OTP Group
Full year 2014 results

Conference call – 6 March 2015

László Bencsik

Chief Financial and Strategic Officer

otpbank

The 4Q 2014 accounting profit reached HUF 10.9 billion with adjustments remaining moderate. The annual before tax profit without one-off items decreased by 20% y-o-y

	2013	2014	Y-o-Y	4Q 13	3Q 14	4Q 14	Q-o-Q	Y-o-Y
	in HUF billion				in HUF billion			
Consolidated after tax profit (accounting)	**64.1**	**-102.3**	**-260%**	**1.4**	**34.1**	**10.9**	**-68%**	**677%**
Adjustments (total)	**-81.8**	**-220.3**	**169%**	**-9.2**	**0.6**	**0.7**	**20%**	**-108%**
Dividends and net cash transfers (after tax)	-0.4	0.2		-0.2	0.0	0.1		
Goodwill/investment impairment charges (after tax)	-29.4	-5.0	-83%	0.0	0.0	① 6.6		
Special tax on financial institutions and one-timer payment compensating the underperformance of the financial transaction tax (after tax)	-43.2	-30.2	-30%	-0.3	-0.3	0.0	-93%	-91%
Fine imposed by the Hungarian Competition Authority (after tax)	-3.2	0.0		-3.2	0.0	0.0		
Corporate tax impact of the transfer of general risk reserves to retained earnings	-5.5	0.0		-5.5	0.0	0.0		
Effect of Banco Popolare Croatia acquisition (after tax)	0.0	4.1		0.0	0.1	0.0		
Expected one-off impact of regulatory changes related to consumer contracts in Hungary (after tax)	0.0	-155.9			7.7	② 12.5		
Risk cost created toward Crimean exposures from 2Q 2014 (after tax)	0.0	-7.9		0.0	-0.1	0.3		
Risk cost created toward exposures to Donetsk and Luhansk from 3Q 2014 (after tax)	0.0	-25.5		0.0	-6.8	③ -18.7		
Consolidated adjusted after tax profit	**145.9**	**118.0**	**-19%**	**10.6**	**33.5**	**10.2**	**-69%**	**-4%**
Corporate tax	-39.0	-24.3	-38%	-3.8	-8.8	-2.1	-76%	-44%
O/w tax shield of subsidiary investments	*2.0*	*9.4*	*366%*	*1.4*	*1.7*	*6.3*	*259%*	*334%*
Before tax profit	184.9	142.3	-23%	14.4	42.3	12.3	-71%	-14%
Total one-off items	9.6	2.6	-73%	-0.4	-1.0	1.0	-194%	-362%
Revaluation result of FX swaps at OTP Core	0.7	-0.8	-215%	-0.3	-1.0	0.9	-193%	-419%
Gain on the repurchase of own capital instruments	6.1	0.0	-100%	0.0	0.0	0.0		-100%
Result of the Treasury share swap agreement	2.8	3.4	20%	-0.1	0.0	0.0		-116%
Before tax profit without one-off items	**175.3**	**139.8**	**-20%**	**14.8**	**43.3**	**11.4**	**-74%**	**-23%**

① The entire Ukrainian goodwill under Hungarian Accounting Standards held in OTP Bank's standalone balance sheet has been written off in 4Q under HAS, and an impairment was booked in relation to the Ukrainian investment under HAS. Though under IFRS the write-off had no direct effect on the consolidated balance sheet or on the P&L, there was a related positive tax shield of altogether HUF 6.6 billion that added to the Group's IFRS accounting profit.

② The estimate on the expected one-off negative impact of the regulatory changes related to consumer contracts was made more accurate, accordingly in 4Q those expected losses were scaled back by HUF 12.5 billion. The earlier estimation was based on the conservative assumption (among others) that the settlement between the banks and clients will be due only by the end of 1H 2015. Current provisioning covers only up to the end of 2014.

③ In 4Q the Bank raised the provision coverage on its Donetsk and Luhansk exposure up to 99.4%. The key reason for doing so was that the bank had to suspend the operation of most of its branches in the region since practically all economic activity has been stopped due to the special circumstances. The remaining net loan exposure to these counties (including accrued interest) amounted to HUF 3 billion equivalent at the end of 2014.

The 2014 consolidated operating profit moderated by 7% y-o-y; the q-o-q revenue drop was due to weakening RUB and UAH FX rates, while operating costs reflect seasonality

CONSOLIDATED (in HUF billion)	**2013**	**2014**	**Y-o-Y**	**4Q 13**	**3Q 14**	**4Q 14** Fact	**4Q 14** FX adj.[1]	**Q-o-Q**	**Y-o-Y**
Before tax profit without one-off items	**175.3**	**139.8**	**-20%**	**14.8**	**43.3**	**11.4**	**8.4**	**-74%**	**-23%**
Operating profit w/o one-off items	447.7	414.5	-7%	106.4	108.5	88.7	94.1	-18%	-17%
Total income w/o one-off items	864.9	826.1	-4%	213.9	209.7	195.1	205.3	-7%	-9%
Net interest income w/o one-off items	653.1	636.2	-3%	159.2	159.7	155.8	164.9	-2%	-2%
Net fees and commissions	166.9	169.6	2%	44.8	41.6	44.5	45.8	7%	-1%
Other net non interest income without one-offs	44.8	20.3	-55%	9.8	8.4	-5.2	-5.4	-161%	-153%
Operating costs	-417.2	-411.5	-1%	-107.5	-101.2	-106.5	-111.2	5%	-1%
Total risk costs	-272.5	-274.7	1%	-91.6	-65.2	-77.3	-85.7	19%	-16%

OTP CORE (in HUF billion)	**2013**	**2014**	**Y-o-Y**	**4Q 13**	**3Q 14**	**4Q 14**		**Q-o-Q**	**Y-o-Y**
Before tax profit without one-off items	**140.3**	**158.5**	**13%**	**32.9**	**41.9**	**37.3**		**-11%**	**13%**
Operating profit w/o one-off items	194.4	182.0	-6%	47.5	48.0	39.4		-18%	-17%
Total income w/o one-off items	384.6	375.7	-2%	95.5	94.2	90.6		-4%	-5%
Net interest income w/o one-off items	273.3	266.3	-3%	67.8	66.6	66.5		0%	-2%
Net fees and commissions	91.5	94.2	3%	24.8	23.3	23.4		1%	-5%
Other net non interest income without one-offs	19.8	15.1	-24%	3.0	4.3	0.6		-85%	-78%
Operating costs	-190.2	-193.7	2%	-48.0	-46.3	-51.2		11%	7%
Total risk costs	-54.1	-23.4	-57%	-14.6	-6.0	-2.0		-66%	-86%

[1] The 4Q 2014 FX adjusted column shows the consolidated 4Q 2014 P&L lines using the 3Q 2014 average RUBHUF and UAHHUF rates for the translation of Russian and Ukrainian contribution into HUF.

The consolidated other net non-interest income dropped by HUF 13.6 billion q-o-q. Several items explaining the q-o-q setback of other income were reclassified into interest income or fee income line, others were one-offs in 4Q

						Recurring reclassification into...		
in HUF billion	2013	2014	3Q 14	4Q 14	Q-o-Q	net interest income	net fee income	Other income - one-off items
Other net non-interest income	**44.8**	**20.3**	**8.4**	**-5.2**	**-13.6**			
Items influencing the q-o-q change of other income:								
OTP Core								
FX results related to conversion, but partially offset by higher net interest income					-1.8			-1.8
transformation of NHB bonds into deposits					-0.6	0.6		
lower treasury margins					-0.6			-0.6
lower income realized on sale of fixed assets					-0.3			-0.3
decline of securities gain at OTP Building Society					-0.4			-0.4
OTP Ukraine								
reclassification of leasing revenues* into interest income					-1.8	1.8		
write-off of cash and other assets in East-Ukraine					-1.1			-1.1
impairment booked in relation to certain assets					-0.8			-0.8
unrealized FX result					-0.4			-0.4
OTP Croatia								
reclassification of revenues on investment purpose assets* into interest income					-0.3	0.3		
seasonal decline of FX result					-0.4			-0.4
OBSrb - shift of suspended interest* to interest income					-1.1	1.1		
Shift of fund mgmt fees* of OTP Real Estate Fund Mgmt into fee income line (Other Hungarian subsidiaries)					-1.6		1.6	
Total					**-11.3**	**3.8**	**1.6**	**-5.8**

* in case of reclassifications typically the full-year revenues were transferred from other income line to either interest income or fee income lines

The annual profit delivered by CEE countries in 2014 improved by 32%, however the Russian and Ukrainian (adjusted) operation generated material losses

	2013	2014	Y-o-Y	4Q 13	3Q 14	4Q 14	Q-o-Q	Y-o-Y
	in HUF billion			in HUF billion				
Consolidated adjusted after tax profit	**145.9**	**118.0**	**-19%**	**10.6**	**33.5**	**10.2**	**-69%**	**-4%**
CEE operation	**137.8**	**182.5**	**32%**	**21.0**	**50.1**	**38.5**	**-23%**	**83%**
OTP Core (Hungary)	114.9	137.4	20%	27.3	35.3	35.5	0%	30%
DSK (Bulgaria)	30.2	39.2	30%	4.6	11.9	5.7	-52%	26%
OBR (Romania)	-4.1	0.8		-2.5	0.7	-1.6		33%
OBH (Croatia)	2.2	0.1		0.2	0.0	-0.4		
OBS (Slovakia)	1.2	0.0		0.2	0.2	-0.7		
OBSrb (Serbia)	-13.2	0.1		-10.8	0.0	0.0		
CKB (Montenegro)	0.8	0.4	-51%	-0.1	0.7	-0.9		
Leasing (HUN, RO, BG, CR)	2.3	-1.6		0.7	0.2	-2.0		
OTP Fund Management (Hungary)	3.6	6.1	71%	1.4	1.2	2.8	146%	109%
Russian and Ukranian operation	**9.1**	**-57.7**		**-7.1**	**-16.6**	**-22.9**	**-38%**	**-223%**
OBRU (Russia)	2.4	-14.5		-8.9	-5.7	-1.8	68%	80%
OBU (Ukraine)	6.7	-43.2		1.8	-10.9	-21.1	-95%	
Corporate Centre	**2.4**	**-1.2**		**-0.7**	**0.0**	**0.0**		

* Without risk cost created towards the Crimean exposures from 2Q 2014 and risk cost created towards Donetsk and Luhansk exposures from 3Q 2014. With those two items OBU's loss was HUF 77 billion in 2014.

Miscellaneous – 1.

OTP Core – follow up on major deadlines relating to the settlement with clients and the conversion of FX mortgages into HUF

Starting from 1 January 2015 the monthly instalments of the original FX loans are to be calculated with the fixed FX conversion rates set in the Conversion Law (256.47 HUF/CHF, 308.97 HUF/EUR and 2.163 HUF/JPY).

On 1 February all the relevant FX mortgage loans de jure had to be converted into HUF on the fix conversion rates. Those loans were still booked as FX loans in the balance sheet by end-2014, however their valuation was already based on the set conversion rates.

Between 1-31 March clients participating in the preferential FX mortgage prepayment scheme (invented in 2011) may turn to their bank and ask for (presumed) settlement.

Between 1 March – 30 April all FX clients should receive a detailed notifications from their banks on the settlement (including the newly set monthly instalment and the modified principal), as well as the notification on the amended provisions of their contract according to the law. Thus the previous FX mortgage clients will learn the relevant information on their outstanding HUF mortgage loan contractual terms following the conversion. For those preferring to opt-out (meeting the stipulated conditions) have 30 days to announce that to their banks. Only those clients can do so where (i) the regular monthly income in the relevant foreign currency exceeds the monthly instalment; (ii) the client is eligible to borrow in FX according to the NBH regulation in place (monthly income should exceed the minimum wage 15 times), (iii) the loan is going the expire not later than 31 December 2020.

The new disbursement amount will be due for the first time in May (i.e. the first month following the notification).

Between 1 August – 1 September the HUF-based customer loan clients will also receive notifications on the settlement of their original loans.

Market friendly measures announced recently by the Government and the National Bank of Hungary

On 9 February 2015 the **Hungarian Government and EBRD signed a Memorandum of Understanding**. Major undertakings:

- the new base for calculating the banking tax will be banks' balance sheets as of the end of 2014, with the percentage applied being reduced to 0.31% from 2016 and to 0.21% from the beginning of 2017. (Currently the banking tax rate is 0.53% of the adjusted 2009 assets.) This would result in an almost HUF 60 billion reduction of the banking tax in 2016. From 2019 the level of the banking tax will be further adjusted to the prevailing European Union norms.
- the Hungarian government is to refrain from implementing new laws or measures that may have a negative impact on the profitability of the banking sector
- the reduction of the banking sector's non-performing loan portfolio would be designed to reflect international best practices, in particular with respect to the transparent and market-based operation of these programmes.
- the government is ensuring fair competition between, and equal treatment of, all financial institutions active on the market

On 18 February the National Bank of Hungary announced the launch of **Funding for Growth Scheme+** (FGS+) to be started from 16 March 2015. Accordingly, NBH will improve access to credit for small and medium sized enterprises that have not been able to participate in FGS so far. The original scheme was launched in 2013. Under the first phase HUF 750 billion were allocated towards the local micro and SME sector and HUF 701 billion were disbursed, of which OTP's share represented HUF 91 billion. Under the second phase by the end of December 2014 the contracted amounts reached HUF 584 billion; OTP's contracted amount was HUF 117 billion (20% share). The most recent FGS+ offered HUF 500 billion. Under the scheme the central bank takes over 50% of credit losses from the credit institutions, but only up to 5 years and up to 2.5% of the entire loan portfolio held by the individual credit institutions.

Miscellaneous – 2.

2015 outlook for OTP Group without the Ukrainian and Russian operations

All in all, in the CEE countries the general economic performance is expected to improve and the better operating environment will be accommodative to the lending activity.

- Following the settlement of customers' claim in Hungary overall loan volumes are expected to grow fuelled by very positive macro trends. However, the net interest margin might somewhat erode due to lower net interest margin at OTP Core: the settlement with clients, the FX mortgage loan conversion into HUF and the prevailing low interest rate environment will exert a pressure on Hungarian margins. On other markets (namely Romania and Croatia) self-introduced measures and potential regulatory requirements may result in lower net interest income.
- Operating costs are expected to remain flat y-o-y.

Guidance on the Ukraine

The operation of the Ukrainian bank faces challenges. In 2014 the political situation developed much worse than expected. The economy contracted by close to 7%, the local currency lost 92% of its value against the dollar and the inflation approached 20%. The Ukrainian subsidiary realized a massive total loss of HUF 77 billion in 2014.

With all the uncertainties around, **2015 is expected to be another loss-making year**. The key driver is the development of the hryvnia exchange rate which poses significant risk: it hovered around 16 at the end of the year against the dollar and this rate was used to calculate the 2015 budget. Recently the hryvnia has traded in the range of 25-35. At the end of 2014 exposures to Donetsk and Luhansk counties were adequately provisioned.

The bank will focus its activity on the optimization of operation coupled with the continuous scaling back of OTP Group exposure. The magnitude of intragroup funding will further decline (senior funding reached HUF 140 billion, whereas the subordinated debt from Group members stood at HUF 20 billion by end-2014). Capital support for maintaining on-going operation will come from swapping outstanding debt into equity, i.e. the Bank's net exposure is expected to shrink.

Guidance on Russia

In 2015 the GDP is expected to contract by 4% after being close to recession in 2014. Annual inflation may be around 17%, the USD/RUB rate is expected to normalize depending on the oil price developments.

According to the management forecasts **OTP Bank Russia remains in red in 2015** as a result of lower volumes due to weaker loan demand, steadily high risk costs and elevated funding costs. Lower revenues are partially expected to be off-set by the planned reduction of operating expenses.

Touch Bank, a new online brand was established in 2014 and it is expected to be launched in spring 2015 with focus on affluent client segments. It will operate under the existing licence enjoying high level of operational independence from the current activities. It is unlikely, however that in 2015 Touch Bank will positively contribute to the Russian earnings.

From 1Q 2014 the Basel III regulation has been applied. The Common Equity Tier1 ratio declined y-o-y mainly due to losses recorded in 2Q

OTP Group consolidated capital adequacy ratio (IFRS)

BASEL III	2010	2011	2012	2013	2014
Capital adequacy ratio	17.5%	17.3%	19.7%	19.7%	17.5%
Common Equity Tier1 capital ratio	12.1%	12.4%	15.1%	16.0%	14.1% ①

① The **consolidated CET1 ratio** declined by 1.9 ppts y-o-y, mainly related to the net loss induced by the adjustment items.

