OTP Bank Plc.

Summary of the full-year 2015 results

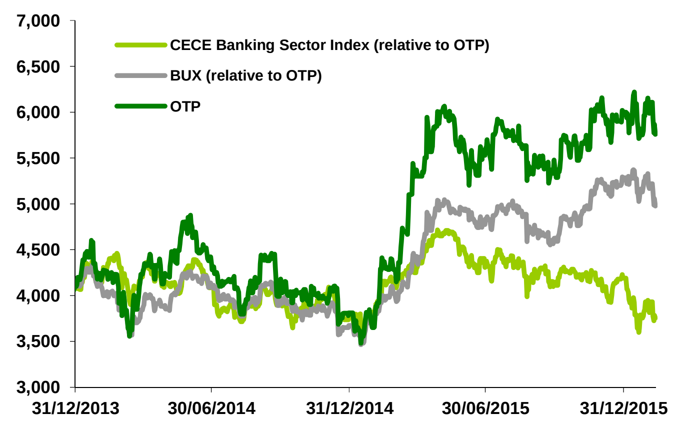
(English translation of the original report submitted
to the Budapest Stock Exchange)

Budapest, 4 March 2016

CONSOLIDATED FINANCIAL HIGHLIGHTS[1] AND SHARE DATA

Main components of the Statement of recognised income in HUF million	2014	2015	Y-o-Y	4Q 2014	3Q 2015	4Q 2015	Q-o-Q	Y-o-Y
Consolidated after tax profit	**-102,258**	**63,171**	**-162%**	**10,928**	**-3,664**	**26,694**	**-829%**	**144%**
Adjustments (total)	**-220,272**	**-57,073**	**-74%**	**698**	**-38,273**	**10,099**	**-126%**	
Consolidated adjusted after tax profit without the effect of adjustments	**118,014**	**120,245**	**2%**	**10,230**	**34,609**	**16,595**	**-52%**	**62%**
Pre-tax profit	142,341	146,057	3%	12,327	39,859	23,939	-40%	94%
Operating profit	414,534	362,594	-13%	88,652	96,521	76,210	-21%	-14%
Total income	826,061	754,912	-9%	195,109	191,373	182,849	-4%	-6%
Net interest income	636,172	553,659	-13%	155,798	137,675	133,279	-3%	-14%
Net fees and commissions	169,579	167,250	-1%	44,479	42,610	43,449	2%	-2%
Other net non-interest income	20,309	34,002	67%	-5,168	11,087	6,121	-45%	-218%
Operating expenses	-411,527	-392,317	-5%	-106,458	-94,852	-106,640	12%	0%
Total risk costs	-274,749	-220,709	-20%	-77,290	-58,190	-52,733	-9%	-32%
One off items	2,556	4,172	63%	965	1,527	462	-70%	-52%
Corporate taxes	-24,327	-25,813	6%	-2,097	-5,249	-7,344	40%	250%
Main components of balance sheet closing balances in HUF million	2014	2015	YTD	4Q 2014	3Q 2015	4Q 2015	Q-o-Q	Y-o-Y
Total assets	10,971,052	10,718,848	-2%	10,971,052	10,690,468	10,718,848	0%	-2%
Total customer loans (net, FX adjusted)	**5,828,583**	**5,409,967**	**-7%**	**5,828,583**	**5,450,499**	**5,409,967**	**-1%**	**-7%**
Total customer loans (gross, FX adjusted)	**6,964,289**	**6,423,588**	**-8%**	**6,964,289**	**6,555,243**	**6,423,588**	**-2%**	**-8%**
Allowances for possible loan losses (FX adjusted)	-1,135,705	-1,013,620	-11%	-1,135,705	-1,104,744	-1,013,620	-8%	-11%
Total customer deposits (FX adjusted)	**7,624,295**	**7,984,579**	**5%**	**7,624,295**	**7,783,333**	**7,984,579**	**3%**	**5%**
Issued securities	267,084	239,376	-10%	267,084	246,925	239,376	-3%	-10%
Subordinated loans	281,968	234,784	-17%	281,968	258,506	234,784	-9%	-17%
Total shareholders' equity	1,264,166	1,233,659	-2%	1,264,166	1,226,054	1,233,659	1%	-2%
Indicators based on one-off adjusted earnings %	2014	2015	Y-o-Y	4Q 2014	3Q 2015	4Q 2015	Q-o-Q	Y-o-Y
ROE (from adjusted net earnings)	8.5%	9.6%	1.1%p	3.1%	11.1%	5.4%	-5.7%p	2.2%p
ROA (from adjusted net earnings)	1.1%	1.1%	0.0%p	0.4%	1.3%	0.6%	-0.7%p	0.2%p
Operating profit margin	3.88%	3.34%	-0.54%p	3.20%	3.57%	2.82%	-0.75%p	-0.38%p
Total income margin	7.74%	6.96%	-0.78%p	7.05%	7.08%	6.78%	-0.30%p	-0.28%p
Net interest margin	5.96%	5.11%	-0.85%p	5.63%	5.09%	4.94%	-0.15%p	-0.69%p
Cost-to-asset ratio	3.85%	3.62%	-0.24%p	3.85%	3.51%	3.95%	0.44%p	0.10%p
Cost/income ratio	49.8%	52.0%	2.2%p	54.6%	49.6%	58.3%	8.8%p	3.8%p
Risk cost to average gross loans	3.68%	3.18%	-0.49%p	3.82%	3.41%	2.98%	-0.44%p	-0.85%p
Total risk cost-to-asset ratio	2.57%	2.04%	-0.54%p	2.79%	2.15%	1.95%	-0.20%p	-0.84%p
Effective tax rate	17.1%	17.7%	0.6%p	17.0%	13.2%	30.7%	17.5%p	13.7%p
Net loan/(deposit+retail bond) ratio (FX adjusted)	75%	67%	-9%p	75%	69%	67%	-2%p	-9%p
Capital adequacy ratio (consolidated, IFRS) - Basel3	17.5%	16.2%	-1.3%p	17.5%	16.5%	16.2%	-0.3%p	-1.3%p
Tier1 ratio - Basel3	14.1%	13.3%	-0.9%p	14.1%	13.5%	13.3%	-0.2%p	-0.9%p
Common Equity Tier1 ('CET1') ratio - Basel3	14.1%	13.3%	-0.9%p	14.1%	13.5%	13.3%	-0.2%p	-0.9%p
Share Data	2014	2015	Y-o-Y	4Q 2014	3Q 2015	4Q 2015	Q-o-Q	Y-o-Y
EPS diluted (HUF) (from unadjusted net earnings)	-382	242	-164%	41	-14	103	-836%	152%
EPS diluted (HUF) (from adjusted net earnings)	441	458	4%	38	133	64	-52%	68%
Closing price (HUF)	3,811	6,000	57%	3,811	5,405	6,000	11%	57%
Highest closing price (HUF)	4,875	6,065	24%	4,154	5,924	5,750	-3%	38%
Lowest closing price (HUF)	3,555	3,479	-2%	3,684	5,226	5,288	1%	44%
Market Capitalization (EUR billion)	3.4	5.4	58%	3.4	4.8	5.4	11%	58%
Book Value Per Share (HUF)	4,515	4,406	-2%	4,515	4,379	4,406	1%	-2%
Tangible Book Value Per Share (HUF)	3,948	3,840	-3%	3,948	3,819	3,840	1%	-3%
Price/Book Value	0.8	1.4	61%	0.8	1.2	1.4	10%	61%
Price/Tangible Book Value	1.0	1.6	62%	1.0	1.4	1.6	10%	62%
P/E (trailing, from accounting net earnings)	-10.4	26.6	-355%	-10.4	31.9	26.6	-17%	-355%
P/E (trailing, from adjusted net earnings)	9.0	14.0	55%	9.0	13.3	14.0	5%	55%
Average daily turnover (EUR million)	14	15	7%	11	11	14	25%	25%
Average daily turnover (million share)	1.1	0.9	-12%	0.8	0.6	0.7	21%	-13%

SHARE PRICE PERFORMANCE



MOODY'S RATINGS

OTP Bank	
Foreign currency long term deposits	Ba2
OTP Mortgage Bank	
Covered mortgage bond	Baa2
OTP Bank Russia	
Foreign currency long term deposits	Ba3

STANDARD & POOR'S RATING

OTP Bank and OTP Mortgage Bank	
Long term credit rating	BB

FITCH'S RATING

OTP Bank Russia	
Long term credit rating	BB

[1] Structural adjustments made on consolidated IFRS profit and loss statement together with the calculation methodology of adjusted indicators are detailed in the Supplementary data section of the Report.

SUMMARY OF THE FULL-YEAR 2015 RESULTS

The Summary of the full-year 2015 results of OTP Bank Plc. has been prepared on the basis of its separate condensed and consolidated IFRS financial statements for 31 December 2015 or derived from that. At presentation of full year 2015 report of OTP Bank we applied International Financial Reporting Standards adopted by the European Union.

SUMMARY OF THE FULL-YEAR 2015 AND THE FOURTH QUARTER 2015

2015 macroeconomic trends in Hungary turned to be the most favourable since the onset of the financial crisis in 2008. Despite some moderation, according to preliminary figures and as a result of the strong 4Q GDP growth (+3.2% y-o-y), the economy grew by 2.9% y-o-y. Balance indicators remained consistently favourable: supported by stronger than expected tax revenues the fiscal deficit was kept below 2% of GDP and the public debt was reduced to below 76% of GDP, too. Within that both the share of external debts and non-residents' holding contracted massively. Simultaneously, funding conditions improved a lot and the vulnerability of the economy moderated substantially.

As a result of a roughly 3 year continuous monetary easing the base rate dropped to 1.35% by July 2015. Besides, the central bank has been using other non-conventional tools too, steadily and effectively supporting the balanced and sustainable growth of the economy. The central bank's toolset is fairly rich: apart from the new phases of Funding for Growth Scheme it also includes the Self Financing Programme which encourages banks to increase their government securities purchases and also the reform of the monetary policy instruments.

From macro-prudential perspective it was of great importance that with the conversion of FX-denominated mortgages, car loans and consumer credits a major systemic risk factor was eliminated, and the settlement was completed with practically all affected clients by end-2015. Simultaneously, the massive operational burden induced by the settlement and conversion vanished.

In December 2015 the Government decided about a substantial reduction of the banking tax starting from 2016. Also, a new legislation was approved regarding the reasonable handling and burden-sharing of the losses stemming from the brokerage scandals in early 2015 (for more details see: Legislative acts and decisions affecting OTP Group's operation in Hungary). It was equally important that the Government significantly eased the conditions of purchasing new and used flats and widened the range of eligible families within the framework of the Housing Subsidy for Families (the so-called CSOK). Also, from 1 January 2016 applicable VAT level on newly built houses was scaled back from 27% to 5%. Those changes might exert positive impact on mortgage loan demand, too.

Based on those favourable regulatory changes and macroeconomic developments there is a strong chance that Hungary will be re-gaining its investment-grade status in 2016 with the major rating agencies.

With regard to 2016 economic outlook OTP Bank's forecasts are fairly confident: the bank expects 2.5% GDP growth, 1.7% fiscal deficit, 0.7% inflation, further easing public indebtedness and 2% real wage increase. Local consumption has been gradually becoming the key engine of growth. New loan disbursements are expected to keep increasing dynamically, however loan stocks might increase first of all in the SME and corporate segments; as for the households it is difficult to give any ballpark estimation regarding the potential impact of the recent Government measures.

According to the preliminary GDP data published in February 2016 most of the CEE countries with OTP presence enjoyed a fairly positive backdrop: the Croatian economy apparently left behind the recession and the newly formed government submitted an ambitious consolidation programme. The overall Bulgarian, Romanian and Slovakian macro indicators were equally good. Furthermore, in certain countries – Croatia, Serbia and Romania – either as a result of mandatory conversions or under schemes initiated by the subsidiary – the settlement and conversion of CHF-based mortgages is either underway or practically completed. With their *de-facto* completion the banking community might again focus on business activity.

For the last two years Ukraine and Russia have been struggling with different challenges, though a moderate consolidation is going on. The Ukrainian GDP contracted by 10% in 2015 and for 2016 the central bank forecasts only a moderate 1.1% growth. Official headline inflation is expected to remain well above 10% in 2016 after exceeding 49% in 2015. The promised structural reforms and the anti-corruption fight is progressing slowly, and the IMF raised concern in this respect suggesting the temporary suspension of the next round of financial aid what Ukraine otherwise needs a lot.

As for Russia the most important risk factors are the low oil price and the weak rouble, as they fall short of the levels used for making the 2016 budget. Potential expenditure cuts might take their toll through hampering domestic demand; ability to pay might deteriorate both in the corporate and household sectors. Due to the high inflation induced by the weaker RUB the central bank left the base rate in its January rate-setting meeting at 11%, unchanged since June 2015. In line with the inflation moderating to single digit the base rate might be cut in 2H 2016. According to the official forecast of the central bank the Russian economy will recover from the recession only in 2017; for 2016 as a whole the CBR expects 2% GDP contraction.

With regard to 2016 expectations, the management does not forecast losses at any foreign subsidiaries, but Touch Bank.

On 3 February 2016 OTP Bank announced the purchase of AXA Bank Hungary's (predominantly) mortgage portfolio. According to the plans, following the closing of the transaction the integration process can be completed at the end of 2016.

Legislative acts and decisions affecting OTP Group's operation in Hungary

1. *Conversion of FX-based car and consumer loans into HUF*

According to the Act No. CXLV of 2015 approved on 22 September 2015 the conversion of FX car and consumer loans has been completed by 1 December 2015. The applied FX rates were the prevailing ones on 19 August 2015 (official FX rates published by the central bank: 287.2 HUF/CHF and 309.2 HUF/EUR). Pursuant to the Act customers enjoyed a benefit which equals to the difference between the FX rates applied for converting the FX mortgage loans (256.5 HUF/CHF, 309.0 HUF/EUR) and the official FX rate quoted by the central bank on 19 August 2015. This difference was born jointly by the banks and the State.

2. *Banking tax*

In December 2015 the Parliament amended the Act No. CCXVII of 2015 on the banking tax as a result of continuous conciliation between the government and the Hungarian Banking Association. The Act came into force partly on 23 December 2015 and 1 January 2016. Accordingly, for 2016 the banking tax rate is going to be 0.15% for the tax base not exceeding HUF 50 billion and 0.24% above that threshold. The tax base will be the adjusted total assets in 2009. The Act abolished certain concessions stipulated by previously approved legislations, such as the potential bank tax refund of maximum HUF 5 billion on sector-level for those banks that suffered losses in Ukraine, and also the maximum HUF 10 billion sector-level bank tax break related to corporate loan growth.

As a result, in 2016 the Hungarian members of OTP Group will be paying HUF 16.1 billion in banking tax (HUF 13.2 billion after tax) against HUF 34.9 billion paid in 2015 (HUF 28.6 billion after tax).

According to the announcement of the Ministry of National Economy on 10 December 2015 the Government plans to submit the relevant banking tax legislation valid for 2017 in the first half of 2016.

3. *Deposit Protection Fund, Investor Protection Fund and Resolution Fund*

According to the new regulation effective from 1 January 2016 the rate of the annual contribution paid by member institutions into the Deposit Protection Fund (OBA) was raised to 0.175% (2015: 0.14%).

Effective from 1 January 2016 the rate of the normal contribution payable into the Investor Protection Fund (Beva) was increased to 0.175% versus 0.045% in 2015. Simultaneously, the compensation threshold changed to EUR 100,000 from the previous EUR 20,000 level.

In 2014 OTP Core paid in total HUF 3.6 billion towards OBA, Beva and the Resolution Fund, and HUF 6.6 billion in 2015. The annual contribution in 2016 is expected to go up to around HUF 10 billion. Those paid-in amounts are booked amongst operational expenses, not among adjustment items on consolidated level.

4. *Quaestor*

On 17 November 2015 the Constitutional Court made a decision on motions regarding the Act on the indemnification of Quaestor victims (Act No. XXXIX of 2015). Accordingly the Constitutional Court ruled that certain paragraphs of the Act were unconstitutional.

On 15 December the Parliament approved a new law (Act No. CCXI of 2015 on compensation measures aimed at strengthening the stability of local capital markets) which took into account the Constitutional Court's ruling. The Act came into force on 1 January 2016. Simultaneously the previous "Quaestor" Act (Act No. XXXIX of 2015 on establishing a compensation fund) being effective from April 2015 lost effect.

The new Act enlarged the range of clients eligible for the compensation with the victims of Hungarian Securities Ltd., however reduced the maximum amount of compensation each clients can receive. Accordingly, returns realized since 1 January 2008 must be deducted from the due compensation. Furthermore, above HUF 3 million 11% co-payment by clients was introduced.

The compensation will be handled technically by a newly established Fund which can take a bridge loan from the central bank with unconditional payment guarantee by the state for servicing the payments. The bridge loan will be serviced from the Beva-members' contributions; however the sector-level total annual contribution can't exceed HUF 7 billion. The contributions are deductible on sub-consolidated level from different tax obligations (banking tax, corporate tax, contribution tax, financial transaction tax) in the year of the payment. The first payments are due in March 2017.

The deadline for submitting compensation claims is 15 February 2016 and payments will start from May 2016. Since the total amount of those claims is not yet known, OTP Bank's share is not calculable either.

5. *Legislative changes related to the Hungarian housing market*

With a Government decree (455/2015) published on 29 December 2015 and effective from 1 January 2016 the range and scale of the Housing Subsidy for Families (CSOK) was further enlarged. Modifications in February (government decrees No. 16/2016 and 17/2016, both published on 10 February 2016) made some fine-tunings.

Accordingly:

- Customers can apply for a non-refundable state subsidy, the so-called CSOK (originally introduced on 1 July 2015) from 1 January 2016 with more favourable terms. Conditions are determined by the above government decrees. Under the current scheme the amount of the state subsidy for building or purchasing new flats is linked to the number of (existing or undertaken) children: the subsidy is HUF 0.6 million after 1 child, HUF 2.6 million after 2 and 10 million after 3 or more. For used-flat purchase or enlargement the subsidy varies between HUF 0.6 and 2.75 million, depending on the number of children.
- Those families granted CSOK with 3 or more children are also eligible – under certain criteria – for maximum HUF 10 million subsidized loan. The interest rate of these loans paid by the client is fixed at 3% for the first 25 years. The formula for calculating the total maximum interest rate chargeable by banks is as follows: 3 month average of the 5 year Government bond yield*1.3+3.0%. Therefore, the interest subsidy by the state equals to the difference between the interest rate paid by the client and the total interest rate charged by the bank.
- For those clients building a new house or flat a tax refund capped at HUF 5 million became available under certain conditions stipulated by the legislation.

Furthermore, according to Act No. CCXII of 2015 the VAT on newly built houses was reduced from 27% to 5% from 1 January 2016 (under certain limitations for the maximum ground-space of those properties).

Changes related to FX mortgage loans affecting foreign subsidiaries

1. Romania

The CHF mortgage loan conversion programme started on 9 December 2015. By the end of January 2016 more than 10,000 eligible clients were notified about the bank's offer. Out of those around 80% showed interest towards the scheme, and 3% turned down the conversion offer. According to recent experiences the originally expected conversion ratio seems to be achievable. The conversions *de facto* have been started on 25 January.

2. Croatia

Based on the amendments to the Act on Credit institutions and Customer Lending approved by the Croatian Parliament on 30 September 2015 the Croatian subsidiary of OTP Bank announced a conversion programme (from CHF into EUR) for its retail CHF borrowers. Due to amendments to the technical details the *de facto* conversion was postponed to 1Q 2016.

3. Ukraine

In early July 2015 the Ukrainian Parliament approved an Act on the conversion of retail FX mortgages into UAH, however the President did not sign the Act and it did not become effective. At the end of January 2016 the Parliament voted on the presidential veto, as a result the Act was taken off the agenda. In early September 2015 another draft legislation was published aiming at providing relief to FX denominated residential mortgage holders. The draft was prepared by the central bank with the involvement and agreement of the local commercial banks. Since the actual version of the draft is currently under discussion, it has not been submitted to the Parliament yet.

Consolidated earnings: HUF 120.2 billion adjusted after-tax profit, declining income margin and net interest margin, moderating risk costs, decelerating portfolio quality deteriorating from 2H, improving DPD90+ ratio and provision coverage

The consolidated accounting profit for the last 12 months was HUF 63.2 billion versus a loss of HUF 102.3 billion in the base period. The material y-o-y change was related mainly to the adjustment items.

In 2015 the total volume of adjustments amounted to HUF -57 billion after tax, which is materially lower than HUF -220 billion booked in the base period. In 4Q 2015 adjustment items represented HUF +10.1 billion after tax (3Q: -38.3 billion). The significant q-o-q change is reasoned by the following items:

- The one-off impact of regulatory changes in relation to consumer contracts and the impact of the related methodological changes had a HUF 7.6 billion positive impact (after tax). This amount is partly related to the release of provisions made earlier at Merkantil Bank and Car, and also at OTP Core and OTP Flat Lease. Furthermore, at OTP Core there was a change in the provisioning methodology regarding those exposures and induced by the change in the structure of the contracts triggered by the settlement and conversions: accordingly the volume of provisions for loan losses increased and simultaneously other provisions decreased. With such a step all the provisions made earlier as a result of the regulatory changes were released;

- In 4Q impairment was booked in relation to the Ukrainian investment under Hungarian Accounting Standards, similar to 2Q 2015. Though under IFRS it had no direct effect either on the consolidated balance sheet or on the P&L, there was a related positive tax shield of altogether HUF 4 billion that added to the Group's IFRS accounting profit;
- The Hungarian Competition Authority imposed a HUF 4 billion fine on the Banking Association in its January 2016 ruling. According to HCA's reasoning the Banking Association operated a banking database in a way that could hamper market competition. The Association has contested the ruling at the court. For the potential payment obligations by OTP Group's affected group members HUF 813 million other risk cost was made (HUF 662 million after tax);
- In 4Q the Bank made additional provisions for its East Ukrainian and Crimean exposures: HUF 365 million and HUF 163 million, respectively (after tax);
- The after tax impact of the Slovakian banking tax amounted to HUF -258 million in 4Q 2015.

As for 2016, apart from the moderating banking tax burden (and potentially some smaller scale additional provisions in Crimea and East Ukraine) the management does not expect any further negative adjustment items.

On 2 November 2015 Visa Inc. and Visa Europe Limited reached an agreement on the purchase of the shares of Visa Europe (owned by European banks) by Visa Inc. According to the deal the purchase price includes three components: cash and Visa Inc."C-type" preferential shares with limited marketability, these two components will be transferred after the settlement of the transaction (after receiving all the necessary approvals). In addition, the framework terms of the transaction provide for a deferred earn-out payment, which will be paid in cash after sixteen quarters from the date of the transaction settlement (if the relevant criteria of the earn-out component are reached). According to the notification of Visa sent in mid-December 2015, the expected amount of cash is about EUR 34 million (around HUF 10.5 billion). Prior to the transaction the book value of OTP's share in Visa Europe was close to zero, but at the end of 2015 it was revaluated up to the amount of the cash component, which has been recognized on the of Fair Value Adjustment of Available for Sale securities line in the Comprehensive Income Statement. The above said cash component of the purchase price will be booked in the Income Statement at the settlement of the transaction, and shown presumably in 2Q 2016 within the adjustment items on consolidated level. For the time being the value of the earn-out component and the preferential shares with limited marketability cannot be determined.

OTP Group posted HUF 120.2 billion adjusted profit in 2015 which underpins a y-o-y 2% increase against the base period. The corporate tax burden grew by HUF 1.5 billion y-o-y, as a result, profit before tax advanced by 3% y-o-y. The operating income dropped by 13%; the negative impact was off-set by lower risk costs (-20% y-o-y) and higher one-off revenue items.

The Group realized HUF 16.6 billion adjusted after-tax profit in 4Q, underpinning a 52% q-o-q decline. The materially lower adjusted profit was due to the 21% weaker operating income (as a result of q-o-q lower total income and higher operating expenses). The quarterly risk cost moderated by 10% q-o-q.

As for individual performances, 2015 to a great extent resembles 2014: it was again OTP Core with HUF 123.4 billion and DSK Bank with HUF 52.5 billion contributing the most to consolidated adjusted earnings. Other Group members in the CEE region except for Serbia were profitable, too and in total posted HUF 5.9 billion profit. Ukraine and Russia, on the contrary, remained still in red (with HUF 40.3 billion and HUF 15.1 billion adjusted loss), still their combined negative result was slightly lower than in 2014. Starting from 2015 the performance of the Russian online bank, Touch Bank was presented separately, though legally it is part of the Russian operation; in 2015 it posted HUF 4.8 billion negative result.

The annual total income represented HUF 755 billion, by 9% less y-o-y. Within that net interest income shrunk by 13%: OTP Core suffered a y-o-y 6% decline, more significant was the drop in Russia and Ukraine (-38% and -36% respectively); at the same time the Bulgarian, Romanian, Croatian and Slovakian subsidiaries managed to increase their net interest income. The material set-back in Russia and Ukraine was partly reasoned by the FX-effect: in RUB the Russian NII erosion was 18%, whereas the Ukrainian NII remained flat in UAH terms. Also, the erosion of performing loan volumes in both countries took their toll, too.

The net fee and commission income decreased marginally (-1% y-o-y). The annual other net non-interest income surged by 66% y-o-y, to a great extent attributable to the 4Q 2014 base effect (for details see: 4Q 2014 Summary). Furthermore, at OTP Core there was a higher annual gain realized on the AFS securities portfolio, and a significant FX gain was booked in Ukraine in 1Q 2015.

The annual operating expenses melted down by 5% y-o-y despite a higher 4Q number (+13% q-o-q).

The consolidated total income margin (6.98%) eroded by 78 bps in 2015, whereas the net interest margin (5.11%) shrunk by 85 bps. In 4Q the total income margin was 6.77% (-31 bps) and the NIM 4.94% respectively (-15 bps q-o-q).

The FX-adjusted consolidated loan portfolio decline continued (-8% y-o-y, -2% q-o-q). Since there have been significant write offs during 2014, the changes in the performing DPD0-90 loan volumes would draw a better picture on real trends. Accordingly, the performing (DPD0-90) book eroded by 5% y-o-y, however it increased by 1% over the last quarter. Regarding the FX-adjusted DPD0-90 volume changes, the most significant erosion was booked at the Russian and Ukrainian subsidiaries (26% in each case), whereas OTP Core suffered an 8% y-o-y set-back, but grew slightly q-o-q (+1%). Within the performing retail book mortgages declined by 6% and consumer loans by 8% respectively. The SME book, on the opposite, advanced steadily (+16% y-o-y and +4% q-o-q). Large corporate volumes dropped by 3% y-o-y.

As for individual performances, in 2015 the Romanian and Serbian subsidiaries managed to increase their FX-adjusted loan volumes the fastest (+25% and 17% respectively); the remarkable y-o-y increase for all product segments in Romania was related mainly to the acquisition. The previously dynamically expanding Russian consumer book eroded by 26% y-o-y and in Ukraine by 28% respectively. The mortgage portfolio eroded at all banks, but at the Romanian subsidiary (+20%). As for the corporate volumes, the Romanian and Serbian subsidiaries posted remarkable increase (+36% and 31%, respectively). At OTP Core the SME DPD0-90 book grew by 14% y-o-y supported also by the Lending for Growth Programme of the NBH.

The FX-adjusted deposit volumes kept advancing dynamically (+5% y-o-y, +3% q-o-q). The biggest growth was achieved in Bulgaria and Romania (+16% and 51% y-o-y).

The consolidated net loan to (deposit+retail bonds) ratio dropped to 67% (-9 ppts y-o-y on an FX-adjusted basis). All subsidiaries, but the Romanian and Serbian were below 100%.

The volume of issued securities eroded by 10% y-o-y mainly due to redemptions at OTP Core and OTP Bank Russia. The y-o-y 17% decline of the subordinated debt was reasoned by a maturity in March 2015 with original face value of EUR 125 million (the outstanding amount was only EUR 93 million at redemption); no redemption or buy-back took place in 2015.

By end-2015 the gross liquidity reserves of the Group were close to EUR 8.6 billion equivalent.

Similar to 2014 the Group used again the partial write-off method. In 2015 within the framework of partial write offs around net HUF 78 billion non-performing exposure was written off on consolidated level. In Russia exclusively consumer exposures were involved (HUF 50 billion), in Ukraine primarily retail exposures (HUF 19 billion), whereas at DSK Bank loans to companies were written off partially (almost HUF 6 billion) and corporate volumes were affected at OTP Core (roughly HUF 4 billion). The partial write offs were completed mainly in 4Q 2015 and also in 2Q in Russia), as a result the DPD90+ ratio declined by 2.1 ppts q-o-q (17.0%).

DPD90+ loan volume changes adjusted for FX rate movements and the effect of loan sales and write-offs demonstrated a favourable picture: against the record level of inflow in 2014 (HUF 254 billion), the new DPD90+ formation in 2015 comprised only HUF 133 billion, of which 4Q 2015 represented HUF 4 billion only. The y-o-y improving trend was valid for almost all Group members. In Russia the annual inflow was almost identical with the previous year's level (HUF 110 billion), in 2H there was a major deceleration (1H 2015: HUF 70 billion, 2H: HUF 40 billion). In Ukraine the 2014 new DPD90+ formation comprised HUF 60 billion, but dropped to HUF 11 billion in 2015 (adjusted for FX changes, write-offs and sales).

