations.

¹ In case of Hungary the 3M interbank rate (3M BUBOR), in case of Croatia the one-week repo rate was displayed.



2021 management Guidance

For the first six months Group-level trends overall played out positively. At the same time, the potential 4th wave of the pandemic justifies to be cautious, though the expected macroeconomic impact is expected to be much lower, according to current forecasts.

According to the management guidance:

- On the back of the ytd performing (Stage 1+2) loan volume growth of 6%, for the whole year the loan book may expand by more than 10% (FX-adjusted), provided that the favourable trends seen in 1H remain in place.
- In case the positive risk development trends manifested in 1H continue, the adjusted ROE for 2021 may end up between 18-20%.



Dividend payment

OTP Bank's management is committed to distribute dividends which will include HUF 119 billion dividend amount after 2019 and 2020; the payment of the said amount was suspended at the request of the regulator, but was deducted from the regulatory capital. In 1H the Bank deducted HUF 42 billion dividend, but it can't be considered as an indication from the management for the dividend after the 2021 fiscal year; it was determined in accordance with the Commission Delegated Regulation (EU) No. 241/2014. Article 2. (7) Paragraph.

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Questions and Answers session