② In 4Q 2014 the **Russian** bank received a RUB 3 billion subordinated debt from the mother company, and RUB 1.2 billion equivalent subordinated debt was repaid to Group.

③ In case of the **Ukrainian bank*** the standalone capital adequacy ratio under local regulation stood at 10.4% at the end of 2014, which did not incorporate the impact of the conversion of UAH 800 million equivalent subordinated debt into equity booked in 4Q 2014.

④ The capital increase of RON 175.3 million at the **Romanian bank** by OTP Bank was registered by the Romanian Court of Registration in January 2015.

⑤ The **Slovakian bank** received EUR 10 million share capital in 4Q.

Capital adequacy ratios (under local regulation)

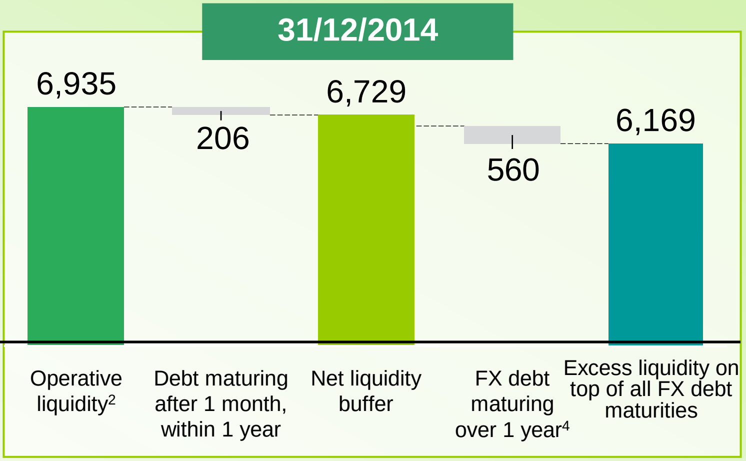
	2010	2011	2012	2013	2014
OTP Group (IFRS)	**17.5%**	**17.3%**	**19.7%**	**19.7%**	**17.5%**
Hungary	18.1%	17.9%	20.4%	23.0%	19.0%
Russia	17.0%	16.2%	16.2%	14.0%	12.1% ②
Ukraine	22.1%	21.3%	19.6%	20.6%	10.4% ③
Bulgaria	23.7%	20.6%	18.9%	16.4%	18.0%
Romania	14.0%	13.4%	15.6%	12.7%	12.7% ④
Serbia	16.4%	18.1%	16.5%	37.8%	31.5%
Croatia	15.0%	14.8%	16.0%	16.7%	15.0%
Slovakia	11.1%	13.1%	12.8%	10.6%	13.5% ⑤
Montenegro	13.9%	13.4%	12.4%	14.4%	15.8%

* According to central bank decree no measures will be taken against Ukrainian banks if certain normative (including CAR) limits are breached due to additional provisions implied by currency depreciation after 6 February 2014.

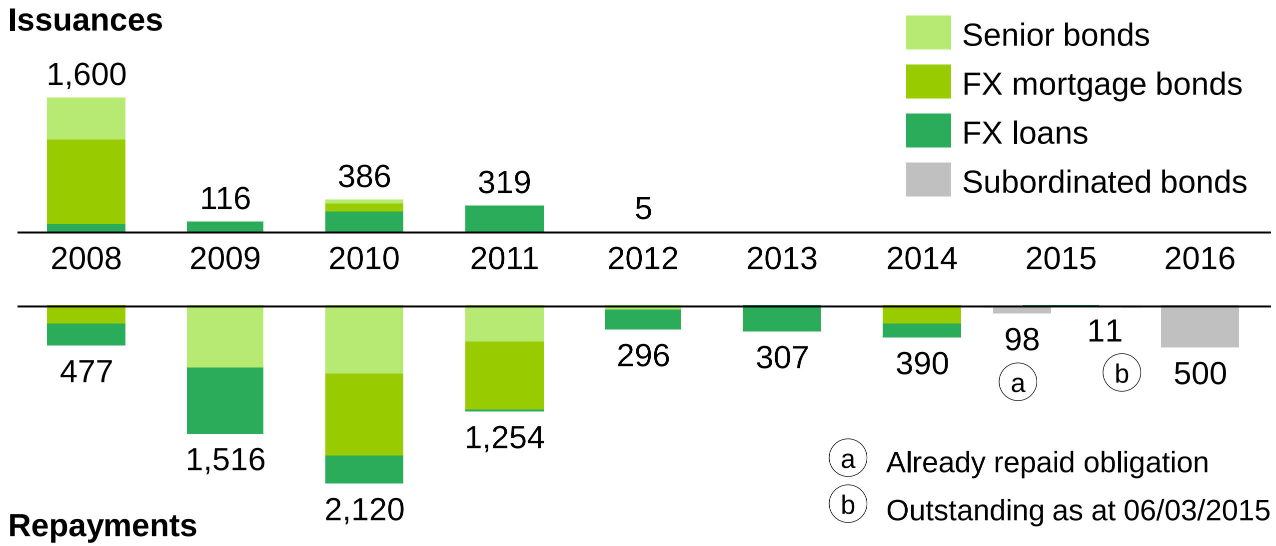
The Group's liquidity position further strengthened, the increment in operative liquidity was mainly driven by asset management deposit inflows in 3Q 2014

OTP Group net liquidity buffer[1]

(in EUR million, equivalent)



FX denominated wholesale funding transactions at OTP Core level[3] (in EUR mn)



Debt and capital market issuances in 2014:

- Shrinking Hungarian retail bond portfolio due to strong competition from local government bonds (2014 volume: HUF 61 billion or EUR 193 million)
- In May OTP Bank Russia resold RUB 1 billion senior bonds

Repaid debt and capital market instruments in 2014:

- On 4 March RUB 5.7 billion bonds were redeemed at OTP Bank Russia
- On 25 March RUB 2.5 billion bonds were redeemed at OTP Bank Russia
- In April OTP Bank prepaid CHF 78,6 million loan to EIB, and prepaid CHF 83 million
- On 29 July RUB 5 billion bonds were redeemed at OTP Bank Russia
- In August 2014 OTP Bank prepaid CHF 31 million loan to EIB
- In August OTP Mortgage Bank repaid an EUR 250 million mortgage bond, with EUR 15.5 million external obligation
- On 11 October RUB 1.1 billion bonds were redeemed at OTP Bank Russia
- On 15 December OTP Mortgage Bank repaid an EUR 200 million mortgage bond, with EUR 198 million external obligation

OTP Bank did not participate in the LTRO programs of the European Central Bank.

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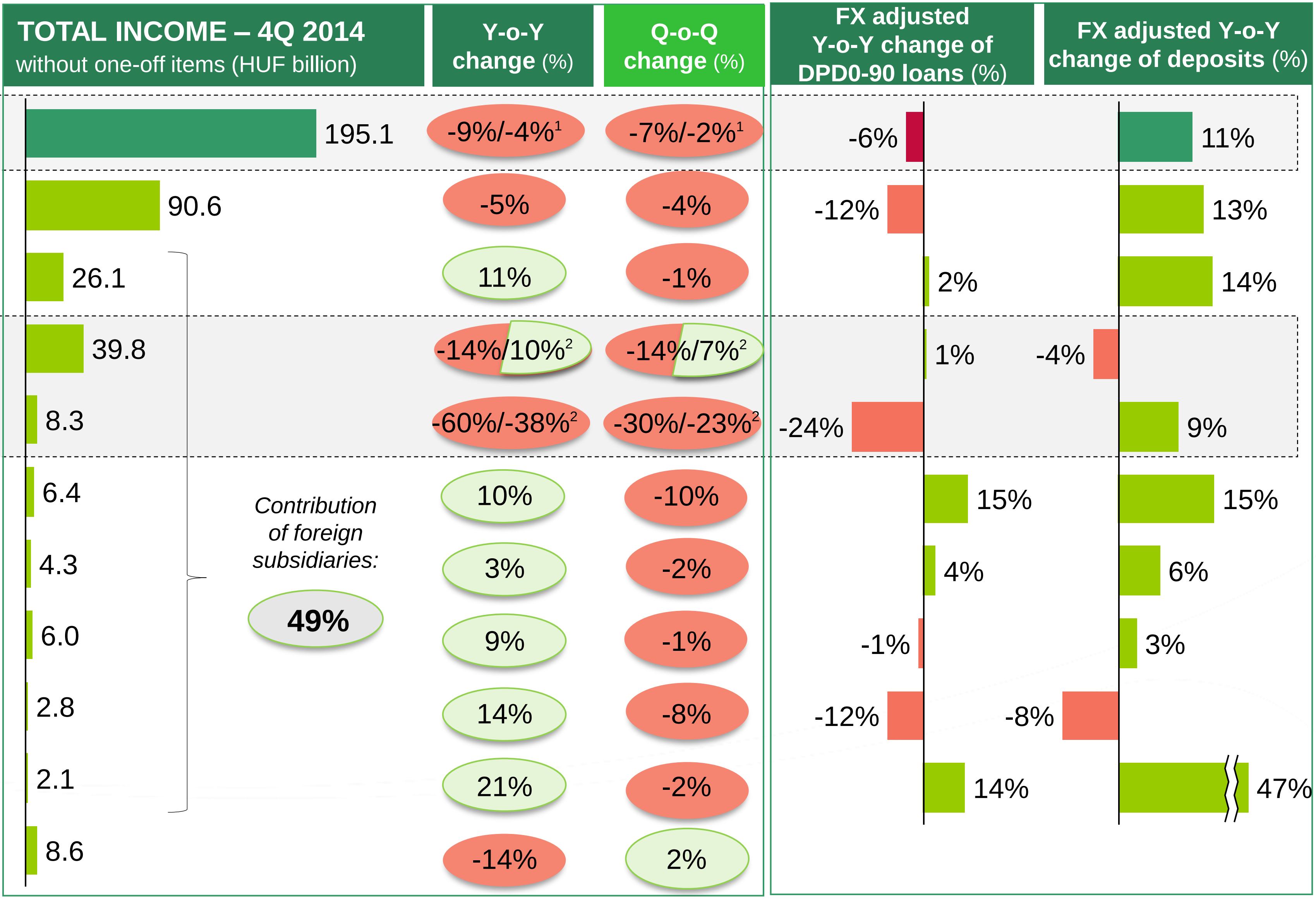
[1] Operating liquidity less debt maturing over one month, within one year
[2] Liquid asset surplus within one month + repo value of government bonds, covered bonds, municipal bonds
[3] Wholesale funding transactions do not include intra-group holdings
[4] Maturing debt does not include CHF 118 million exposure to EIB due to the over 100% collateralization of loans

The Group's total income in 4Q declined by 9% y-o-y coupled with a 6% y-o-y decrease of loans. All foreign subsidiaries' total income improved except in Russia and Ukraine; the decline of the Russian and Ukrainian revenues partly explained by FX devaluation



	TOTAL INCOME – 4Q 2014 without one-off items (HUF billion)	Y-o-Y change (%)	Q-o-Q change (%)	FX adjusted Y-o-Y change of DPD0-90 loans (%)	FX adjusted Y-o-Y change of deposits (%)
OTP Group	195.1	-9%/-4%[1]	-7%/-2%[1]	-6%	11%
OTP CORE (Hungary)	90.6	-5%	-4%	-12%	13%
DSK (Bulgaria)	26.1	11%	-1%	2%	14%
OBRu (Russia)	39.8	-14%/10%[2]	-14%/7%[2]	1%	-4%
OBU (Ukraine)	8.3	-60%/-38%[2]	-30%/-23%[2]	-24%	9%
OBH (Croatia)	6.4	10%	-10%	15%	15%
OBS (Slovakia)	4.3	3%	-2%	4%	6%
OBR (Romania)	6.0	9%	-1%	-1%	3%
CKB (Montenegro)	2.8	14%	-8%	-12%	-8%
OBSrb (Serbia)	2.1	21%	-2%	14%	47%
Other[3]	8.6	-14%	2%		

Contribution of foreign subsidiaries:

49%

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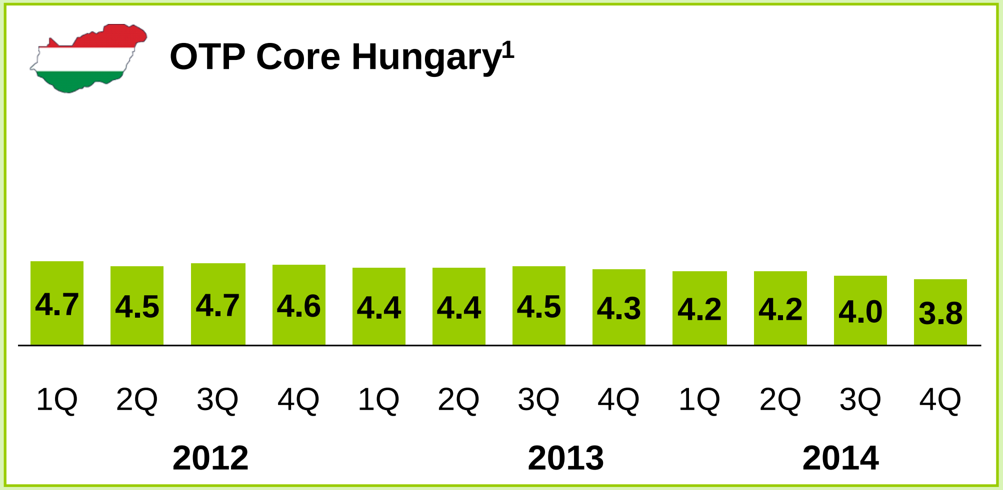
[1] Changes calculated by using the 3Q 2014 average RUBHUF and UAHHUF rates for the translation of 4Q 2014 Russian and Ukrainian contribution to the consolidated total income into HUF.

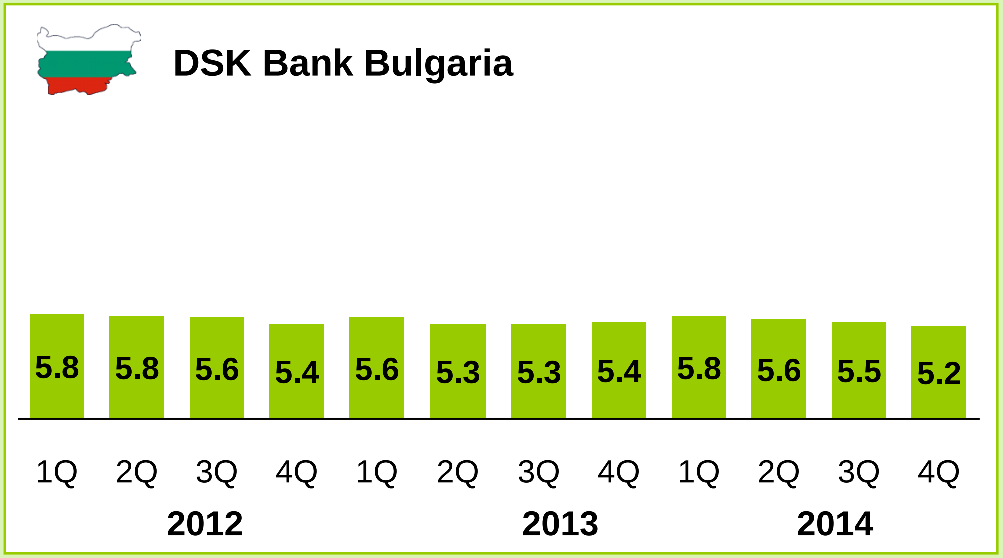
[2] Changes in local currency

[2] Other group members and eliminations

Higher total assets at OTP Core and Russia pushed net interest margin lower during the year; the Ukrainian margin increased mainly due to the reclassification of leasing revenues; sound margins reflect strong pricing power at DSK Bank

Net interest margin (%)





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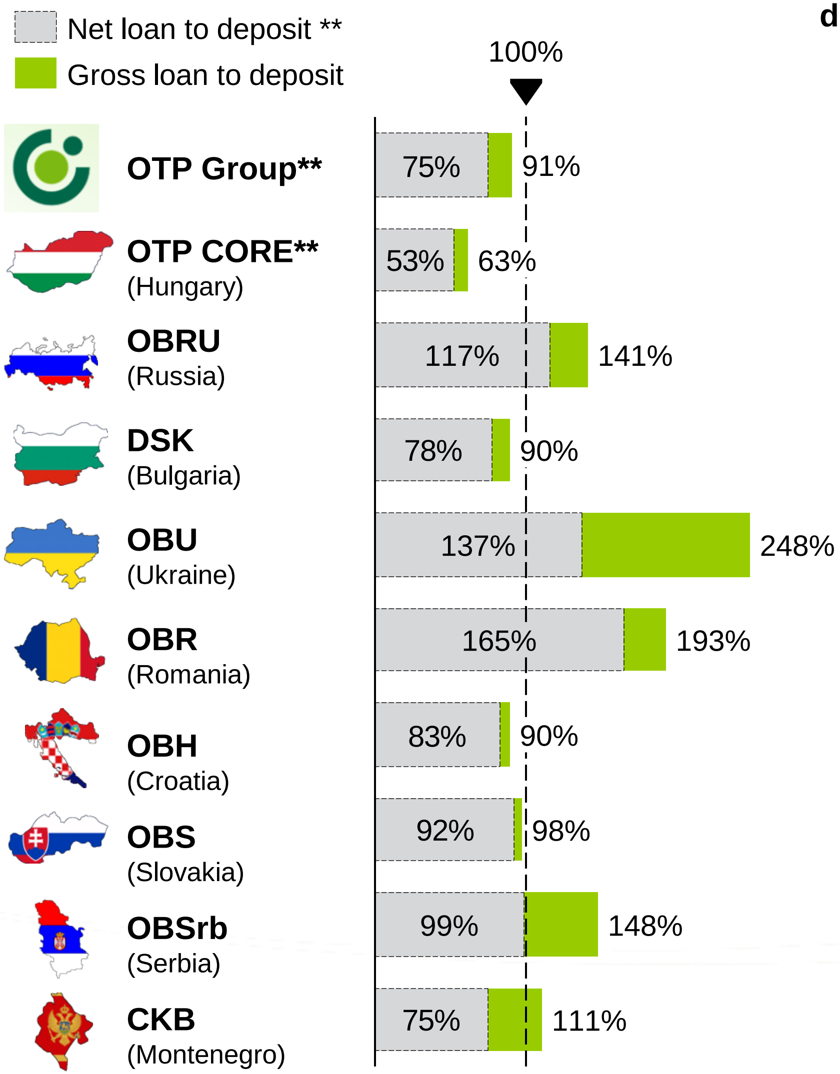
[1] The net interest margin erosion at OTP Core in 3Q is partly explained by the q-o-q 8% growth of the total asset base. If OTP core's total assets had remained unchanged q-o-q, the net interest margin would have melted down by 6 bps *ceteris paribus* (fact: -23 bps q-o-q).