Consolidated risk costs reached HUF 221 billion (-20% y-o-y), in 4Q they were around HUF 53 billion (-10% q-o-q). By the end of 2015 the provision coverage ratio of DPD90+ loans stood at 93.4% underpinning a y-o-y 9.1 ppts increase. At individual levels the provision coverage edged up significantly at OTP Core (+9.3 ppts y-o-y), Ukraine (+21.3 ppts) and DSK Bank (+4.3 ppts).

OTP Core: adjusted after-tax profit declined by 10% y-o-y, moderate erosion of net interest margin and FX-adjusted loan book, further moderating portfolio deterioration, higher DPD90+ coverage

The adjusted after tax profit of ***OTP Core*** (basic activity in Hungary) reached HUF 123.4 billion in 2015, underpinning a 10% y-o-y decline. In 4Q the operation posted HUF 27.9 billion profit (-23% q-o-q). The key driver behind the lower annual profit was the y-o-y weaker net interest income (-6%) and increasing risk costs (+9%). The operating profit without one-off revenue items eroded by 6%. Total income moderated by 2%, whereas operating expenses grew by the same magnitude. The yearly net interest margin (3.62%) eroded by 30 bps y-o-y mainly due to the lower interest rate environment; also, within the loan book corporate exposures with typically lower margins gained ground.

It was positive that the FX-adjusted DPD90+ volume formation kept on demonstrating a trend-like moderation. In 2014 the DPD90+ loan growth (FX-adjusted, without sales and write-offs) comprised HUF 48 billion, in 2015 it decreased by HUF 11 billion.

The coverage of the DPD90+ portfolio increased (85.8%, +9.3 ppts y-o-y). The DPD90+ ratio (12.1%) dropped by 5.4 ppts. Risk costs increased both y-o-y and q-o-q (+9% in 2015 and +19% in 4Q, respectively) and the annual risk cost rate grew, too (from 0.73% to 0.84%).

The FX-adjusted gross loan portfolio declined by 13% y-o-y (-1% q-o-q), mainly as a result of the FX mortgage loan settlement and conversion. Within the gross retail book mortgages sank by 19%, whereas consumer loans eroded by 17% y-o-y. The corporate portfolio decline was due to the municipality book erosion (-58% y-o-y) as a result of the prepayment of previously assumed debt by the State. Medium and large corporate exposures advanced by 4% q-o-q, however their volume declined by 3% y-o-y due to the prepayment by a few big clients.

Positive though that partly being supported by the Funding for Growth Scheme the SME loan portfolio of OTP Bank grew by 11% y-o-y.

Despite further erosion in mortgage volumes in 2015, quarterly developments already demonstrated a decelerating pace of decline. The y-o-y 19% drop would be 7% adjusted for the effect of settlement and conversion, i.e. annual amortization was still above the new disbursement volumes. It is encouraging that the improving financial position of household, as well as the increasing property prices generated decent loan demand in 2015: at OTP Core the volume of applications grew by 25% y-o-y and disbursements by 33%, respectively.

The FX-adjusted deposit book with retail bonds expanded both y-o-y and q-o-q by 2%. Despite the popularity of alternative saving forms (government securities and mutual funds), retail deposits increased by 11% y-o-y and by 6% q-o-q. As a result, the net loan to deposit ratio dropped to new lows (47%, -6 ppts y-o-y, -1 ppt q-o-q, FX-adjusted).

Merkantil Group posted HUF 1.6 billion adjusted profit in 2014 versus HUF 1.5 billion loss in the base period. The improving performance was the result of a y-o-y higher operating income (+13%) and significantly lower risk costs (-32% y-o-y). The DPD90+ ratio was 10.7%, due to sales and write offs it dropped by 2.7 ppts y-o-y, the coverage advanced by 33 ppts and reached 122.5% as a result of the settlement and conversion. The FX-adjusted gross loan volumes stopped shrinking, car loan origination soared by 36% y-o-y.

In 2015 ***OTP Fund Management*** posted HUF 4.8 billion after-tax profit, underpinning a 22% y-o-y decline. Net fees and commissions eroded by 14% y-o-y, operational expenses grew by 9%. The volume of total assets under management shrank by 9% y-o-y and stood at HUF 1,204 billion; in 4Q the volume erosion stopped. The company retained its market leading position with 23.6% market share by end-2015.

Foreign subsidiaries' performance: all-time high profit in Bulgaria, y-o-y significantly improving Croatian, Romanian, Slovakian and Montenegrin performance, moderate loss in Serbia, significant negative results in Ukraine and Russia

The ***Bulgarian subsidiary*** posted HUF 52.5 billion after-tax profit in 2015, by 34% more than in the base period (4Q 2015: HUF 10.65 billion, -25% q-o-q). The excellent performance was due to strong core banking revenues, but also to moderating risk costs (-21% y-o-y). The net interest income advanced by 12% driven by lower funding costs, whereas net fees and commissions expanded by 14% y-o-y. The annual net interest margin remained stable (5.24%, -12 bps y-o-y), the more material quarterly erosion (-42 bps) was related to the methodological change regarding the accounting treatment of recoveries collected from DPD90+ exposures.

Despite lower risk costs and due to the favourable credit quality trends the coverage of the DPD90+ volumes improved substantially (95.8%, +4.3 ppts y-o-y). The DPD90+ ratio declined both y-o-y and q-o-q and reached 14.9%, partially as a result of portfolio sales and write-offs.

The FX-adjusted gross loan portfolio increased by 1% y-o-y and remained flat q-o-q, within that the retail portfolio marginally moderated, however the corporate book demonstrated a healthy y-o-y growth (+5%); the bank's corporate loan market share also improved. Due to the excellent performance and strong name recognition of the bank its FX-adjusted deposits advanced by 16% enabling DSK to implement efficient deposit pricing measures and reduce the average cost of funding. The net loan to deposit ratio dropped by 11 ppts y-o-y (FX-adjusted) and reached 67%. Both the profitability and efficiency indicators are excellent at DSK Bank: its annual ROE was 21%, the cost-to-income ratio stood at 36.1%.

The ***Russian subsidiary*** remained loss-making in 2015; without Touch Bank it posted HUF 15.1 billion negative result (+4% y-o-y). The loss was induced mainly by eroding operating income (-36% y-o-y in HUF terms); it could be only partially off-set by lower risk costs (-30%). As a result of the 26% decrease of the performing portfolio, net interest income suffered a y-o-y 38% set-back. This line was also negatively affected by the higher liability costs induced by the sharp rate hike by the RCB at the end of 2014. The P&L figures were substantially distorted by the y-o-y 25% depreciation of RUB against HUF: the operating income in RUB terms dropped "only" by 16%, while the net interest income by 18% and operating expenses by 17%, respectively. As a result, the annual loss was by 43% higher y-o-y in RUB terms.

In the bank's 2015 activity special attention was paid to cost control and more efficient collection. In that respect there were some favourable developments: the DPD90+ inflow demonstrated a significant decline from 2Q 2015 (1H 2015: HUF 70 billion, 2H: HUF 40 billion). Also, operational expenses dropped by 38% y-o-y (-17% in RUB terms) as a result of the layoffs and closure of branches during the course of the year.

In general the lending activity remained cautious and selective: the bank focused mainly on POS lending. In 4Q seasonality also gave boost to new disbursement, still volumes suffered a y-o-y 17% set-back. Cash loan origination was fairly moderate, whereas cross-sale of credit cards was practically stopped. Overall volumes were also affected by almost RUB 18 billion non-performing portfolio sales and write offs executed mainly in 2Q and 4Q.

It was positive, however that in line with the management's target the risk cost rate of POS loans (representing 43% of DPD0-90 volumes) moderated to close to 10% in 2015 (4Q: 8.5%) and improvement was observed in case of cash loans, too. Unfortunately, credit card loans' risk profile still remained weak coupled with elevating risk cost rates. With all those changes the overall risk profile of the consumer book somewhat improved, though, its risk cost rate is still high.

The DPD90+ ratio increased by 4.7 ppts y-o-y to 19.4%; its coverage remained stable (115.2%).

The annual net interest margin (15.6%) eroded by 3.2% y-o-y, in 4Q, however improved by 1 ppt to 16.7%, while it remained stable in RUB terms.

The FX-adjusted deposit book declined by 15% y-o-y and advanced by 4% q-o-q. As a result, the net loan-to-deposit ratio dropped to 99% by the end of 2015.

Touch Bank, the online platform of the Russian bank is legally part of the Russian subsidiary, but operates as an independent business line. Touch Bank is presented as a virtual entity, and its performance was shown separately from the Russian bank. In 2015 it posted HUF 4.8 billion loss, mainly related to operational expenses. The client base already consists of around 20,000 people; by the end of 2015 the bank collected about HUF 4.3 billion deposits through online channels – bulk of it in 4Q.

The ***Ukrainian subsidiary*** posted HUF 40.3 billion adjusted loss in 2015, 4% less than a year ago. Risk cost made for the Crimean and East Ukrainian (Donetsk and Luhansk) exposures represented HUF 2.4 billion and were booked amongst the adjustment items on consolidated level.

Bottom-line quarterly earnings demonstrated substantial volatility throughout 2015 reasoned primarily by risk cost developments: in 1Q the depreciating hrivnya induced higher provisions, while in 2Q the case was the opposite. Whereas in 3Q the bank made additional provisions mostly for the legacy corporate exposure, while in 4Q elevated risk costs were mainly related to the USD-based mortgages at the local Factoring unit. Portfolio deterioration moderated substantially y-o-y.

Given the massive weakening of UAH against HUF, it is more accurate to analyse earning developments in local currency terms: operating income improved by 46% y-o-y with net interest income remaining flat y-o-y, whereas net fee and commission income increased by 19% y-o-y and other income improved considerably (partially driven by base effect). Total revenues went up by 22% in 2015; operational expenses at the same time moderated by 3%.

Despite the FX-adjusted formation of DPD90+ volumes decelerated substantially (without sales and write-offs in HUF billion: 2014: 61, 2015: 11), the DPD90+ ratio increased by 2.4 ppts y-o-y to 48.6% despite loan sales and write-offs. The mortgage DPD90+ ratio exceeded 76%. At the same time the corporate book representing around 70% of the total performing portfolio remained fairly stable and its DPD90+ ratio remained below 17%. Risk costs advanced by 35% y-o-y (in UAH terms). As a result, the coverage ratio of DPD90+ loans advanced by 21.3 ppts y-o-y and jumped to 118.5%.

The FX-adjusted DPD0-90 loan volumes contracted by 26% y-o-y, the performing retail book suffered a meaningful 36% decline, whereas the corporate book's erosion was more moderate (-22%). Lending activity in general remained moderate and conservative. It is positive that deposits have been steadily growing, the deposit portfolio advanced by 2% y-o-y (FX-adjusted) and by 5% q-o-q, demonstrating clients' trust in the bank. Within overall deposits corporate deposits grew by 9%, whereas retail deposits shrank by 2% y-o-y. As a result, the net loan to deposit ratio dropped to 85% (-63 ppts y-o-y, FX-adjusted), reflecting a significant balance sheet adjustment. Parallel, the net group funding (including subordinated debt) declined substantially in the last 12 months, by around USD 250 million. By the end of 2015 the intragroup financing to the Ukrainian operation (including subordinated loans) represented HUF 107 billion equivalent.

The ***Romanian subsidiary*** realized close to HUF 1.5 billion profit in 2015, almost twice as much as in the base period (4Q: HUF -1.0 billion). The balance sheet and P&L lines to a great extent were influenced by the consolidation of Banca Millennium S.A. in 1Q 2015. Higher full-year total income (+18% y-o-y) was off-set by higher operating costs (+59%), as a result operating result dropped by 39% y-o-y. Risk costs halved in 2015.

In 4Q total income declined by 25% or HUF 1.85 billion q-o-q, of which HUF 0.8 billion contraction is explained by one-off negative items emerged in 4Q on the other net non-interest income line. In the addition to this, HUF 0.9 billion q-o-q decline is due to items booked in relation to the restructuring and merger with Banca Millennium that reduced other revenues (these are offset on the total risk cost line). Without these one-offs and items affecting the P&L structure the magnitude of quarterly decline of total income would have been only 2%.

The FX-adjusted gross loan book advanced by 23% y-o-y due to the acquisition, and a marginal erosion was observable q-o-q. Cash loans increased by 9%, mortgages grew by 19% over the last 12 months. The corporate exposure increased by an even bigger magnitude (+30%). The deposit dynamics remained strong (+51% y-o-y, +6% q-o-q). The net-loan-to-deposit ratio shrank to 142% (-30 ppts y-o-y, FX-adjusted). The DPD90+ ratio moderated to 16.7%, its coverage remained stable (79.1%).

The ***Croatian subsidiary*** posted around HUF 3 billion profit in 2015, a material improvement against the base period (2014: HUF 104 million). The operating income increased dynamically y-o-y and q-o-q as well (+44% and +10%, respectively) easily off-setting the negative impact of higher risk costs over the same periods (+32% y-o-y and +25% q-o-q). The annual net interest margin improved (3.12%). The FX-adjusted loan portfolio marginally increased, while deposits eroded by 2% y-o-y. As a result, the net loan-to-deposit ratio somewhat increased (84%). Portfolio quality demonstrated improving trend, the DPD90+ ratio was 13.1% (-0.2 ppt y-o-y), its coverage improved (70.9%).

The ***Slovakian subsidiary's*** HUF 900 million adjusted 2015 profit underpins a substantial increase over the moderate HUF 32 million positive earnings realized in 2014. The improvement was the joint result of higher operating income (+12% y-o-y) and moderating risk costs (-6%). The net interest margin remained stable (3.18%). Supported by favourable macroeconomic conditions the FX-adjusted loan portfolio grew by 4% y-o-y, deposits increased by 3%. The DPD90+ ratio shrank by 0.6 ppt to 9.7% y-o-y; its coverage improved (61.2%).

The ***Serbian subsidiary*** could not repeat its profit-making performance, in 2015 the bank posted around HUF 400 million loss (of that 4Q represented HUF -759 million). The operating income weakened a bit (-5% y-o-y), whereas risk costs went up by 28%.

The FX-adjusted gross loan portfolio increased by 9% y-o-y (+5% q-o-q), both the retail and corporate sector enjoyed material volume growth. The DPD90+ ratio dropped further (39.3%), its coverage was stable (74.9%). After 2013 and 2014 the ***Montenegrin subsidiary*** remained profitable and posted HUF 909 million after-tax results in 2015, more than twice as much as in the base period. The operating income dropped by 17% as a result of lower total income (-9%), since the effective cost management could only partially mitigate that. The main driver of bottom-line earnings was the y-o-y 35% lower risk costs. FX-adjusted loan volumes eroded by 5% y-o-y, however deposits grew by 4%. The DPD90+ ratio only modestly grew (42.7%), its coverage improved (83%).

Consolidated and stand-alone capital adequacy ratio (in accordance with BASEL III)

By the end of 2015 the consolidated Common Equity Tier1 ratio under IFRS was 13.3%. Neither the net earning was included (because of the lack of audit), nor was the dividend amount accrued in 2015 deducted from the capital when calculating the IFRS consolidated capital adequacy ratios.

OTP Bank's stand-alone Common Equity Tier1 ratio stood at 22.6% in 4Q 2015.

During the course of 2015 the following regulatory dispositions were published about future capital buffer requirements:

- Pursuant to the Act on Credit institutions the capital conservation buffer (*CCB*) will amount to 0.625% in 2016, and it will gradually rise to 2.5% by 2019. OTP Bank has to comply with this buffer both on consolidated and standalone level.
- On 18 November 2015 the Hungarian central bank announced that it will introduce the systemic risk buffer (*SRB*) of between 0-2% for the Hungarian banks, effective from 1 January 2017 (according to available information the buffer will be introduced only on consolidated level). The SRB rate is to be calculated from 3Q 2016 data based on the ratio of problematic project loans to the domestic Pillar 1 capital requirement. The expected level of this buffer for OTP Group is 0%.
- According to the announcement published by the National Bank of Hungary on 15 December 2015 the countercyclical buffer (*CB*) applicable on standalone level was set at zero effective from 1 January 2016. The effective buffer on consolidated level will be the weighted average of the applicable rates at group members. The central bank will set the countercyclical capital buffer rate quarterly in a decree, which will be determined based on cyclical and vulnerability indicators. Normally the CB can vary between 0-2.5%, for details see Act on Credit institutions paragraph 298, section 2. In its press release the National Bank of Hungary stated that that no change should be expected in the CB rate within the next 1 year.

- On 30 December 2015 the Hungarian central bank announced the expected *O-SII* buffers for the identified 9 'other systemically important financial institutions', ranging from 0.5% to 2%. In case of OTP Group the rate of the O-SII buffer is expected to be 2% from 1 January 2017, and OTP Bank will have to comply with it on consolidated level. (Actual capital buffer requirements will be set in form of central bank decrees in 3Q 2016, based on audited data for the end of 2015.)

Calculation of the sum of the buffers: *CCB*+*CB*+max(*SRB*; *O-SII*).

Credit rating, shareholder structure

On 11 November 2015 Moody's improved the outlook on OTP Bank's and OTP Mortgage Bank's long term FX deposit rating of Ba2 from stable to positive.

Regarding the ownership structure of the bank, by 31 December 2015 the following investors had more than 5% influence (beneficial ownership) in the Company: the Rahimkulov family (8.96%), MOL (the Hungarian Oil and Gas Company, 8.69%), the Groupama Group (8.27%). The Hungarian National Asset Management Inc. sold its holding of over 5.0% on 29 October 2015.

POST BALANCE SHEET EVENTS

Hungary

- On 22 January 2016 OTP Bank Plc. announced that in accordance with the decision of the Board of Directors of the Bank, effective from 25 January 2016 Mr. András Tibor Johancsik is going to run the IT and Operations Division as the Head of it and after obtaining the necessary approvals as Deputy CEO.
- On 3 February 2016 AXA Bank Europe SA and OTP Bank signed an agreement on purchasing the business unit of AXA Bank Hungary. The purchase agreement includes the take-over of the retail credits and savings, as well as the corporate portfolio and the employees of AXA Bank. After the completion of the purchase OTP Bank's mortgage portfolio will increase by almost 25%. According to the plans the integration process can be completed at the end of 2016 after obtaining all the necessary supervisory approvals.
- From 10 February 2016 the asset management company established by the central bank (MARK, Hungarian Restructuring and Debt Management Ltd.) can start its operation following the decision of the European Union. The asset management company is allowed to start to buy distressed assets related to real estate financing.

Serbia

- On January 15 2016 Standard & Poor's Ratings Services revised its outlook on the Republic of Serbia to stable from negative. The 'BB-/B' long- and short-term foreign and local currency sovereign credit ratings on Serbia were affirmed.

CONSOLIDATED AFTER TAX PROFIT BREAKDOWN BY SUBSIDIARIES (IFRS)[2]

in HUF million	2014	2015	Y-o-Y	4Q 2014	3Q 2015	4Q 2015	Q-o-Q	Y-o-Y
Consolidated after tax profit	**-102,258**	**63,171**	**-162%**	**10,928**	**-3,664**	**26,694**	**-829%**	**144%**
Adjustments (total)	**-220,272**	**-57,073**	**-74%**	**698**	**-38,273**	**10,099**	**-126%**	
Dividend and total net cash transfers (consolidated)	191	144	-25%	101	80	-10	-113%	-110%
Goodwill/investment impairment charges (after tax)	-5,015	6,683	-233%	6,582	0	3,982		-40%
Special tax on financial institutions (after corporate income tax)	-30,193	-29,383	-3%	-25	-198	-258	30%	
Risk cost created in relation to the decision of the Hungarian Competition Authority (after tax)	0	-662		0	0	-662	0%	
Effect of acquisitions (after tax)	4,131	1,550	-62%	0	0	0	0%	
One-off impact of regulatory changes in relation to consumer contracts and the impact of the related methodological changes in Hungary (after tax)	-155,908	4,594	-103%	12,454	-6,456	7,576	-217%	-39%
Expected one-off impact of regulatory changes related to CHF consumer contracts in Croatia (after tax)	0	-6,331		0	-6,331	0	0%	
One-off impact of regulatory changes related to FX consumer contracts in Serbia (after tax)	0	-211		0	-104	-2	-98%	
Expected one-off impact of the CHF mortgage loan conversion programme in Romania (after tax)	0	-25,492		0	-25,492	0	0%	
Risk cost created toward Crimean exposures from 2Q 2014 (after tax)	-7,943	-169	-98%	325	-103	-163	0%	-150%
Risk cost created toward exposures to Donetsk and Luhansk from 3Q 2014 (after tax)	-25,536	-2,258	-91%	-18,740	332	-365	0%	-98%
Revaluation of reverse mortgage portfolio of OTP Life Annuity Ltd. simultaneous with regulatory changes (after tax)	0	-5,539		0	0	0	0%	
Consolidated adjusted after tax profit without the effect of adjustments	**118,014**	**120,245**	**2%**	**10,230**	**34,609**	**16,595**	**-52%**	**62%**
Banks total without one-off items[1]	119,013	117,253	-1%	14,638	32,958	19,933	-40%	36%
OTP CORE (Hungary)[2]	137,418	123,359	-10%	35,464	36,257	27,892	-23%	-21%
Corporate Centre (after tax)[3]	-1,210	-4,286	254%	-33	-1,383	-1,627	18%	
OTP Bank Russia[4]	-14,541	-15,101	4%	-1,807	-1,191	-26	-98%	-99%
Touch Bank (Russia)[5]	-	-4,840		-	-1,019	-2,058	102%	
OTP Bank Ukraine[6]	-43,166	-40,312	-7%	-21,134	-17,548	-13,166	-25%	-38%
DSK Bank (Bulgaria)[7]	39,170	52,537	34%	5,728	14,127	10,650	-25%	86%
OBR (Romania)[8]	765	1,480	94%	-1,643	1,378	-1,022	-174%	-38%
OTP banka Srbija (Serbia)[9]	50	-385	-864%	-8	137	-759	-653%	
OBH (Croatia)[10]	104	2,968		-360	1,120	527	-53%	-246%
OBS (Slovakia)[11]	32	924		-716	428	-199	-146%	-72%
CKB (Montenegro)[12]	391	909	132%	-854	652	-278	-143%	-67%
Leasing	-1,587	1,786	-213%	-1,969	510	189	-63%	-110%
Merkantil Bank + Car, adj. (Hungary)[13]	-1,518	1,625	-207%	-1,056	499	294	-41%	-128%
Foreign leasing companies (Croatia, Bulgaria, Romania)[14]	-69	161	-334%	-913	11	-105	-1038%	-89%
Asset Management	5,530	2,713	-51%	2,021	59	946	1497%	-53%
OTP Asset Management (Hungary)	6,139	4,817	-22%	2,825	833	1,604	93%	-43%
Foreign Asset Management Companies (Ukraine, Romania, Bulgaria)[15]	-609	-2,104	245%	-804	-774	-657	-15%	-18%
Other Hungarian Subsidiaries	-2,220	-323	-85%	-563	1,149	-2,262	-297%	302%
Other Foreign Subsidiaries (Slovakia, United Kingdom, Montenegro, Romania, Serbia, Croatia, Belize)[16]	-2,894	352	-112%	-3,112	259	-16	-106%	-99%
Eliminations	171	-1,535		-784	-326	-2,195	574%	180%
Total adjusted after tax profit of HUNGARIAN subsidiaries[17]	138,780	123,656	-11%	35,854	37,029	23,705	-36%	-34%
Total adjusted after tax profit of FOREIGN subsidiaries[18]	-20,766	-3,411	-84%	-25,624	-2,420	-7,110	194%	-72%
Share of foreign profit contribution, %	-18%	-3%	15%p	-250%	-7%	-43%	-36%	208%p

[2] Relevant footnotes are in the Supplementary data section of the Report.

CONSOLIDATED AND SEPARATE, UNAUDITED IFRS REPORTS OF OTP BANK PLC.

CONSOLIDATED STATEMENT OF RECOGNIZED INCOME

Main components of the Statement of recognized income in HUF million	2014	2015	Y-o-Y	4Q 2014	3Q 2015	4Q 2015	Q-o-Q	Y-o-Y
Consolidated after tax profit	**-102,258**	**63,171**	**-162%**	**10,928**	**-3,664**	**26,694**	**-829%**	**144%**
Adjustments (total)	**-220,272**	**-57,073**	**-74%**	**698**	**-38,273**	**10,099**	**-126%**	
Dividends and net cash transfers (after tax)	191	144	-25%	101	80	-10	-113%	-110%
Goodwill/investment impairment charges (after tax)	-5,015	6,683	-233%	6,582	0	3,982		-40%
Special tax on financial institutions (after corporate income tax)	-30,193	-29,383	-3%	-25	-198	-258	30%	949%
Risk cost created in relation to the decision of the Hungarian Competition Authority (after tax)	0	-662		0	0	-662		
Effect of acquisitions (after tax)	4,131	1,550	-62%	0	0	0		
One-off impact of regulatory changes in relation to consumer contracts and the impact of the related methodological changes in Hungary (after tax)	-155,908	4,594	-103%	12,454	-6,456	7,576	-217%	-39%
Expected one-off impact of regulatory changes related to CHF consumer contracts in Croatia (after tax)	0	-6,331		0	-6,331	0	-100%	
One-off impact of regulatory changes related to FX consumer contracts in Serbia (after tax)	0	-211		0	-104	-2	-98%	
Expected one-off impact of the CHF mortgage loan conversion programme in Romania (after tax)	0	-25,492		0	-25,492	0	-100%	
Risk cost created toward Crimean exposures from 2Q 2014 (after tax)	-7,943	-169	-98%	325	-103	-163	57%	-150%
Risk cost created toward exposures to Donetsk and Luhansk from 3Q 2014 (after tax)	-25,536	-2,258	-91%	-18,740	332	-365	-210%	-98%
Revaluation of reverse mortgage portfolio of OTP Life Annuity Ltd. simultaneous with regulatory changes (after tax)	0	-5,539		0	0	0		
Consolidated adjusted after tax profit without the effect of adjustments	**118,014**	**120,245**	**2%**	**10,230**	**34,609**	**16,595**	**-52%**	**62%**
Before tax profit	**142,341**	**146,057**	**3%**	**12,327**	**39,859**	**23,939**	**-40%**	**94%**
Operating profit	**414,534**	**362,594**	**-13%**	**88,652**	**96,521**	**76,210**	**-21%**	**-14%**
Total income	**826,061**	**754,912**	**-9%**	**195,109**	**191,373**	**182,849**	**-4%**	**-6%**
Net interest income	**636,172**	**553,659**	**-13%**	**155,798**	**137,675**	**133,279**	**-3%**	**-14%**
Net fees and commissions	**169,579**	**167,250**	**-1%**	**44,479**	**42,610**	**43,449**	**2%**	**-2%**
Other net non-interest income	**20,309**	**34,002**	**67%**	**-5,168**	**11,087**	**6,121**	**-45%**	**-218%**
Foreign exchange result, net	11,287	18,476	64%	-1,436	7,008	2,144	-69%	-249%
Gain/loss on securities, net	6,489	9,197	42%	421	2,885	2,145	-26%	410%
Net other non-interest result	2,534	6,329	150%	-4,153	1,195	1,832	53%	-144%
Operating expenses	**-411,527**	**-392,317**	**-5%**	**-106,458**	**-94,852**	**-106,640**	**12%**	**0%**
Personnel expenses	-206,335	-187,806	-9%	-52,000	-45,572	-48,482	6%	-7%
Depreciation	-43,721	-45,463	4%	-11,198	-10,557	-14,141	34%	26%
Other expenses	-161,470	-159,048	-1%	-43,259	-38,723	-44,016	14%	2%
Total risk costs	**-274,749**	**-220,709**	**-20%**	**-77,290**	**-58,190**	**-52,733**	**-9%**	**-32%**
Provision for loan losses	-263,511	-211,663	-20%	-68,907	-56,917	-48,388	-15%	-30%
Other provision	-11,237	-9,046	-20%	-8,383	-1,272	-4,345	242%	-48%
Total one-off items	**2,556**	**4,172**	**63%**	**965**	**1,527**	**462**	**-70%**	**-52%**
Revaluation result of FX swaps at OTP Core	-824	-679	-18%	948	0	0		-100%
Gain on the repurchase of own Upper and Lower Tier2 Capital	0	0		0	0	0		
Result of the treasury share swap at OTP Core	3,380	4,852	44%	17	1,527	462	-70%	
Corporate taxes	**-24,327**	**-25,813**	**6%**	**-2,097**	**-5,249**	**-7,344**	**40%**	**250%**

Indicators (%)	2014	2015	Y-o-Y	4Q 2014	3Q 2015	4Q 2015	Q-o-Q	Y-o-Y
ROE (adjusted)	8.5%	9.6%	1.1%p	3.1%	11.1%	5.4%	-5.7%p	2.2%p
ROA (adjusted)	1.1%	1.1%	0.0%p	0.4%	1.3%	0.6%	-0.7%p	0.2%p
Operating profit margin	3.88%	3.34%	-0.54%p	3.20%	3.57%	2.82%	-0.75%p	-0.38%p
Total income margin	7.74%	6.96%	-0.78%p	7.05%	7.08%	6.78%	-0.30%p	-0.28%p
Net interest margin	5.96%	5.11%	-0.85%p	5.63%	5.09%	4.94%	-0.15%p	-0.69%p
Net fee and commission margin	1.59%	1.54%	-0.05%p	1.61%	1.58%	1.61%	0.03%p	0.00%p
Net other non-interest income margin	0.19%	0.31%	0.12%p	-0.19%	0.41%	0.23%	-0.18%p	0.41%p
Cost-to-asset ratio	3.85%	3.62%	-0.24%p	3.85%	3.51%	3.95%	0.44%p	0.10%p
Cost/income ratio	49.8%	52.0%	2.2%p	54.6%	49.6%	58.3%	8.8%p	3.8%p
Risk cost for loan losses-to-average gross loans	3.68%	3.18%	-0.49%p	3.82%	3.41%	2.98%	-0.44%p	-0.85%p
Risk cost for loan losses-to-average FX adjusted gross loans	3.66%	3.19%	-0.47%p	3.87%	3.47%	2.99%	-0.48%p	-0.88%p
Total risk cost-to-asset ratio	2.57%	2.04%	-0.54%p	2.79%	2.15%	1.95%	-0.20%p	-0.84%p
Effective tax rate	17.1%	17.7%	0.6%p	17.0%	13.2%	30.7%	17.5%p	13.7%p
Non-interest income/total income	23%	27%	4%p	20%	28%	27%	-1%p	7%p
EPS base (HUF) (from unadjusted net earnings)	-382	242	-163%	41	-14	104	-836%	152%
EPS diluted (HUF) (from unadjusted net earnings)	-382	242	-164%	41	-14	103	-836%	152%
EPS base (HUF) (from adjusted net earnings)	442	459	4%	38	133	64	-52%	68%
EPS diluted (HUF) (from adjusted net earnings)	441	458	4%	38	133	64	-52%	68%
Comprehensive Income Statement	2014	2015	Y-o-Y	4Q 2014	3Q 2015	4Q 2015	Q-o-Q	Y-o-Y
Consolidated after tax profit	-102,258	63,171	-162%	10,928	-3,664	26,694	-829%	144%
Fair value adjustment of securities available-for-sale (recognised directly through equity)	13,019	-246	-102%	8,830	5,347	-98	-102%	-101%
Fair value adjustment of derivative financial instruments designated as cash-flow hedge	507	0	-100%	110	0	0		-100%
Fair value adjustment of strategic open FX position hedging net investment in foreign operations	-4,489	431	-110%	-1,123	486	30	-94%	-103%
Foreign currency translation difference	-108,057	-44,301	-59%	-69,484	-30,846	-18,364	-40%	-74%
Change of actuarial losses (IAS 19)	-6	-171		-6	0	-171		
Net comprehensive income	**-201,284**	**18,884**	**-109%**	**-50,745**	**-28,676**	**8,090**	**-128%**	**-116%**
o/w Net comprehensive income attributable to equity holders	-199,866	19,582	-110%	-49,741	-28,302	8,382	-130%	-117%
Net comprehensive income attributable to non-controlling interest	-1,418	-698	-51%	-1,004	-374	-292	-22%	-71%
Average exchange rate of the HUF (in forint)	2014	2015	Y-o-Y	4Q 2014	3Q 2015	4Q 2015	Q-o-Q	Y-o-Y
HUF/EUR	309	310	0%	308	312	313	0%	1%
HUF/CHF	254	291	14%	256	291	288	-1%	13%
HUF/USD	233	279	20%	247	281	286	2%	16%

CONSOLIDATED BALANCE SHEET

Main components of balance sheet in HUF million	4Q 2014	3Q 2015	4Q 2015	Q-o-Q	Y-o-Y
TOTAL ASSETS	**10,971,052**	**10,690,468**	**10,718,848**	**0%**	**-2%**
Cash and amount due from banks	2,307,633	1,969,462	1,878,961	-5%	-19%
Placements with other banks	281,006	260,259	300,569	15%	7%
Financial assets at fair value	289,276	250,854	253,782	1%	-12%
Securities available-for-sale	839,153	1,127,029	1,305,486	16%	56%
Net customer loans	5,864,240	5,485,605	5,409,967	-1%	-8%
Net customer loans (FX adjusted[1])	**5,828,583**	**5,450,499**	**5,409,967**	**-1%**	**-7%**
Gross customer loans	6,993,325	6,601,262	6,423,588	-3%	-8%
Gross customer loans (FX adjusted[1])	**6,964,289**	**6,555,243**	**6,423,588**	**-2%**	**-8%**
o/w Retail loans	4,682,931	4,403,858	4,259,321	-3%	-9%
Retail mortgage loans (incl. home equity)	2,624,855	2,394,079	2,333,342	-3%	-11%
Retail consumer loans	1,578,772	1,497,168	1,429,394	-5%	-9%
SME loans	479,304	512,610	496,585	-3%	4%
Corporate loans	1,976,990	1,862,287	1,897,873	2%	-4%
Loans to medium and large corporates	1,859,055	1,773,685	1,804,612	2%	-3%
Municipal loans[2]	117,935	88,602	93,261	5%	-21%
Car financing loans	242,932	223,676	210,598	-6%	-13%
Bills and accrued interest receivables related to loans	61,435	65,421	55,795	-15%	-9%
Allowances for loan losses	-1,129,085	-1,115,657	-1,013,620	-9%	-10%
Allowances for loan losses (FX adjusted[1])	-1,135,705	-1,104,744	-1,013,620	-8%	-11%
Equity investments	23,381	27,023	10,028	-63%	-57%
Securities held-to-maturity	709,369	918,413	926,677	1%	31%
Premises, equipment and intangible assets, net	365,161	350,792	349,469	0%	-4%
o/w Goodwill, net	101,063	99,580	95,994	-4%	-5%
Premises, equipment and other intangible assets, net	264,098	251,213	253,475	1%	-4%
Other assets	291,835	301,032	283,909	-6%	-3%

Main components of balance sheet in HUF million	4Q 2014	3Q 2015	4Q 2015	Q-o-Q	Y-o-Y
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**10,971,052**	**10,690,468**	**10,718,848**	**0%**	**-2%**
Liabilities to credit institutions and governments	708,273	584,401	533,310	-9%	-25%
Customer deposits	7,673,479	7,809,436	7,984,579	2%	4%
Customer deposits (FX adjusted[1])	**7,624,295**	**7,783,333**	**7,984,579**	**3%**	**5%**
o/w Retail deposits	5,187,316	5,375,483	5,663,952	5%	9%
Household deposits	4,430,019	4,547,143	4,741,569	4%	7%
SME deposits	757,296	828,340	922,383	11%	22%
Corporate deposits	2,408,438	2,378,831	2,301,085	-3%	-4%
Deposits to medium and large corporates	2,008,990	1,866,834	1,893,350	1%	-6%
Municipal deposits	399,448	511,997	407,735	-20%	2%
Accrued interest payable related to customer deposits	28,541	29,019	19,542	-33%	-32%
Issued securities	267,084	246,925	239,376	-3%	-10%
o/w Retail bonds	60,815	65,493	64,777	-1%	7%
Issued securities without retail bonds	206,269	181,432	174,599	-4%	-15%
Other liabilities	776,082	565,146	493,140	-13%	-36%
Subordinated bonds and loans	281,968	258,506	234,784	-9%	-17%
Total shareholders' equity	**1,264,166**	**1,226,054**	**1,233,659**	**1%**	**-2%**
Indicators (%)	4Q 2014	3Q 2015	4Q 2015	Q-o-Q	Y-o-Y
Loan/deposit ratio (FX adjusted[1])	91%	84%	80%	-4%p	-11%p
Net loan/(deposit + retail bond) ratio (FX adjusted[1])	75%	69%	67%	-2%p	-9%p
90+ days past due loan volume	1,339,213	1,252,644	1,085,694	-13%	-19%
90+ days past due loans/gross customer loans	19.3%	19.2%	17.0%	-2.1%p	-2.3%p
Total provisions/90+ days past due loans	84.3%	89.1%	93.4%	4.3%p	9.1%p
Consolidated capital adequacy - Basel3	4Q 2014	3Q 2015	4Q 2015	Q-o-Q	Y-o-Y
Capital adequacy ratio (consolidated, IFRS)	17.5%	16.5%	16.2%	-0.3%p	-1.3%p
Tier1 ratio	14.1%	13.5%	13.3%	-0.2%p	-0.9%p
Common Equity Tier1 ('CET1') capital ratio	14.1%	13.5%	13.3%	-0.2%p	-0.9%p
Regulatory capital (consolidated)	1,201,874	1,095,744	1,064,383	-3%	-11%
o/w Tier1 Capital	969,935	894,505	873,124	-2%	-10%
o/w Common Equity Tier1 capital	969,935	894,505	873,124	-2%	-10%
Tier2 Capital	231,939	201,240	191,259	-5%	-18%
o/w Hybrid Tier2	96,019	93,556	92,093	-2%	-4%
Consolidated risk weighted assets (RWA) (Credit&Market&Operational risk)	6,859,439	6,638,718	6,576,258	-1%	-4%
o/w RWA (Credit risk)	5,625,902	5,359,035	5,245,874	-2%	-7%
RWA (Market & Operational risk)	1,233,537	1,279,683	1,330,384	4%	8%
Closing exchange rate of the HUF (in forint)	4Q 2014	3Q 2015	4Q 2015	Q-o-Q	Y-o-Y
HUF/EUR	315	313	313	0%	-1%
HUF/CHF	262	287	289	1%	11%
HUF/USD	259	279	287	3%	11%

[1] For the FX adjustment, the closing cross currency rates for the current period were used to calculate the HUF equivalent of loan and deposit volumes in the base periods.
[2] As at 31 December 2015 the HUF 93 billion municipality exposure did not contain direct exposure to the Hungarian State due to another prepayment.

OTP BANK'S HUNGARIAN CORE BUSINESS

OTP Core Statement of recognized income:

Main components of the Statement of recognised income in HUF million	2014	2015	Y-o-Y	4Q 2014	3Q 2015	4Q 2015	Q-o-Q	Y-o-Y
After tax profit without the effect of adjustments	137,418	123,359	-10%	35,464	36,257	27,892	-23%	-21%
Corporate income tax	-23,679	-25,857	9%	-2,843	-4,877	-4,441	-9%	56%
Pre-tax profit	161,097	149,216	-7%	38,307	41,134	32,333	-21%	-16%
Operating profit	181,952	170,598	-6%	39,374	46,853	40,483	-14%	3%
Total income	375,668	367,234	-2%	90,557	95,769	92,636	-3%	2%
Net interest income	266,329	251,564	-6%	66,483	63,257	61,641	-3%	-7%
Net fees and commissions	94,244	97,480	3%	23,432	25,541	24,975	-2%	7%
Other net non-interest income	15,095	18,191	21%	641	6,970	6,020	-14%	839%
Operating expenses	-193,716	-196,636	2%	-51,183	-48,916	-52,153	7%	2%
Total risk costs	-23,410	-25,555	9%	-2,032	-7,245	-8,612	19%	324%
Provisions for possible loan losses	-22,088	-21,550	-2%	-2,569	-6,621	-7,177	8%	179%
Other provisions	-1,323	-4,005	203%	536	-624	-1,435	130%	-368%
Total one-off items	2,556	4,172	63%	965	1,527	462	-70%	-52%
Revaluation result of FX swaps	-824	-679	-18%	948	-	-	0%	0%
Gain on the repurchase of own Upper and Lower Tier2 Capital	0	0	0%	0	0	0	0%	0%
Revaluation result of the treasury share swap agreement	3,380	4,852	44%	17	1,527	462	-70%	
Revenues by Business Lines								
RETAIL								
Total income	281,268	266,216	-5%	68,686	66,658	64,368	-3%	-6%
Net interest income	197,473	179,327	-9%	47,887	44,156	42,349	-4%	-12%
Net fees and commissions	80,598	83,510	4%	20,147	21,675	21,065	-3%	5%
Other net non-interest income	3,197	3,379	6%	651	827	954	15%	46%
CORPORATE								
Total income	47,240	43,681	-8%	11,086	10,773	11,258	5%	2%
Net interest income	32,039	27,697	-14%	7,642	6,670	7,038	6%	-8%
Net fees and commissions	14,267	14,997	5%	3,253	3,861	3,941	2%	21%
Other net non-interest income	934	988	6%	190	242	279	15%	46%
Treasury ALM								
Total income	45,357	55,626	23%	10,824	17,570	16,139	-8%	49%
Net interest income	36,817	44,540	21%	10,955	12,432	12,253	-1%	12%
Net fees and commissions	-621	-1,102	77%	31	5	-105	-2279%	-433%
Other net non-interest income	9,161	12,187	33%	-162	5,133	3,991	-22%	-2562%
Indicators (%)	2014	2015	Y-o-Y	4Q 2014	3Q 2015	4Q 2015	Q-o-Q	Y-o-Y
ROE	11.3%	10.3%	-1.0%p	12.2%	12.2%	9.2%	-3.0%p	-3.0%p
ROA	2.0%	1.8%	-0.2%p	2.0%	2.1%	1.6%	-0.5%p	-0.4%p
Operating profit margin (operating profit / avg. total assets)	2.7%	2.5%	-0.2%p	2.2%	2.8%	2.4%	-0.4%p	0.1%p
Total income margin	5.53%	5.28%	-0.25%p	5.13%	5.64%	5.44%	-0.20%p	0.31%p
Net interest margin	3.92%	3.62%	-0.30%p	3.76%	3.73%	3.62%	-0.11%p	-0.14%p
Net fee and commission margin	1.39%	1.40%	0.01%p	1.33%	1.50%	1.47%	-0.04%p	0.14%p
Net other non-interest income margin	0.22%	0.26%	0.04%p	0.04%	0.41%	0.35%	-0.06%p	0.32%p
Operating costs to total assets ratio	2.9%	2.8%	0.0%p	2.9%	2.9%	3.1%	0.2%p	0.2%p
Cost/income ratio	51.6%	53.5%	2.0%p	56.5%	51.1%	56.3%	5.2%p	-0.2%p
Cost of risk/average gross loans	0.76%	0.84%	0.07%p	0.36%	1.07%	1.18%	0.11%p	0.82%p
Cost of risk/average gross loans (FX adjusted)	0.73%	0.84%	0.11%p	0.35%	1.09%	1.18%	0.09%p	0.83%p
Effective tax rate	14.7%	17.3%	2.6%p	7.4%	11.9%	13.7%	1.9%p	6.3%p

- ***OTP Core posted HUF 123.4 billion adjusted profit in 2015 (-10% y-o-y) due to lower net interest income***
- ***4Q profit after tax was HUF 27.9 billion underpinning a q-o-q 23% decrease mainly as a result of higher operating expenses***
- ***The HUF 1.6 billion q-o-q decline of NII in 4Q (-3%) was reasoned mainly by a reclassification of a HUF 1 billion fee expense into net interest income***
- ***Constantly prudent provisioning policy; the risk cost rate comprised 84 bps in 2015 (4Q: 118 bps). The DPD90+ coverage improved (85.8%)***
- ***The decrease of the DPD90+ volume in 4Q was reasoned by sales and write-offs***
- ***The micro and small enterprise loan portfolio expanded dynamically (+11% y-o-y, FX-adjusted), however the volumes in other segments suffered setback y-o-y***

P&L developments

The one-off impact of regulatory changes in relation to consumer contracts and the impact of the related methodological changes were eliminated from OTP Core's P&L and were booked among the adjustment items on consolidated level. The balance sheet was not adjusted.

Without the effect of adjustment items[3] **OTP Core** posted a profit of HUF 123.4 billion in 2015, underpinning a 10% y-o-y decrease. The 4Q profit declined by 23% q-o-q and by 21% y-o-y.

The effective corporate tax burden increased in 2015, shaped by the tax shield effect of the revaluation of subsidiary investments as a result of HUF volatility. The total amount of tax savings comprised HUF 3.1 billion in 2015 versus HUF 9.4 billion in 2014.

The yearly pre-tax profit dropped by 7%. Within the total income, the net interest income dropped by 6% y-o-y (HUF -15 billion) reasoned mainly by the impact of the settlement and conversion; the declining interest rate environment took its toll, too.

The HUF 4.2 billion absolute amount of one-off income in 2015 and its y-o-y increase was mainly related to the treasury share swap result shown within one-off items.

In 4Q the net interest income was negatively affected (HUF -1 billion) by a reclassification: from 4Q commissions paid to agents and previously booked within fee expenses were shifted to the net interest income line. Furthermore, structural changes within the loan book also caused weaker interest revenues: corporate exposures with lower margin were gaining ground versus high margin consumer loans.

Annual net fees and commissions increased by 3% y-o-y. The q-o-q 3% decline in 4Q was related to the above-mentioned reclassification, the year-end cash-back on credit cards (HUF -1.2 billion q-o-q) and lower fee income from subsidiaries (HUF -0.5 billion q-o-q).

The cumulated other net non-interest income advanced by 18% y-o-y due to AFS securities gains realized mainly on property investment funds (HUF +2.4 billion y-o-y).

In 2015 operating expenses grew by 2% y-o-y (HUF +2.9 billion), the increase is entirely related to higher contributions paid into the Deposit Protection Fund (OBA) and the Investor Protection Fund (Beva), as well as fees paid into the Resolution Fund from in 4Q 2014. OTP's annual contribution comprised HUF 3.7 billion into OBA (HUF +1.0 billion y-o-y), HUF 0.9 billion into Beva (HUF +0.6 billion y-o-y) and HUF 2 billion into the Resolution Fund (HUF +1.4 billion y-o-y). OTP Core paid HUF 3.6 billion in 2014, HUF 6.6 billion in 2015 into the OBA, Beva and the Resolution Fund, while the expected amount of these contributions will be close to HUF 10 billion in 2016. On the top of that, costs related to the settlement and conversion during 2015 also added to the expense line. Compared to the base period the Bank managed to keep personnel expenses flat, however amortization costs and deductible taxes were lower.

2015 risk costs increased by 9% y-o-y, within that provisions for possible loan losses moderated by 2%, as a result the yearly risk cost rate was 84 bps. In 4Q risk costs on loans went up by 8% q-o-q.

In 2015 the DPD90+ loan volumes dropped by 40%, nominally by around HUF 193 billion. The key reason was the settlement and conversion of FX-denominated customer loans in 1Q 2015: as a result DPD90+ volumes declined by HUF 144 billion. (The settlement of HUF loans in 3Q and the conversion of FX consumer loans in 4Q did not cause material change in DPD90+ volumes.) Furthermore, around HUF 66 billion[4] FX-adjusted non-performing exposures were sold or written off in 2015, within that HUF 27 billion in 4Q. It is also important to note that the DPD90+ inflow (adjusted for FX-changes, as well as loan sales and write-offs) demonstrated improving trends also supported by the positive effect of the settlement and conversion: versus HUF 48 billion DPD90+ formation in 2014,

[3] Special tax on financial institutions, dividends and net cash transfers, goodwill impairment charges, the risk cost created in relation to the decision of the Hungarian Competition Authority, one-off impact of regulatory changes in relation to consumer contracts and the impact of the related methodological changes.

[4] Without the HUF 65 billion FX-adjusted effect of the provision netting at Factoring related to the FX loan conversion.

there was an overall decline of HUF 11 billion in DPD90+ volumes in 2015 (of which HUF 10 billion occurred in 4Q). In 3Q a project finance loan (HUF 10 billion) slipped into the DPD90+ category, however in 4Q part of the exposure was sold and the rest was partially pre-paid, thus this amount was released out of the DPD90+ bucket. In 4Q the DPD90+ volume of mortgages also shrunk by HUF 3.7 billion (FX-adjusted and without sales and write-offs). As a result, the DPD90+ ratio dropped by 5.4 ppts y-o-y (-1.7 ppts q-o-q) to 12.1%, the lowest level since 2Q 2011. The DPD90+ coverage increased by 9.3 ppts y-o-y to 85.8% (+7.6 ppts q-o-q).

Main components of OTP Core's Statement of financial position:

Main components of balance sheet closing balances in HUF mn	4Q 2014	3Q 2015	4Q 2015	Q-o-Q	Y-o-Y
Total Assets	7,127,611	6,734,043	6,774,200	1%	-5%
Net customer loans	2,384,193	2,158,616	2,145,475	-1%	-10%
Net customer loans (FX-adjusted)	**2,390,013**	**2,159,342**	**2,145,475**	**-1%**	**-10%**
Gross customer loans	2,753,425	2,419,175	2,394,362	-1%	-13%
Gross customer loans (FX-adjusted)	**2,763,892**	**2,420,309**	**2,394,362**	**-1%**	**-13%**
Retail loans	1,941,573	1,681,904	1,624,495	-3%	-16%
Retail mortgage loans (incl. home equity)	1,428,303	1,182,283	1,163,731	-2%	-19%
Retail consumer loans	384,009	352,388	316,986	-10%	-17%
SME loans	129,260	147,233	143,778	-2%	11%
Corporate loans	822,320	738,404	769,867	4%	-6%
Loans to medium and large corporates	771,435	718,797	748,725	4%	-3%
Municipal loans[1]	50,885	19,608	21,142	8%	-58%
Provisions	-369,232	-260,559	-248,887	-4%	-33%
Provisions (FX-adjusted)	**-373,880**	**-260,967**	**-248,887**	**-5%**	**-33%**
Deposits from customers + retail bonds	4,459,304	4,465,518	4,559,728	2%	2%
Deposits from customers + retail bonds (FX-adjusted)	**4,472,731**	**4,471,507**	**4,559,728**	**2%**	**2%**
Retail deposits + retail bonds	2,544,429	2,680,008	2,861,177	7%	12%
Household deposits + retail bonds	2,132,683	2,225,664	2,359,680	6%	11%
o/w: Retail bonds	60,815	65,493	64,777	-1%	7%
SME deposits	411,747	454,344	501,497	10%	22%
Corporate deposits	1,928,301	1,791,499	1,698,551	-5%	-12%
Deposits to medium and large corporates	1,582,897	1,352,714	1,336,096	-1%	-16%
Municipal deposits	345,404	438,785	362,456	-17%	5%
Liabilities to credit institutions	503,468	382,766	376,886	-2%	-25%
Issued securities without retail bonds	196,902	196,590	202,309	3%	3%
Total shareholders' equity	1,195,162	1,184,720	1,210,949	2%	1%
Loan Quality	4Q 2014	3Q 2015	4Q 2015	Q-o-Q	Y-o-Y
90+ days past due loan volume (in HUF million)	482,770	333,154	290,052	-12.9%	-39.9%
90+ days past due loans/gross customer loans (%)	17.5%	13.8%	12.1%	-1.7%p	-5.4%p
Total provisions/90+ days past due loans (%)	76.5%	78.2%	85.8%	7.6%p	9.3%p
Market Share (%)	4Q 2014	3Q 2015	4Q 2015	Q-o-Q	Y-o-Y
Loans	18.7%	18.9%	18.6%	-0.3%p	-0.1%p
Deposits	26.0%	26.6%	25.7%	-0.9%p	-0.4%p
Total Assets	27.9%	27.0%	25.0%	-2.0%p	-3.0%p
Performance Indicators (%)	4Q 2014	3Q 2015	4Q 2015	Q-o-Q	Y-o-Y
Gross loans to deposits	63%	55%	53%	-2%p	-9%p
Net loans to (deposits + retail bonds)	53%	48%	47%	-1%p	-6%p
Net loans to (deposits + retail bonds) (FX adjusted)	53%	48%	47%	-1%p	-6%p
Leverage (Total Assets/Shareholder's Equity)	16.8%	17.6%	17.9%	0.3%p	1.1%p
Leverage (Total Assets/Shareholder's Equity)	6.0x	5.7x	5.6x		
Capital adequacy ratio (OTP Bank, non-consolidated, Basel3, HAS)	19.0%	28.6%	26.6%	-2.0%p	7.6%p
Common Equity Tier 1 ratio (OTP Bank, non-consolidated, Basel3, HAS)	14.8%	24.5%	22.6%	-1.8%p	7.8%p

[1] As of 31 December 2015 the HUF 21 billion exposure to municipalities does not include any exposure to the Hungarian State, due to the prepayments during the year.

Balance sheet trends

In 2015 the FX-adjusted gross loan portfolio shrank significantly (-13% y-o-y), mainly as a result of the settlement and conversion, but also due to the still sluggish retail loan demand.

After a strong performance during the last couple of quarters the micro and small enterprise loan portfolio declined by 2% q-o-q, however, it shows a significant, 11% increase on a yearly base supported also by the Funding for Growth Scheme of the National Bank of Hungary.

The retail portfolio kept shrinking further: the mortgage book eroded by 2% (FX-adjusted), whereas the consumer portfolio by 10% (FX-adjusted), respectively. The latter is partly explained by loan sales and write-offs and also by the erosion of overdraft loans due to salaries brought forward at the end of the year. The mortgage portfolio declined by 19% and the consumer portfolio by 17% y-o-y, respectively. Within the corporate segment the loan volumes to medium and large corporates grew by 4% q-o-q, however eroded by 3% y-o-y. The quarterly increase was supported by a sizeable, newly disbursed loan (HUF +33 billion), but the portfolio advanced organically, too. As for the municipality portfolio by 3Q 2015 the Hungarian State prepaid all the remaining exposure out of the assumed volumes (in total HUF 25 billion were prepaid in 2015), as a result the Bank has no further claim towards the State on this line.

By 31 December 2015 the contractual period of the second phase of the Funding for Growth Scheme and the Growth Scheme Plus was accomplished. Under these two schemes contracts with a total amount of around HUF 1,425 billion were signed on the sector level, of which OTP Bank's share represents 19%.

The quarterly erosion of the mortgage portfolio remained benign and showed deceleration (q-o-q changes without the effect of the settlement and conversion 1Q: -2.4%, 2Q: -1.7%, 3Q and 4Q: -1.6%, respectively). The FX-adjusted mortgage loan volumes declined by 19% y-o-y in 2015, adjusted for the settlement and conversion the erosion would be 7%.

It was positive, however that the volume of mortgage loan applications increased by 24% y-o-y, whereas disbursements advanced by 33%. Within 2015 applications in the amount of HUF 41.9 billion were related to State subsidized housing loans. At OTP Bank applications for subsidized housing loans represented 36% of total housing loan applications and 30% of total mortgage loan applications. OTP's market share in mortgage loan origination reached 26.6%[5] in 2015 (2014: 28.3%) with a 26.2% market share in 4Q 2015.

OTP's market share in consumer loan stock remained strong (33.7%, -0.5 ppt y-o-y). OTP Bank's market share in the cash loan disbursement reached 34.9% in 4Q and 35.5% in 2015. The change in the total FX-adjusted consumer loan portfolio (-17% y-o-y) was strongly influenced by write-offs (HUF 38 billion in 2015, of which HUF 19 billion happened in 4Q).

FX-adjusted deposit volumes (with retail bonds) increased by 2% q-o-q and y-o-y by the end of 2015. Apart from the medium and large corporate segment all other segments demonstrated increasing deposit inflows. Despite the low interest rate environment and further eroding offered deposit rates retail deposits (with retail bonds) kept increasing (+7% q-o-q and over 12% y-o-y, FX-adjusted). As a result of the settlement OTP clients received a significant amount on their accounts having a positive impact on overall retail deposit volumes, but also client acquisition following the bankruptcy of a few local brokerage firms played a positive role. SME and corporate deposits were supported by agricultural land-based subsidies being paid in 4Q and by increasing client base. Corporate deposits decreased by 1% q-o-q: the decline of the deposits placed by mutual funds was only partially offset by stronger corporate inflows. The more significant 16% y-o-y erosion was mainly due to the decline of the deposits from mutual funds (which increased in 2H 2014 due to the regulatory changes). Municipal deposits increased by 5% y-o-y, the q-o-q decline (-17%) was reasoned by the seasonality of tax revenues.

[5] According to the new methodology the contracted mortgage loan volumes stem from the monthly statistics of the National Bank of Hungary, and include the own refinancing and renegotiated loans both in case of the market and OTP figures.