In 4Q 2014 the consolidated net loan to deposit ratio declined further

Loan to deposit ratio, % (31 December 2014)



Change of net loan to deposit ratio, adjusted*

	Q-o-Q	Y-o-Y
OTP Group**	-3%p	-14%p
OTP CORE** (Hungary)	-3%p	-14%p
OBRU (Russia)	0%p	+3%p
DSK (Bulgaria)	-5%p	-11%p
OBU (Ukraine)	-33%p	-83%p
OBR (Romania)	-18%p	-9%p
OBH (Croatia)	+7%p	+1%p
OBS (Slovakia)	+3%p	-3%p
OBSrb (Serbia)	-11%p	-26%p
CKB (Montenegro)	+2%p	-3%p

At OTP Core the total deposit book increased substantially in 2014 due to new volumes deposited by OTP Fund Management, while retail volumes advanced further. On the asset side, mortgage loan volumes kept on eroding, but the debt consolidation and prepayments of local governments' debt played a role, too. From the outstanding municipality volume the Debt Management Agency prepaid HUF 18 billion in 4Q.

The ratio decreased significantly in the Ukraine due to net loan volumes declining partly as a reflection of suspended lending activity in several segments and also to elevated provisioning, while in 4Q FX-adjusted deposit volumes grew by 5%.

In Romania and Serbia the ratio improved further, mainly due to strong deposit inflow in all segments.

* Changes are adjusted for the effect of FX-rate movements

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

Corporate loans of OTP Core decreased y-o-y mainly due to shrinking municipality volumes, as well as loan sales/write-offs. The Ukrainian performing (DPD0-90) portfolio declined by 24% y-o-y

DPD0-90 volumes

Q-o-Q loan volume changes in 4Q 2014, adjusted for FX-effect

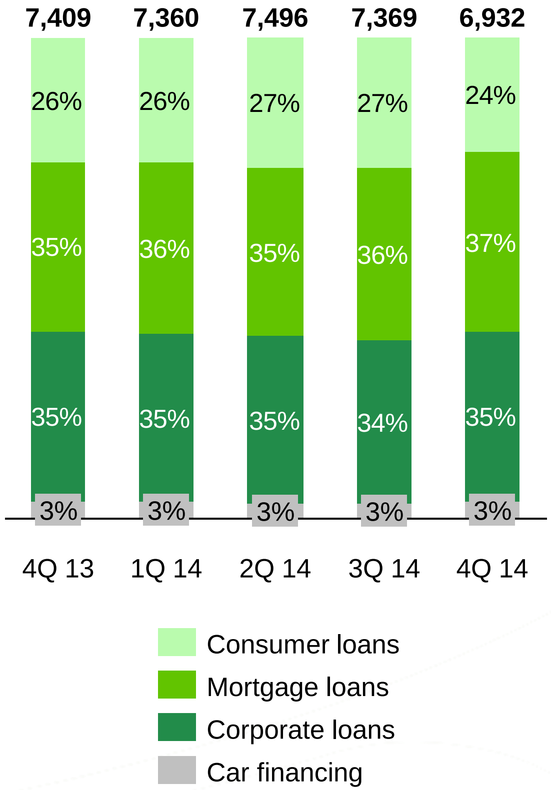
	Cons.	Core (Hungary)	DSK (Bulgaria)	OBRu (Russia)	OBU (Ukraine)	OBR (Romania)	OBH (Croatia)	OBS (Slovakia)	OBSr (Serbia)	CKB (Monte-negro)
Total	-1%	-3%	2%	3%	-11%	0%	5%	3%	14%	-4%
Consumer	%	-6%	-1%	4%	-9%	0%	-1%	14%	1%	-2%
Mortgage	-2%	-1%	-2%	-11%	-15%	-2%	0%	0%	-2%	-2%
Corporate[1]	1%	-3% 1%[2]	10%	-1%	-10%	2%	15%	3%	32%	-7%
Car financing	-2%				-13%					

Y-o-Y loan volume changes in 4Q 2014, adjusted for FX-effect

	Cons.	Core (Hungary)	DSK (Bulgaria)	OBRu (Russia)	OBU (Ukraine)	OBR (Romania)	OBH (Croatia)	OBS (Slovakia)	OBSr (Serbia)	CKB (Monte-negro)
Total	-6%	-12%	2%	1%	-24%	-1%	15%	4%	14%	-12%
Consumer	2%	-7%	0%	3%	-30%	7%	39%	69%	10%	6%
Mortgage	-7%	-7%	-6%	-28%	-33%	-7%	6%	-3%	-2%	-7%
Corporate[1]	-9%	-20% 4%[2]	15%	2%	-19%	6%	8%	0%	23%	-21%
Car financing	-11%				-45%					

Gross loan volumes

Breakdown of the consolidated volumes



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

[2] OTP Bank's loans 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, adjusted for FX-effect.

The 11% y-o-y increase of deposits was induced by the fund management and municipal deposit inflows at OTP Core. The deposits kept growing in Ukraine. The Russian total deposits advanced q-o-q

Q-o-Q deposit volume changes in 4Q 2014, adjusted for FX-effect

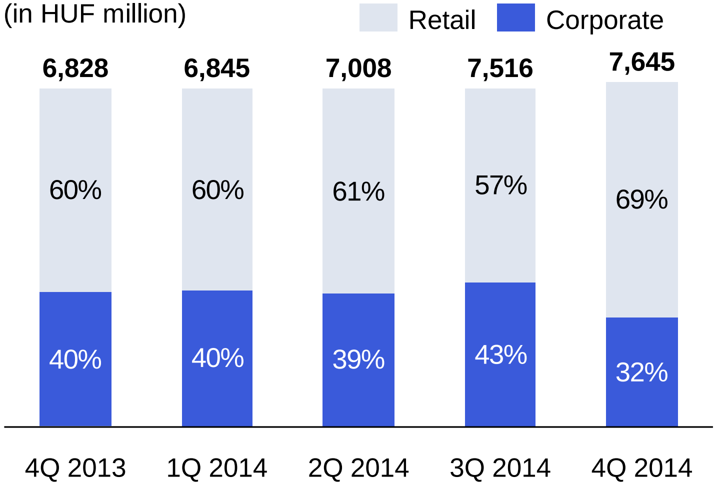
	Cons.	Core (Hungary)	DSK (Bulgaria)	OBRu Russia)	OBU (Ukraine)	OBR (Romania)	OBH (Croatia)	OBS (Slovakia)	OBSr (Serbia)	CKB (Monte-negro)
Total	3%	2%	7%	3%	5%	10%	-4%	-1%	22%	-6%
Retail	5%	6%	9%	-1%	-5%	4%	-4%	3%	9%	-4%
Corporate[1]	1%	-1%	0%	12%	18%	16%	-3%	-9%	40%	-10%

Y-o-Y deposit volume changes in 4Q 2014, adjusted for FX-effect

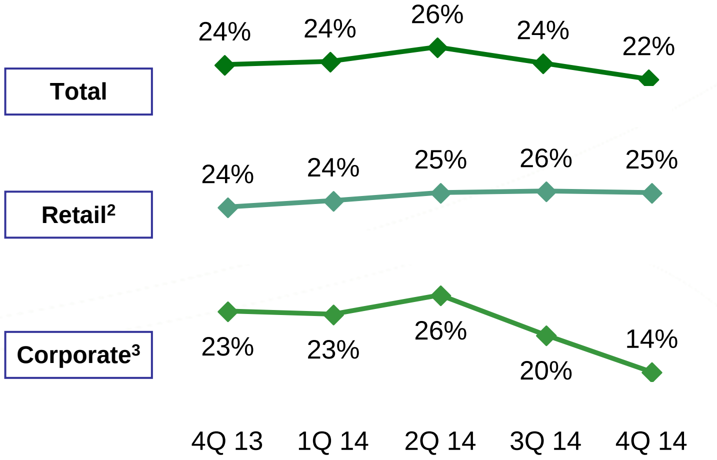
	Cons.	Core (Hungary)	DSK (Bulgaria)	OBRu Russia)	OBU (Ukraine)	OBR (Romania)	OBH (Croatia)	OBS (Slovakia)	OBSr (Serbia)	CKB (Monte-negro)
Total	11%	13%	14%	-4%	9%	3%	15%	6%	47%	-8%
Retail	7%	5%	13%	-1%	-7%	6%	15%	9%	17%	-13%
Corporate[1]	18%	21%	18%	-8%	35%	-1%	13%	1%	105%	4%

Breakdown of consolidated customer deposits

(in HUF million)



Proportion of FX deposits in the consolidated deposit portfolio



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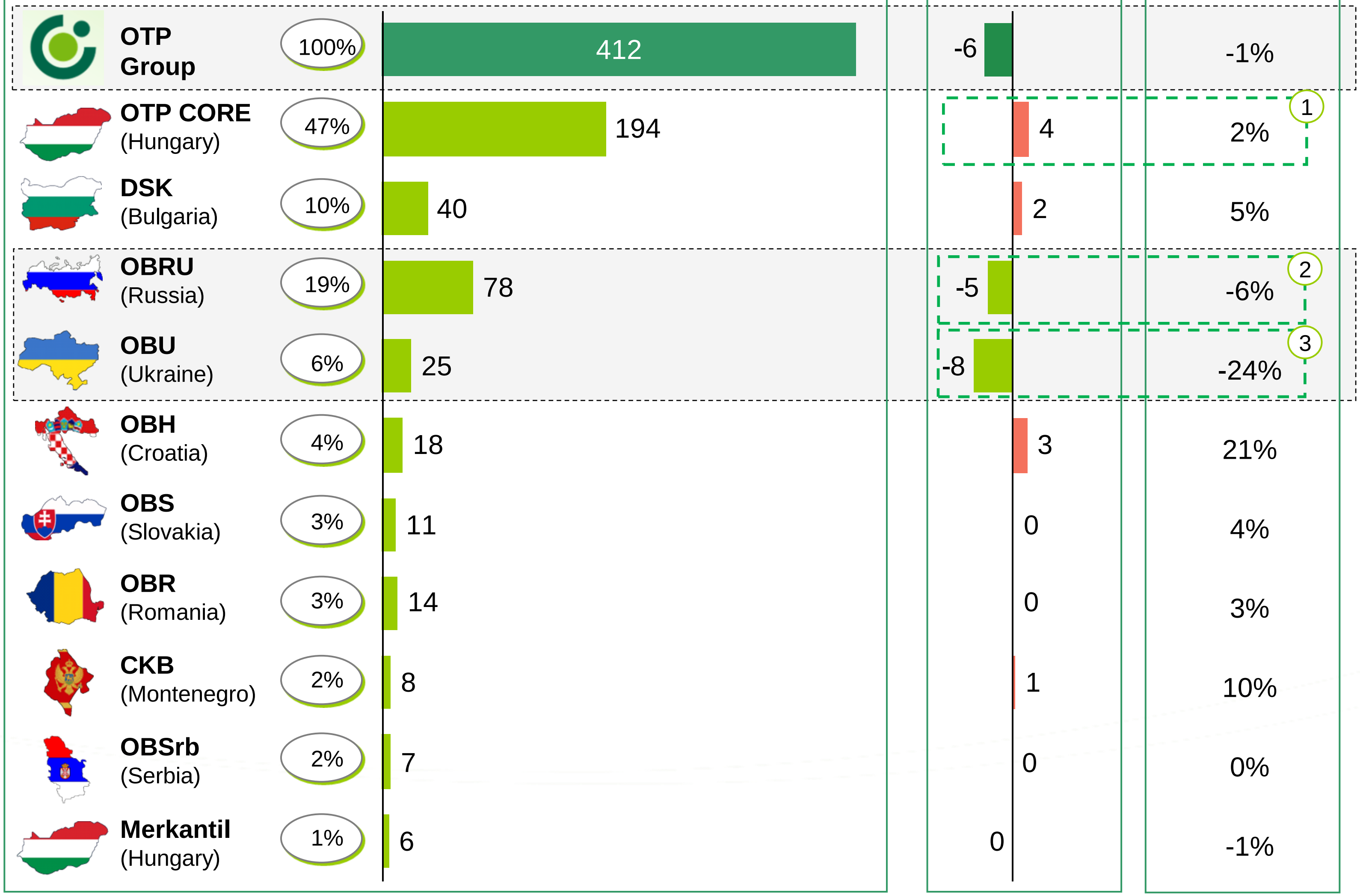
[1] including SME, LME and municipality deposits;

[2] including households' deposits and SME deposits;

[3] including LME and municipality deposits;

Consolidated non-FX-adjusted operating costs in 2014 declined by 1% y-o-y



		OPERATING COSTS – 2014 (HUF billion)	Y-o-Y (HUF bn)	Y-o-Y (%)
OTP Group	100%	412	-6	-1%
OTP CORE (Hungary)	47%	194	4	2% ①
DSK (Bulgaria)	10%	40	2	5%
OBRU (Russia)	19%	78	-5	-6% ②
OBU (Ukraine)	6%	25	-8	-24% ③
OBH (Croatia)	4%	18	3	21%
OBS (Slovakia)	3%	11	0	4%
OBR (Romania)	3%	14	0	3%
CKB (Montenegro)	2%	8	1	10%
OBSrb (Serbia)	2%	7	0	0%
Merkantil (Hungary)	1%	6	0	-1%

① Annual operating expenses grew moderately. Personnel expenses advanced by 2% y-o-y, other operating expenses increased by 1%, partly due to higher contribution paid into the National Deposit Insurance Fund and also to fees paid into the recently established Resolution Fund.

② OTP Russia's operating expenses went up by 8% y-o-y in RUB terms (-6% in HUF terms), mainly due to the almost 8% average CPI in the last twelve months; moreover costs related to the set-up of Touch Bank also appeared on this line.

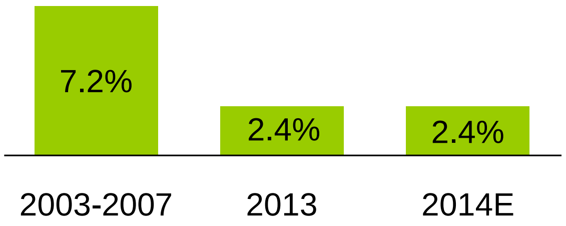
③ The Ukrainian operating costs grew by 17% y-o-y in UAH terms.