OTP FUND MANAGEMENT (HUNGARY)

Changes in assets under management and financial performance of OTP Fund Management:

Main components of P&L account in HUF mn	2014	2015	Y-o-Y	4Q 2014	3Q 2015	4Q 2015	Q-o-Q	Y-o-Y
After tax profit w/o dividends, net cash transfer and banking tax[1]	6,139	4,817	-22%	2,825	833	1,604	93%	-43%
Income tax	-1,193	-897	-25%	-472	-194	-200	3%	-58%
Profit before income tax	7,332	5,714	-22%	3,297	1,027	1,804	76%	-45%
Operating profit	7,288	5,922	-19%	3,254	1,027	2,012	96%	-38%
Total income	9,145	7,951	-13%	3,935	1,593	2,762	73%	-30%
Net interest income	0	0	374%	0	0	0	65%	-168%
Net fees and commissions	9,261	7,942	-14%	4,090	1,592	2,763	74%	-32%
Other net non-interest income	-116	9	-107%	-156	1	-1	-185%	-99%
Operating expenses	-1,857	-2,029	9%	-681	-567	-750	32%	10%
Other provisions	43	-208	-582%	43	0	-208	-100%	-582%
Main components of balance sheet closing balances in HUF mn	2014	2015	Y-o-Y	4Q 2014	3Q 2015	4Q 2015	Q-o-Q	Y-o-Y
Total assets	12,187	12,924	6%	12,187	11,871	12,924	9%	6%
Total shareholders' equity	9,395	8,314	-11%	9,395	6,834	8,314	22%	-11%
Asset under management in HUF bn	2014	2015	Y-o-Y	4Q 2014	3Q 2015	4Q 2015	Q-o-Q	Y-o-Y
Assets under management, total (w/o duplicates)	**1,659**	**1,576**	**-5%**	**1,659**	**1,565**	**1,576**	**1%**	**-5%**
Retail investment funds (closing, w/o duplicates)	1,201	1,079	-10%	1,201	1,084	1,079	0%	-10%
Volume of managed assets (closing, w/o duplicates)	458	497	9%	458	481	497	3%	9%
Volume of investment funds (with duplicates)	1,318	1,204	-9%	1,318	1,204	1,204	0%	-9%
money market	416	378	-9%	416	378	378	0%	-9%
bond	476	419	-12%	476	432	419	-3%	-12%
mixed	20	21	7%	20	20	21	8%	7%
security	97	109	12%	97	103	109	6%	12%
guaranteed	111	105	-6%	111	108	105	-3%	-6%
other	197	171	-13%	197	164	171	5%	-13%

[1]According to section 4/D of Act No. LIX of 2014 amended in November 2014, instead of special tax on financial institutions levied on asset management companies from 2015 a special tax will be introduced to be paid by investment funds with a tax rate of 0.05% p.a. based on the investment funds' assets.

The **OTP Fund Management** posted HUF 4.8 billion after tax profit in 2015, by 22% less than last year. The decline is explained by the moderated net fee and commission income (-14% y-o-y) and the higher operating expenses (+9% y-o-y). It was positive that the decreasing trend of the assets under management stopped in the fourth quarter.

The y-o-y 13% decline of the total income was reasoned by the yearly set back of the success fee due to the annual performance. The q-o-q cost increase in 4Q was reasoned by the premium payments related to the success fee within the personnel cost.

The annual increase of operating cost (9% y-o-y) was caused by the elevating personnel expenses due to the growing number of employees.

In 2015 the volume of equity funds increased y-o-y on the market. Within the total portfolio mixed, derivative and absolute return funds enjoyed the strongest capital inflow. As a consequence of the low interest environment the money market funds suffered capital outflow during the year.

The volume of investment funds under management at OTP Fund Management decreased by 9% y-o-y and remained flat q-o-q. On a yearly base only mixed and security funds could increase; all other fund categories moderated. OTP Fund Management maintained its leading market position, the market share (not adjusted for duplication[6]) was 23.6%.

[6] In the previous quarters the presented market share was adjusted for the estimated duplications. The market share including duplications was 26.6% at the end of 2014.

MERKANTIL GROUP (HUNGARY)

Performance of Merkantil Bank and Car:

Main components of P&L account in HUF mn	2014	2015	Y-o-Y	4Q 2014	3Q 2015	4Q 2015	Q-o-Q	Y-o-Y
After tax profit without the effect of adjustments	-1,518	1,625	-207%	-1,056	499	294	-41%	-128%
Income tax	0	0	-100%	-59	321	-59	-118%	0%
Profit before income tax	-1,518	1,625	-207%	-996	178	353	98%	-135%
Operating profit	5,900	6,678	13%	1,572	1,706	1,555	-9%	-1%
Total income	11,972	13,062	9%	3,097	3,263	3,135	-4%	1%
Net interest income	15,490	17,736	14%	3,983	4,599	4,723	3%	19%
Net fees and commissions	-3,002	-2,536	-16%	-775	-650	-567	-13%	-27%
Other net non-interest income	-517	-2,138	314%	-111	-686	-1,021	49%	823%
Operating expenses	-6,072	-6,383	5%	-1,525	-1,556	-1,580	2%	4%
Total provisions	-7,418	-5,053	-32%	-2,568	-1,529	-1,203	-21%	-53%
Provision for possible loan losses	-7,430	-5,064	-32%	-2,470	-1,509	-1,165	-23%	-53%
Other provision	12	11	-11%	-98	-19	-38	97%	-61%
Main components of balance sheet closing balances in HUF mn	**2014**	**2015**	**YTD**	**4Q 2014**	**3Q 2015**	**4Q 2015**	**Q-o-Q**	**Y-o-Y**
Total assets	313,033	332,791	6%	313,033	327,389	332,791	2%	6%
Gross customer loans	264,313	274,024	4%	264,313	273,971	274,024	0%	4%
Gross customer loans (FX-adjusted)	274,255	274,024	0%	274,255	274,655	274,024	0%	0%
Retail loans	17,291	22,238	29%	17,291	19,562	22,238	14%	29%
Corporate loans	64,289	82,703	29%	64,289	77,744	82,703	6%	29%
Car financing loans	192,675	169,083	-12%	192,675	177,349	169,083	-5%	-12%
Allowances for possible loan losses	-31,770	-36,075	14%	-31,770	-35,336	-36,075	2%	14%
Allowances for possible loan losses (FX-adjusted)	-32,429	-36,075	11%	-32,429	-35,399	-36,075	2%	11%
Deposits from customers	8,188	10,910	33%	8,188	8,562	10,910	27%	33%
Deposits from customer (FX-adjusted)	8,188	10,910	33%	8,188	8,562	10,910	27%	33%
Retail deposits	2,766	3,280	19%	2,766	3,369	3,280	-3%	19%
Corporate deposits	5,422	7,630	41%	5,422	5,193	7,630	47%	41%
Liabilities to credit institutions	220,321	256,997	17%	220,321	253,080	256,997	2%	17%
Issued securities	33,888	35,004	3%	33,888	35,056	35,004	0%	3%
Total shareholders' equity	19,729	21,146	7%	19,729	15,097	21,146	40%	7%
Loan Quality	**2014**	**2015**	**Y-o-Y**	**4Q 2014**	**3Q 2015**	**4Q 2015**	**Q-o-Q**	**Y-o-Y**
90+ days past due loan volume (in HUF million)	35,496	29,451	-17%	35,496	32,386	29,451	-9%	-17%
90+ days past due loans/gross customer loans (%)	13.4%	10.7%	-2.7%p	13.4%	11.8%	10.7%	-1.1%p	-2.7%p
Cost of risk/average gross loans (%)	2.85%	1.88%	-0.97%p	3.75%	2.20%	1.69%	-0.51%p	-2.06%p
Cost of risk/average (FX-adjusted) gross loans	2.67%	1.85%	-0.83%p	3.59%	2.21%	1.68%	-0.53%p	-1.91%p
Total provisions/90+ days past due loans (%)	89.5%	122.5%	33.0%p	89.5%	109.1%	122.5%	13.4%p	33.0%p
Performance Indicators (%)	**2014**	**2015**	**Y-o-Y**	**4Q 2014**	**3Q 2015**	**4Q 2015**	**Q-o-Q**	**Y-o-Y**
ROA	-0.5%	0.5%	1.0%p	-1.3%	0.6%	0.4%	-0.3%p	1.7%p
ROE	-6.4%	7.9%	14.4%p	-20.2%	11.7%	6.4%	-5.3%p	26.6%p
Total income margin	4.02%	4.04%	0.03%p	3.95%	4.08%	3.77%	-0.32%p	-0.18%p
Net interest margin	5.20%	5.49%	0.29%p	5.07%	5.76%	5.68%	-0.08%p	0.60%p
Cost/income ratio	50.7%	48.9%	-1.8%p	49.2%	47.7%	50.4%	2.7%p	1.1%p

Merkantil Bank and Car completed the settlement with FX borrowers in 2Q 2015 and also the settlement with HUF borrowers in 3Q 2015. During this process the created provisions were released and refunds to clients were accomplished. Moreover in 3Q the provision created for the expected negative one-off impact of car loans' conversion was booked. In 4Q the conversion was completed in accordance with regulatory prescriptions.

The one-off items related to the above steps were eliminated from the P&L statement of Merkantil Bank and Car, and were booked amongst adjustments on consolidated level.

Merkantil Bank and Car posted HUF 1.6 billion aggregated adjusted after tax profit in 2015 versus HUF 1.5 billion loss in the base period.

The operating profit for 2015 increased by 13% compared to the base period. The improving result was supported mainly by the stronger net interest income (+14% y-o-y), partially fuelled by lower average funding costs. The annual net fee and commission expenditures moderated by 16%.

The annual operating expenses grew by 5% y-o-y; mostly as a result of increased costs related to the settlement process in 2Q 2015 (e.g. postal costs).

The ratio of DPD90+ loans declined by 2.7 ppts y-o-y to 10.7%, meanwhile the coverage ratio improved by 33 ppts y-o-y; both changes were mainly driven by the technical effect of the settlement in 2Q (the amount refunded during the settlement reduced the delinquent balance). In 4Q as a result of the FX car loans' conversion the DPD90+ portfolio decreased by more than HUF 3 billion as the delinquent amounts were added to the principal. In 4Q DPD90+ ratio went down q-o-q (-1.1 ppts) and the coverage ratio improved at the same time (+13.4 ppts). The annual risk costs decreased by 32% compared to the base period.

Profit after tax in 4Q declined by 41% q-o-q. The drop in profit after tax mainly came from the higher tax burden and from the eroding operating profit.

The FX-adjusted loan portfolio stagnated both y-o-y and q-o-q as the expansion in corporate loans (+6 q-o-q, +29% y-o-y) was counterbalanced by the drop in car loan volumes (-5% q-o-q, -12% y-o-y) resulted from the conversion effect. In 4Q the new disbursement of car loans expanded further (+16% q-o-q +41% y-o-y FX-adjusted) in comparison with the previous period. Annual disbursement grew by 36%.

IFRS REPORTS OF THE MAIN SUBSIDIARIES

In the following parts of the Summary the after tax profit of the foreign subsidiaries are presented without any received dividends and net cash transfers, and without other adjustment items in case of certain foreign subsidiaries. The structural adjustments on the lines of subsidiaries' Statements of recognised income as well as description of calculation methods of performance indices can be found in the Supplementary data annex.

DSK GROUP (BULGARIA)

Performance of DSK Group:

Main components of P&L account in HUF mn	2014	2015	Y-o-Y	4Q 2014	3Q 2015	4Q 2015	Q-o-Q	Y-o-Y
After tax profit w/o dividends and net cash transfer	39,170	52,537	34%	5,728	14,127	10,650	-25%	86%
Income tax	-4,417	-5,729	30%	-723	-1,589	-1,017	-36%	41%
Profit before income tax	43,587	58,266	34%	6,451	15,715	11,667	-26%	81%
Operating profit	62,393	73,136	17%	14,823	19,051	17,448	-8%	18%
Total income	102,239	114,440	12%	26,129	29,051	29,755	2%	14%
Net interest income	79,116	88,674	12%	20,216	22,562	21,893	-3%	8%
Net fees and commissions	20,262	23,013	14%	5,298	5,919	5,787	-2%	9%
Other net non-interest income	2,860	2,752	-4%	615	569	2,075	265%	237%
Operating expenses	-39,846	-41,303	4%	-11,307	-10,000	-12,307	23%	9%
Total provisions	-18,806	-14,870	-21%	-8,372	-3,335	-5,781	73%	-31%
Provision for possible loan losses	-17,526	-14,650	-16%	-7,184	-3,215	-5,865	82%	-18%
Other provision	-1,279	-220	-83%	-1,188	-120	84	-170%	-107%
Main components of balance sheet closing balances in HUF mn	2014	2015	YTD	4Q 2014	3Q 2015	4Q 2015	Q-o-Q	Y-o-Y
Total assets	1,603,812	1,778,326	11%	1,603,812	1,669,290	1,778,326	7%	11%
Gross customer loans	1,158,516	1,158,894	0%	1,158,516	1,157,881	1,158,894	0%	0%
Gross customer loans (FX-adjusted)	1,152,196	1,158,894	1%	1,152,196	1,157,198	1,158,894	0%	1%
Retail loans	867,204	858,420	-1%	867,204	868,054	858,420	-1%	-1%
Corporate loans	284,992	300,474	5%	284,992	289,145	300,474	4%	5%
Allowances for possible loan losses	-159,015	-164,898	4%	-159,015	-165,793	-164,898	-1%	4%
Allowances for possible loan losses (FX-adjusted)	-158,275	-164,898	4%	-158,275	-165,729	-164,898	-1%	4%
Deposits from customers	1,285,044	1,489,542	16%	1,285,044	1,388,238	1,489,542	7%	16%
Deposits from customer (FX-adjusted)	1,283,817	1,489,542	16%	1,283,817	1,390,111	1,489,542	7%	16%
Retail deposits	1,125,228	1,251,290	11%	1,125,228	1,186,744	1,251,290	5%	11%
Corporate deposits	158,588	238,252	50%	158,588	203,367	238,252	17%	50%
Liabilities to credit institutions	47,284	14,951	-68%	47,284	15,589	14,951	-4%	-68%
Total shareholders' equity	247,993	253,468	2%	247,993	240,292	253,468	5%	2%
Loan Quality	2014	2015	Y-o-Y	4Q 2014	3Q 2015	4Q 2015	Q-o-Q	Y-o-Y
90+ days past due loan volume (in HUF million)	173,716	172,124	-1%	173,716	179,030	172,124	-4%	-1%
90+ days past due loans/gross customer loans (%)	15.0%	14.9%	-0.1%p	15.0%	15.5%	14.9%	-0.6%p	-0.1%p
Cost of risk/average gross loans (%)	1.53%	1.26%	-0.26%p	2.42%	1.10%	2.01%	0.91%p	-0.41%p
Cost of risk/average (FX-adjusted) gross loans (%)	1.49%	1.27%	-0.22%p	2.42%	1.10%	2.01%	0.90%p	-0.41%p
Total provisions/90+ days past due loans (%)	91.5%	95.8%	4.3%p	91.5%	92.6%	95.8%	3.2%p	4.3%p
Performance Indicators (%)	2014	2015	Y-o-Y	4Q 2014	3Q 2015	4Q 2015	Q-o-Q	Y-o-Y
ROA	2.7%	3.1%	0.4%p	1.5%	3.4%	2.5%	-1.0%p	1.0%p
ROE	16.7%	21.0%	4.2%p	9.3%	24.0%	17.1%	-6.9%p	7.8%p
Total income margin	6.94%	6.77%	-0.17%p	6.70%	7.03%	6.85%	-0.18%p	0.15%p
Net interest margin	5.37%	5.24%	-0.12%p	5.18%	5.46%	5.04%	-0.42%p	-0.15%p
Cost/income ratio	39.0%	36.1%	-2.9%p	43.3%	34.4%	41.4%	6.9%p	-1.9%p
Net loans to deposits (FX-adjusted)	77%	67%	-11%p	77%	71%	67%	-5%p	-11%p
FX rates (in HUF)	2014	2015	Y-o-Y	4Q 2014	3Q 2015	4Q 2015	Q-o-Q	Y-o-Y
HUF/BGN (closing)	161.0	160.1	-1%	161.0	160.2	160.1	0%	-1%
HUF/BGN (average)	157.8	158.5	0%	157.7	159.5	159.8	0%	1%

- ***After tax profit improved by 34% in 2015 supported by favourable core banking revenue dynamics and moderating risk costs***
- ***Net interest margin erosion in 4Q (-42 bps q-o-q) was reasoned by higher total balance sheet and a methodological change affecting net interest income, too***
- ***Asset quality trends remained favourable with the DPD90+ ratio declining and the coverage ratio increasing***
- ***Amid improving loan origination statistics gross loan volumes grew by 1% (FX-adjusted); deposits advanced steadily (+16% y-o-y)***

DSK Group posted an after tax profit of HUF 52.5 billion in 2015, up by 34% compared to the base period. The HUF 10.65 billion profit realized in 4Q declined by a quarter q-o-q.

The full-year operating profit grew by 17% y-o-y. The net interest income advanced by 12% y-o-y mainly due to lower funding costs: interest expenses on deposits dropped by 60% despite the deposit base growing by 16% y-o-y. Furthermore, the effective management of excess liquidity played a positive role, too.

In 4Q 2015 the net interest income declined by 3% q-o-q. The key reason was the change in the methodology effective from October regarding the accounting treatment of recoveries collected from DPD90+ exposures. According to the previous methodology such recoveries were treated as recoveries of the previously suspended off-balance sheet interest income. Starting from October the order of accounting changed, consequently recoveries reduce on-balance sheet claims first. The change in methodology affects the provisions for possible loan losses, too, therefore it is neutral for the profit after tax and influences the structure of the P&L account only. Without such change 4Q net interest income would have been higher by around HUF 1 billion. The q-o-q 42 bps margin decline in 4Q is partly reasoned by the above explanation; also, the steady deposit inflow pushed up the total assets and proved to be dilutive to the net interest margin.

In 2015 the net fee and commission income grew by 14% y-o-y explained mainly by strengthening fee income related to deposits and transactions.

The annual other net non-interest revenues eroded by 4% y-o-y. The quarterly increase in 4Q is reasoned by higher FX results.

The annual operating expenses grew by 4% y-o-y. In 4Q the contribution paid by the bank into the Resolution Fund explains HUF 0.9 billion operating cost increase q-o-q.

In 4Q the volume of DPD90+ loans declined by 4%. During the last quarter HUF 6.7 billion non-performing portfolio was written off (2015: HUF 8 billion in total), of which the so-called partial write-offs represented almost HUF 6 billion in 4Q 2015. The ratio of loans with more than 90 days of delay (DPD90+) moderated by 0.6 ppt in 4Q (14.9%). The FX-adjusted DPD90+ volume changes excluding the impact of loan sales and write-offs remained favourable (in HUF billion: 1Q 2014: 2, 2Q: 2, 3Q: 1, 4Q: -2, 1Q 2015: 6, 2Q: 0, 3Q: 0, 4Q: 0).

The bank's consistently conservative and prudent provisioning policy has not changed. Total risk costs demonstrated a 21% moderation y-o-y in 2015. Higher q-o-q risk costs in 4Q were mainly related to corporate exposures. As a result, the provision coverage ratio went up to 95.8% (+3.2 ppts q-o-q, +4.3% ppts y-o-y). Against the 1.5% risk cost rate in 2014 it declined to 1.3% for 2015 as a whole, amounting to 2.0% in 4Q 2015.

The FX-adjusted total gross loan portfolio did not change q-o-q, but increased by 1 ppt y-o-y; the performing loan portfolio grew by the same magnitude y-o-y. New mortgage loan disbursements – amid increasing proportion of refinancing – advanced by three-fourth. However, the overall mortgage volumes melted down by 1% q-o-q and 3% y-o-y respectively (on an FX-adjusted basis). New consumer loan origination surpassed the base period by 16% y-o-y, whereas their volumes advanced by 1% y-o-y.

Corporate and SME loan disbursements showed an upward trend (+15% y-o-y) thanks to the strong SME performance. The corporate portfolio grew by 5% in the last 12 months and by 4% in 4Q q-o-q (adjusted for the FX-effect). Corporate loan market share of DSK Bank reached 7.1% at the end of December 2015, marking a 0.3 ppt improvement y-o-y.

The deposits grew further in 4Q (+7% q-o-q, +16% y-o-y FX-adjusted), despite persistently lower than market average and even further declining deposit rates offered by DSK. With retail deposit inflow remaining steady corporate volumes advanced further by 17% in 4Q after an already strong 3Q performance (+30%).

The capital adequacy ratio of DSK Bank calculated in accordance with local regulation stood at 17.3% at the end of 2015.

OTP BANK RUSSIA

Performance of OTP Bank Russia:

Main components of P&L account in HUF mn	2014	2015	Y-o-Y	4Q 2014	3Q 2015	4Q 2015	Q-o-Q	Y-o-Y
After tax profit w/o dividends and net cash transfer	-14,541	-15,101	4%	-1,807	-1,191	-26	-98%	-99%
Income tax	3,137	3,318	6%	380	246	-224	-191%	-159%
Profit before income tax	-17,678	-18,419	4%	-2,187	-1,437	198	-114%	-109%
Operating profit	101,028	64,515	-36%	22,224	16,659	13,876	-17%	-38%
Total income	179,392	113,052	-37%	39,827	27,156	25,624	-6%	-36%
Net interest income	158,972	97,871	-38%	34,474	23,164	22,010	-5%	-36%
Net fees and commissions	21,378	14,478	-32%	4,460	3,384	3,228	-5%	-28%
Other net non-interest income	-958	703	-173%	893	608	387	-36%	-57%
Operating expenses	-78,364	-48,536	-38%	-17,603	-10,497	-11,748	12%	-33%
Total provisions	-118,706	-82,934	-30%	-24,411	-18,096	-13,678	-24%	-44%
Provision for possible loan losses	-117,623	-82,060	-30%	-24,242	-17,978	-13,385	-26%	-45%
Other provision	-1,083	-874	-19%	-168	-119	-293	147%	74%
Main components of balance sheet closing balances in HUF mn	**2014**	**2015**	**YTD**	**4Q 2014**	**3Q 2015**	**4Q 2015**	**Q-o-Q**	**Y-o-Y**
Total assets	750,747	507,082	-32%	750,747	536,248	507,082	-5%	-32%
Gross customer loans	568,709	393,914	-31%	568,709	458,831	393,914	-14%	-31%
Gross customer loans (FX-adjusted)	503,496	393,914	-22%	503,496	421,675	393,914	-7%	-22%
Retail loans	468,869	363,054	-23%	468,869	389,517	363,054	-7%	-23%
Corporate loans	32,609	29,184	-11%	32,609	30,384	29,184	-4%	-11%
Car financing loans	2,018	1,676	-17%	2,018	1,774	1,676	-6%	-17%
Gross DPD0-90 customer loans (FX-adjusted)	429,320	317,510	-26%	429,320	322,788	317,510	-2%	-26%
Retail loans	397,381	291,935	-27%	397,381	295,952	291,935	-1%	-27%
Allowances for possible loan losses	-98,436	-88,017	-11%	-98,436	-118,230	-88,017	-26%	-11%
Allowances for possible loan losses (FX-adjusted)	-86,608	-88,017	2%	-86,608	-108,553	-88,017	-19%	2%
Deposits from customers	402,729	307,646	-24%	402,729	318,837	307,646	-4%	-24%
Deposits from customer (FX-adjusted)	362,894	307,646	-15%	362,894	295,753	307,646	4%	-15%
Retail deposits	284,620	252,070	-11%	284,620	239,676	252,070	5%	-11%
Corporate deposits	78,274	55,576	-29%	78,274	56,077	55,576	-1%	-29%
Liabilities to credit institutions	107,492	42,974	-60%	107,492	35,756	42,974	20%	-60%
Issued securities	4,600	1,024	-78%	4,600	2,327	1,024	-56%	-78%
Subordinated debt	23,884	21,820	-9%	23,884	24,216	21,820	-10%	-9%
Total shareholders' equity	111,779	89,504	-20%	111,779	94,134	89,504	-5%	-20%
Loan Quality	**2014**	**2015**	**Y-o-Y**	**4Q 2014**	**3Q 2015**	**4Q 2015**	**Q-o-Q**	**Y-o-Y**
90+ days past due loan volume (in HUF million)	83,779	76,403	-9%	83,779	107,530	76,403	-29%	-9%
90+ days past due loans/gross customer loans (%)	14.7%	19.4%	4.7%p	14.7%	23.4%	19.4%	-4.0%p	4.7%p
Cost of risk/average gross loans (%)	16.78%	17.05%	0.27%p	13.44%	14.36%	12.45%	-1.91%p	-0.99%p
Cost of risk/average (FX-adjusted) gross loans	22.95%	18.29%	-4.66%p	18.15%	17.00%	13.02%	-3.98%p	-5.12%p
Total provisions/90+ days past due loans (%)	117.5%	115.2%	-2.3%p	117.5%	110.0%	115.2%	5.3%p	-2.3%p
Performance Indicators (%)	**2014**	**2015**	**Y-o-Y**	**4Q 2014**	**3Q 2015**	**4Q 2015**	**Q-o-Q**	**Y-o-Y**
ROA	-1.7%	-2.4%	-0.7%p	-0.9%	-0.8%	0.0%	0.8%p	0.9%p
ROE	-10.0%	-15.0%	-5.0%p	-5.3%	-4.6%	-0.1%	4.4%p	5.2%p
Total income margin	21.22%	17.98%	-3.24%p	19.90%	18.27%	19.49%	1.22%p	-0.42%p
Net interest margin	18.80%	15.56%	-3.24%p	17.23%	15.59%	16.74%	1.15%p	-0.49%p
Cost/income ratio	43.7%	42.9%	-0.7%p	44.2%	38.7%	45.8%	7.2%p	1.7%p
Net loans to deposits (FX-adjusted)	115%	99%	-15%p	115%	106%	99%	-6%p	-15%p
FX rates (in HUF)	**2014**	**2015**	**Y-o-Y**	**4Q 2014**	**3Q 2015**	**4Q 2015**	**Q-o-Q**	**Y-o-Y**
HUF/RUB (closing)	4.5	3.9	-13%	4.5	4.3	3.9	-9%	-13%
HUF/RUB (average)	6.1	4.6	-25%	5.3	4.5	4.3	-3%	-18%

- ***HUF 15.1 billion 2015 loss with q-o-q significantly improving 4Q result, the operation in 4Q was close to break-even***
- ***Due to portfolio cleaning the DPD90+ ratio decreased again below 20%, the quarterly risk cost rate continued to decline***
- ***In spite of the uptick in consumer lending the performing loan portfolio kept shrinking q-o-q; the deposit base grew by 4% q-o-q on an FX-adjusted basis***
- ***As a result of cost rationalisation annual operating expenses dropped by 17% in RUB terms on a yearly basis***

The HUF denominated financial figures of OTP Bank Russia are distorted by the HUF/RUB moves: in 4Q 2015 the closing rate showed a q-o-q 9% and y-o-y 13% devaluation of RUB against HUF; whereas the average 2015 rate depreciated by 25% y-o-y, the 4Q average rate weakened by 3% q-o-q and by 18% y-o-y. Therefore local currency P&L and balance sheet dynamics can be materially different from those in HUF terms.

The performance of Touch Bank (a virtual entity) was first presented separately from OTP Bank Russia in the Summary of the full year 2015 Report; the separation has been done retroactively beginning from 1Q 2015. Therefore 2014 and 4Q 2014 columns include the performance of Touch Bank, whereas for after 2014 periods data exclude the performance of Touch Bank.

After tax loss of **OTP Bank Russia** for 2015 grew in HUF terms by 4% y-o-y to HUF 15.1 billion; whereas the RUB denominated loss increased by 43% y-o-y. In 4Q 2015 the favourable trend observed in 2Q and 3Q continued: the operating profit shrank q-o-q due to the decreasing performing loan volumes, but the moderation of risk cost was even larger. So the 4Q 2015 before tax profit turned into positive and reached HUF 0.2 billion.

In 2015 the operating profit in RUB terms dropped by 16% y-o-y, as a result of a 16% decrease in total income and by 17% lower operating expenses. Net interest income declined by 18% y-o-y in rouble terms. This decline was mainly caused by the decrease of the performing loan portfolio (-26% y-o-y, FX-adjusted). Furthermore, funding cost increased significantly after the series of rate hikes by the Central Bank of Russia at the end of 2014, which had a negative influence on NII, but the funding costs started moderating since 2Q, though still exceeding the levels observed in 2014. This effect could only partly be offset by higher interest rates on loans, thus NIM decreased. The 2015 net fee and commission income decreased by 10% y-o-y in RUB terms, mainly related to weak loan disbursements.

As a result of cost rationalisation 2015 operating expenses decreased by 17% y-o-y in RUB terms in spite of the 16% average 2015 Russian inflation rate. In line with the decreasing number of employees and smaller operation personnel expenses and other expenses declined. Cost/income ratio stood at 43% in 2015, slightly decreased y-o-y. In 2015 64 branches were closed down (no change in 4Q), thus at the end of 2015 the network consisted of 134 branches. The number of the Bank's employees (without agents) decreased y-o-y by 20% to 4,787.

The 4Q operating profit declined by 14% on the quarterly basis in RUB terms. Net interest income decreased by 2% q-o-q in RUB terms, mainly due to the q-o-q decrease of the performing portfolio (-2% adjusted for FX changes). Although deposit base grew q-o-q, NII was favourably affected by the gradually maturing deposits in 4Q that carried high interest rates due to the base rate hikes at the end of 2014; eventually interest expenses decreased q-o-q in RUB terms. Net interest margin was almost flat q-o-q in RUB terms. Net F&C income diminished by 1% in RUB terms q-o-q, as loan related fee and commission expenses grew compared to the previous quarter. Operating expenses in 4Q grew by 16% q-o-q in RUB terms. On one hand number of employed agents increased by 5% q-o-q, and year-end bonuses also boosted the personnel expenses line. The higher administrative expenses were mainly due to advisory fees.