Hungary

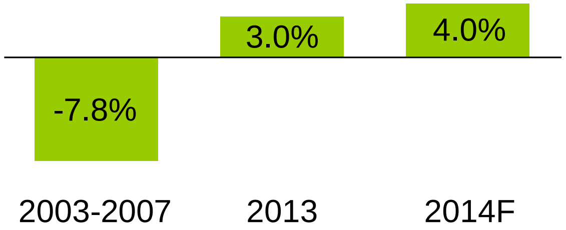
Disciplined fiscal and comfortable external balance, economic growth accelerated further and exceeded 3.5% in 2014. The main growth drivers are strong export, industrial production (mainly car manufacturing), constructions fuelled by public investments and the strengthening household consumption

Balance ✓

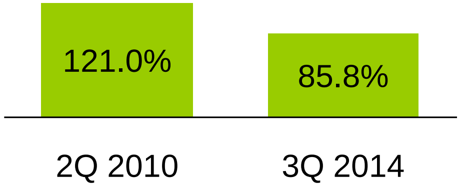
Budget deficit



Current account balance

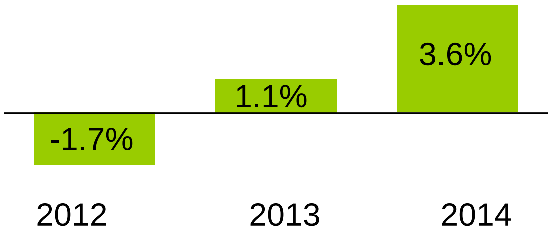


Gross external debt (in % of GDP)

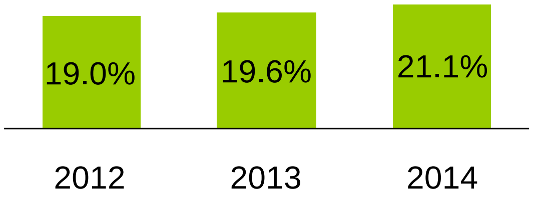


Growth ✓

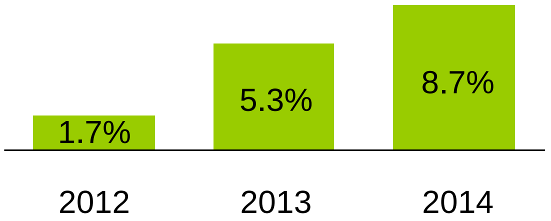
Real GDP



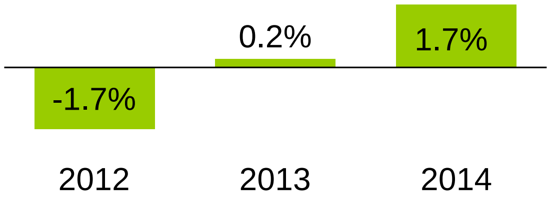
Investments to GDP



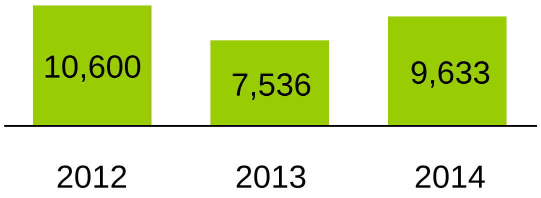
Export growth



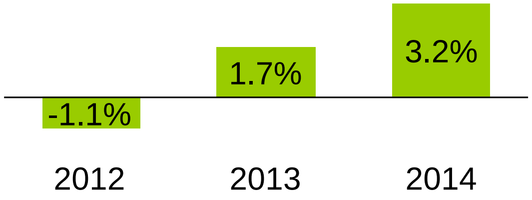
Household consumption



Housing construction permits



Real wage growth



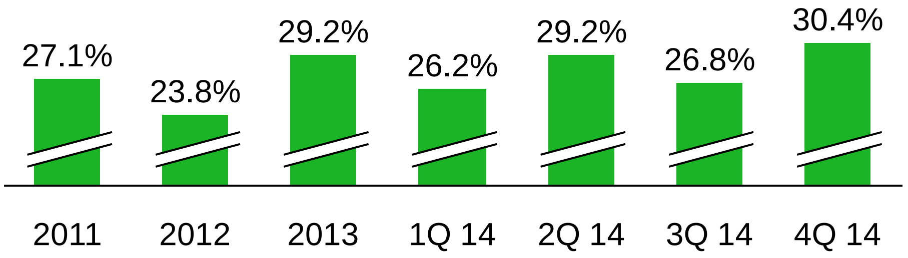
Source: CSO, NBH; forecasts: OTP Research Centre

OTP CORE

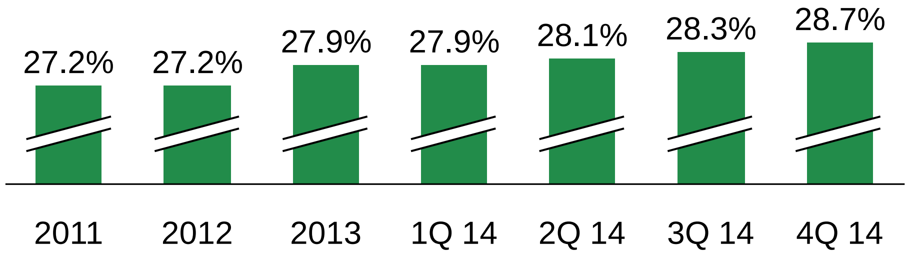
Demand for mortgage loans accelerated and OTP's market share in corporate lending further improved due to the dynamic lending activity; OTP managed to increase its market share in retail savings, too

Change of mortgage loan disbursement of OTP Bank
(y-o-y change, %)

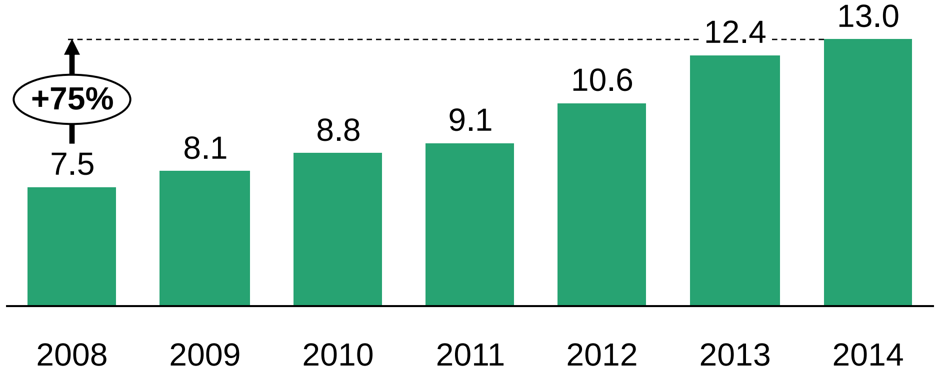
OTP Bank's market share of mortgage disbursement (%)



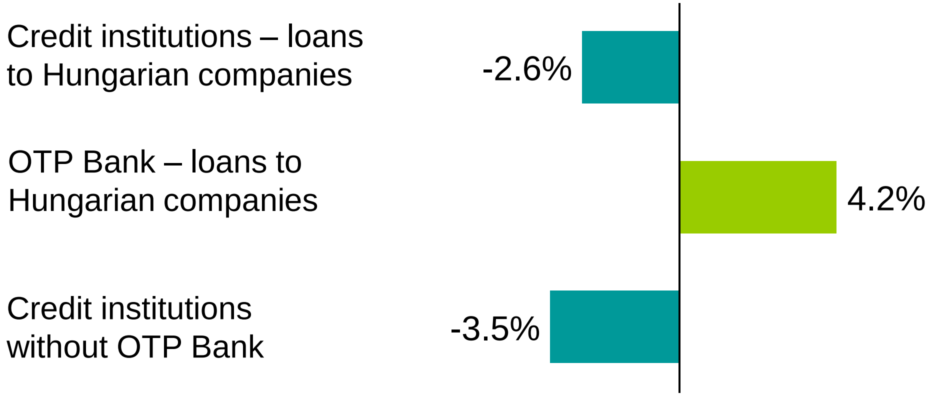
OTP Bank's market share in households savings (%)



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



Corporate lending in Hungary[2] in 2014
(FX-adjusted y-o-y change)



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[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

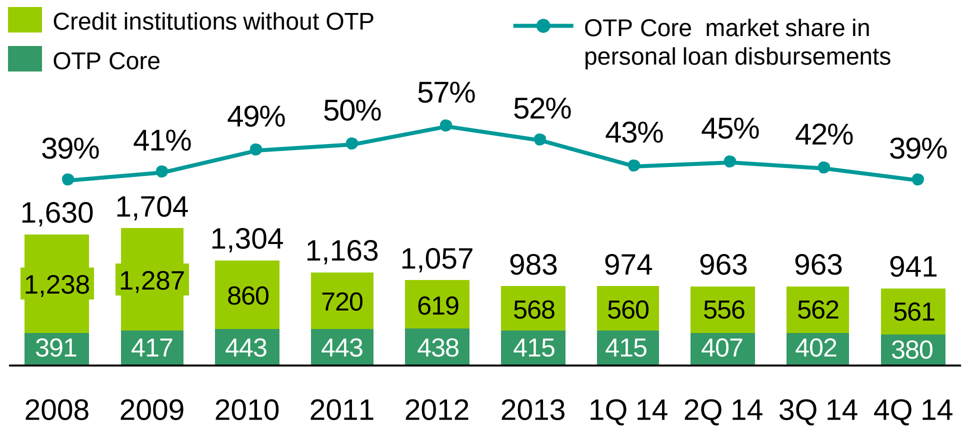
[2] The estimate for volume changes is based on the balance sheet data provision to the National Bank of Hungary, calculated from the „Loans to non-financial and other financial companies" line, adjusted for FX-effect and the impact of partial write off at OTP Core.

Hungary

In 4Q OTP's market share remained steadily high in new consumer loan disbursement, whereas in mortgages it exceeded 30% in 4Q. The Bank's market position in retail savings improved further

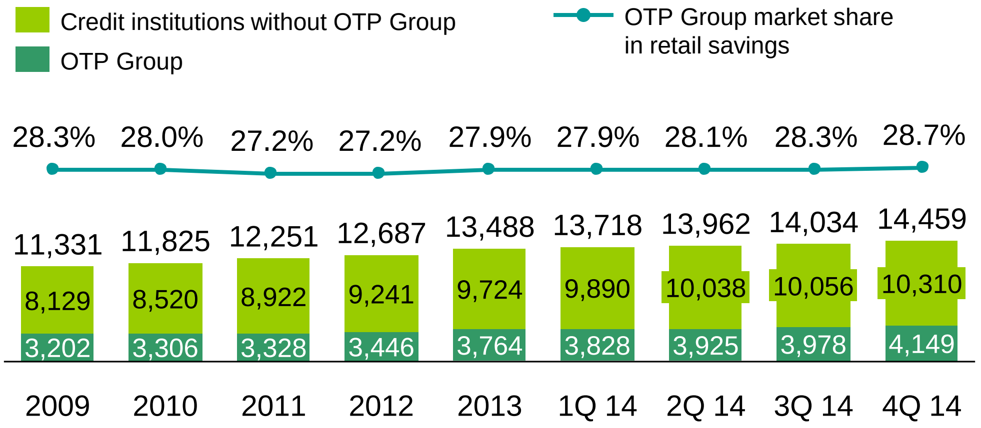
Consumer loan volumes

(in HUF billion, without home equity and car-financing loans)



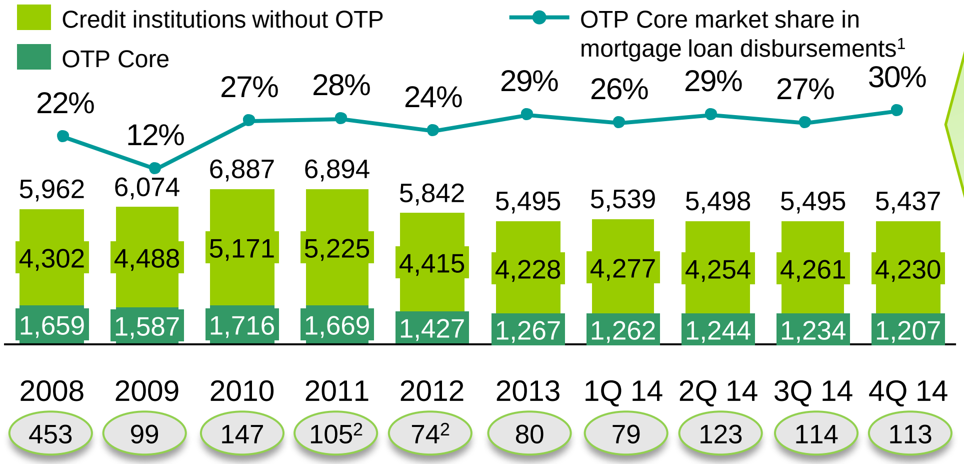
Retail savings of Hungarian credit institutions

(in HUF billion)



Mortgage loan volumes

(in HUF billion, housing and home equity loans)



- Since January 2013 conditions of state-subsidised housing loans have become more favourable: state subsidy remains fixed in the first 5 years, maximum loan size was lifted (new home: HUF 15 million, used home: HUF 10 million), maximum value of used home to-be-bought was raised (HUF 20 million).
- In the first five years, customers can have an all-in mortgage rate of around 6-7%.
- Applications for state-subsidised housing loans amounted to HUF 12 billion in 4Q 2014 representing 41% of total housing loan applications and 34% of total mortgage loan applications.

○ Annualised mortgage loan applications at OTP Core (in HUF billion)

Source: National Bank of Hungary statistics

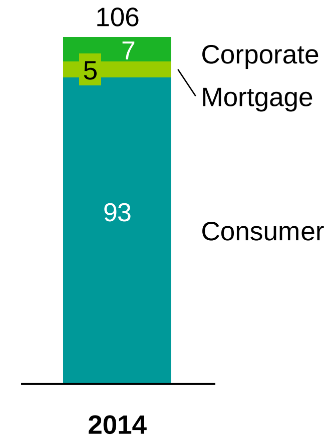
[1] After the suspension of Swiss franc lending at OTP Core the ratio is calculated from market statistics excluding CHF mortgages.

** Without applications for refinancing forint loans under the early repayment programme of FX mortgage loans.

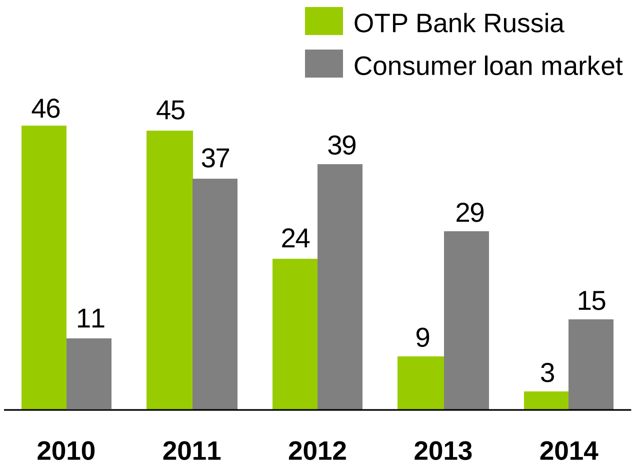
OTP Bank Russia

At OTP Bank Russia volumes started to slow down earlier than at other players, but the increase in risk costs was a sector-wide phenomenon. OTP Bank Russia's cumulative profit since 2008 exceeds HUF 100 billion

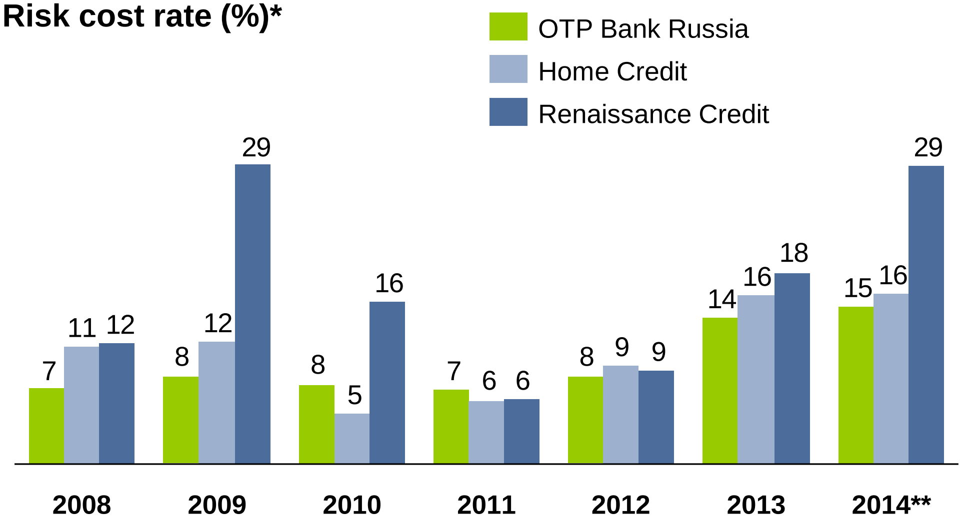
Net loan volumes (in RUB billion)