Although FX-adjusted DPD90+ volume growth excluding the impact of sold/written-off non-performing loans was flat y-o-y for the whole year, but after the all-time-high level in 2Q 2015 the pace of portfolio deterioration significantly moderated in 3Q and 4Q, respectively (new DPD90+ volumes in HUF billion: 2Q: 38, 3Q: 24, 4Q: 16). The bank sold or wrote off loans in 2015 in the amount of RUB 18 billion. Large part of these transactions happened in 4Q: RUB 3.3 billion was written off and RUB 5.1 billion was sold. Net result of the loan sale had minor effect on the 4Q bottom line earnings. DPD90+ ratio decreased by 4 ppts q-o-q to 19.4%. 4Q risk costs decreased by 22% q-o-q in rouble terms, while in 2015 the decline was 7% y-o-y. Provision coverage of DPD90+ loans somewhat increased (+5.3 ppts) q-o-q and stood at 115% by end-December.

The FX-adjusted performing (DPD0-90) loan volumes dropped by 26% y-o-y and by 2% q-o-q, respectively. Consumer loan disbursements are still reflecting cautiousness, in general. In 4Q POS loan disbursement was 18% higher q-o-q due to the seasonality of the product, nonetheless it was by 23% below the 4Q 2014 level; the DPD0-90 POS portfolio grew by 11% q-o-q (FX-adjusted) and decreased by 17% y-o-y. The FX-adjusted DPD0-90 credit cards portfolio shrank further in 4Q (-9% q-o-q and -29% y-o-y). Cash loan disbursement continued with strict conditions and somewhat expanded q-o-q in 4Q, still the FX-adjusted DPD0-90 portfolio decreased by 7% q-o-q (-36% y-o-y).

FX-adjusted total deposits grew by 4% q-o-q (-15% y-o-y), due to the growing retail term deposit base.

FX-adjusted net loan-to-deposit ratio stood at 99% at the end of 4Q 2015 (-6% ppts q-o-q).

The capital adequacy ratio of the bank calculated in line with local regulation stood at 13.3% at the end of December (+1.1 ppts y-o-y).

TOUCH BANK (RUSSIA)

Performance of Touch Bank:

Main components of P&L account in HUF mn	2015	3Q 2015	4Q 2015	Q-o-Q
After tax profit w/o dividends and net cash transfer	-4,840	-1,019	-2,058	102%
Income tax	1,189	255	493	93%
Profit before income tax	-6,029	-1,274	-2,551	100%
Operating profit	-6,020	-1,273	-2,542	100%
Total income	-241	-66	-100	52%
Net interest income	-155	-41	-41	1%
Net fees and commissions	-84	-26	-57	120%
Other net non-interest income	-2	1	-2	-419%
Operating expenses	-5,779	-1,208	-2,442	102%
Total provisions	-9	0	-8	
Provision for possible loan losses	0	0	0	
Other provision	-9	0	-8	
Main components of balance sheet closing balances in HUF mn	**2015**	**3Q 2015**	**4Q 2015**	**Q-o-Q**
Total assets	7,410	3,634	7,410	104%
Gross customer loans	4	0	4	
Gross customer loans (FX-adjusted)	4	0	4	
Retail loans	4	0	4	
Corporate loans	0	0	0	-100%
Allowances for possible loan losses	0	0	0	
Allowances for possible loan losses (FX-adjusted)	0	0	0	
Deposits from customers	4,250	855	4,250	397%
Deposits from customer (FX-adjusted)	4,250	781	4,250	444%
Retail deposits	4,250	781	4,250	444%
Corporate deposits	0	0	0	-100%
Liabilities to credit institutions	4	0	4	
Subordinated debt	1,653	1,304	1,653	17%
Total shareholders' equity	1,474	1,360	1,474	8%
Loan Quality	**2015**	**3Q 2015**	**4Q 2015**	**Q-o-Q**
90+ days past due loan volume (in HUF million)	0	0	0	-100%
FX rates (in HUF)	**2015**	**3Q 2015**	**4Q 2015**	**Q-o-Q**
HUF/RUB (closing)	3.9	4.3	3.9	-9%
HUF/RUB (average)	4.6	4.5	4.3	-3%

- ***HUF 4.8 billion after tax loss in 2015***
- ***Growing scale of activities, almost 20 thousand customers in 85 cities***
- ***Deposit base grew five and a half times q-o-q (4Q: HUF 4.25 billion)***

Touch Bank is a digital bank being part of OTP Bank Russia from legal point of view, and it is operating under the same banking license, but as a separate business line. In order to provide transparent information Touch Bank is presented as a separate virtual entity and as an independent activity. The performance of Touch Bank was shown separately from OTP Bank Russia's performance for the first time in the Summary of the full-year 2015 results, with retroactive effect from 1Q 2015.

Touch Bank started its operation in April 2015 in Russia, with contemporary services based on online technologies.

The bank primarily targets young, affluent customers receptive to innovative high-end technologies. The services can be accessed through online platforms and mobile applications. The activities of Touch Bank expanded gradually ever since it went live: first it was available in larger cities, than in September its operations were supported by intensive marketing campaigns in St. Petersburg, later, in 4Q in Moscow. By the end of 2015 Touch Bank had customers form about 85 cities and registered 20 thousand active debit cards, while its deposit base approached HUF 4.3 billion equivalent. Loan product sales started in the last 2 months of 2015, thus its loan volumes was not significant at the end of the year.

Operating cost of the bank was HUF 5.8 billion in 2015. 4Q operating cost doubled q-o-q, related to growing business activity, higher number of employees (219 persons, +23% q-o-q) and the larger scale of marketing spending. Total income was negative, so profit before tax totalled to HUF 6 billion in 2015 (HUF -4.8 billion after tax).

OTP BANK UKRAINE

Performance of OTP Bank Ukraine:

Main components of P&L account in HUF mn	2014	2015	Y-o-Y	4Q 2014	3Q 2015	4Q 2015	Q-o-Q	Y-o-Y
After tax profit without the effect of adjustments	-43,166	-40,312	-7%	-21,134	-17,548	-13,166	-25%	-38%
Income tax	4,156	1,918	-54%	2,648	737	-1,150	-256%	-143%
Profit before income tax	-47,322	-42,230	-11%	-23,782	-18,285	-12,016	-34%	-49%
Operating profit	27,269	25,185	-8%	1,703	4,920	3,537	-28%	108%
Total income	52,078	41,087	-21%	8,254	8,790	7,748	-12%	-6%
Net interest income	45,327	29,146	-36%	10,463	7,119	6,581	-8%	-37%
Net fees and commissions	10,306	7,915	-23%	2,378	1,946	2,393	23%	1%
Other net non-interest income	-3,555	4,025	-213%	-4,587	-275	-1,226	346%	-73%
Operating expenses	-24,809	-15,902	-36%	-6,551	-3,870	-4,210	9%	-36%
Total provisions	-74,591	-67,414	-10%	-25,485	-23,204	-15,553	-33%	-39%
Provision for possible loan losses	-71,947	-65,891	-8%	-24,365	-22,745	-14,319	-37%	-41%
Other provision	-2,644	-1,523	-42%	-1,120	-459	-1,234	169%	10%
Main components of balance sheet closing balances in HUF mn	2014	2015	YTD	4Q 2014	3Q 2015	4Q 2015	Q-o-Q	Y-o-Y
Total assets	422,286	292,882	-31%	422,286	338,110	292,882	-13%	-31%
Gross customer loans	568,214	421,330	-26%	568,214	510,432	421,330	-17%	-26%
Gross customer loans (FX-adjusted)	569,301	421,330	-26%	569,301	503,074	421,330	-16%	-26%
Retail loans	303,096	218,465	-28%	303,096	281,695	218,465	-22%	-28%
Corporate loans	230,404	179,304	-22%	230,404	191,676	179,304	-6%	-22%
Car financing loans	35,801	23,561	-34%	35,801	29,704	23,561	-21%	-34%
Gross DPD0-90 customer loans (FX-adjusted)	294,142	216,696	-26%	294,142	228,192	216,696	-5%	-26%
Retail loans	88,510	56,299	-36%	88,510	55,705	56,299	1%	-36%
Corporate loans	191,008	149,328	-22%	191,008	160,841	149,328	-7%	-22%
Car financing loans	14,624	11,069	-24%	14,624	11,647	11,069	-5%	-24%
Allowances for possible loan losses	-254,881	-242,515	-5%	-254,881	-304,145	-242,515	-20%	-5%
Allowances for possible loan losses (FX-adjusted)	-263,755	-242,515	-8%	-263,755	-302,930	-242,515	-20%	-8%
Deposits from customers	228,803	211,346	-8%	228,803	210,096	211,346	1%	-8%
Deposits from customer (FX-adjusted)	206,576	211,346	2%	206,576	201,863	211,346	5%	2%
Retail deposits	128,117	125,832	-2%	128,117	114,925	125,832	9%	-2%
Corporate deposits	78,459	85,515	9%	78,459	86,938	85,515	-2%	9%
Liabilities to credit institutions	143,171	99,083	-31%	143,171	114,209	99,083	-13%	-31%
Subordinated debt	37,735	8,571	-77%	37,735	40,649	8,571	-79%	-77%
Total shareholders' equity	4,383	-34,804	-894%	4,383	-44,537	-34,804	-22%	-894%
Loan Quality	2014	2015	Y-o-Y	4Q 2014	3Q 2015	4Q 2015	Q-o-Q	Y-o-Y
90+ days past due loan volume (in HUF million)	262,187	204,635	-22%	262,187	274,679	204,635	-26%	-22%
90+ days past due loans/gross customer loans (%)	46.1%	48.6%	2.4%p	46.1%	53.8%	48.6%	-5.2%p	2.4%p
Cost of risk/average gross loans (%)	11.65%	13.32%	1.66%p	16.17%	17.39%	12.19%	-5.20%p	-3.97%p
Cost of risk/average (FX-adjusted) gross loans (%)	11.62%	13.30%	1.68%p	16.10%	17.71%	12.29%	-5.42%p	-3.81%p
Total provisions/90+ days past due loans (%)	97.2%	118.5%	21.3%p	97.2%	110.7%	118.5%	7.8%p	21.3%p
Performance Indicators (%)	2014	2015	Y-o-Y	4Q 2014	3Q 2015	4Q 2015	Q-o-Q	Y-o-Y
ROA	-8.3%	-11.3%	-3.0%p	-17.5%	-19.9%	-16.6%	3.3%p	0.9%p
ROE	-73.4%	n/a		-327.5%	n/a	n/a		
Total income margin	10.01%	11.49%	1.48%p	6.82%	9.97%	9.74%	-0.23%p	2.93%p
Net interest margin	8.72%	8.15%	-0.57%p	8.64%	8.07%	8.28%	0.20%p	-0.37%p
Cost/income ratio	47.6%	38.7%	-8.9%p	79.4%	44.0%	54.3%	10.3%p	-25.0%p
Net loans to deposits (FX-adjusted)	148%	85%	-63%p	148%	99%	85%	-15%p	-63%p
FX rates (in HUF)	2014	2015	Y-o-Y	4Q 2014	3Q 2015	4Q 2015	Q-o-Q	Y-o-Y
HUF/UAH (closing)	16.4	11.9	-27%	16.4	13.1	11.9	-9%	-27%
HUF/UAH (average)	19.9	12.9	-35%	17.2	12.9	12.5	-4%	-28%

- ***With HUF 13.2 billion loss in 4Q 2015 the overall negative annual result reached HUF 40.3 billion***
- ***Portfolio clean-up continued: in 4Q substantial risk cost was set aside at the Factoring***
- ***FX-adjusted performing portfolio declined by 26% y-o-y; the intra-group financing dropped by around USD 250 million in 2015***
- ***In 4Q capital increase of almost USD 110 million was executed through conversion of intra-group funding and subordinated debt to equity***
- ***Mainly due to retail inflows deposits grew by 5% q-o-q (FX-adjusted), the net loan to deposit ratio sank to 85%***

The financial performance and indicators of OTP Bank Ukraine in HUF terms were significantly distorted by the HUF/UAH exchange rate moves: in 4Q 2015 the closing rate of HUF showed a q-o-q 9% and a y-o-y 27% appreciation against UAH. The yearly average rate strengthened by 35% y-o-y, whereas the 4Q average rate appreciated by 28% y-o-y (and by 4% q-o-q, respectively). Therefore local currency P&L and balance sheet dynamics are materially different from those in HUF terms.

Methodological note: as one-off items not related to the normal course of business activity, the risk costs created in relation to the Crimean exposures from 2Q 2014, as well as risk costs made for exposures to Donetsk and Luhansk counties from 3Q 2014 were eliminated from the Ukrainian P&L and shown amongst the adjustment items on consolidated level. Balance sheet lines were not adjusted for these items.

In 2015 **OTP Bank Ukraine** posted HUF 40.3 billion adjusted loss, 7% lower than a year ago.

The significant quarterly earnings volatility was mainly reasoned by risk costs developments: in 1Q the HUF 10.2 billion loss was due mainly to the massive depreciation of the UAH which required higher provisioning as a result of the LTV (loan-to-value) effect. On the opposite, in 2Q the UAH appreciated and also due to the moderate new DPD90+ formation risk costs dropped by 90% q-o-q, and the Ukrainian operation posted a positive result. The HUF 17.6 billion loss realized in 3Q was predominantly due to risk costs created on the corporate portfolio, within that especially on the legacy corporate book originated mainly before the crisis. With such a step the provisioning level of this particular portfolio is basically commensurate with the outcome of the AQR and stress test implemented under the local central bank's supervision. The HUF 13.2 billion loss in 4Q was mainly due to the portfolio clean-up at the Factoring unit: as a result of the additional provisions made predominantly for retail exposures and within that mainly for USD-based mortgages disbursed before the crisis, the net loan portfolio of Factoring shrank from HUF 20 billion (end of September) to HUF 5.8 billion (end of December).

The remaining total net loan exposure in Crimea and also in Donetsk and Luhansk counties amounted to HUF 0.3 billion equivalent at the end of December (including accrued interest). The lending activity in the latter two counties has been suspended.

With regards to the lending activity for the rest of the country, new cash loan production in 2015 dropped by three-fourth y-o-y. In March the cash loan production was suspended and it was resumed in 2Q under stricter lending criteria. The cross-sale of credit cards was practically zero in 2015. Within the POS segment newly sold volumes demonstrated a seasonal increase in 4Q (+43% q-o-q), new volumes for the whole year increased by 13% y-o-y, true, from a low base. The DPD0-90 consumer loan portfolio grew by 1% q-o-q, but contracted by 28% y-o-y (FX-adjusted). The mortgage book further melted down, given the lack of new origination. The performing corporate loan book shrank by 7% q-o-q and by 22% y-o-y, respectively.

After the deposit withdrawals in 1Q 2015, for the rest of the year each and every quarter demonstrated increasing volumes. The 5% FX-adjusted q-o-q growth in 4Q was due to strong retail inflows. The net loan-to-deposit ratio dropped to 85% by the end of December 2015 (-63 ppts y-o-y on an FX-adjusted basis).

The intra-group financing (including subordinated debt) declined by almost USD 110 million in 4Q as a result of debt-to-equity conversions, thus it decreased by around USD 250 million in the last 12 months. The intra-group funding (including subordinated debt) exposure stood at HUF 107 billion equivalent by the end of 2015.

Regarding the P&L items, the full-year operating profit decreased by 8% y-o-y in HUF terms, but improved by 46% in UAH terms, whereas in 4Q it dropped by more than one-fourth q-o-q both in HUF and UAH terms.

The underlying business performance is better described by changes expressed in UAH terms: within total income the annual net interest income remained stable y-o-y, but declined by 13% q-o-q in 4Q 2015. The steady erosion of performing loan volumes (in original currency terms) had a negative impact on net interest income dynamics; on the opposite, the weakening UAH supported the interest revenues on FX loans in UAH terms. The volatile quarterly net interest income development was partly reasoned by the bank's own restructuring scheme: at the time of the restructuring the total NPV decline for the whole duration of the loan is accounted for in one sum on the net interest income line. In 4Q the swap of intra-group funding and subordinated debt into equity executed in mid-December reduced interest expenditures by more than HUF 0.1 billion.

The net fee and commission income realized in 2015 increased by 19% y-o-y in UAH terms. The significant q-o-q improvement in 4Q (+27% in UAH terms) was due to the repayment of the subordinated debt facility to third party as no further fee expenses occurred.

The y-o-y change in other net non-interest income was mainly induced by a significant FX gain booked in 1Q 2015 on the back of volatile cross currency rates and also by the base effect due to reclassifications in 4Q 2014. The negative other net non-interest income in 4Q 2015 was driven by the one-off HUF 0.9 billion negative effect of the voluntary liquidation of LLC OTP Credit; this item does not appear on consolidated level.

Operating expenses moderated by 3% y-o-y in UAH terms, though during the same period of time average consumer prices surged by 48.7%. During 4Q no branch was closed, but in the last twelve months 31 units were closed (-27%). The workforce was also scaled back: the number of employees (including employed selling agents) declined by 37% y-o-y.

Total risk costs advanced by 35% y-o-y in UAH terms. The material increase in 2015 was related to the drastic depreciation of UAH mainly in 1Q and the portfolio clean-up in the second half of 2015.

In 2015 the portfolio quality deterioration decelerated y-o-y (FX-adjusted DPD90+ volume growth excluding the impact of loan sales and write-offs in HUF billion: 1Q 2014: 3, 2Q: 18, 3Q: 14, 4Q: 26, 1Q 2015: 6, 2Q: 7, 3Q: -1, 4Q:-1). In 4Q loans worth of HUF 73 billion were sold or written off (in total HUF 81 billion for 2015). As a result the DPD90+ ratio shrank by more than 5ppts q-o-q (48.6%), the provision coverage ratio improved to 118.5% marking a 7.8 ppts quarterly improvement (+21.3 ppts y-o-y).

During 2015 the total amount of the recognized deferred tax asset reached HUF 1.9 billion.

Under the scope of the Bank's own restructuring programme the volume of FX mortgage loans converted into UAH at market FX rate got close to UAH 1.8 billion by the end of 2015. Under the scheme the Bank offers either certain debt forgiveness and/or an interest rate concession at the beginning of the maturity.

The shareholders' equity of the Ukrainian banking group under IFRS was HUF -34.8 billion at the end of 2015. The Ukrainian shareholders' equity includes that of 3 entities: the Bank, the Leasing and Factoring companies' equity. The standalone equity of the Bank under IFRS reached HUF 20 billion. The standalone capital adequacy ratio of the Bank under local regulation stood at 15.7% at the end of December 2015 (+7.6 ppts q-o-q, +5.3 ppts y-o-y). The increase already reflects the impact of the conversion of subordinated debt and funding to equity (in the amount of close to USD 110 million in total). The shareholders' equity of the Leasing Company comprised HUF -2.2 billion by the end of December, whereas the Factoring Company also had a negative equity of HUF 52.6 billion.

The key reason behind the q-o-q lower subordinated loan volumes on one hand is the repayment of a facility to a third party at maturity, as well as the partial conversion of the outstanding intra-group subordinated debt into equity (USD 115 million in total).

OTP BANK ROMANIA

Performance of OTP Bank Romania:

Main components of P&L account in HUF mn	2014	2015	Y-o-Y	4Q 2014	3Q 2015	4Q 2015	Q-o-Q	Y-o-Y
After tax profit without the effect of adjustments	765	1,480	94%	-1,643	1,378	-1,022	-174%	-38%
Income tax	0	-100		0	-1	-100		
Profit before income tax	765	1,580	107%	-1,643	1,379	-923	-167%	-44%
Operating profit	9,806	6,074	-38%	2,179	1,959	-400	-120%	-118%
Total income	23,409	27,662	18%	6,007	7,327	5,475	-25%	-9%
Net interest income	19,388	22,904	18%	4,886	6,809	5,238	-23%	7%
Net fees and commissions	2,429	3,773	55%	657	891	932	5%	42%
Other net non-interest income	1,593	985	-38%	464	-373	-695	86%	-250%
Operating expenses	-13,603	-21,588	59%	-3,828	-5,368	-5,875	9%	53%
Total provisions	-9,041	-4,493	-50%	-3,823	-580	-522	-10%	-86%
Provision for possible loan losses	-8,881	-6,598	-26%	-3,734	-1,019	-2,163	112%	-42%
Other provision	-161	2,105		-88	439	1,641	274%	
Main components of balance sheet closing balances in HUF mn	2014	2015	YTD	4Q 2014	3Q 2015	4Q 2015	Q-o-Q	Y-o-Y
Total assets	476,352	646,042	36%	476,352	632,832	646,042	2%	36%
Gross customer loans	428,995	546,148	27%	428,995	551,829	546,148	-1%	27%
Gross customer loans (FX-adjusted)	444,243	546,148	23%	444,243	549,105	546,148	-1%	23%
Retail loans	336,652	405,938	21%	336,652	401,981	405,938	1%	21%
Corporate loans	107,591	140,210	30%	107,591	147,125	140,210	-5%	30%
Allowances for possible loan losses	-61,538	-72,305	17%	-61,538	-70,639	-72,305	2%	17%
Allowances for possible loan losses (FX-adjusted)	-64,293	-72,305	12%	-64,293	-70,506	-72,305	3%	12%
Deposits from customers	222,126	334,346	51%	222,126	321,038	334,346	4%	51%
Deposits from customer (FX-adjusted)	221,146	334,346	51%	221,146	316,845	334,346	6%	51%
Retail deposits	180,040	257,480	43%	180,040	241,957	257,480	6%	43%
Corporate deposits	41,106	76,866	87%	41,106	74,888	76,866	3%	87%
Liabilities to credit institutions	209,315	201,187	-4%	209,315	246,192	201,187	-18%	-4%
Total shareholders' equity	34,980	46,667	33%	34,980	45,414	46,667	3%	33%
Loan Quality	2014	2015	Y-o-Y	4Q 2014	3Q 2015	4Q 2015	Q-o-Q	Y-o-Y
90+ days past due loan volume (in HUF million)	76,564	91,359	19%	76,564	90,779	91,359	1%	19%
90+ days past due loans/gross customer loans (%)	17.8%	16.7%	-1.1%p	17.8%	16.5%	16.7%	0.3%p	-1.1%p
Cost of risk/average gross loans (%)	2.12%	1.35%	-0.77%p	3.45%	0.72%	1.56%	0.84%p	-1.88%p
Cost of risk/average (FX-adjusted) gross loans (%)	1.98%	1.33%	-0.65%p	3.31%	0.73%	1.57%	0.84%p	-1.74%p
Total provisions/90+ days past due loans (%)	80.4%	79.1%	-1.2%p	80.4%	77.8%	79.1%	1.3%p	-1.2%p
Performance Indicators (%)	2014	2015	Y-o-Y	4Q 2014	3Q 2015	4Q 2015	Q-o-Q	Y-o-Y
ROA	0.2%	0.3%	0.1%p	-1.4%	0.9%	-0.6%	-1.5%p	0.8%p
ROE	2.4%	3.6%	1.2%p	-18.2%	11.4%	-8.8%	-20.2%p	9.4%p
Total income margin	5.06%	4.93%	-0.13%p	5.09%	4.53%	3.40%	-1.13%p	-1.70%p
Net interest margin	4.19%	4.08%	-0.11%p	4.14%	4.21%	3.25%	-0.96%p	-0.89%p
Cost/income ratio	58.1%	78.3%	20.2%p	63.7%	73.3%	108.6%	35.4%p	44.9%p
Net loans to deposits (FX-adjusted)	172%	142%	-30%p	172%	151%	142%	-9%p	-30%p
FX rates (in HUF)	2014	2015	Y-o-Y	4Q 2014	3Q 2015	4Q 2015	Q-o-Q	Y-o-Y
HUF/RON (closing)	70.2	69.2	-1%	70.2	70.9	69.2	-2%	-1%
HUF/RON (average)	69.5	69.7	0%	69.6	70.4	70.1	0%	1%

- ***With HUF 1 billion loss realized in 4Q, the adjusted 2015 earnings reached HUF 1.5 billion, almost twice as high as a year ago***
- ***The Romanian bank launched a conversion programme for its retail CHF mortgage borrowers in December 2015; the bank has already notified the eligible clients***
- ***Total risk costs halved y-o-y coupled with moderating DPD90+ ratio***
- ***The loan portfolio advanced by 23% y-o-y (FX-adjusted) supported by the acquisition; the net loan-to-deposit ratio shrunk further thanks to successful deposit collection***

On 30 July 2014 OTP Bank Romania agreed on purchasing 100% stake of Banca Millennium S.A. for EUR 39 million. The transaction was completed on 8 January 2015 and through the financial settlement OTP Bank Romania acquired 100% ownership in Banca Millennium. The Romanian P&L was adjusted for the items directly related to the acquisition; these corrections are shown on consolidated level among adjustment items.

Banca Millennium was consolidated in 1Q 2015.

Methodological note: in November 2015 a decision was taken about a conversion programme offered to retail CHF mortgage borrowers. The expected one-off negative impact of the programme was recognised in 3Q 2015. This item was eliminated from the Romanian results and was presented among the adjustment items on consolidated level.

OTP Bank Romania delivered HUF 1.5 billion profit after tax in 2015 (+94% y-o-y) including the result of Banca Millennium. In 4Q the bank posted HUF 1.0 billion loss.

The operating profit declined by 38% y-o-y as a result of higher revenues on one hand, but surging operational expenses on the other.

The higher full-year net interest income (+18% y-o-y) was shaped by several factors: on one hand the consolidation of Banca Millennium played a positive role. At the same time the lower interest spread offered for clients having floating rate CHF mortgage loans reduced the net interest income by almost HUF 0.6 billion in the first twelve months (of which HUF 120 million interest revenue was forgone in 4Q). At the same time, interest revenues on the FX loans were positively affected by the appreciating CHF against RON.

The 55% y-o-y increase in the full-year net fee and commission income was primarily due to the contribution of Banca Millennium.

The annual other net non-interest income was by 38% lower y-o-y.

In 4Q total income declined by 25% or HUF 1.85 billion q-o-q, of which HUF 0.8 billion contraction is explained by one-off negative items emerged in 4Q on the other net non-interest income line (asset write offs related to the branch closures in 4Q, real estate revaluation losses, negative results realized on real estate sales and write-down of one of the IT-systems). In the addition to this, HUF 0.9 billion q-o-q decline is due to items booked in relation to the restructuring and merger with Banca Millennium that reduced other revenues (these are altogether neutral on the after tax result, because these are offset on the provision for loan losses and other provisions line). Without these one-offs and items affecting the P&L structure the magnitude of quarterly decline of total income would have been only 2%. Furthermore, it is also important that the structure of total income is to a great extent affected by the quarterly volatility of intra-group swaps' results. In 4Q the net interest income decreased by 23% q-o-q, primarily related to the volatility of that part of the revaluation result of swaps which is recognized within net interest income. This item was largely offset on the other net non-interest income line. Starting from 1Q 2016 the two legs of the swap revaluation result will be netted out.

Operating expenses surged by 59% y-o-y as a result of the acquisition related costs (around HUF 2.1 billion in 2015) and the consolidation of the operating expenses of Banca Millennium. Out of 56 branches of Banca Millennium 14 branches were closed in 3Q and further 18 units in 4Q, thus the total number of branches in Romania increased by 24 units in the course of 2015. The q-o-q 11% increase of operating expenses in 4Q was mainly owing to the integration costs of Banca Millennium, parallel other provisions made earlier were released. That was the main reason behind the release of other risk costs in 2015.

The total risk costs in 2015 were by 50% lower than a year ago. The quarterly average of DPD90+ loan volume growth (adjusted for FX rate changes and sold and written off volumes) amounted to HUF 2.4 billion in 2015 versus HUF 1.5 billion in 2014 (1Q 2015: HUF 2.3 billion[7], 2Q: 2.4, 3Q 1.7, 4Q: 3.2). The deterioration of the mortgage portfolio decelerated in 2H 2015, whereas in 4Q 2015 new DPD90+ inflows were mainly coming from the SME and corporate segments. The DPD90+ ratio stood at to 16.7% (+0.3 ppt q-o-q), the 1.1 ppts y-o-y improvement was attributable to non-performing loan sales and write-offs (HUF 4.1 billion in 2015, of which HUF 3.1 billion in 4Q), but also to the composition effect of the lower DPD90+ ratio of Banca Millennium. In 4Q risk costs for possible loan losses more than doubled q-o-q, resulting in 1.3 ppts higher provision coverage ratio of DPD90+ loans (79.1%).

[7] Excluding the newly consolidated DPD90+ loan volumes of Banca Millennium in 1Q 2015.

The FX-adjusted gross loan portfolio declined by 1% q-o-q, but expanded by 23% y-o-y. Despite increasing competition cash loan disbursements grew by 6% y-o-y (but declined by 10% in 4Q q-o-q). Cash loan volumes, however dropped by 9% y-o-y. The meltdown of the mortgage portfolio continued in 4Q (-1% q-o-q), but as a result of better new disbursements (+77% y-o-y) and the positive impact of the acquisition overall volumes increased by 19% y-o-y on an FX-adjusted basis.

Quarterly corporate loan dynamics were affected by reclassifications, too: corporate exposures were shifted to the SME line within retail loans. Due to improving corporate loan disbursements the large corporate portfolio advanced by 30% y-o-y (FX-adjusted).

The total FX-adjusted deposit volumes in 4Q grew by 6% q-o-q and increased to more than one and a half times y-o-y. Household deposit interest rates continued to decline in line with overall market trends. The net loan-to-deposit ratio dropped to 142%.