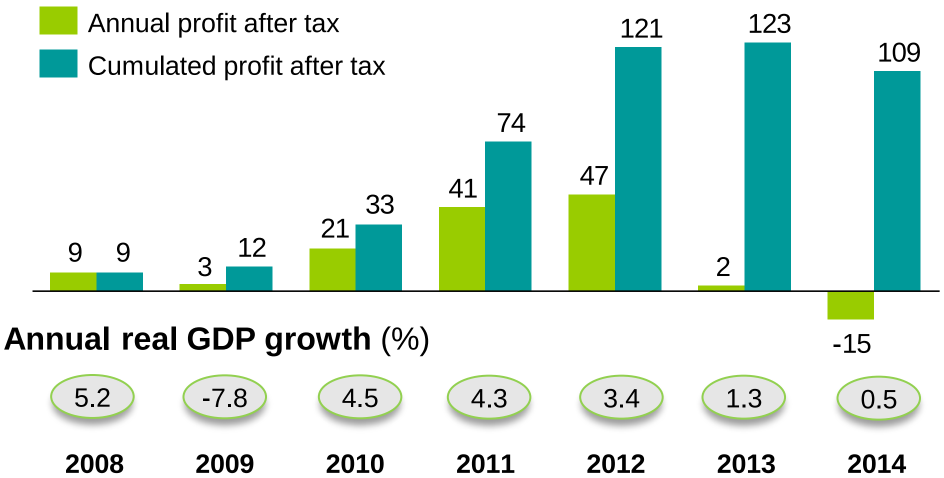
Consumer loan growth (y-o-y, %)



Risk cost rate (%)*



Profit after tax (in HUF billion)



OTP Bank Russia - risk cost rates in different segments

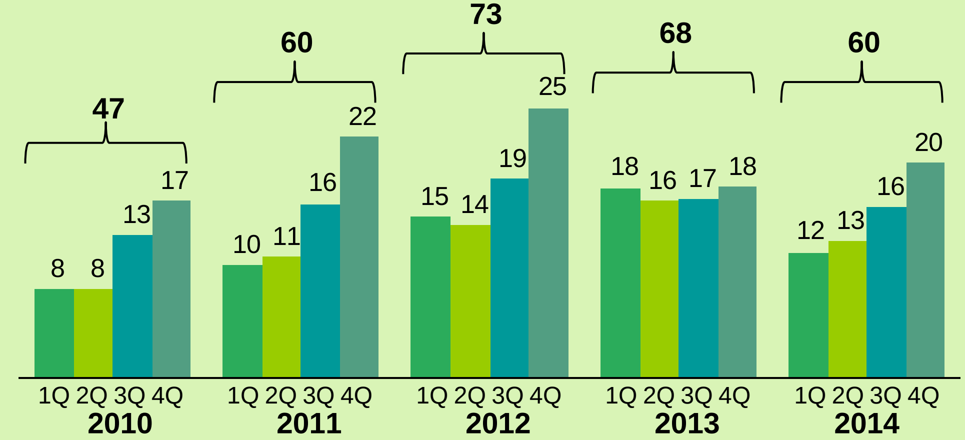
	2010	2011	2012	2013	2014	4Q 14
POS loans	7.9%	7.7%	9.1%	15.6%	11.5%	10.5%
Credit cards	6.8%	10.3%	10.5%	17.4%	19.7%	17.7%
Cash loans	-4.8%	3.7%	6.8%	13.2%	19.7%	17.4%

* Source: IFRS based company publications; OTP Bank indicators are based on unadjusted stand-alone figures
** Home Credit data as of 9M 2014, Renaissance Credit data as of 1H 2014

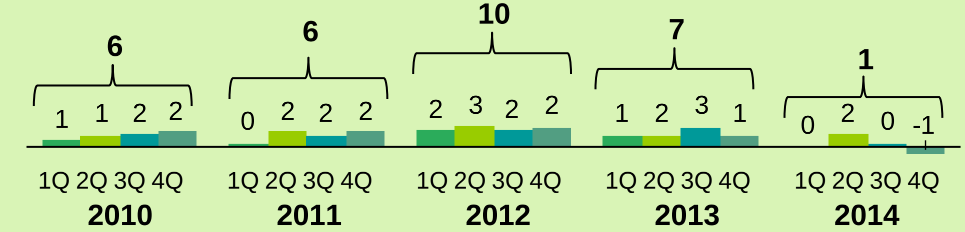
OTP Bank Russia

In 2014 POS loans disbursements were equal to 2011 levels, credit card volume growth decelerated while cash loan disbursements grew further. In 4Q total deposits increased q-o-q in RUB terms, RUB deposits showed improvement both for retail and corporate clients, while FX deposit developments were mixed

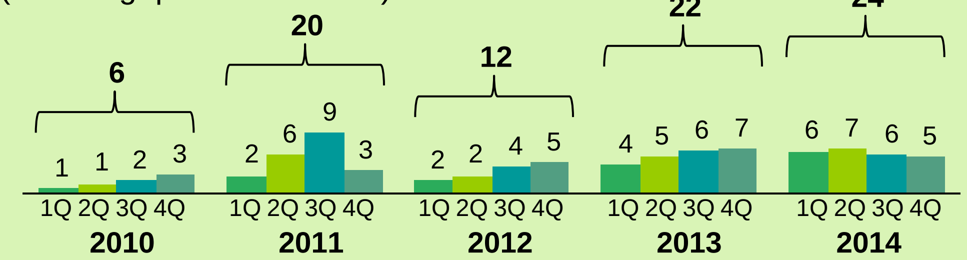
POS loan disbursements (RUB billion)



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

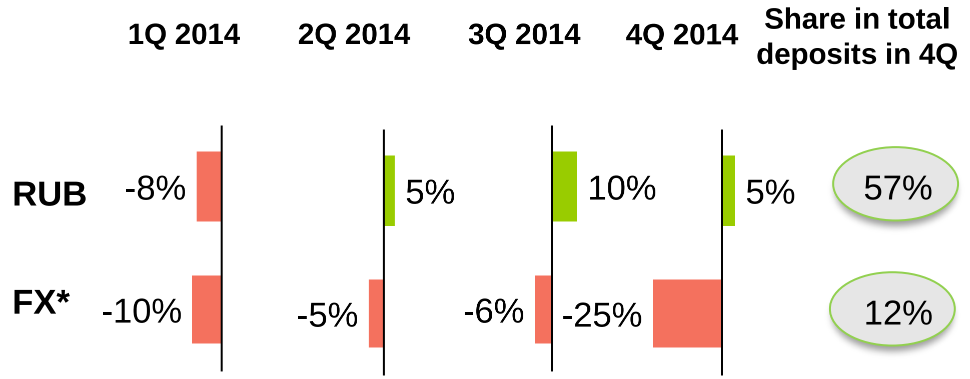


Cash loan disbursements (RUB billion)
(including quick cash loans)



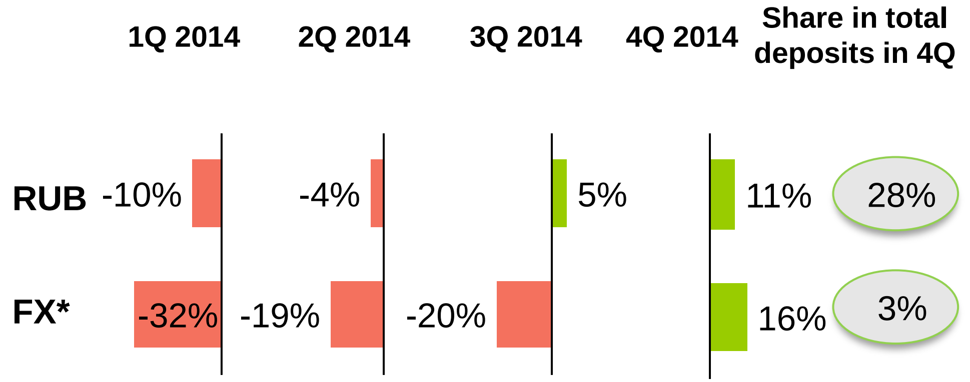
Quarterly development of retail customer deposits

(q-o-q changes)



Quarterly development of corporate/SME customer deposits

(q-o-q changes)



* in USD terms, calculated from USD deposits + EUR and CHF deposits converted to USD

otpbank

OTP Bank Russia

Touch Bank is a new online brand targeting Russian affluent client segments with focus on innovative products, modern technology and high quality service through online platform

TOUCH BANK - Main goals

FULLY DIGITAL

Full Customer Life-Cycle via Internet Bank and Mobile Bank. Innovative value proposition

LOW-RISK SEGMENT

Focus on Affluent and Mass affluent segments with saving needs

Mass Affluent	Affluent
USD 2-3,000 income	> USD 3,000 income

HIGH SERVICE LEVEL

24 hours product delivery; 24/7 service and support

ACTIONS IN REAL-TIME

Deposits, Credits, Top-Up, transfers and other actions in real time

COST EFFECTIVENESS

Synergy with OTP Bank Russia. Number of employees no more than 150 persons

ADAPTED FOR TRANSFER TO OTHER MARKETS

Value proposition

Emphasis on:

Deposits via online

Credits through cross-sale and partners

Healthy mix of acquisition channels provides balanced supply of client segments and product mix:

Open market (web)
Focus on mass affluent customers with savings

Partners
Focus on mass affluent customers with consumption need

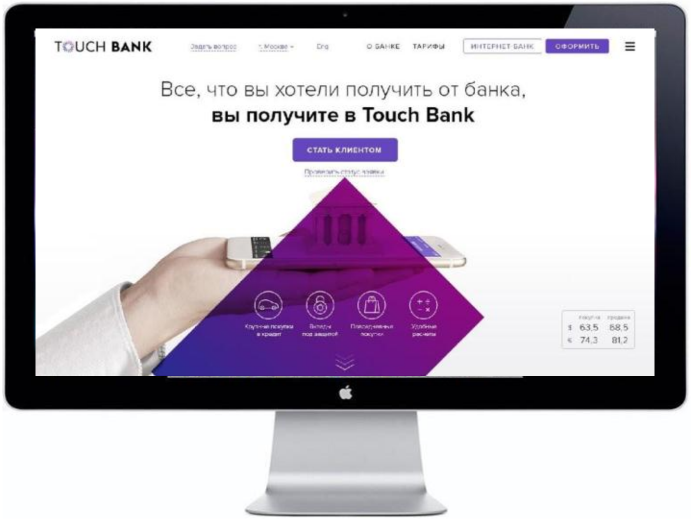
OTP Bank Russia attrition
Focus on mass affluent customers from OBRU attrition base

Operating cost related to Touch Bank

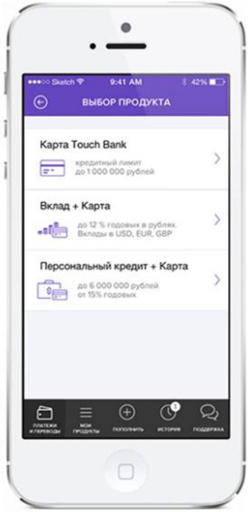
2014
HUF 2.7 billion

(HUF -2.2 billion contribution to the Russian result)

Touch Bank brand offers innovative, market-leading services to online-oriented affluent clients



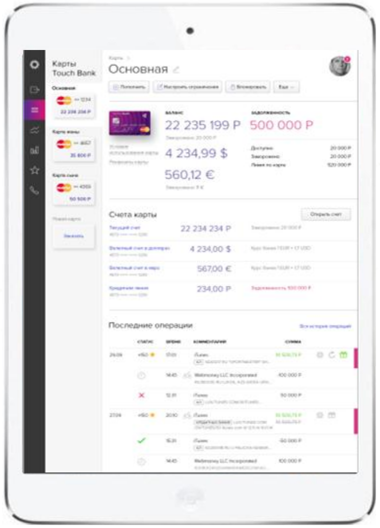
Все, что вы хотели получить от банка,
вы получите в Touch Bank



Карта Touch Bank
кредитный лимит
до 1 000 000 рублей

Вклад + Карта
до 12 % годовых в рублях.
Вклады в USD, EUR, GBP

Персональный кредит + Карта
до 6 000 000 рублей
от 15% годовых



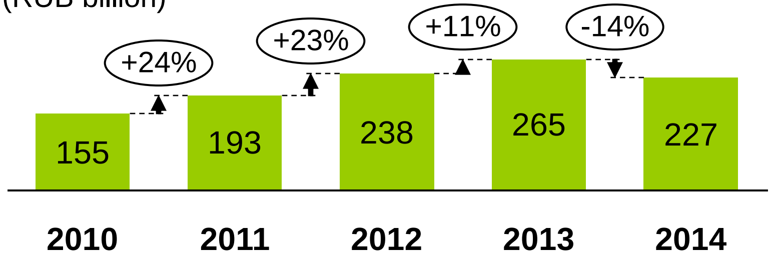
Russia

At OTP Bank Russia performing POS loan volumes remained stable in 2014, while the credit card and cash loan segments still kept increasing, however, at much lower pace

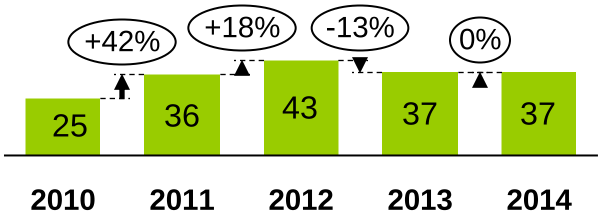
Consumer loan market segment*

Market position of OTP Bank Russia

POS loan market
(RUB billion)

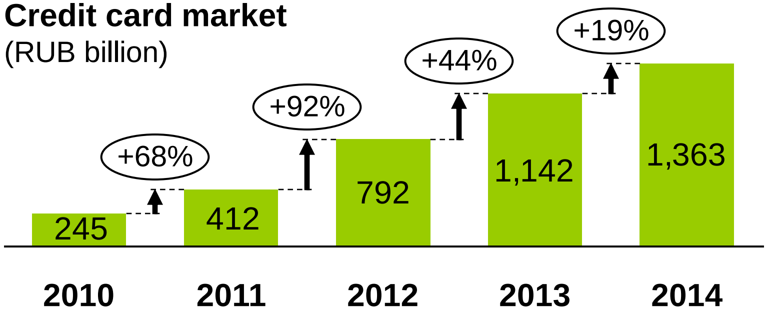


DPD0-90 POS loan volumes

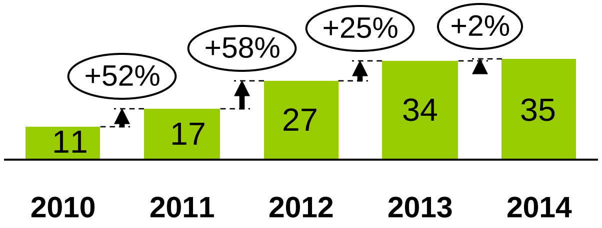


- Sales force:
  4,848 own sales points**
  28,972 external sales points***
- #2 in the market
- 2014 market share: 18.5%

Credit card market
(RUB billion)

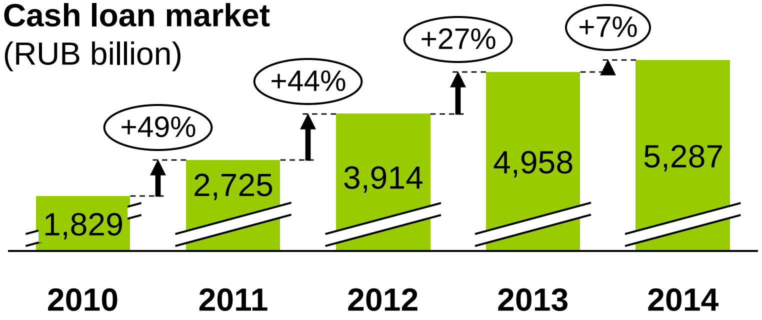


DPD0-90 Credit card loan volumes

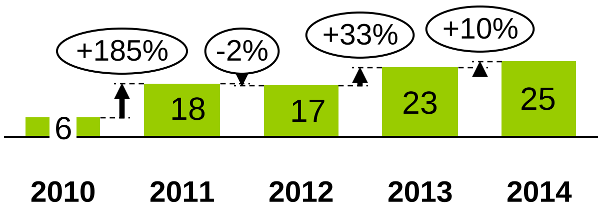


- Cross-sales to POS clients
- #7 in the market
- 2014 market share: 3.1%

Cash loan market
(RUB billion)



DPD0-90 Cash loan volumes
(including quick cash loans)



- Available in 198 branches
- #26 in the market
- 2014 market share: 0.6%

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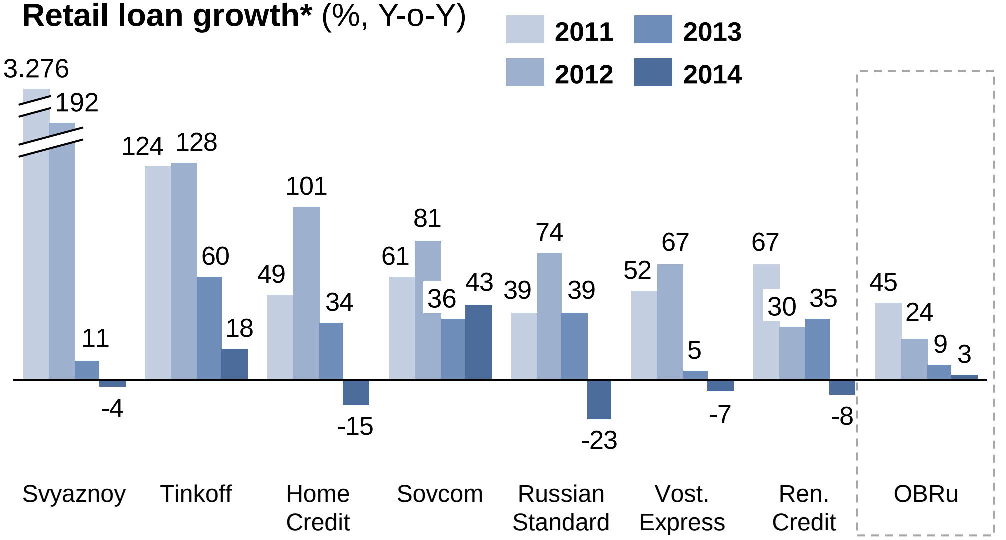
* Source: Frank Research Group
** Bank employees working with Federal or other networks.
*** Employees of commercial organizations.