According to the local regulation the Bank's standalone capital adequacy ratio stood at 14.2% at the end of December, implying a 1.5 ppts q-o-q improvement (-0.2 ppt y-o-y). During 4Q 2015 RON 296 million capital increase was completed, partially warranted by the transfer of exposures back to OTP Bank Romania S.A., but also the potential negative impact of the CHF mortgage conversion programme.

In the course of 4Q 2015 the Romanian Parliament voted on the amendment to the law on the foreclosure process, which would give more rights to non-performing mortgage borrowers compared to the effective regulation. The amendment would allow retail mortgage debtors to forego a real estate asset that is used as collateral for a mortgage, thus getting rid of the debt. The President did not sign the act and sent it back to the Parliament for reconsideration.

OTP BANKA HRVATSKA (CROATIA)

Performance of OTP banka Hrvatska:

Main components of P&L account in HUF mn	2014	2015	Y-o-Y	4Q 2014	3Q 2015	4Q 2015	Q-o-Q	Y-o-Y
After tax profit without the effect of adjustments	104	2,968		-360	1,120	527	-53%	-246%
Income tax	-524	1,256	-340%	-28	-6	-417		
Profit before income tax	628	1,711	173%	-332	1,126	944	-16%	-384%
Operating profit	7,528	10,844	44%	2,442	3,102	3,423	10%	40%
Total income	25,427	28,020	10%	6,432	7,556	7,291	-4%	13%
Net interest income	17,923	20,345	14%	4,821	5,152	5,220	1%	8%
Net fees and commissions	5,203	5,309	2%	1,403	1,434	1,407	-2%	0%
Other net non-interest income	2,300	2,367	3%	208	970	664	-32%	219%
Operating expenses	-17,899	-17,177	-4%	-3,989	-4,454	-3,868	-13%	-3%
Total provisions	-6,900	-9,132	32%	-2,774	-1,977	-2,479	25%	-11%
Provision for possible loan losses	-5,747	-6,813	19%	-1,943	-1,860	-1,326	-29%	-32%
Other provision	-1,153	-2,320	101%	-831	-116	-1,154	892%	39%
Main components of balance sheet closing balances in HUF mn	**2014**	**2015**	**YTD**	**4Q 2014**	**3Q 2015**	**4Q 2015**	**Q-o-Q**	**Y-o-Y**
Total assets	654,793	649,870	-1%	654,793	663,563	649,870	-2%	-1%
Gross customer loans	467,749	470,862	1%	467,749	467,229	470,862	1%	1%
Gross customer loans (FX-adjusted)	468,282	470,862	1%	468,282	467,746	470,862	1%	1%
Retail loans	299,589	300,541	0%	299,589	299,170	300,541	0%	0%
Corporate loans	168,418	170,160	1%	168,418	168,399	170,160	1%	1%
Car financing loans	274	161	-41%	274	178	161	-9%	-41%
Allowances for possible loan losses	-38,725	-43,905	13%	-38,725	-42,158	-43,905	4%	13%
Allowances for possible loan losses (FX-adjusted)	-38,745	-43,905	13%	-38,745	-42,255	-43,905	4%	13%
Deposits from customers	518,313	509,317	-2%	518,313	520,630	509,317	-2%	-2%
Deposits from customer (FX-adjusted)	521,794	509,317	-2%	521,794	522,600	509,317	-3%	-2%
Retail deposits	467,332	451,530	-3%	467,332	459,494	451,530	-2%	-3%
Corporate deposits	54,462	57,788	6%	54,462	63,107	57,788	-8%	6%
Liabilities to credit institutions	51,453	48,974	-5%	51,453	52,696	48,974	-7%	-5%
Total shareholders' equity	71,156	69,563	-2%	71,156	66,516	69,563	5%	-2%
Loan Quality	**2014**	**2015**	**Y-o-Y**	**4Q 2014**	**3Q 2015**	**4Q 2015**	**Q-o-Q**	**Y-o-Y**
90+ days past due loan volume (in HUF million)	62,222	61,906	-1%	62,222	62,365	61,906	-1%	-1%
90+ days past due loans/gross customer loans (%)	13.3%	13.1%	-0.2%p	13.3%	13.3%	13.1%	-0.2%p	-0.2%p
Cost of risk/average gross loans (%)	1.36%	1.45%	0.09%p	1.70%	1.57%	1.12%	-0.45%p	-0.58%p
Cost of risk/average (FX-adjusted) gross loans	1.32%	1.45%	0.13%p	1.69%	1.58%	1.12%	-0.46%p	-0.57%p
Total provisions/90+ days past due loans (%)	62.2%	70.9%	8.7%p	62.2%	67.6%	70.9%	3.3%p	8.7%p

Performance Indicators (%)	2014	2015	Y-o-Y	4Q 2014	3Q 2015	4Q 2015	Q-o-Q	Y-o-Y
ROA	0.0%	0.5%	0.4%p	-0.2%	0.7%	0.3%	-0.4%p	0.5%p
ROE	0.2%	4.2%	4.1%p	-2.0%	6.4%	3.1%	-3.3%p	5.1%p
Total income margin	4.26%	4.30%	0.03%p	3.86%	4.57%	4.40%	-0.16%p	0.54%p
Net interest margin	3.01%	3.12%	0.11%p	2.90%	3.11%	3.15%	0.04%p	0.26%p
Cost/income ratio	70.4%	61.3%	-9.1%p	62.0%	58.9%	53.0%	-5.9%p	-9.0%p
Net loans to deposits (FX-adjusted)	82%	84%	2%p	82%	81%	84%	2%p	2%p
FX rates (in HUF)	2014	2015	Y-o-Y	4Q 2014	3Q 2015	4Q 2015	Q-o-Q	Y-o-Y
HUF/HRK (closing)	41.1	41.0	0%	41.1	40.9	41.0	0%	0%
HUF/HRK (average)	40.4	40.7	1%	40.2	41.2	41.0	0%	2%

- ***HUF 3 billion 2015 adjusted after tax profit; in 4Q operating profit grew by 10% q-o-q, but profit after tax decreased q-o-q to HUF 527 million due to increasing risk cost***
- ***FX-adjusted gross loans grew by 1% y-o-y, mainly due to the increasing consumer loans and municipal exposure***
- ***The DPD90+ ratio slightly improved q-o-q, while the coverage increased to 70.9%***

Methodological note: on 18 September 2015 the Croatian Parliament adopted amendments to the Consumer Lending Act, which determined the conditions of the conversion of CHF denominated retail loans into EUR at an exchange rate valid at origination. The one-off negative impact due to the amendments of the Act has been eliminated from the Croatian P&L and is booked on consolidated level within adjustment items. Balance sheet data have not been adjusted.

OTP banka Hrvatska posted HUF 3 billion after tax profit in 2015 against HUF 0.1 billion profit in the base period. The annual profit improved considerably, even if adjusted for the one-off elements (in total HUF +400 million after tax)[8] occurred in 2Q 2015.

The y-o-y 44% higher 2015 operating profit was supported by increasing total income as well as contained operating expenses. In addition to the BPC consolidation a further boost was given to the growth of annual net interest income (+14%) by the reclassification of rental income from other income into interest income effective from 4Q 2014. Operating expenses dropped by 4% y-o-y. The number of employees decreased by 10% y-o-y. As a result of the acquisition the number of branches grew by 33 units in 2Q 2014, since then 25 branches have been closed down. The improving efficiency of the operation is signalled by the y-o-y 40 bps decrease of the cost to asset ratio, and the more than 9 ppts y-o-y improvement of cost-to-income ratio.

4Q operating profit expanded by 10% q-o-q. Net interest income improved due to the decreasing funding costs in the lower yield environment and owing to the shrinking deposit base. On the other hand, as a result of the seasonally decreasing net fees and commissions (-2% q-o-q) and lower net other non-interest income total income diminished by 4% q-o-q. This was counterbalanced by the q-o-q 13% drop of operating expenses mainly due to the savings in administrative expenditures.

The DPD90+ ratio (13.1%) improved by 0.2 ppt q-o-q, due to portfolio quality improvements in the corporate loan segment. In 4Q risk cost decreased by 29% q-o-q, but on yearly basis it went up by 19% in 2015. Coverage of DPD90+ loans increased by 3.3 ppts q-o-q and by 8.7 ppts y-o-y to 70.9%. In 2015 other risk cost doubled: mainly due to the HUF 1.2 billion other risk cost created in 4Q, most of which is related to litigations.

FX-adjusted gross loans increased by 1% both y-o-y and q-o-q. In both comparisons corporate loans demonstrated growth (1% both y-o-y and q-o-q). Retail loans were stable, and the focus of retail lending was gradually shifted towards consumer lending. In 2015 consumer loan disbursement increased by 39% y-o-y.

FX-adjusted total deposits eroded by 2% y-o-y and by 3% q-o-q. On the quarterly basis retail deposit base shrank by 2%, while the 8% drop in the corporate segment is reasoned by seasonality. As a result the net loan-to-deposit ratio increased by 2 ppts q-o-q to 84%.

In spite of the profitable operation, due to the expected losses in relation to the legislative changes affecting the CHF consumer loans the shareholder's equity decreased by 2% y-o-y. The capital adequacy ratio stood at 15.6% by end-4Q, it was stable q-o-q.

[8] In 2Q 2015 the after tax profit was positively affected by income tax refund, which was related to the tax was imposed on badwill of the Banco Popolare Croatia acquisition in 2Q 2014 (it was shown on consolidated level, among adjustments); furthermore, the Bank utilized the BPC's deferred tax of former years (these two items improved the profit by HUF +1.5 billion on the income tax line). Another item emerged on other risk cost line in relation to the provision on litigation of the Bank's predecessor in the amount of HUF 1.4 billion (the after tax effect was HUF -1.1 billion).

OTP BANKA SLOVENSKO (SLOVAKIA)

Performance of OTP Banka Slovensko*:

Main components of P&L account in HUF mn	14 2014	15 2015	Y-o-Y	4Q 2014	3Q 2015	4Q 2015	Q-o-Q	Y-o-Y
After tax profit without the effect of adjustments	32	924		-716	428	-199	-146%	-72%
Income tax	-334	-489	46%	27	-150	-109	-28%	-505%
Profit before income tax	366	1,413	286%	-743	578	-90	-116%	-88%
Operating profit	5,894	6,601	12%	1,418	1,893	1,517	-20%	7%
Total income	17,098	17,672	3%	4,321	4,470	4,538	2%	5%
Net interest income	14,207	14,568	3%	3,620	3,660	3,730	2%	3%
Net fees and commissions	3,000	3,386	13%	753	875	817	-7%	9%
Other net non-interest income	-108	-283	161%	-51	-65	-9	-87%	-83%
Operating expenses	-11,204	-11,071	-1%	-2,903	-2,578	-3,021	17%	4%
Total provisions	-5,528	-5,188	-6%	-2,161	-1,314	-1,607	22%	-26%
Provision for possible loan losses	-5,277	-5,144	-3%	-1,922	-1,307	-1,542	18%	-20%
Other provision	-251	-44	-83%	-239	-8	-66	748%	-72%
Main components of balance sheet closing balances in HUF mn	2014	15 2015	YTD	4Q 2014	3Q 2015	4Q 2015	Q-o-Q	Y-o-Y
Total assets	464,296	450,819	-3%	464,296	466,713	450,819	-3%	-3%
Gross customer loans	369,624	382,500	3%	369,624	377,012	382,500	1%	3%
Gross customer loans (FX-adjusted)	367,547	382,500	4%	367,547	376,772	382,500	2%	4%
Retail loans	296,434	315,316	6%	296,434	312,229	315,316	1%	6%
Corporate loans	70,834	67,042	-5%	70,834	64,375	67,042	4%	-5%
Car financing loans	279	142	-49%	279	167	142	-15%	-49%
Allowances for possible loan losses	-22,785	-22,702	0%	-22,785	-25,091	-22,702	-10%	0%
Allowances for possible loan losses (FX-adjusted)	-22,657	-22,702	0%	-22,657	-25,075	-22,702	-9%	0%
Deposits from customers	375,687	385,082	3%	375,687	397,357	385,082	-3%	3%
Deposits from customer (FX-adjusted)	374,238	385,082	3%	374,238	397,266	385,082	-3%	3%
Retail deposits	357,535	362,394	1%	357,535	354,796	362,394	2%	1%
Corporate deposits	16,703	22,688	36%	16,703	42,470	22,688	-47%	36%
Liabilities to credit institutions	18,135	11,113	-39%	18,135	10,271	11,113	8%	-39%
Issued securities	18,609	10,869	-41%	18,609	13,387	10,869	-19%	-41%
Subordinated debt	14,818	6,262	-58%	14,818	5,640	6,262	11%	-58%
Total shareholders' equity	29,787	30,430	2%	29,787	30,184	30,430	1%	2%
Loan Quality	14 2014	15 2015	Y-o-Y	4Q 2014	3Q 2015	4Q 2015	Q-o-Q	Y-o-Y
90+ days past due loan volume (in HUF million)	38,211	37,099	-3%	38,211	40,936	37,099	-9%	-3%
90+ days past due loans/gross customer loans (%)	10.3%	9.7%	-0.6%p	10.3%	10.9%	9.7%	-1.2%p	-0.6%p
Cost of risk/average gross loans (%)	1.49%	1.37%	-0.12%p	2.09%	1.38%	1.61%	0.23%p	-0.48%p
Cost of risk/average (FX-adjusted) gross loans	1.45%	1.37%	-0.08%p	2.08%	1.39%	1.61%	0.22%p	-0.47%p
Total provisions/90+ days past due loans (%)	59.6%	61.2%	1.6%p	59.6%	61.3%	61.2%	-0.1%p	1.6%p
Performance Indicators (%)	14 2014	15 2015	Y-o-Y	4Q 2014	3Q 2015	4Q 2015	Q-o-Q	Y-o-Y
ROA	0.0%	0.2%	0.2%p	-0.6%	0.4%	-0.2%	-0.5%p	0.4%p
ROE	0.1%	3.1%	3.0%p	-10.0%	5.6%	-2.6%	-8.2%p	7.4%p
Total income margin	3.84%	3.86%	0.02%p	3.69%	3.78%	3.92%	0.15%p	0.23%p
Net interest margin	3.19%	3.18%	-0.01%p	3.09%	3.09%	3.23%	0.13%p	0.13%p
Cost/income ratio	65.5%	62.6%	-2.9%p	67.2%	57.7%	66.6%	8.9%p	-0.6%p
Net loans to deposits (FX-adjusted)	92%	93%	1%p	92%	89%	93%	5%p	1%p
FX rates (in HUF)	14 2014	15 2015	Y-o-Y	4Q 2014	3Q 2015	4Q 2015	Q-o-Q	Y-o-Y
HUF/EUR (closing)	314.9	313.1	-1%	314.9	313.3	313.1	0%	-1%
HUF/EUR (average)	308.7	309.9	0%	308.5	311.9	312.6	0%	1%

* P&L lines and indicators are adjusted for banking tax, Deposit Protection Fund contributions and payment to the Resolution Fund.

- ***HUF 0,9 billion annual adjusted profit after tax; improving operating profit and moderating risk cost; 4Q loss is reasoned by q-o-q increasing operating expenses and risk costs***
- ***The FX-adjusted loan portfolio advanced by 4%, driven by the expansion of consumer and SME loans, the deposit base grew by 3% y-o-y***
- ***The DPD90+ loan book shrank by 3% y-o-y***

OTP Banka Slovensko reached HUF 924 million adjusted[9] after tax profit in 2015 versus HUF 32 million in 2014, supported by 12% improvement in operating profit and 6% decrease in risk cost. The Bank posted HUF 199 million loss in 4Q.

The annual operating profit increased due to the 3% growth in total income. The annual net interest income improved by 3% y-o-y as a result of the increasing SME loan volumes. The NIM remained stable (3.18%), supported by the decrease of the interest paid for deposits. The annual net fees and commissions income advanced by 13% y-o-y reasoned by the increase of early repayments and improved fee income related to deposits.

The evolution of annual operating expenses demonstrates effective cost control (-1%). The cost/income ratio improved by 2.9 ppts y-o-y to 62.6%

In 4Q operating expenses went up by 17% y-o-y as a result of the increase of personnel costs related to higher bonuses and the seasonal growth in marketing expenses.

The total risk cost dropped by 6% y-o-y in 2015.

The DPD90+ ratio moderated by 1.2 ppts to 9.7% q-o-q due to write-offs (-0.6 ppt y-o-y). In 2015 HUF 6 billion non-performing loan write-off was made, while in 4Q the amount of write-offs was around HUF 4 billion. The DPD90+ coverage (61.2%) improved by 1.6 ppts y-o-y and remained stable q-o-q.

The FX-adjusted loan book expanded by 4% y-o-y as a result of dynamic growth in retail loans (+6% y-o-y). The disbursement of consumer loans continued to show upward trend (annual disbursement grew by 10% y-o-y, but shrank by 4% q-o-q in 4Q. The corporate portfolio eroded by 5% y-o-y, however in 4Q the volume expanded by 4% q-o-q due to the disbursements of municipal loans.

Total deposits grew by 3% y-o-y and decreased by 3% q-o-q (FX-adjusted). The erosion of deposits in 4Q was a result of the 47% shrinkage in corporate volumes reasoned by a withdrawal of a large corporate deposit.

The volume of subordinated debt halved in 2015 compared to 2014 as EUR 29 million subordinated debt was repaid in 1H 2015. The CAR stood at 13.4% at the end of 2015.

[9] Adjustments include the elimination of banking tax, DPF contribution paid by OBS and payment to the Resolution Fund (HUF 819 million after tax in 2015, HUF 258 million after tax in 4Q); these items were booked as adjustments in the consolidated results.

OTP BANKA SRBIJA (SERBIA)

Performance of OTP banka Srbija:

Main components of P&L account in HUF mn	2014	2015	Y-o-Y	4Q 2014	3Q 2015	4Q 2015	Q-o-Q	Y-o-Y
After tax profit without the effect of adjustments	50	-385	-864%	-8	137	-759	-653%	
Income tax	4	9	121%	4	0	9	-100%	121%
Profit before income tax	46	-394	-950%	-12	137	-768	-660%	
Operating profit	1,360	1,292	-5%	540	240	492	105%	-9%
Total income	8,556	8,359	-2%	2,137	2,077	2,205	6%	3%
Net interest income	6,612	6,407	-3%	2,718	1,641	1,561	-5%	-43%
Net fees and commissions	1,851	1,747	-6%	496	403	487	21%	-2%
Other net non-interest income	92	206	122%	-1,077	33	157	381%	-115%
Operating expenses	-7,197	-7,067	-2%	-1,597	-1,837	-1,713	-7%	7%
Total provisions	-1,313	-1,686	28%	-552	-103	-1,260		128%
Provision for possible loan losses	-1,202	-922	-23%	-373	-34	-499		34%
Other provision	-111	-764	587%	-179	-69	-761		325%
Main components of balance sheet closing balances in HUF mn	**2014**	**2015**	**YTD**	**4Q 2014**	**3Q 2015**	**4Q 2015**	**Q-o-Q**	**Y-o-Y**
Total assets	109,509	119,224	9%	109,509	112,481	119,224	6%	9%
Gross customer loans	99,011	108,327	9%	99,011	103,977	108,327	4%	9%
Gross customer loans (FX-adjusted)	99,332	108,327	9%	99,332	103,338	108,327	5%	9%
Retail loans	44,940	46,170	3%	44,940	45,836	46,170	1%	3%
Corporate loans	54,392	62,157	14%	54,392	57,502	62,157	8%	14%
Allowances for possible loan losses	-33,010	-31,835	-4%	-33,010	-31,793	-31,835	0%	-4%
Allowances for possible loan losses (FX-adjusted)	-32,908	-31,835	-3%	-32,908	-31,439	-31,835	1%	-3%
Deposits from customers	66,934	73,385	10%	66,934	66,128	73,385	11%	10%
Deposits from customer (FX-adjusted)	66,686	73,385	10%	66,686	65,714	73,385	12%	10%
Retail deposits	43,693	44,999	3%	43,693	44,320	44,999	2%	3%
Corporate deposits	22,992	28,386	23%	22,992	21,394	28,386	33%	23%
Liabilities to credit institutions	6,206	10,234	65%	6,206	9,333	10,234	10%	65%
Subordinated debt	2,542	2,532	0%	2,542	2,532	2,532	0%	0%
Total shareholders' equity	30,197	29,377	-3%	30,197	30,609	29,377	-4%	-3%
Loan Quality	**2014**	**2015**	**Y-o-Y**	**4Q 2014**	**3Q 2015**	**4Q 2015**	**Q-o-Q**	**Y-o-Y**
90+ days past due loan volume (in HUF million)	43,355	42,519	-2%	43,355	44,161	42,519	-4%	-2%
90+ days past due loans/gross customer loans (%)	43.8%	39.3%	-4.5%p	43.8%	42.5%	39.3%	-3.2%p	-4.5%p
Cost of risk/average gross loans (%)	1.26%	0.89%	-0.37%p	1.52%	0.13%	1.86%	1.73%p	0.35%p
Cost of risk/average (FX-adjusted) gross loans	1.24%	0.89%	-0.35%p	1.51%	0.13%	1.87%	1.74%p	0.36%p
Total provisions/90+ days past due loans (%)	76.1%	74.9%	-1.3%p	76.1%	72.0%	74.9%	2.9%p	-1.3%p
Performance Indicators (%)	**2014**	**2015**	**Y-o-Y**	**4Q 2014**	**3Q 2015**	**4Q 2015**	**Q-o-Q**	**Y-o-Y**
ROA	0.1%	-0.3%	-0.4%p	0.0%	0.5%	-2.6%	-3.1%p	-2.6%p
ROE	0.2%	-1.3%	-1.5%p	-0.1%	1.8%	-10.0%	-11.8%p	-9.9%p
Total income margin	8.75%	7.31%	-1.44%p	8.23%	7.50%	7.55%	0.05%p	-0.68%p
Net interest margin	6.76%	5.60%	-1.16%p	10.47%	5.93%	5.34%	-0.58%p	-5.12%p
Cost/income ratio	84.1%	84.5%	0.4%p	74.7%	88.5%	77.7%	-10.8%p	3.0%p
Net loans to deposits (FX-adjusted)	100%	104%	5%p	100%	109%	104%	-5%p	5%p
FX rates (in HUF)	**2014**	**2015**	**Y-o-Y**	**4Q 2014**	**3Q 2015**	**4Q 2015**	**Q-o-Q**	**Y-o-Y**
HUF/RSD (closing)	2.6	2.6	-1%	2.6	2.6	2.6	-2%	-1%
HUF/RSD (average)	2.6	2.6	-2%	2.6	2.6	2.6	0%	1%

- ***HUF 385 million adjusted loss in 2015, due to growing risk cost in 4Q***
- ***The DPD90+ ratio improved by 3.2 ppts q-o-q in 4Q, the coverage reached 75%***
- ***The performing loan book expanded by 17% with the gross portfolio advancing by 9% y-o-y (FX-adjusted)***
- ***Due to the improving corporate lending activity and increasing deposits (+12% q-o-q) the net loan/deposit ratio stood at 104% at end-2015***

Methodological note: due to a series of decisions on FX mortgages made by the central bank on 24 February 2015 the bank suffered a loss of HUF 211 million in 2015. Those losses were taken out of the P&L of the Serbian subsidiary and were presented on consolidated level within adjustment items.

OTP banka Srbija posted HUF 385 million adjusted loss in 2015. After three profitable quarters the 4Q 2015 results turned into red (HUF -759 million), due to the hiking risk costs.

Operating profit in 2015 declined by 5% y-o-y, as a result of total income and operating expenses contracting by 2%. Net interest income declined by 3% y-o-y (-1% in local curreny terms), while net interest margin shrank by 120 bps y-o-y. In 4Q NII decreased by 5% q-o-q, mainly due to the higher interest expenses on the growing deposit base, and the lower interst income on loans on the back of base rate cuts. The y-o-y drop of NII is explained mainly by a base effect: as a one-timer, in 4Q 2014 HUF 1.1 billion was transferred from other net non-interest income line to net interest income. Net interest income dynamics for the whole year were not affected by the reclassification.

Net fees and commissions income in 2015 decreased by 6% y-o-y, while in 4Q it grew by 21% q-o-q. The latter is due to the cards related income growth and the decrease in collection related expenses.

2015 operating costs moderated by 2% y-o-y (+0.8% in local currency) mainly due to lower personnel expenses.

For the whole year provisions for possible loan losses dropped by 23% y-o-y, but due to the high other risk cost in 4Q related mostly to litigation, total risk cost increased by 28% on the yearly basis. The DPD90+ ratio decreased by 3.2 ppts q-o-q to 39.3%, owing to portfolio quality improvement. The 4.5 ppts y-o-y improvement of the ratio was positively affected by around HUF 2.2 billion non-performing loan write-offs during the last 12 months; also the settlement of FX mortgages resulted in lower delinquent volumes in 3Q. The coverage ratio of DPD90+ loans grew by 2.9 ppts q-o-q and reached 74.9% (-1.3 ppts y-o-y).

The FX-adjusted loan book expanded by 5% q-o-q and by 9% y-o-y respectively. The increase was mainly reasoned by the large corporate loan book expansion (+14% y-o-y), also retail consumer and mortgage lending gained momentum. Consumer loan portfolio grew by 2% q-o-q and by 7% y-o-y (FX-adjusted).

FX-adjusted deposits increased by 10% y-o-y and by 12% q-o-q mainly as a result of corporate deposit inflow (+33% q-o-q).

The capital adequacy ratio of the bank stood at 25.8% at the end of December (-1.9 ppts q-o-q).

CRNOGORSKA KOMERCIJALNA BANKA (MONTENEGRO)

Performance of CKB:

Main components of P&L account in HUF mn	1Ş 2014	1Ş 2015	Y-o-Y	4Q 2014	3Q 2015	4Q 2015	Q-o-Q	Y-o-Y
After tax profit w/o dividends and net cash transfer	391	909	132%	-854	652	-278	-143%	-67%
Income tax	19	1	-97%	8	0	1	-100%	-93%
Profit before income tax	372	909	144%	-862	652	-279	-143%	-68%
Operating profit	3,789	3,146	-17%	705	915	487	-47%	-31%
Total income	11,518	10,468	-9%	2,842	2,692	2,549	-5%	-10%
Net interest income	8,359	7,228	-14%	2,005	1,789	1,690	-6%	-16%
Net fees and commissions	2,877	2,996	4%	747	803	819	2%	10%
Other net non-interest income	282	244	-13%	91	101	40	-60%	-56%
Operating expenses	-7,729	-7,322	-5%	-2,137	-1,777	-2,061	16%	-4%
Total provisions	-3,417	-2,238	-35%	-1,567	-263	-766	191%	-51%
Provision for possible loan losses	-3,069	-2,266	-26%	-1,442	-402	-591	47%	-59%
Other provision	-348	28	-108%	-124	138	-175	-226%	40%
Main components of balance sheet closing balances in HUF mn	**2014**	**1Ş 2015**	**YTD**	**4Q 2014**	**3Q 2015**	**4Q 2015**	**Q-o-Q**	**Y-o-Y**
Total assets	195,770	199,800	2%	195,770	205,039	199,800	-3%	2%
Gross customer loans	158,297	149,775	-5%	158,297	152,127	149,775	-2%	-5%
Gross customer loans (FX-adjusted)	157,407	149,775	-5%	157,407	152,030	149,775	-1%	-5%
Retail loans	70,556	73,065	4%	70,556	73,582	73,065	-1%	4%
Corporate loans	86,851	76,710	-12%	86,851	78,448	76,710	-2%	-12%
Allowances for possible loan losses	-50,981	-52,991	4%	-50,981	-52,038	-52,991	2%	4%
Allowances for possible loan losses (FX-adjusted)	-50,695	-52,991	5%	-50,695	-52,005	-52,991	2%	5%
Deposits from customers	142,593	148,117	4%	142,593	152,166	148,117	-3%	4%
Deposits from customer (FX-adjusted)	142,446	148,117	4%	142,446	152,268	148,117	-3%	4%
Retail deposits	114,369	114,428	0%	114,369	114,897	114,428	0%	0%
Corporate deposits	28,077	33,690	20%	28,077	37,371	33,690	-10%	20%
Liabilities to credit institutions	19,990	21,829	9%	19,990	22,511	21,829	-3%	9%
Subordinated debt	2,219	0	-100%	2,219	0	0	-100%	-100%
Total shareholders' equity	22,840	23,091	1%	22,840	23,366	23,091	-1%	1%
Loan Quality	**1Ş 2014**	**1Ş 2015**	**Y-o-Y**	**4Q 2014**	**3Q 2015**	**4Q 2015**	**Q-o-Q**	**Y-o-Y**
90+ days past due loan volume (in HUF million)	62,808	63,881	2%	62,808	65,456	63,881	-2%	2%
90+ days past due loans/gross customer loans (%)	39.7%	42.7%	3.0%p	39.7%	43.0%	42.7%	-0.4%p	3.0%p
Cost of risk/average gross loans (%)	1.90%	1.47%	-0.43%p	3.57%	1.04%	1.55%	0.51%p	-2.02%p
Cost of risk/average (FX-adjusted) gross loans	1.86%	1.48%	-0.38%p	3.56%	1.05%	1.55%	0.51%p	-2.01%p
Total provisions/90+ days past due loans (%)	81.2%	83.0%	1.8%p	81.2%	79.5%	83.0%	3.5%p	1.8%p

Performance Indicators (%)	14 2014	15 2015	Y-o-Y	4Q 2014	3Q 2015	4Q 2015	Q-o-Q	Y-o-Y
ROA	0.2%	0.5%	0.3%p	-1.7%	1.3%	-0.5%	-1.8%p	1.2%p
ROE	1.8%	4.0%	2.2%p	-14.7%	11.2%	-4.7%	-16.0%p	9.9%p
Total income margin	5.88%	5.29%	-0.58%p	5.68%	5.36%	5.00%	-0.37%p	-0.68%p
Net interest margin	4.26%	3.65%	-0.61%p	4.00%	3.56%	3.31%	-0.25%p	-0.69%p
Cost/income ratio	67.1%	69.9%	2.8%p	75.2%	66.0%	80.9%	14.9%p	5.7%p
Net loans to deposits (FX-adjusted)	75%	65%	-10%p	75%	66%	65%	0%p	-10%p
FX rates (in HUF)	14 2014	15 2015	Y-o-Y	4Q 2014	3Q 2015	4Q 2015	Q-o-Q	Y-o-Y
HUF/EUR (closing)	314.9	313.1	-1%	314.9	313.3	313.1	0%	-1%
HUF/EUR (average)	308.7	309.9	0%	308.5	311.9	312.6	0%	1%

- ***Profit after tax reached HUF 0.9 billion in 2015***
- ***Annual operating costs decreased by 5%, while the net interest income dropped by 14% y-o-y***
- ***Risk costs declined by one third compared to the base period***
- ***The gross loan book shrank by 5% y-o-y, the deposit base increased by 4% y-o-y (FX- adjusted)***

The Montenegrin **CKB Bank** posted HUF 909 million after tax profit in 2015 (+132% y-o-y). The 4Q result went into the red (HUF -278 million) reasoned by further eroding net interest income, seasonality of operating expenses and higher risk costs.

The operating profit for 2015 decreased by 17% as a result of declining total income (-9% y-o-y) and diminishing operating expenses (-5% y-o-y). The interest expenses on customer deposits almost halved y-o-y as a consequence of lowered deposit rates aimed at reducing the excess liquidity of the Bank. At the same time as a result of moderating lending interest rates and shrinking performing loan book the 12M net interest income dropped by 14% y-o-y. In 4Q NII declined by 6% q-o-q. The net fee and commission income improved by 4% y-o-y. The yearly decline in operating expenses was mainly due to the rationalization of workforce in 2014 whilst the 16% q-o-q increase in operating expenses was reasoned mainly by seasonal effects.

In 2015 the total risk cost dropped by one third. The difference between the amount of other risk cost in 3Q and 4Q is reasoned by a base effect. (In 3Q significant provisions were released.) As a result the total risk cost tripled q-o-q.

The loan portfolio quality deteriorated somewhat, the DPD90+ ratio increased by 3 ppts y-o-y mainly due to a technical effect (the interest of retail loans transferred to the Factoring was added to the principal thus causing an increase in the volume of DPD90+ loans). Furthermore, continued contraction of the loan portfolio also shaped the development of DPD90+ ratio. The DPD90+ ratio decreased by 0.4 ppt q-o-q to 42.7%, mainly due to the improvement of the corporate loan portfolio. The FX-adjusted growth of DPD90+ loans (excluding the impact of loan sales and write-offs) was HUF -1.8 billion in 4Q and reached HUF 1.2 billion in full-year 2015. The coverage of the loans increased by 3.5 ppts q-o-q and reached 83%.

The FX-adjusted loan portfolio shrank by 5% y-o-y, reasoned mainly by the repayment of large scale corporate loans. On the opposite, the retail loan portfolio grew by 4% y-o-y (-1% q-o-q) mainly attributable to the improvement in consumer loan volumes.

The FX-adjusted deposit base grew by 4% y-o-y. The 3% volume drop in 4Q is attributable to seasonal effects. The net loan-to-deposit ratio sank to 65% (-10 ppts y-o-y, FX-adjusted).

The year-end capital adequacy ratio stood at 16.2% (+0.5 ppt y-o-y).

STAFF LEVEL AND OTHER INFORMATION

The closing staff number of OTP Group (including the number of employed selling agents) was 31,713 as of 31 December 2015. During the year the headcount decreased in Russia and the Ukraine, while increased in Romania due to the acquisition.

OTP Group provides services through 1,340 branches and more than 3,800 ATMs in 9 countries of the CEE-region. In Hungary, OTP Bank has an extensive distribution network, which includes 375 branches and 1,895 ATM terminals. The bank (Hungary) has more than 75 thousands POS terminals. The branch network significantly decreased in Russia and the Ukraine (-64 and -31 units y-o-y, respectively).

	31/12/2015				31/12/2014			
	Branches	ATM	POS	Headcount (closing)	Branches	ATM	POS	Headcount (closing)
OTP Core	375	1,895	55,288	8,142	380	1,976	52,336	8,244
DSK Group	383	874	5,207	4,502	385	883	4,936	4,527
OTP Bank Russia (w/o employed agents)	134	233	1,751	4,787	198	228	1,203	5,992
Touch Bank (Russia)	0	0	1,751	219	-	-	-	-
OTP Bank Ukraine (W/o employed agents)	85	105	315	2,146	116	133	317	3,004
OTP Bank Romania[1]	108	150	2,848	1,139	84	122	1,471	918
OTP banka Hrvatska	110	247	2,048	1,082	117	242	1,967	1,201
OTP Banka Slovenko	60	141	216	678	61	139	196	668
OTP banka Srbija	56	128	2,248	633	51	121	2,305	642
CKB	29	84	4,895	431	29	80	4,821	427
Foreign subsidiaries, total	**965**	**1,962**	**21,279**	**15,615**	**1,041**	**1,948**	**17,216**	**17,377**
Other Hungarian and foreign subsidiaries[2]				1,206				818
OTP Group (w/o employed agents)				**24,963**				**26,439**
OTP Bank Russia - employed agents				*6,328*				*7,722*
OTP Bank Ukraine - employed agents				*423*				*1,077*
OTP Group (aggregated)	**1,340**	**3,857**	**76,567**	**31,713**	**1,421**	**3,924**	**69,552**	**35,238**

[1] In Romania the expansion of sales network is explained by the acquisition of Banca Millennium.

[2] Due to the broadening of the data provider group members, the historical employee figures of the other Hungarian and foreign subsidiaries are not comparable.

PERSONAL AND ORGANIZATIONAL CHANGES

In 2015 there was no change in the composition of the Board of Directors, Supervisory Board, Audit Committee and the Auditor of the Bank.

On 9 November 2015 the Board of Directors of the Bank decided on recalling Mr. Miroslav Stanimirov Vichev from the deputy CEO position.

FINANCIAL DATA

SEPARATE AND CONSOLIDATED IFRS STATEMENT OF FINANCIAL POSITION

in HUF million	OTP Bank			Consolidated		
	31/12/2015	31/12/2014	change	31/12/2015	31/12/2014	change
Cash, amounts due from banks and balances with the National Bank of Hungary	1,326,197	1,897,778	-30%	1,878,961	2,307,633	-19%
Placements with other banks, net of allowance for placement losses	647,724	712,111	-9%	300,569	281,006	7%
Financial assets at fair value through profit or loss	252,140	351,752	-28%	253,782	289,276	-12%
Securities available-for-sale	1,462,660	1,215,907	20%	1,305,486	839,153	56%
Loans, net of allowance for loan losses	1,679,183	1,908,631	-12%	5,409,967	5,864,240	-8%
Investments in subsidiaries, associates and other investments	657,531	604,209	9%	10,028	23,381	-57%
Securities held-to-maturity	824,801	662,947	24%	926,677	709,369	31%
Property, equipments and intangible assets	98,173	104,205	-6%	349,469	365,161	-4%
Other assets	147,966	97,933	51%	283,909	291,835	-3%
TOTAL ASSETS	**7,096,376**	**7,555,472**	**-6%**	**10,718,848**	**10,971,052**	**-2%**
Amounts due to banks and Hungarian Government, deposits from the National Bank of Hungary and other banks	829,122	1,142,491	-27%	533,310	708,273	-25%
Deposits from customers	4,323,239	4,235,256	2%	7,984,579	7,673,479	4%
Liabilities from issued securities	150,231	162,666	-8%	239,376	267,084	-10%
Financial liabilities at fair value through profit or loss	144,592	375,363	-61%	101,561	183,994	-45%
Other liabilities	300,028	253,954	18%	391,579	592,088	-34%
Subordinated bonds and loans	266,063	294,612	-10%	234,784	281,968	-17%
TOTAL LIABILITIES	**6,013,275**	**6,464,341**	**-7%**	**9,485,189**	**9,706,886**	**-2%**
Share capital	28,000	28,000	0%	27,197	28,000	-3%
Retained earnings and reserves	1,014,610	1,144,673	-11%	1,198,248	1,390,744	-14%
Net earnings for the year	49,645	-74,469	-167%	63,583	-101,985	-162%
Treasury shares	-9,153	-7,073	29%	-58,021	-55,940	4%
Non-controlling interest	0	0		2,651	3,349	-21%
TOTAL SHAREHOLDERS' EQUITY	**1,083,101**	**1,091,130**	**-1%**	**1,233,659**	**1,264,166**	**-2%**
TOTAL LIABILTITIES AND SHAREHOLDERS' EQUITY	**7,096,376**	**7,555,472**	**-6%**	**10,718,848**	**10,971,052**	**-2%**

SEPARATE AND CONSOLIDATED IFRS STATEMENT OF RECOGNIZED INCOME

in HUF million	OTP Bank			Consolidated		
	2015	2014	change	2015	2014	change
Loans	129,576	162,533	-20%	575,619	708,873	-19%
Placements with other banks	151,938	128,444	18%	114,024	94,942	20%
Amounts due from banks and balances with the National Banks	26,574	15,556	71%	27,495	16,498	67%
Securities held for trading	0	0		0	0	
Securities available-for-sale	50,656	72,056	-30%	31,063	41,969	-26%
Securities held-to-maturity	39,973	36,518	9%	46,619	39,934	17%
Other interest income	0	0		7,607	7,015	8%
Interest income	*398,716*	*415,106*	*-4%*	*802,428*	*909,231*	*-12%*
Amounts due to banks, the Hungarian Government, deposits from the National Banks and other banks	-152,613	-127,808	19%	-116,713	-100,615	16%
Deposits from customers	-29,744	-52,545	-43%	-108,023	-138,179	-22%
Liabilities from issued securities	-2,091	-4,206	-50%	-6,786	-13,826	-51%
Subordinated bonds and loans	-16,686	-16,825	-1%	-13,633	-13,883	-2%
Other interest expense	0	0		-6,844	-6,629	3%
Interest expense	*-201,134*	*-201,384*	*0%*	*-251,998*	*-273,133*	*-8%*
Net interest income	**197,582**	**213,722**	**-8%**	**550,430**	**636,099**	**-13%**
Provision for impairment on loans	-39,544	-23,209	70%	-318,689	-446,820	-29%
Provision for impairment on placement losses	-3	-4	-36%	6	-10	-166%
Provision for impairment on loans and placement losses	-39,547	-23,213	70%	-318,683	-446,830	-29%
NET INRETEST INCOME AFTER PROVISION FOR IMPAIRMENT ON LOAN AND PLACEMENT LOSSES	158,035	190,509	-17%	231,747	189,269	22%
Income from fees and commissions	186,030	169,042	10%	257,431	265,392	-3%
Expense from fees and commissions	-24,304	-22,495	8%	-43,559	-49,737	-12%
NET PROFIT FROM FEES AND COMMISSIONS	161,726	146,547	10%	213,872	215,656	-1%
Foreign exchange gains, net (-)/(+)	15,158	20,581	-26%	116,682	156,918	-26%
Gains / (losses) on securities, net	24,461	8,752	179%	11,616	6,911	68%
Gains on real estate transactions	190	87	118%	1,725	734	135%
Dividend income	58,597	42,795	37%	3,345	4,824	-31%
Other operating income	8,582	3,207	168%	21,248	13,645	56%
Other operating expense	-131,180	-285,882	-54%	-74,695	-232,906	-68%
NET OPERATING RESULT	-24,191	-210,460	-89%	79,922	-49,874	-260%
Personnel expenses	-86,770	-87,459	-1%	-187,806	-206,335	-9%
Depreciation and amortization	-21,356	-22,177	-4%	-45,463	-65,946	-31%
Other administrative expenses	-141,090	-134,792	5%	-232,248	-236,411	-2%
OTHER ADMINISTRATIVE EXPENSES	-249,216	-244,428	2%	-465,517	-508,693	-8%
PROFIT BEFORE INCOME TAX	**46,354**	**-117,832**	**-139%**	**60,024**	**-153,643**	**-139%**
Income tax	3,291	43,363	-92%	3,148	51,385	-94%
NET PROFIT FOR THE PERIODS	**49,645**	**-74,469**	**-167%**	**63,171**	**-102,258**	**-162%**
From this, attributable to non-controlling interest	0	0		412	273	51%
NET PROFIT FOR THE PERIODS ATTRIBUTABLE OWNERS OF THE COMPANY	**49,645**	**-74,469**	**-167%**	**63,583**	**-101,985**	**-162%**

SEPARATE AND CONSOLIDATED IFRS STATEMENT OF CASH FLOWS

in HUF million	OTP Bank			Consolidated		
	31/12/2015	31/12/2014	change	31/12/2015	31/12/2014	change
OPERATING ACTIVITIES						
Profit before income tax	46,354	-117,833	-139%	60,024	-153,643	-139%
Adjustments to reconcile income before income taxes to net cash provided by operating activities						
Income tax paid	-3,823	-2,864	33%	-14,676	-20,571	-29%
Goodwill impairment	0	0	0%	0	22,225	-100%
Depreciation and amortization	21,355	22,177	-4%	45,463	43,722	4%
Provision for impairment / Release of provision	84,974	295,389	-71%	180,579	653,407	-72%
Share-based payment	3,810	4,393	-13%	3,810	4,393	-13%
Unrealized (losses) / gains on fair value adjustment of securities held for trading	-12,096	-2,903	0%	-12,098	-2,907	0%
Unrealized losses on fair value adjustment of derivative financial instruments	-13,701	5,401	-354%	7,793	-33,140	-124%
Changes in operating assets and liabilities	161,938	849,099	-81%	218,653	905,295	-76%
Net cash provided by operating activities	**288,811**	**1,052,859**	**-73%**	**489,548**	**1,418,781**	**-65%**
INVESTING ACTIVITIES						
Net cash used in investing activities	**-404,620**	**453,140**	**-189%**	**-717,172**	**705,051**	**-202%**
FINANCING ACTIVITIES						
Net cash used in financing activities	**-408,060**	**193,893**	**-310%**	**-348,408**	**-396,455**	**-12%**
Net increase in cash and cash equivalents	**-523,869**	**1,699,892**	**-131%**	**-576,032**	**1,727,377**	**-133%**
Cash and cash equivalents at the beginning of the period	1,762,727	62,835	0%	2,003,324	275,947	626%
Cash and cash equivalents at the end of the period	**1,238,858**	**1,762,727**	**-30%**	**1,427,292**	**2,003,324**	**-29%**
Analysis of cash and cash equivalents						
Cash, amounts due from banks and balances with the National Banks	1,897,778	140,521		2,307,632	539,125	328%
Compulsory reserve established by the National Banks	-135,051	-77,686	74%	-304,308	-263,178	16%
Cash and cash equivalents at the beginning of the period	**1,762,727**	**62,835**	**0%**	**2,003,324**	**275,947**	**626%**
Cash, amounts due from banks and balances with the National Banks	1,326,197	1,897,778	-30%	1,878,960	2,307,632	-19%
Compulsory reserve established by the National Banks	-87,339	-135,051	-35%	-451,668	-304,308	48%
Cash and cash equivalents at the end of the period	**1,238,858**	**1,762,727**	**-30%**	**1,427,292**	**2,003,324**	**-29%**

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY (IFRS)

in HUF million	Share capital	Capital reserve	Share based payment reserve	Retained earnings and reserves	Put option reserves	Treasury shares	Non-controlling interest	Total
Balance as at 1 January 2014	**28,000**	**52**	**16,504**	**1,571,076**	**-55,468**	**-55,599**	**4,767**	**1,509,332**
Net profit for the year	--	--	--	-101,985		--	-273	-102,258
Other comprehensive income				-97,881			-1,145	-99,026
Share-based payment	--	--	4,393			--	--	4,393
Treasury shares								
Dividend for the year 2013	--	--	--	-40,600		--	--	-40,600
Put option								
Treasury shares								
– sale						27,180		27,180
– loss on sale				-3,908				-3,908
– volume change						-27,521		-27,521
Payment to ICES holders				-3,426				-3,426
Non-controlling interest buy-out								
Balance as at 31 December 2014	**28,000**	**52**	**20,897**	**1,323,276**	**-55,468**	**-55,940**	**3,349**	**1,264,166**

in HUF million	Share capital	Capital reserve	Share based payment reserve	Retained earnings and reserves	Put option reserves	Treasury shares	Non-controlling interest	Total
Balance as at 1 January 2015	**28,000**	**52**	**20,897**	**1,323,277**	**-55,468**	**-55,941**	**3,349**	**1,264,166**
Net profit for the year	--	--	--	63,583		--	-412	63,171
Other comprehensive income				-44,001			-286	-44,287
Share-based payment	--	--	3,810			--	--	3,810
Treasury shares								
Dividend for the year 2012	--	--	--	-40,600		--	--	-40,600
Put option								
Treasury shares								
– sale						24,641		24,641
– loss on sale				-7,372				-7,372
– volume change						-26,721		-26,721
Payment to ICES holders				-3,149				-3,149
Balance as at 31 December 2015	**28,000**	**52**	**24,707**	**1,291,738**	**-55,468**	**-58,021**	**2,651**	**1,233,659**

Ownership structure of OTP Bank Plc.

as at 31 December 2015

Description of owner	Total equity					
	1 January 2015			31 December 2015		
	%[1]	%[2]	Qty	%[1]	%[2]	Qty
Domestic institution/company	21.00%	21.28%	58,793,762	20.31%	20.58%	56,865,293
Foreign institution/company	57.41%	58.18%	160,738,598	63.77%	64.62%	178,546,741
Domestic individual	9.69%	9.82%	27,132,701	5.95%	6.03%	16,656,480
Foreign individual	0.59%	0.59%	1,639,105	0.43%	0.44%	1,215,093
Employees, senior officers	1.30%	1.32%	3,635,140	1.37%	1.38%	3,825,466
Treasury shares	1.32%	0.00%	3,699,724	1.31%	0.00%	3,677,506
Government held owner[3]	5.12%	5.19%	14,329,759	0.09%	0.09%	238,312
International Development Institutions[4]	0.00%	0.00%	0	0.01%	0.01%	38,242
Other[5]	3.58%	3.63%	10,031,221	6.76%	6.85%	18,936,877
TOTAL	**100.00%**	**100.00%**	**280,000,010**	**100.00%**	**100.00%**	**280,000,010**

[1] Voting rights
[2] Beneficial ownership
[3] E.g.: State Privatization Holding Co. Ltd., Social Security, Municipality, 100% state-owned companies, Pension Reform and Debt Reduction Fund etc.
[4] E.g.: EBRD, EIB, IBRD etc.
[5] Non-identified shareholders according to the shareholders' registry.

Number of treasury shares held in the year under review (2015)

	1 January	31 March	30 June	30 September	31 December
Company	1,626,164	1,687,245	1,750,151	1,680,507	1,603,946
Subsidiaries	2,073,560	2,073,560	2,073,560	2,073,560	2,073,560
TOTAL	3,699,724	3,760,805	3,823,711	3,754,067	3,677,506

Shareholders with over/around 5% stake as at 30 September 2015

Name	Number of shares	Voting rights	Beneficial ownership
Megdet, Timur and Ruszlan Rahimkulov	24,768,995	8.85%	8.96%
MOL (Hungarian Oil and Gas Company Plc.)	24,000,000	8.57%	8.69%
Groupama Group	22,840,768	8.16%	8.27%

Senior officers, strategic employees and their shareholding of OTP shares as at 31 December 2015

Type[1]	Name	Position	No. of shares held
IT	Dr. Sándor Csányi [2]	Chairman and CEO	280,912
IT	Mihály Baumstark	member	35,200
IT	Dr. Tibor Bíró	member	32,456
IT	Péter Braun	member	308,105
IT	Tamás Erdei	member	25,639
IT	Dr. István Gresa	member, Deputy CEO	49,454
IT	Zsolt Hernádi[3]	member	28,074
IT	Dr. István Kocsis[4]	member	3,635
IT	Dr. Antal Pongrácz	Deputy Chairman, Deputy CEO	48,267
IT	Dr. László Utassy	member	307,343
IT	Dr. József Vörös	member	148,514
FB	Tibor Tolnay	Chairman	54
FB	Dr. Gábor Horváth	member	0
FB	Antal Kovács	member, Deputy CEO	42,788
FB	András Michnai	member	10,962
FB	Dominique Uzel	member	0
FB	Dr. Márton Gellért Vági	member	0
SP	László Bencsik	Chief Financial and Strategic Officer, Deputy CEO	23,709
SP	Miroslav Stanimirov Vichev[5]	Deputy CEO	0
SP	László Wolf	Deputy CEO	571,609
TOTAL No. of shares held by management:			**1,916,721**

[1] Employee in strategic position (SP), Board Member (IT), Supervisory Board Member (FB)
[2] Number of OTP shares owned by Mr Csányi directly or indirectly: 780,912
[3] Membership under suspended since 3 April 2014
[4] Membership under suspended since 3 October 2012
[5] From the date of 9 November 2015 recalled from the deputy CEO position

OFF-BALANCE SHEET ITEMS ACCORDING TO IFRS (consolidated, in HUF million) [1]

a) Contingent liabilities

	31/12/2015	31/12/2014
Commitments to extend credit	1,166,386	999,732
Guarantees arising from banking activities	374,422	368,670
Confirmed letters of credit	18,237	25,580
Legal disputes (disputed value)	54,732	71,808
Contingent liabilities related to OTP Mortgage Bank	-	-
Other	283,819	363,383
Total:	**1,897,596**	**1,829,173**

[1] Those financial undertakings, which are important from valuation perspectives however not booked within the balance sheet (such as surety, guarantees, pledge related obligations, etc.)

Changes in the headcount (number of persons) employed by the Bank and the subsidiaries

	End of reference period	Current period opening	Current period closing
Bank	7,706	7,706	7,588
Consolidated	35,238	35,238	31,713

SECURITY ISSUANCES ON GROUP LEVEL IN 2015

Issuer	Type of security	Security name	Date of issue	Date of maturity	Ccy	Outstanding consolidated debt (in original currency or HUF million) 31/12/2015	Outstanding consolidated debt (in HUF million) 31/12/2015
OTP Bank Plc	Retail bond	OTP EUR 1 2015/XXVI	09/01/2015	23/01/2016	EUR	4,231,900	1,325
OTP Bank Plc	Retail bond	OTP EUR 1 2016/I	30/01/2015	13/02/2016	EUR	9,928,400	3,109
OTP Bank Plc	Retail bond	OTP EUR 1 2016/II	20/02/2015	06/03/2016	EUR	8,271,500	2,590
OTP Bank Plc	Retail bond	OTP EUR 1 2016/III	20/03/2015	03/04/2016	EUR	12,941,800	4,052
OTP Bank Plc	Retail bond	OTP_VK_USD_2_2017/I	10/04/2015	10/04/2017	USD	331,400	95
OTP Bank Plc	Retail bond	OTP EUR 1 2016/IV	10/04/2015	24/04/2016	EUR	7,143,100	2,237
OTP Bank Plc	Retail bond	OTP EUR 1 2016/V	24/04/2015	08/05/2016	EUR	3,580,400	1,121
OTP Bank Plc	Retail bond	OTP_VK_USD_1_2016/I	24/04/2015	24/04/2016	USD	3,270,300	937
OTP Bank Plc	Retail bond	OTP EUR 1 2016/VI	29/05/2015	12/06/2016	EUR	10,189,100	3,190
OTP Bank Plc	Retail bond	OTP EUR 1 2016/VII	30/06/2015	14/07/2016	EUR	10,059,600	3,150
OTP Bank Plc	Retail bond	OTP EUR 1 2016/VIII	24/07/2015	07/08/2016	EUR	6,128,400	1,919
OTP Bank Plc	Retail bond	OTP_VK_USD_1_2016/II	24/07/2015	24/07/2016	USD	870,000	249
OTP Bank Plc	Retail bond	OTP_VK_USD_1_2016/III	25/09/2015	25/09/2016	USD	7,612,300	2,182
OTP Bank Plc	Retail bond	OTP EUR 1 2016/IX	25/09/2015	09/10/2016	EUR	21,338,300	6,681
OTP Bank Plc	Retail bond	OTP EUR 1 2016/X	30/10/2015	13/11/2016	EUR	14,903,900	4,667
OTP Bank Plc	Retail bond	OTP EUR 1 2016/XI	11/11/2015	25/11/2016	EUR	8,853,400	2,772
OTP Bank Plc	Retail bond	OTP EUR 1 2016/XIII	27/11/2015	11/12/2016	EUR	6,026,100	1,887
OTP Bank Plc	Retail bond	OTP EUR 1 2016/XIII	30/12/2015	13/01/2017	EUR	26,085,500	8,168
OTP Mortgage Bank	Mortgage bond	OMB2017_I	29/01/2015	28/07/2017	EUR	0	0
OTP Banka Slovensko	Mortgage bond	OTP XXVI.	30/03/2015	29/03/2016	EUR	0	0
OTP Banka Slovensko	Mortgage bond	OTP XXVII	17/12/2015	16/12/2016	EUR	0	0