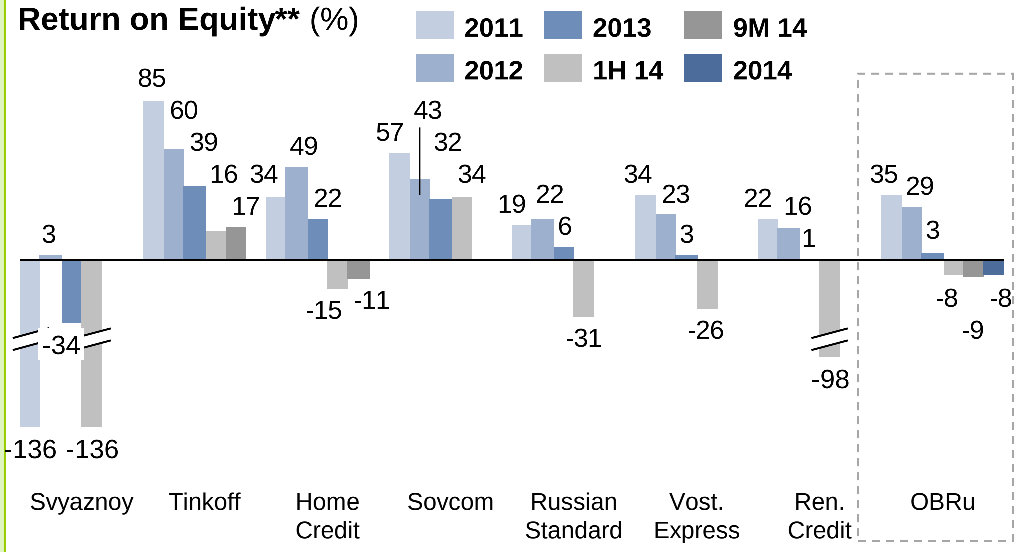
Russia

Consumer lending is going through a cyclical adjustment with risk costs increasing and all players suffering from setback in lending activity with their profitability deteriorating; more stringent regulation and worsening operating environment took their toll, too

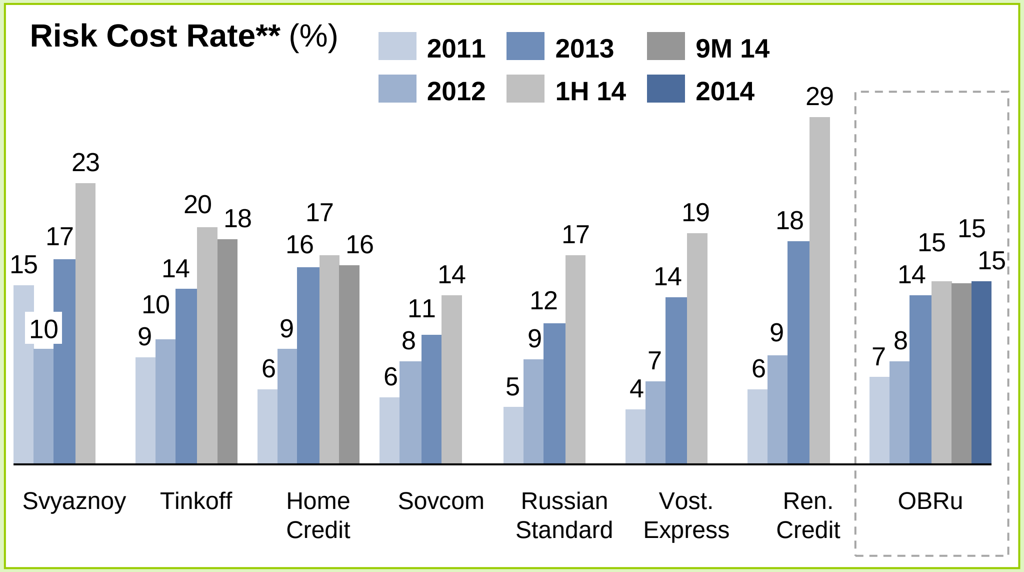
Retail loan growth* (%, Y-o-Y)



Return on Equity** (%)



Risk Cost Rate** (%)



POS ranking

	2009	2014
Home Credit	1	1
OTP Bank Russia	**2**	**2**
Alfa-Bank	4	3
Rusfinance	5	4
Russian Standard	7	5
Renaissance Credit	6	6
Cetelem/Sberbank	n/a	7

* Source: Frank Research Group

** Source: IFRS based company publications; OTP Bank indicators are based on unadjusted stand-alone figures

OTP Bank Russia

In 2014 risk cost rates in the POS segment improved remarkably in line with expectations, but credit card and cash loan segments underperformed. In 4Q risk cost rates improved in all segments, while coverage was positively affected by sale/write-off of loans

Risk cost rates and provision coverage at OTP Bank Russia

POS loans

	2010	2011	2012	2013	2014				2014
					1Q	2Q	3Q	4Q	
Risk cost rate	7.9%	7.7%	9.1%	15.6%	14.0%	11.8%	10.6%	10.5%	11.5%
DPD90+ coverage	90.9%	108.3%	97.0%	106.6%	106.4%	106.2%	105.7%	119.9%	119.9%

Credit cards

	2010	2011	2012	2013	2014				2014
					1Q	2Q	3Q	4Q	
Risk cost rate	6.8%	10.3%	10.5%	17.4%	18.3%	18.4%	18.5%	17.7%	19.7%
DPD90+ coverage	86.4%	86.9%	89.8%	108.3%	110.2%	110.2%	110.2%	121.0%	121.0%

Cash loans

	2010	2011	2012	2013	2014				2014
					1Q	2Q	3Q	4Q	
Risk cost rate	-4.8%	3.7%	6.8%	13.2%	19.6%	18.5%	18.7%	17.4%	19.7%
DPD90+ coverage	94.1%	92.9%	102.9%	116.5%	117.3%	115.8%	113.6%	122.0%	122.0%

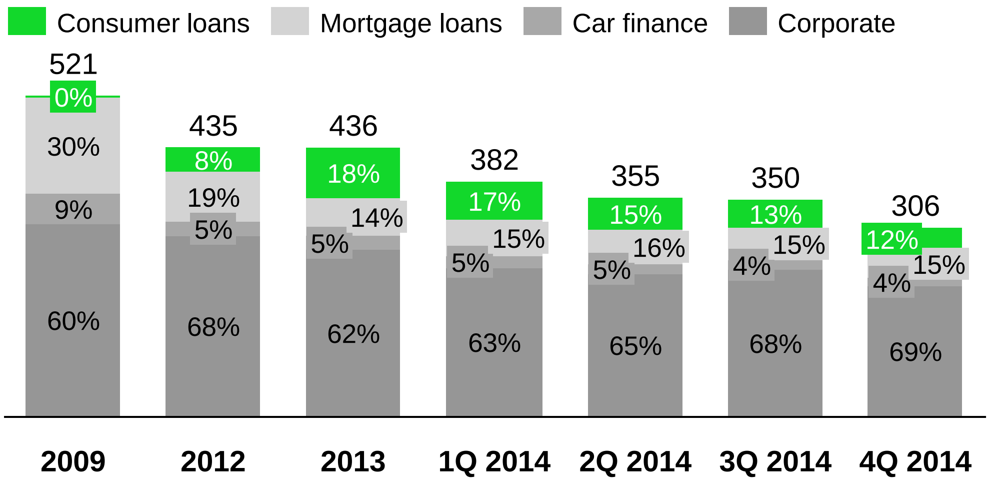
OTP Bank Ukraine

In 4Q the Ukrainian bank posted HUF -21.1 billion loss (adjusted for the Donetsk and Luhansk risk costs). The portfolio deterioration remained strong. The liquidity situation is stable, the deposit book recovered

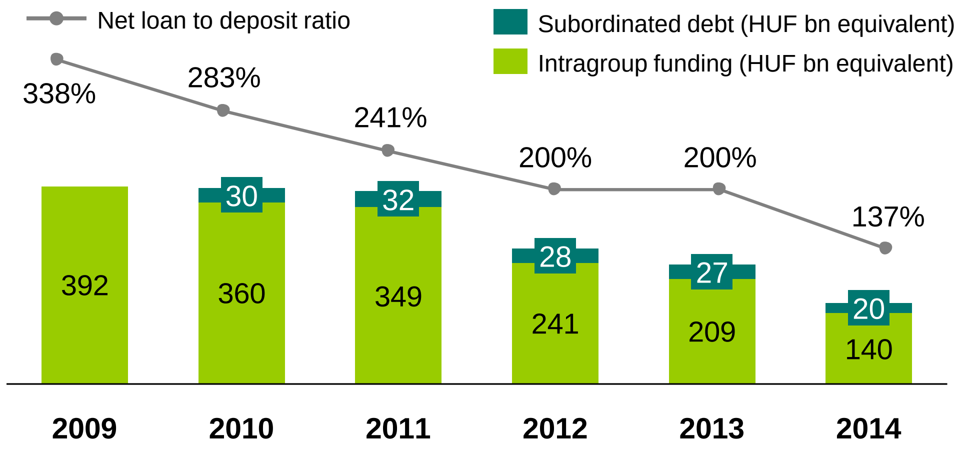
Income statement of OTP Bank Ukraine

in HUF billion	2012	2013	2014	1Q14	2Q14	3Q14	4Q14
Profit after tax (adjusted)	**0.5**	**6.7**	**-43.2**	**-7.5**	**-3.7**	**-10.9**	**-21.1**
Profit before tax	2.7	11.2	-47.3	-10.3	-4.5	-8.8	-23.8
Operating profit	33.5	40.3	27.3	11.4	8.1	6.1	1.7
Total income	64.5	72.8	52.1	18.3	13.8	11.7	8.3
Net interest income	49.6	53.4	45.3	15.4	10.3	9.2	10.5
Net fees and commissions	12.6	17.0	10.3	3.6	2.0	2.3	2.4
Other non-interest income	2.3	2.4	-3.6	-0.7	1.5	0.2	-4.6
Operating costs	-31.0	-32.5	-24.8	-6.9	-5.7	-5.6	-6.6
Total risk cost	-30.8	-29.1	-74.6	-21.7	-12.5	-14.9	-25.5
Provisions for loans	-30.6	-27.4	-71.9	-21.0	-12.1	-14.4	-24.4
Other provisions	-0.2	-1.7	-2.6	-0.7	-0.4	-0.4	-1.1
Corporate tax	-2.2	-4.4	4.2	2.9	0.7	-2.1	2.6

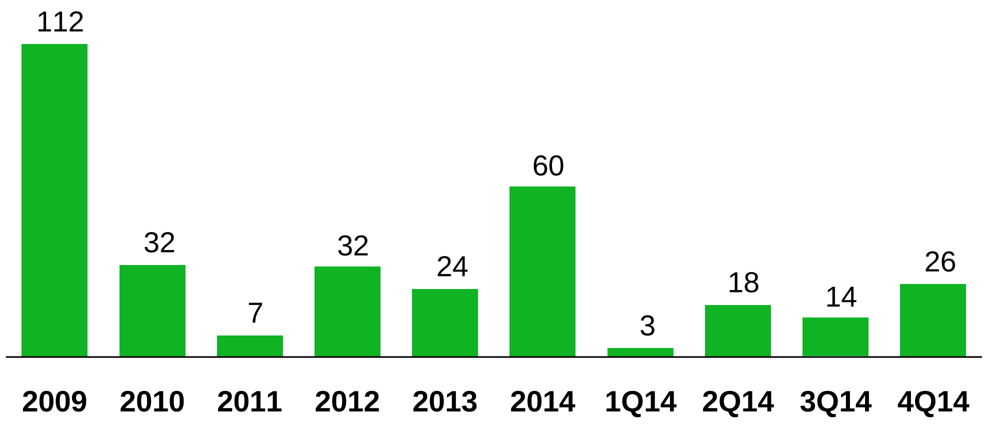
Composition of performing loan volumes (in HUF billion)



Intragroup funding and net loan to deposit ratio



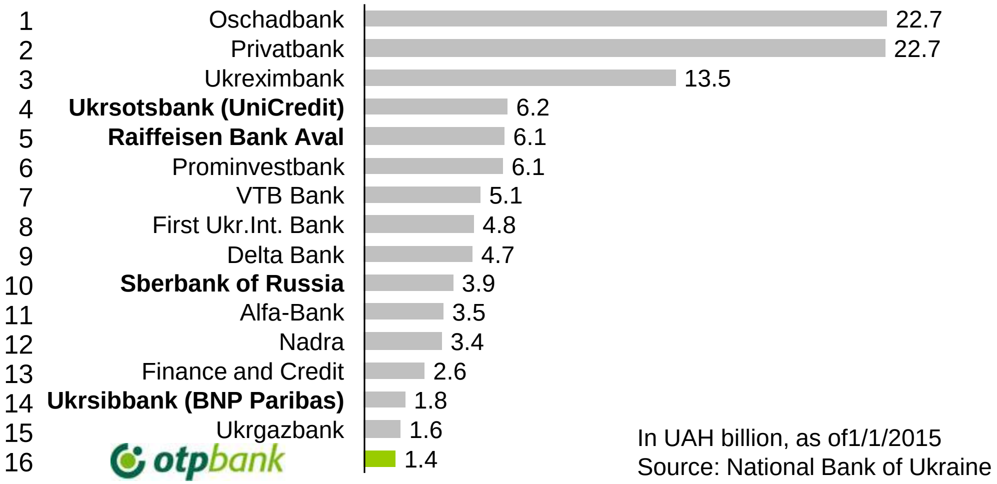
FX-adjusted change in DPD90+ loan volumes (in HUF billion)



OTP Bank Ukraine

OTP Bank Ukraine ranks 16th among Ukrainian banks by shareholders' equity, its share is 5.5% in the performing loans and 3.0% in deposits within the Group. The liquidity situation is stable

Ranking of Ukrainian banks by shareholders' equity



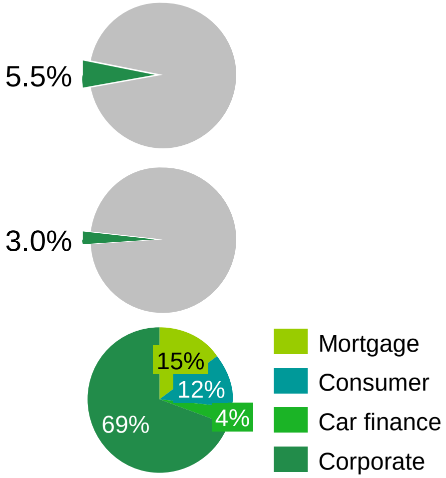
In UAH billion, as of1/1/2015
Source: National Bank of Ukraine

OTP Ukraine's share within consolidated loans and deposits

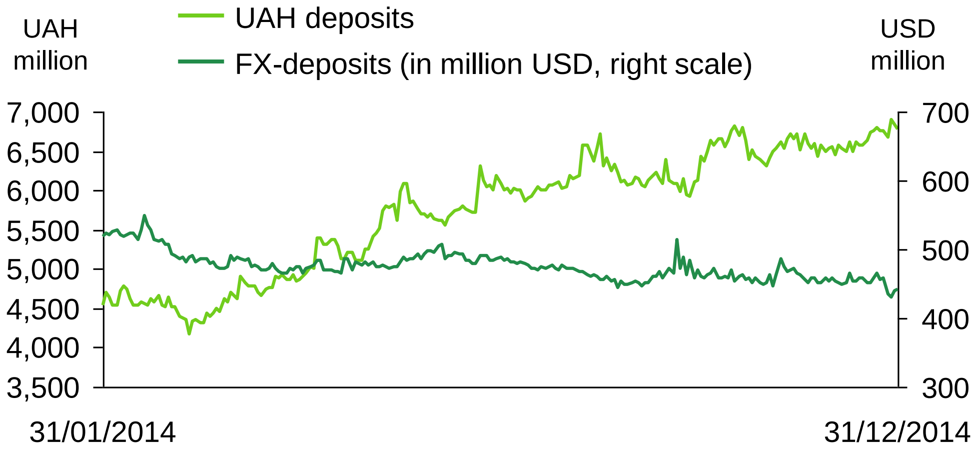
Share of the Ukrainian bank's performing loans (DPD0-90) within the Group

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

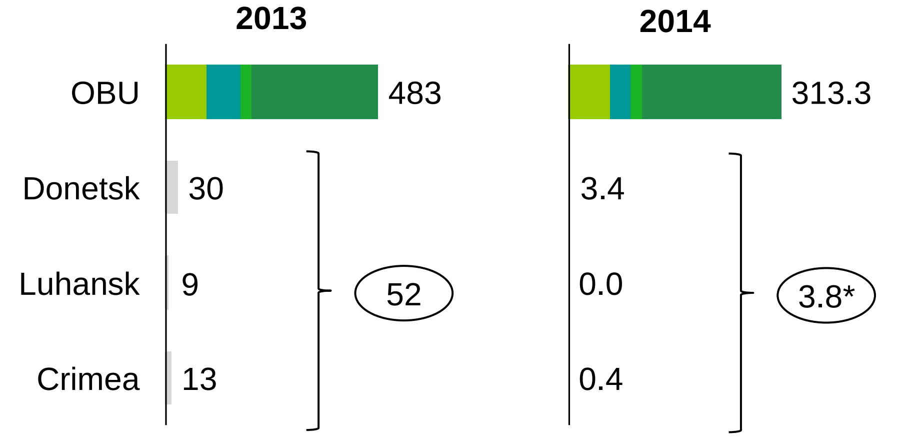
Composition of the Ukrainian bank's performing (DPD0-90) loans



Daily development of customer deposits



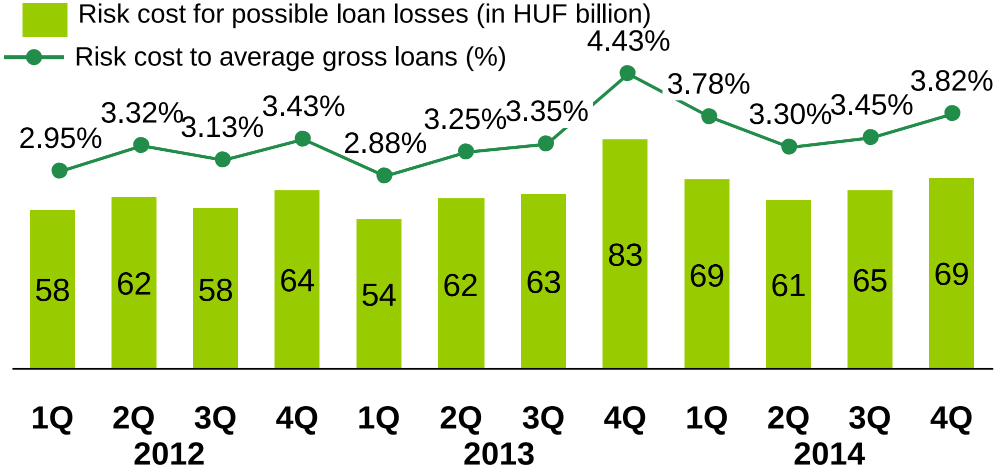
Closing volumes of net loan portfolio (in HUF billion)



*In case of Donetsk, Luhansk and Crimea the 2014 net loan volumes include the accrued interests, too.
In 2Q 2014 8 branches were closed in Crimea. In Donetsk and Luhansk region 15 braches out of 17 were closed in 4Q 2014.

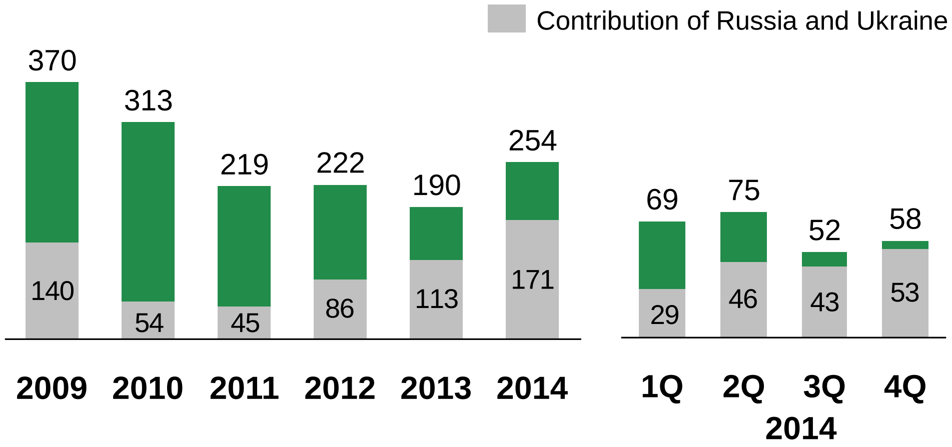
On consolidated level the FX-adjusted growth in DPD90+ loan volumes accelerated q-o-q, the coverage ratio slightly declined. The moderation of DPD90+ ratio and allowances for loan losses was driven by partial write-offs

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

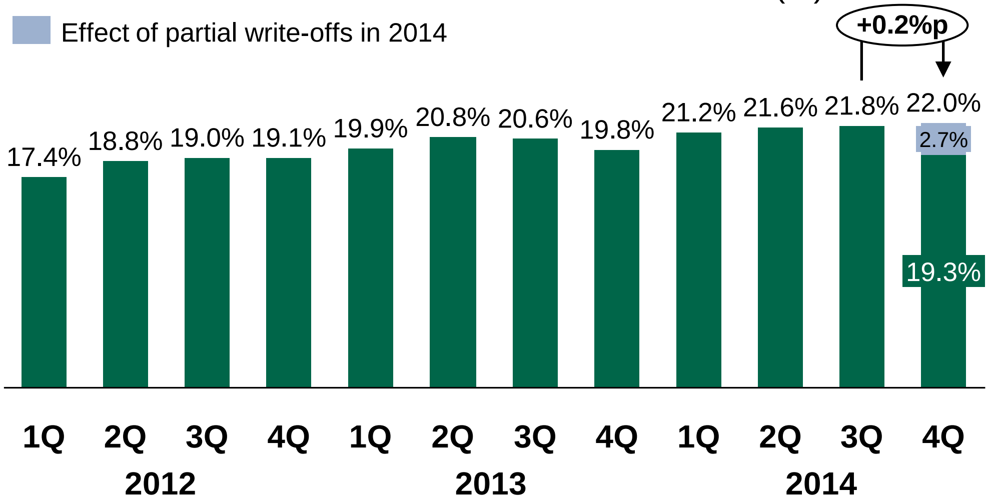


Change in DPD90+ loan volumes

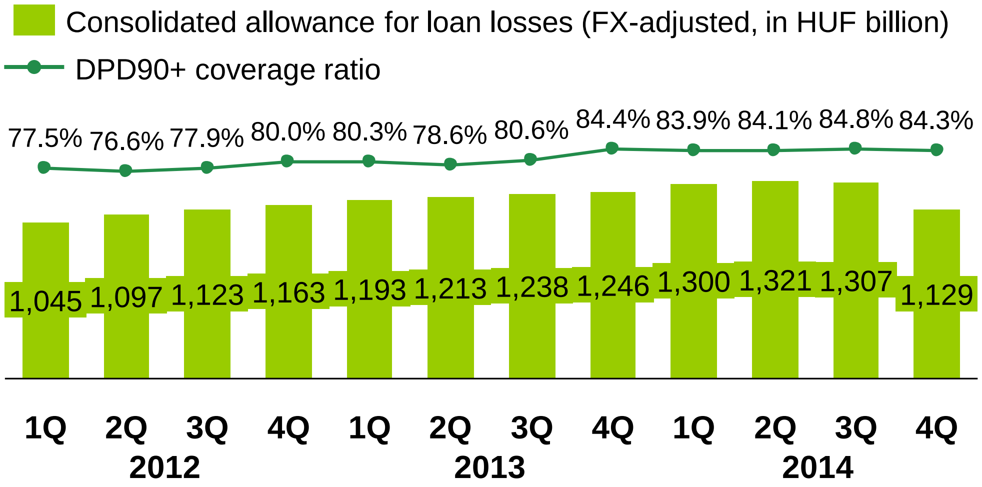
(consolidated, adjusted for FX and sales and write-offs, in HUF billion)



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



Consolidated provision coverage ratio



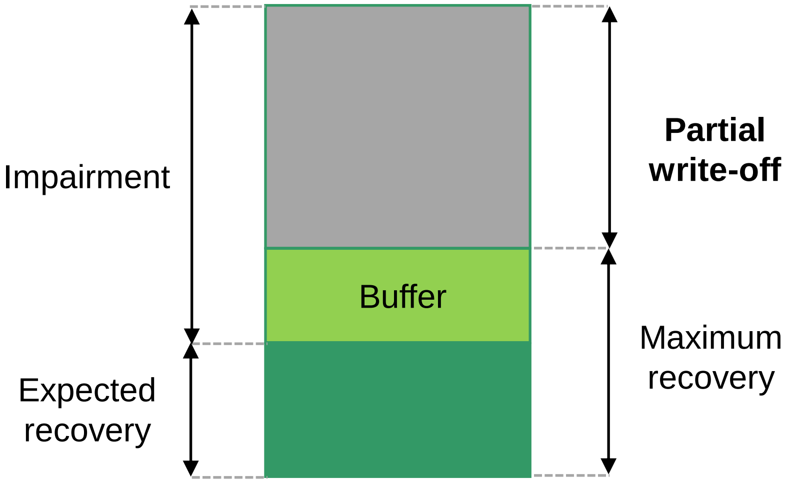
In 2014 OTP started actively using the partial write-off method. In 2014 altogether exposures of HUF 238 billion equivalent non-performing exposures were written off within this framework

Partial write-off: methodological background

The method of partial write-off can be used when the Bank has no reasonable expectation of recovery of the credit claim.

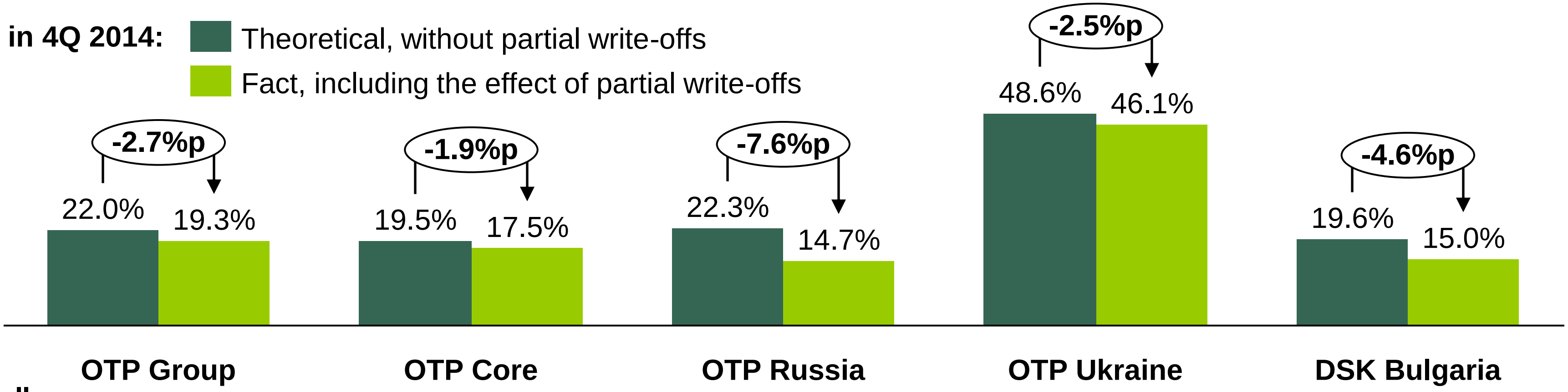
However, the partial write-off is applicable only for the part of claim above the maximum recoverable amount. The method has been discussed with the auditor.

In 2014 on a consolidated level HUF 238 billion equivalent non-performing exposure was written off, mostly in 4Q 2014.



Partial write-offs contributed to the considerable decline of DPD90+ ratios at the main subsidiaries

DPD90+ ratios in 4Q 2014:



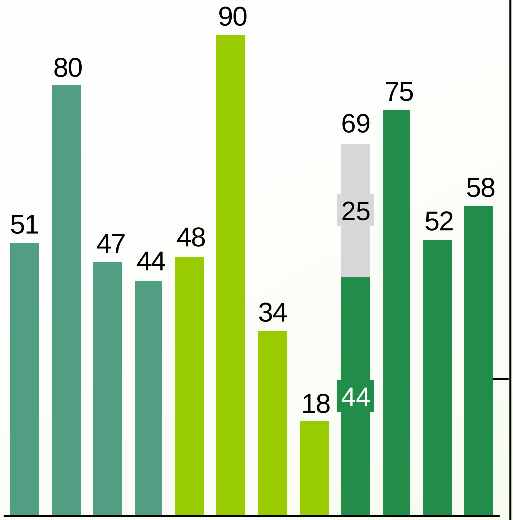
	OTP Group	OTP Core	OTP Russia	OTP Ukraine	DSK Bulgaria
Amount of partially written off exposures in 2014 (HUF billion):	238	66	56	27	67

In Ukraine the pace of new DPD90+ loan formation accelerated to new record. The Russian portfolio quality deterioration remained significant. However, in other countries of the Group portfolio quality stabilized or showed favourable signs

FX-adjusted quarterly change in DPD90+ loan volumes

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

Consolidated

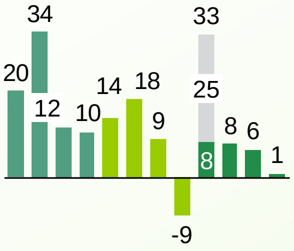


FX-adjusted sold or written down loan volumes :

6	4	20	38	18	31	32	78	10	41	60	288
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
2012				**2013**				**2014**			

⬜ 1Q 2014: A big project loan on the balance sheet of OTP Core reached 90 days of delinquency in M1 2014.

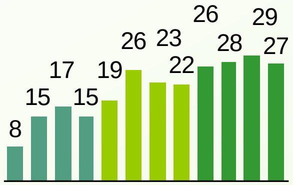
OTP Core[1]
(Hungary)



FX-adjusted sold or written down loan volumes:

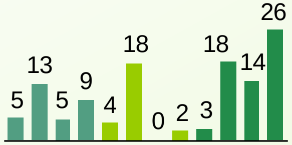
5	2	1	25	2	6	8	14	8	13	53	36
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
2012				2013				2014			

OBRu
(Russia)



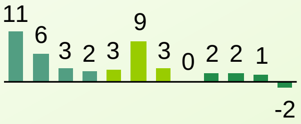
0	1	0	0	0	8	1	57	0	10	0	128
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
2012				2013				2014			

OBU [1,2]
(Ukraine)



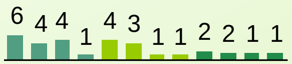
0	0	9	7	3	8	21	3	1	4	4	40
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
2012				2013				2014			

DSK
(Bulgaria)



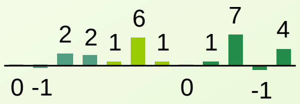
1	0	0	0	0	0	0	2	0	0	1	61
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
2012				2013				2014			

OBR
(Romania)



0	0	0	0	0	0	1	1	0	1	0	5
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
2012				2013				2014			

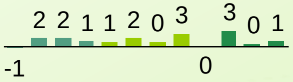
OBH
(Croatia)



FX-adjusted sold or written down loan volumes:

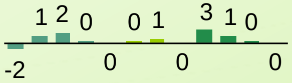
0	0	0	0	0	0	0	0	0	0	0	0
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
2012				2013				2014			

OBS
(Slovakia)



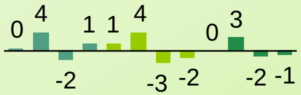
0	0	1	0	1	1	1	0	0	0	1	5
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
2012				2013				2014			

OBSr
(Serbia)



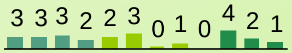
0	0	0	1	1	1	0	1	0	2	0	4
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
2012				2013				2014			

CKB
(Montenegro)



0	0	0	0	0	0	0	0	0	1	0	9
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
2012				2013				2014			

Merkantil Bank+Car
(Hungary)



0	0	8	5	11	7	0	0	0	10	0	0
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
2012				2013				2014			

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[1] The statistics have been adjusted with the corporate portfolio took over from OTP Core by OTP Ukraine in 1Q 2012.
[2] From 2014 January OBU volumes are FX adjusted with the official exchange rates of NBU

The DPD90+ ratio decreased at OTP Core, OTP Bank Russia and DSK Bank driven by NPL sales and write-offs in 4Q. The Ukrainian DPD90+ ratio went up further and the level of coverage increased

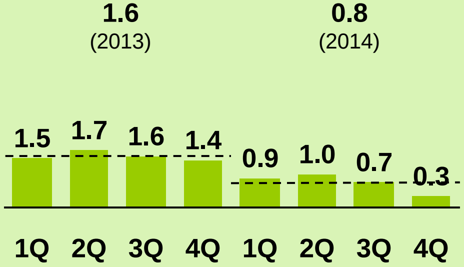
OTP Core Hungary

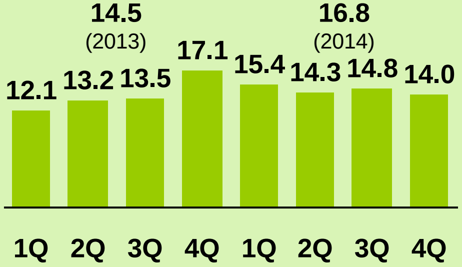
OTP Bank Russia

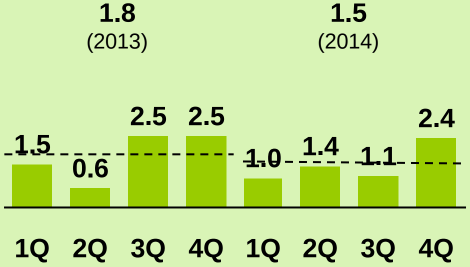
DSK Bank Bulgaria

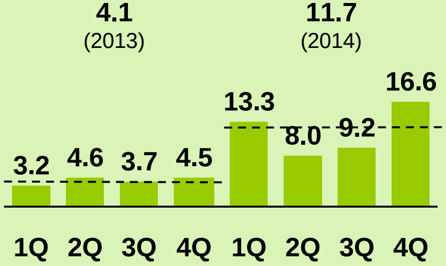
OTP Bank Ukraine

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

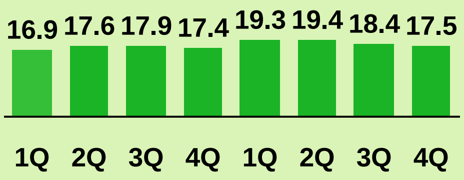


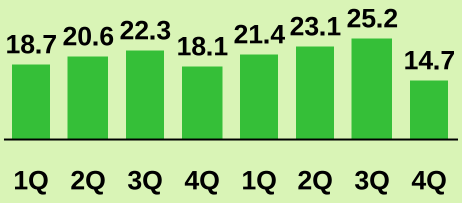


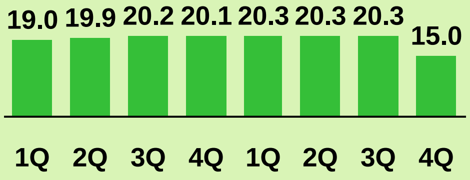


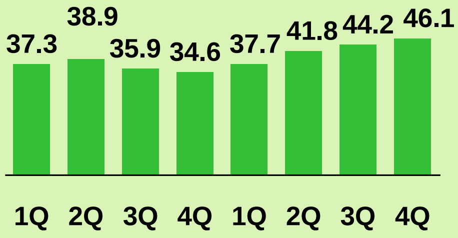


DPD90+ loans / Gross customer loans, %

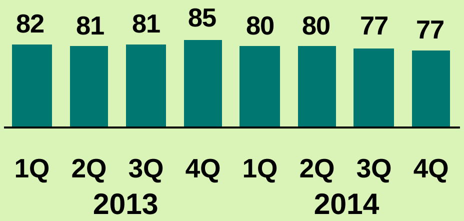


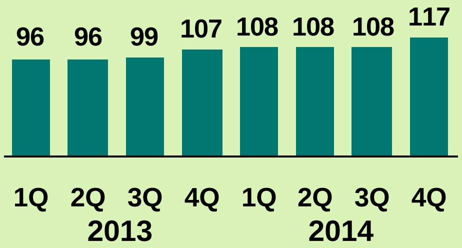


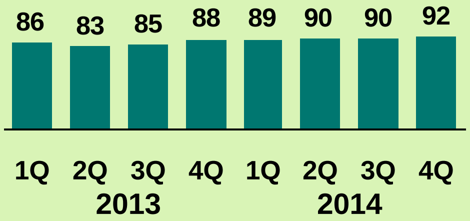


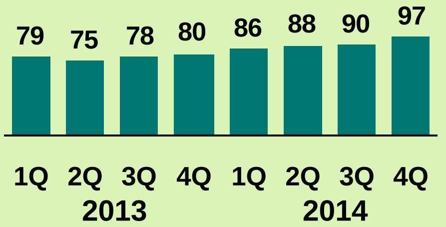


Total provisions / DPD90+ loans, %









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

At OTP Core and the 3 biggest subsidiaries write-offs played a role in the q-o-q development of DPD90+ ratio.
In Russia and Bulgaria mostly consumer loans were written off, whereas in Hungary and Ukraine mainly corporate loans

DPD90+ ratio (%)

OTP Core (Hungary)	**4Q 13**	**1Q 14**	**2Q 14**	**3Q 14**	**4Q 14**	**Q-o-Q** *(%-point)*
Total	**17.4**	**19.3**	**19.4**	**18.4**	**17.5**	***-0.8***
Retail	21.8	22.4	22.1	21.9	21.7	*-0.2*
Mortgage	20.3	21.2	20.9	21.0	20.5	*-0.4*
Consumer	27.1	27.0	26.2	25.2	26.0	*0.7*
MSE*	12.3	11.8	11.4	10.4	10.0	*-0.4*
Corporate	12.1	16.6	17.9	13.1	10.2	*-2.9*
Municipal	0.5	0.1	0.2	0.2	0.2	*-0.1*

DPD90+ ratio (%)

OTP Bank Russia	**4Q 13**	**1Q 14**	**2Q 14**	**3Q 14**	**4Q 14**	**Q-o-Q** *(%-point)*
Total	**18.1**	**21.4**	**23.1**	**25.2**	**14.7**	***-10.5***
Mortgage	14.4	15.5	15.6	15.6	17.0	*1.4*
Consumer	18.8	22.5	24.2	26.5	15.1	*-11.4*
Credit card	19.8	22.7	24.5	27.5	17.7	*-9.8*
POS loan	20.9	26.0	27.7	28.4	11.6	*-16.8*
Personal loan	14.6	16.7	19.0	22.4	16.1	*-6.3*

DPD90+ ratio (%)

DSK Bank (Bulgaria)	**4Q 13**	**1Q 14**	**2Q 14**	**3Q 14**	**4Q 14**	**Q-o-Q** *(%-point)*
Total	**20.1**	**20.3**	**20.3**	**20.3**	**15.0**	***-5.3***
Mortgage	23.1	23.2	23.4	23.5	22.1	*-1.5*
Consumer	16.5	16.8	16.8	17.0	7.3	*-9.7*
MSE*	40.7	41.6	40.3	40.0	32.7	*-7.3*
Corporate	15.5	15.9	16.1	15.9	12.4	*-3.4*

DPD90+ ratio (%)

OTP Bank Ukraine	**4Q 13**	**1Q 14**	**2Q 14**	**3Q 14**	**4Q 14**	**Q-o-Q** *(%-point)*
Total	**34.6**	**37.7**	**41.8**	**44.2**	**46.1**	***2.0***
Mortgage	58.1	60.3	62.7	66.2	70.8	*4.6*
Consumer	9.4	13.1	22.2	31.4	41.4	*10.0*
SME**	70.4	73.7	75.2	78.8	82.3	*3.5*
Corporate	21.2	22.0	24.6	24.2	16.3	*-8.0*
Car-financing	38.3	41.7	50.7	55.4	58.9	*3.5*

* Micro and small enterprises

** Small and medium enterprises

During last fall 2014 the partial write-off of consumer and corporate exposures across the Group affected mainly four major markets; as a result the year-end DPD90+ ratio improved by 2.7 ppts q-o-q

	Group	CORE	OBRu	OBU	DSK	Other
	Gross loans (in HUF billion)					
	Gross loan volumes with partial write-off					
Total	**6,932**	**2,753**	**569**	**568**	**1,159**	**1,840**
Mortgage loan	2,590	1,428	25	157	377	576
Consumer loan	1,661	380	507	60	421	292
MSE loan	474	129	0	83	74	185
MLE loan	1,858	765	34	235	285	522
Municipal	118	51	0	0	1	66
Car	230	0	2	33	0	199
	Partial write-off					
Total	**238**	**66**	**56**	**27**	**67**	**21**
Mortgage loan	9	0	0	0	9	0
Consumer loan	107	0	56	0	51	0
MSE loan	7	0	0	0	5	2
MLE loan	115	66	0	27	2	19
Municipal	0	0	0	0	0	0
Car	0	0	0	0	0	0
	Gross loan volumes without partial write-off					
Total	**7,170**	**2,820**	**624**	**596**	**1,225**	**1,861**
Mortgage loan	2,600	1,428	25	157	386	576
Consumer loan	1,767	380	563	60	472	292
MSE loan	482	129	0	83	79	188
MLE loan	1,973	832	34	262	287	541
Municipal	118	51	0	0	1	66
Car	230	0	2	33	0	199

	Group	CORE	OBRu	OBU	DSK	Other
	DPD90+ volumes (in HUF billion)					
	DPD90+ volumes with partial write-off					
Total	**1,339**	**483**	**84**	**262**	**174**	**330**
Mortgage loan	576	293	4	111	83	78
Consumer loan	271	99	76	25	31	40
MSE loan	145	13	0	68	24	38
MLE loan	292	78	1	38	35	139
Municipal	0	0	0	0	0	0
Car	54	0	2	19	0	33
	Partial write-off					
Total	**238**	**66**	**56**	**27**	**67**	**21**
Mortgage loan	9	0	0	0	9	0
Consumer loan	107	0	56	0	51	0
MSE loan	7	0	0	0	5	2
MLE loan	115	66	0	27	2	19
Municipal	0	0	0	0	0	0
Car	0	0	0	0	0	0
	DPD90+ volumes without partial write-off					
Total	**1,577**	**549**	**140**	**290**	**240**	**351**
Mortgage loan	585	293	4	111	92	78
Consumer loan	378	99	132	25	82	40
MSE loan	153	13	0	68	29	41
MLE loan	407	144	1	66	37	158
Municipal	0	0	0	0	0	0
Car	54	0	2	19	0	33

	Group	CORE	OBRu	OBU	DSK	Other
	DPD90+ ratios (%)					
	DPD90+ ratios with partial write-off					
Total	**19.3%**	**17.5%**	**14.7%**	**46.1%**	**15.0%**	**17.9%**
Mortgage loan	22.2%	20.5%	17.0%	70.8%	22.1%	13.5%
Consumer loan	16.3%	26.0%	15.1%	41.4%	7.3%	13.9%
MSE loan	30.7%	10.0%	92.7%	82.3%	32.7%	20.7%
MLE loan	15.7%	10.2%	3.8%	16.3%	12.4%	26.7%
Municipal	0.3%	0.2%	0.0%	0.0%	17.0%	0.0%
Car	23.6%	0.0%	75.4%	58.9%	0.0%	16.8%
	Improvement due to partial write-off					
Total	**2.7%**	**1.9%**	**7.6%**	**2.5%**	**4.6%**	**0.9%**
Mortgage loan	0.3%	0.0%	0.0%	0.0%	1.8%	0.0%
Consumer loan	5.0%	0.0%	8.4%	0.0%	10.0%	0.0%
MSE loan	1.0%	0.0%	0.0%	0.0%	4.3%	0.9%
MLE loan	4.9%	7.2%	0.0%	8.7%	0.5%	2.6%
Municipal	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Car	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	DPD90+ ratios without partial write-off					
Total	**22.0%**	**19.5%**	**22.3%**	**48.6%**	**19.6%**	**18.9%**
Mortgage loan	22.5%	20.5%	17.0%	70.8%	23.9%	13.6%
Consumer loan	21.4%	26.0%	23.5%	41.4%	17.3%	13.9%
MSE loan	31.7%	10.0%	92.7%	82.3%	37.0%	21.7%
MLE loan	20.6%	17.4%	3.8%	25.0%	13.0%	29.3%
Municipal	0.3%	0.2%	0.0%	0.0%	17.0%	0.0%
Car	23.6%	0.0%	75.4%	58.9%	0.0%	16.8%

Restructured retail volumes declined further q-o-q on group level, representing 1.7% of total retail loans by the end of 2014; in the Ukraine the share of restructured retail loans decreased slightly q-o-q

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

	2Q 2013		3Q 2013		4Q 2013		1Q 2014		2Q 2014		3Q 2014		4Q 2014	
	HUF mn	*%*[1]	*HUF mn*	*%*[1]	*HUF mn*	*%*[1]	*HUF mn*	*%*[1]	*HUF mn*	*%*[1]	*HUF mn*	*%*[1]	*HUF mn*	*%*[1]
OTP Core (Hungary)	33,406	1.7%	36,231	1.8%	35,377	1.9%	34,702	1.8%	31,697	1.7%	25,975	1.4%	22,152	1.2%
OBRu (Russia)	65	0.0%	67	0.0%	41	0.0%	29	0.0%	22	0.0%	155	0.0%	131	0.0%
DSK (Bulgaria)	19,643	2.4%	21,050	2.5%	19,870	2.4%	20,601	2.4%	20,652	2.4%	18,973	2.2%	17,008	2.1%
OBU (Ukraine)	6,386	2.4%	6,499	2.4%	6,263	2.3%	5,488	2.2%	11,926	4.7%	15,191	6.0%	14,556	5.8%
OBR (Romania)	32,595	12.7%	28,457	10.7%	27,584	10.3%	27,196	9.9%	23,907	8.6%	19,273	6.9%	16,982	6.1%
OBH (Croatia)	875	0.4%	1,054	0.5%	992	0.5%	1,245	0.5%	1,119	0.4%	1,418	0.5%	2,214	0.8%
OBS (Slovakia)	510	0.3%	364	0.2%	191	0.1%	323	0.2%	468	0.2%	277	0.1%	389	0.2%
OBSr (Serbia)	254	0.8%	632	2.0%	617	1.9%	683	2.0%	582	1.6%	593	1.7%	408	1.1%
CKB (Montenegro)	911	1.6%	712	1.2%	639	1.1%	675	1.1%	564	0.9%	462	0.8%	226	0.4%
Merkantil (Hungary)	5,378	2.8%	4,379	2.2%	3,695	2.0%	3,433	1.8%	2,818	1.6%	2,264	1.3%	1,864	1.0%
Other leasing[2] (Hungary)	28	0.1%	11	0.0%	101	0.4%	253	0.9%	334	1.3%	338	1.2%	194	0.7%
TOTAL	**100,052**	**2.1%**	**99,456**	**2.0%**	**95,370**	**2.0%**	**94,629**	**2.0%**	**94,090**	**1.9%**	**84,919**	**1.7%**	**76,124**	**1.7%**

[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.

otpbank

Investor Relations & Debt Capital Markets

Tel: + 36 1 473 5460; + 36 1 473 5457

Fax: + 36 1 473 5951
E-mail: investor.relations@otpbank.hu
www.otpbank.hu