SECURITY REDEMPTIONS ON GROUP LEVEL IN 2015

Issuer	Type of security	Security name	Date of issue	Date of maturity	Ccy	Outstanding consolidated debt (in original currency or HUF million) 31/12/2014	Outstanding consolidated debt (in HUF million) 31/12/2014
OTP Bank Plc	Retail bond	OTP EK 2015/I	29/07/2013	29/01/2015	HUF	5,467	5,467
OTP Bank Plc	Retail bond	OTP TBSZ2015/I	26/02/2010	30/12/2015	HUF	5,438	5,438
OTP Bank Plc	Corporate bond	OTP 2015/Ax	25/03/2010	30/03/2015	HUF	4,429	4,429
OTP Bank Plc	Corporate bond	OTP 2015/Bx	28/06/2010	09/07/2015	HUF	4,060	4,060
OTP Bank Plc	Retail bond	OTP DNT HUF 150107	30/06/2014	07/01/2015	HUF	615	615
OTP Bank Plc	Retail bond	OTP TBSZ 4 2015/I	13/01/2012	15/12/2015	HUF	471	471
OTP Bank Plc	Corporate bond	OTP 2015/Dx	22/03/2012	23/03/2015	HUF	385	385
OTP Bank Plc	Corporate bond	OTP 2015/Ex	18/07/2012	20/07/2015	HUF	376	376
OTP Bank Plc	Corporate bond	OTP 2015/Hx	28/12/2012	27/12/2015	HUF	170	170
OTP Bank Plc	Retail bond	OTP TBSZ 4 2015/II	21/12/2012	15/12/2015	HUF	48	48
OTP Bank Plc	Corporate bond	OTP LT2 2015	04/03/2005	04/03/2015	EUR	93,450,000	29,261
OTP Bank Plc	Retail bond	OTP EUR 1 2015/XX	03/10/2014	17/10/2015	EUR	13,236,900	4,168
OTP Bank Plc	Retail bond	OTP EUR 1 2015/XVIII	29/08/2014	12/09/2015	EUR	10,494,900	3,305
OTP Bank Plc	Retail bond	OTP EUR 1 2015/XXI	22/10/2014	05/11/2015	EUR	8,442,700	2,659
OTP Bank Plc	Retail bond	OTP EUR 1 2015/I	20/12/2013	10/01/2015	EUR	6,932,300	2,183
OTP Bank Plc	Retail bond	OTP EUR 1 2015/XXIII	14/11/2014	28/11/2015	EUR	5,522,300	1,739
OTP Bank Plc	Retail bond	OTP EUR 1 2015/XIX	12/09/2014	26/09/2015	EUR	5,450,100	1,716
OTP Bank Plc	Retail bond	OTP EUR 1 2015/XXIV	28/11/2014	12/12/2015	EUR	5,192,000	1,635
OTP Bank Plc	Retail bond	OTP EUR 1 2015/II	17/01/2014	31/01/2015	EUR	4,894,100	1,541
OTP Bank Plc	Retail bond	OTP EUR 1 2015/XI	23/05/2014	06/06/2015	EUR	4,586,200	1,444
OTP Bank Plc	Retail bond	OTP EUR 1 2015/III	31/01/2014	14/02/2015	EUR	4,395,300	1,384
OTP Bank Plc	Retail bond	OTP EUR 1 2015/VIII	11/04/2014	25/04/2015	EUR	4,343,900	1,368
OTP Bank Plc	Retail bond	OTP EUR 1 2015/IV	14/02/2014	28/02/2015	EUR	4,069,200	1,281
OTP Bank Plc	Retail bond	OTP EUR 1 2015/VI	14/03/2014	28/03/2015	EUR	3,969,800	1,250
OTP Bank Plc	Retail bond	OTP EUR 1 2015/X	09/05/2014	23/05/2015	EUR	3,849,700	1,212
OTP Bank Plc	Retail bond	OTP EUR 1 2015/XVI	30/07/2014	13/08/2015	EUR	3,795,700	1,195
OTP Bank Plc	Retail bond	OTP EUR 1 2015/V	28/02/2014	14/03/2015	EUR	3,410,500	1,074
OTP Bank Plc	Retail bond	OTP EUR 1 2015/XVII	08/08/2014	22/08/2015	EUR	3,240,600	1,020
OTP Bank Plc	Retail bond	OTP EUR 1 2015/XXII	31/10/2014	14/11/2015	EUR	3,124,700	984
OTP Bank Plc	Retail bond	OTP EUR 1 2015/XII	06/06/2014	20/06/2015	EUR	2,753,300	867
OTP Bank Plc	Retail bond	OTP EUR 1 2015/XIV	04/07/2014	18/07/2015	EUR	2,665,300	839
OTP Bank Plc	Retail bond	OTP EUR 2 2015/XXI	31/10/2013	31/10/2015	EUR	2,324,600	732
OTP Bank Plc	Retail bond	OTP EUR 1 2015/XIII	20/06/2014	04/07/2015	EUR	2,283,500	719
OTP Bank Plc	Corporate bond	OTP 2015/Fx	21/12/2012	16/11/2015	EUR	2,073,900	653
OTP Bank Plc	Retail bond	OTP EUR 1 2015/XV	18/07/2014	01/08/2015	EUR	1,776,900	560
OTP Bank Plc	Retail bond	OTP EUR 2 2015/XXIV	20/12/2013	20/12/2015	EUR	1,549,200	488
OTP Bank Plc	Retail bond	OTP EUR 2 2015/XXIII	29/11/2013	29/11/2015	EUR	1,264,900	398
OTP Bank Plc	Retail bond	OTP EUR 2 2015/XXII	15/11/2013	15/11/2015	EUR	1,156,800	364
OTP Bank Plc	Retail bond	OTP EUR 1 2015/IX	18/04/2014	02/05/2015	EUR	1,000,200	315
OTP Bank Plc	Corporate bond	OTP 2015/Cx	22/12/2010	29/12/2015	EUR	846,700	267
OTP Bank Plc	Retail bond	OTP EUR 1 2015/VII	21/03/2014	04/04/2015	EUR	836,200	263
OTP Bank Plc	Retail bond	OTP EUR 2 2015/XVI	16/08/2013	16/08/2015	EUR	780,400	246
OTP Bank Plc	Retail bond	OTP EUR 2 2015/IX	10/05/2013	10/05/2015	EUR	729,500	230
OTP Bank Plc	Retail bond	OTP EUR 2 2015/XVIII	13/09/2013	13/09/2015	EUR	641,700	202
OTP Bank Plc	Retail bond	OTP EUR 2 2015/XV	26/07/2013	26/07/2015	EUR	630,100	198
OTP Bank Plc	Retail bond	OTP EUR 2 2015/XIX	27/09/2013	27/09/2015	EUR	505,700	159
OTP Bank Plc	Retail bond	OTP EUR 2 2015/XVII	30/08/2013	30/08/2015	EUR	422,900	133
OTP Bank Plc	Retail bond	OTP EUR 2 2015/XI	07/06/2013	07/06/2015	EUR	390,300	123
OTP Bank Plc	Retail bond	OTP EUR 2 2015/X	24/05/2013	24/05/2015	EUR	355,700	112
OTP Bank Plc	Retail bond	OTP EUR 2 2015/VII	05/04/2013	05/04/2015	EUR	313,700	99
OTP Bank Plc	Retail bond	OTP EUR 2 2015/XX	11/10/2013	11/10/2015	EUR	299,300	94
OTP Bank Plc	Retail bond	OTP EUR 2 2015/VIII	19/04/2013	19/04/2015	EUR	297,400	94
OTP Bank Plc	Retail bond	OTP EUR 2 2015/XIII	28/06/2013	28/06/2015	EUR	274,200	86
OTP Bank Plc	Retail bond	OTP EUR 2 2015/V	01/03/2013	01/03/2015	EUR	263,100	83
OTP Bank Plc	Retail bond	OTP EUR 2 2015/XII	21/06/2013	21/06/2015	EUR	210,600	66
OTP Bank Plc	Retail bond	OTP EUR 2 2015/VI	22/03/2013	22/03/2015	EUR	197,600	62
OTP Bank Plc	Retail bond	OTP EUR 2 2015/II	25/01/2013	25/01/2015	EUR	165,200	52
OTP Bank Plc	Retail bond	OTP EUR 2 2015/I	11/01/2013	11/01/2015	EUR	160,900	51
OTP Bank Plc	Retail bond	OTP EUR 2 2015/III	01/02/2013	01/02/2015	EUR	158,100	50
OTP Bank Plc	Retail bond	OTP EUR 2 2015/IV	15/02/2013	15/02/2015	EUR	146,600	46
OTP Bank Plc	Retail bond	OTP EUR 2 2015/XIV	12/07/2013	12/07/2015	EUR	123,900	39
OTP Mortgage Bank	Mortgage bond	OJB2015_I	10/06/2005	10/06/2015	HUF	3,218	3,218
OTP Mortgage Bank	Mortgage bond	OJB2015_II	17/05/2012	17/05/2015	HUF	0	0
OTP Mortgage Bank	Mortgage bond	OJB2015_J	28/01/2005	28/01/2015	HUF	7	7
OTP Mortgage Bank	Mortgage bond	OMB2015_I	30/08/2012	06/03/2015	EUR	5,000,000	1,574
OTP Banka Slovensko	Mortgage bond	OTP VII.	21/12/2005	21/12/2015	EUR	22,472,284	7,076
OTP Banka Slovensko	Mortgage bond	OTP XX.	30/03/2010	30/03/2015	EUR	0	0
OTP Bank Russia	Corporate bond	OTPRU 15/03	06/03/2012	03/03/2015	RUR	299,706,000	1,334

RELATED-PARTY TRANSACTIONS

The compensation of key management personnel, such as the members of the Board of Directors, members of the Supervisory Board, key employees of the Bank and its major subsidiaries involved in the decision-making process in accordance with the compensation categories defined in IAS 24 Related party disclosures, is summarised below.

Compensations (in HUF million)	9M 2014	9M 2015	Y-o-Y	3Q 2014	2Q 2015	3Q 2015	Q-o-Q	Y-o-Y
Total	12,184	9,077	-26%	3,696	2,557	1,587	-38%	-57%
Short-term employee benefits	8,373	6,227	-26%	2,534	1,883	864	-54%	-66%
Share-based payment	2,937	2,276	-23%	878	569	569	0%	-35%
Other long-term employee benefits	739	532	-28%	254	105	133	27%	-48%
Termination benefits	135	42	-69%	30	0	21		-30%
Redundancy payments								
Loans provided to companies owned by members of the management[1] or their family members (normal course of business)	13.357	25.734	93%	13.357	18.161	25.734	42%	93%
Credit lines of the members of Board of Directors and the Supervisory Board and their close family members (at normal market conditions)	334	340	2%	334	310	340	10%	2%
Commitments to extend credit and guarantees	15.690	33.943	116%	15.690	15.921	33.943	113%	116%
Loans provided to unconsolidated subsidiaries	1.304	1.790	37%	1.304	2.038	1.790	-12%	37%

[1] Members of the Board of Directors and the Supervisory Board, senior officers and the auditor of the company

SUPPLEMENTARY DATA

FOOTNOTES OF THE TABLE 'CONSOLIDATED AFTER TAX PROFIT BREAKDOWN BY SUBSIDIARIES (IFRS)

General note: regarding OTP Core and other subsidiaries, profit after tax is calculated without received dividends and net cash transfers. Dividends and net cash transfers received from non-group member companies are shown on a separate line in one sum in the table, regardless to the particular receiver or payer group member company.

(1) OTP Core, Corporate Centre and foreign banks aggregated, excluding one-timers.

(2) OTP Core is an economic unit for measuring the result of core business activity of OTP Group in Hungary. Financials of OTP Core are calculated from the partially consolidated IFRS financial statements of the companies engaged in OTP Group's underlying banking operation in Hungary. These companies include OTP Bank Hungary Plc., OTP Mortgage Bank Ltd, OTP Building Society Ltd, OTP Factoring Ltd, OTP Financial Point Ltd., and companies providing intragroup financing. The consolidated accounting results of these companies are segmented into OTP Core and Corporate Centre. Latter is a virtual entity.

(3) Within OTP Group, the Corporate Centre acts as a virtual entity established by the equity investment of OTP Core for managing the wholesale financing activity for all the subsidiaries within OTP Group but outside OTP Core. Therefore the balance sheet of the Corporate Centre is funded by the equity and intragroup lending received from OTP Core, the intragroup lending received from other subsidiaries, and the subordinated debt and senior notes arranged by OTP Bank under its running EMTN program. From this funding pool, the Corporate Centre is to provide intragroup lending to, and hold equity stakes in OTP subsidiaries outside OTP Core. Main subsidiaries financed by Corporate Centre are as follows: Hungarians: Merkantil Bank Ltd, Merkantil Car Ltd, Merkantil Leasing Ltd, OTP Real Estate Leasing Ltd, OTP Fund Management Ltd, OTP Real Estate Fund Management Ltd, OTP Life Annuity Ltd; foreigners: banks, leasing companies, factoring companies.

(4) From 1Q 2015 the performance of OTP Bank Russia does not contain the volumes and financial result of Touch Bank. (The performance of Touch Bank was shown separately from OTP Bank Russia's performance for the first time in the *Summary of the full-year 2015 results*, with retroactive effect from 1Q 2015.) From 1Q 2015 the statement of recognised income and balance sheet of LLC MFO OTP Finance" was included in the Russian performance. The pre-tax gain realised on the perpetual EUR 500 million subordinated Notes transaction within the Group in 3Q 2014 was eliminated from the performance of OTP Bank Russia.

(5) Touch Bank is a digital bank being part of OTP Bank Russia from legal point of view, and it is operating under the same banking license, but as a separate business line. In order to provide transparent information Touch Bank is presented as a separate virtual entity and as an independent activity. The performance of Touch Bank was shown separately from OTP Bank Russia's performance for the first time in the Summary of the full-year 2015 results, with retroactive effect from 1Q 2015.

(6) From 4Q 2008 figures are based on the aggregated financial statements of OTP Bank JSC and LLC OTP Leasing Ukraine, from 4Q 2009 the result of LLC OTP Factoring Ukraine was also aggregated, while in 4Q 2010 the statement of recognised income and balance sheet of LLC OTP Credit was also added.

(7) From 3Q 2010, statements are based on the aggregated financials of DSK Group and the newly established Bulgarian collection company, OTP Factoring Bulgaria LLC. DSK Group balance sheet contains the loans sold to the factoring company at before sale gross value and the related provisions as well.

(8) Net earnings are adjusted with the result of CIRS swap transactions executed with OTP Bank Hungary in relation to interbank financing. Before transfer balance sheet numbers are displayed. From 2Q 2010 the statement of recognised income and balance sheet of OTP Faktoring SRL was included.

(9) Including the financial performance of OTP Factoring Serbia d.o.o from 4Q 2010. Banca Millennium was consolidated into OBR's results from 1Q 2015.

(10) Banco Popolare Croatia was consolidated into OBH's results from 2Q 2014. From 1Q 2015 including the financial result and volumes of OTP Faktoring d.o.o.

(11) From 2011 on the balance sheet contains consolidated data of OTP Banka Slovensko and OTP Faktor Slovensko s.r.o., adjusted for loans sold to OTP Bank Plc. and OTP Factoring Ltd., and the related interbank financing in the net amount of the sold loans. The recoveries of sold loans to OTP Faktoring are recognised in the P&L accounts as risk cost decreasing elements since 2011. From 2012 on P&L data and related indices are adjusted for the special banking tax and the Slovakian Deposit Protection Fund contributions being introduced again in 2014, as well as the contribution into the Resolution Fund.

(12) Including the financial performance of OTP Factoring Montenegro d.o.o.

(13) Aggregated after tax profit of Merkantil Bank and Merkantil Car without dividends, net cash transfer, other adjustment items and provisioning for investments in subsidiaries.

(14) From 4Q 2009: OTP Leasing Romania IFN S.A. (Romania), Z plus d.o.o. (Croatia) (until 3Q 2011), OTP Leasing d.d. (Croatia), DSK Leasing AD (Bulgaria).

(15) LLC AMC OTP Capitol (Ukraine) and OTP Asset Management SAI S.A. (Romania), DSK Asset Management (Bulgaria).

(16) HIF Ltd. (United Kingdom), OTP Faktoring Slovensko (Slovakia) (until 1Q 2011), OTP Buildings (Slovakia), OTP Real Slovensko (Slovakia), Velvin Ventures Ltd. (Belize), Debt Management Project 1 Montenegro d.o.o. (Montenegro), R.E. Four d.o.o., Novi Sad (Serbia), SC Aloha Buzz SRL, SC Favo Consultanta SRL, SC Tezaur Cont SRL (Romania), Cresco d.o.o. (Croatia).

(17) Total Hungarian subsidiaries: sum of the adjusted after tax results of Hungarian group members, Corporate Centre and related eliminations.

(18) Total Foreign subsidiaries: sum of the adjusted after tax profits of foreign subsidiaries and one-off items (after tax).

CALCULATION OF ADJUSTED LINES OF IFRS PROFIT AND LOSS STATEMENTS PRESENTED IN THE REPORT

In order to present Group level trends in a comprehensive way in the Interim Management Report, the presented consolidated and separate profit and loss statements of the Report were adjusted in the following way, and the adjusted P&Ls are shown and analysed in the Report. Consolidated accounting figures together with Separate accounting figures of OTP Bank are still disclosed in the Financial Data section of the Report.

Adjustments:

- As non-recurring results, the after tax effect of the following items are shown separately on the Statement of Recognised Income: received dividends, received and paid cash transfers, goodwill write-offs, the tax shield effect of investment write-offs, special tax on financial institutions, the one-timer payment compensating the underperformance of the financial transaction tax in 2013, the fine imposed by the Hungarian Competition Authority and the risk cost created in relation to the decision of the Hungarian Competition Authority, the corporate tax impact of the transfer of general risk reserves to retained earnings, the effect of acquisitions, the one-off impact of regulatory changes in relation to consumer contracts and the impact of the related methodological changes in Hungary, the expected one-off impact of regulatory changes related to CHF consumer contracts in Croatia, the one-off impact of regulatory changes related to FX consumer contracts in Serbia, the expected one-off impact of the CHF mortgage loan conversion programme in Romania, the risk cost created toward Crimean exposures from 2Q 2014, the risk cost related toward exposure to Donetsk and Luhansk from 3Q 2014, the revaluation of reverse mortgage portfolio of OTP Life Annuity Ltd. simultaneous with regulatory changes, and the net loss from early repayment of FX mortgage loans in Hungary. Beside the Slovakian banking levy, the total amount of the special banking tax includes and the Slovakian Deposit Protection Fund contributions being introduced again in 2014, and the contribution into the Resolution Fund in Slovakia, too.
- Other non-interest income elements stemming from provisioning release in connection with provisions on loans originated before the acquisitions of the subsidiaries have been reclassified to and deducted from the volume of provisions for possible loan losses in the income statement.
- From 2Q 2014 OTP Bank's share in the change in the shareholders' equity of companies consolidated with equity method is reclassified from the After tax dividends and net cash transfers line to the Net other non-interest result (adj.) without one-offs line.
- Other non-interest income is shown together with gains/losses on real estate transactions, but without the above mentioned income from the release of pre-acquisition provisions and without received cash transfers. However other non-interest expenses stemming from non-financial activities are added to the adjusted net other non-interest income line, therefore the latter incorporates the net amount of other non-interest income from non-financial activities.
- Out of other expenses, other provisions are deducted and shown separately as other risk costs in the adjusted income statement. Other provisions contain provisioning on off-balance sheet liabilities and on legal contests, provisioning on securities, shares and other investments as well as provisioning on other assets.
- Other administrative expenses have been adjusted in the following way in order to create a category comprising administrative cost items exclusively. Other costs and expenses and other non-interest expenses were included into the adjusted Other non-interest expenses. At the same time, the following cost items were excluded from adjusted other non-interest expenses: paid cash transfers – except for movie subsidies and cash transfers to public benefit organisations –, Other non-interest expenses stemming from non-financial activities, Special tax on financial institutions and the one-timer payment compensating the underperformance of the financial transaction tax.
- From 4Q 2010 onwards, the fee expenses paid by Merkantil Group to car dealers ('dealer fees') were registered as interest expense in the accounting income statement. Earlier this item had been booked as fee expense. In order to create a comparable time series, since 4Q 2010 dealer fees have been reclassified from net interest income to net fees and commissions – both on the consolidated and on a standalone level.
- Within the aggregated income statement of Merkantil Bank and Car, other risk cost related to leasing companies – as investments of the Merkantil Group – is eliminated. The reason behind is that this provisioning is eliminated in the consolidated income statement of OTP Group, and only the net result of the leasing companies is making part of OTP Group's consolidated net earnings.
- Performing indicators such as cost/income ratio, net interest margin, risk cost to average gross loans as well as ROA and ROE ratios are calculated on the basis of the adjusted profit and loss statement, excluding adjustment items such as received dividends and net cash transfers, goodwill write-offs, the tax shield effect of investment write-offs, special tax on financial institutions, the one-timer payment compensating the underperformance of the financial transaction tax in 2013, the fine imposed by the Hungarian Competition Authority and the risk cost created in relation to the decision of the Hungarian Competition Authority, the corporate tax impact of the transfer of general risk reserves to retained earnings, the effect of Banco Popolare Croatia acquisitions, the one-off impact of regulatory changes in relation to consumer contracts and the impact of the related methodological changes in Hungary, the expected one-off impact of regulatory changes related to CHF consumer contracts in Croatia, the one-off impact of regulatory changes related to FX consumer contracts in Serbia, the expected one-off impact of the CHF mortgage loan conversion programme in Romania, the risk cost created toward Crimean exposures from 2Q 2014, the risk cost related toward exposure to Donetsk and Luhansk from 3Q 2014, the revaluation of reverse mortgage portfolio of OTP Life Annuity Ltd. simultaneous with regulatory changes, and the net loss from early repayment of FX

mortgage loans in Hungary. In case of Touch Bank's affected performance indicators instead of the 4Q 2014 total assets we used the 1Q 2015 balance sheet total for the base period when calculating the average total assets.

- OTP Group is hedging the revaluation result of the FX provisions on its FX loans by keeping hedging open FX positions. In the accounting statement of recognized income, the revaluation of FX provisions is part of the risk costs (within line "Provision for loan losses") and Other provisions, whereas the revaluation result of the hedging open FX positions is made through other non-interest income (within line "Foreign exchange result, net"). The two items have the same absolute amount but an opposite sign. As an adjustment to the accounting statement of income, these items are eliminated from the adjusted P&L. By modifying only the structure of the income statement, this correction does not have any impact on the bottom line net profits.
- In 3Q 2012 and in 2Q 2013, seven subsidiaries of OTP Real Estate Ltd. were for the first time consolidated into OTP Group. The cumulated loss of the companies' previous operation was recognised as Other expenses in the accounting P&L, while loan loss and other provisioning earlier made by OTP Bank and OTP Real Estate in relation to these companies were released. By influencing only the structure of the income statement, the net effect of these two entries was neutral to consolidated net earnings. As an adjustment to the accounting statement of income, these items are eliminated from the adjusted P&L.
- Tax deductible transfers paid by Hungarian group members from 3Q 2012 were reclassified from Other non-interest expenses to Corporate income tax. As a result, the net P&L effect of the transfers (i.e. the paid transfer less the related tax allowances) is recognised in the corporate income tax line of the adjusted P&L.
- From 2012 credit institutions' contribution tax was recognised in the accounting P&L of OTP Group and OTP Core as OTP Core's burden share in the fixed exchange rate scheme provided to Hungarian FX mortgage debtors. The paid contribution tax equals 50% of the forgiveness provided on the interest payments of the clients. In the adjusted P&L the contribution tax is reclassified from other (administrative) expenses and to a lesser extent from other risk cost to net interest income.
- The financial transaction tax paid from the beginning of 2013 in Hungary is reclassified from other (administrative) expenses to net fee and commission income, both on consolidated and OTP Core level.
- Due to regulatory changes related to consumer contracts in Hungary the actual negative effects of the financial settlement with clients and the conversion of FX consumer contracts prescribed by regulatory changes related to consumer contracts in Hungary as well as the impact of the related methodological changes were recognized within the accounting P&L in each quarters of 2015 on the net interest income, net fees and commissions, foreign exchange gains (net), net other non-interest result, other non-interest expenses, provision for loan losses, other risk cost and dividends and net cash transfers lines. These items booked in these periods were eliminated from all of the affected lines and were shown separately among adjustment items on consolidated level, whereas the estimate on the one-off negative impact of regulatory changes related to consumer contracts was booked on the other risk cost line in the accounting P&L.
- The revaluation result booked on Other provisions line due to regulatory changes related to FX mortgage loans in Hungary were moved to the Foreign exchange result line in 4Q 2014.
- Within the report, FX-adjusted statistics for business volume developments and their product breakdown are disclosed, too. For FX adjustment, the closing cross currency rates for the current period were used to calculate the HUF equivalent of loan and deposit volumes in the base periods. (In Hungary in case of FX mortgage loans converted into HUF in 1Q 2015 pursuant to the Act No. LXXVII of 2014 the fixed FX rates stipulated by the law were used for the FX adjustment.) Thus the FX adjusted volumes will be different from those published earlier.

ADJUSTMENTS OF CONSOLIDATED IFRS P&L LINES

in HUF million	1Q 14	2Q 14	3Q 14	4Q 14 Audited	2014 Audited	1Q 15	2Q 15	3Q 15	4Q 15 Preliminary	2015 Preliminary
Net interest income	**164,421**	**157,506**	**158,148**	**156,024**	**636,099**	**141,741**	**141,147**	**137,339**	**130,204**	**550,430**
(-) Agent fees paid to car dealers by Merkantil Group	-568	-514	-468	-496	-2,047	-454	-929	-381	-322	-2,084
(+) Credit institutions' contribution tax paid in relation to the fixed exchange rate scheme	-2,819	-227	23	224	-2,798	-232	0	0	0	-232
(+) Other risk costs recognised in relation to the fixed exchange rate scheme	-14	9	4	1	0	0	0	0	0	0
(-) One-off impact of regulatory changes in relation to consumer contracts and the impact of the related methodological changes in Hungary						-85	2,098	45	-2,754	-697
Net interest income (adj.) with one-offs	**162,157**	**157,802**	**158,643**	**156,746**	**635,348**	**142,048**	**139,978**	**137,675**	**133,279**	**552,980**
(-) Revaluation result of FX swaps at OTP Core (booked within net interest income)	-296	-454	-1,023	948	-824	-679	-	-	-	-679
Net interest income (adj.) without one-offs	**162,453**	**158,255**	**159,666**	**155,798**	**636,172**	**142,727**	**139,978**	**137,675**	**133,279**	**553,659**
Net fees and commissions	**52,501**	**52,910**	**53,253**	**56,992**	**215,656**	**49,142**	**55,168**	**53,981**	**55,581**	**213,872**
(+) Net interest accruals related to agent fees at OTP Mortgage Bank	0	0	0	0	0	0	0	0	0	0
(+) Agent fees paid to car dealers by Merkantil Group	-568	-514	-468	-496	-2,047	-454	-929	-381	-322	-2,084
(+) Financial Transaction Tax	-9,892	-10,913	-11,207	-12,016	-44,029	-11,395	-10,880	-10,990	-11,810	-45,076
(-) One-off impact of regulatory changes in relation to consumer contracts and the impact of the related methodological changes in Hungary							-539	0	0	-539
Net fees and commissions (adj.)	**42,040**	**41,482**	**41,577**	**44,479**	**169,579**	**37,293**	**43,898**	**42,610**	**43,449**	**167,250**
Foreign exchange result	**65,732**	**21,942**	**23,783**	**45,462**	**156,918**	**93,329**	**-14,947**	**6,789**	**31,511**	**116,682**
(-) Revaluation result of FX positions hedging the revaluation of FX provisions	64,576	16,045	18,112	45,470	144,203	89,413	-21,675	-290	29,367	96,814
(+) Revaluation result booked on Other risk cost line due to regulatory changes related to FX mortgage loans in Hungary				-1,428	-1,428	0	0	0	0	0
(-) One-off impact of regulatory changes in relation to consumer contracts and the impact of the related methodological changes in Hungary							1,321	0	0	1,321
(-) Expected one-off impact of regulatory changes related to CHF consumer contracts in Croatia								70	0	70
Foreign exchange result (adj.) with one-offs	**1,155**	**5,897**	**5,670**	**-1,436**	**11,287**	**3,917**	**5,408**	**7,008**	**2,144**	**18,476**
Foreign exchange result (adj.) without one-offs	**1,155**	**5,897**	**5,670**	**-1,436**	**11,287**	**3,917**	**5,408**	**7,008**	**2,144**	**18,476**
Gain/loss on securities, net	**851**	**4,851**	**771**	**438**	**6,911**	**4,059**	**538**	**4,412**	**2,607**	**11,616**
Gain/loss on securities, net (adj.) with one-offs	**851**	**4,851**	**771**	**438**	**6,911**	**4,059**	**538**	**4,412**	**2,607**	**11,616**
(-) Revaluation result of the treasury share swap agreement (booked as Gain on securities, net (adj.) at OTP Core)	63	345	-2	17	423	352	78	1,527	462	2,418
Gain/loss on securities, net (adj.) without one-offs	**788**	**4,507**	**773**	**421**	**6,489**	**3,707**	**460**	**2,885**	**2,145**	**9,197**
Gains and losses on real estate transactions	**449**	**343**	**-20**	**-37**	**734**	**484**	**644**	**437**	**159**	**1,725**
Result of discontinued operation (adj.)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
(+) Other non-interest income	**4,133**	**6,379**	**3,466**	**-332**	**13,645**	**4,191**	**4,741**	**3,137**	**9,180**	**21,248**
(-) Received cash transfers	0	34	-32	2	5	0	2	6	0	9
(-) Non-interest income from the release of pre-acquisition provisions	24	274	398	563	1,260	368	2,643	786	-2,278	1,518
(+) Other other non-interest expenses	-811	-1,650	-1,278	-3,928	-7,666	-137,729	-27,953	-7,920	-9,125	-182,726
(+) Change in shareholders' equity of companies consolidated with equity method		683	255	710	1,648	237	490	-58	22	690
(-) Badwill booked in relation to acquisitions		4,508	55	0	4,563	1,845	0	0	0	1,845
(-) One-off impact of regulatory changes in relation to consumer contracts and the impact of the related methodological changes in Hungary						-136,832	-26,119	-6,285	-1,184	-170,420
(-) One-off impact of regulatory changes related to FX consumer contracts in Serbia						-104	0	-104	-2	-211
(-) Adjustment of the one-off reclassification between Net other non-interest result and Other provisions in 4Q 2015									1,868	1,868
Net other non-interest result (adj.) with one-offs	**3,747**	**938**	**2,002**	**-4,153**	**2,534**	**1,906**	**1,396**	**1,195**	**1,832**	**6,329**
(-) Gain on the repurchase of own Upper and Lower Tier2 Capital (booked as Net other non-interest result (adj.) at OTP Core and at the Corporate Centre)	0	0	0	0	0	0	0	0	0	0
Net other non-interest result (adj.) without one-offs	**3,747**	**938**	**2,002**	**-4,153**	**2,534**	**1,906**	**1,396**	**1,195**	**1,832**	**6,329**

in HUF million	1Q 14	2Q 14	3Q 14	4Q 14 Audited	2014 Audited	1Q 15	2Q 15	3Q 15	4Q 15 Preliminary	2015 Preliminary
Provision for loan losses	**-133,359**	**-86,725**	**-91,113**	**-135,632**	**-446,830**	**-151,153**	**-27,142**	**-55,351**	**-85,036**	**-318,683**
(+) Non-interest income from the release of pre-acquisition provisions	24	274	398	563	1,260	368	2,643	786	-2,278	1,518
(-) Revaluation result of FX provisions	-64,576	-16,045	-18,112	-45,470	-144,203	-88,402	21,943	145	-29,469	-95,783
(-) Risk cost created toward Crimean exposures from 2Q 2014		-9,267	-80	394	-8,953	68	20	-146	-182	-240
(-) Risk cost created toward exposures to Donetsk and Luhansk from 3Q 2014			-7,816	-21,087	-28,903	-1,307	-1,249	295	-424	-2,684
(-) Expected one-off impact of regulatory changes related to CHF consumer contracts in Croatia								2,058	0	2,058
(-) One-off impact of regulatory changes in relation to consumer contracts and the impact of the related methodological changes in Hungary									-8,852	-8,852
Provision for loan losses (adj.)	**-68,759**	**-61,140**	**-64,706**	**-68,907**	**-263,511**	**-61,145**	**-45,213**	**-56,917**	**-48,388**	**-211,663**
After tax dividends and net cash transfers	**-1,218**	**-1,911**	**130**	**-4,483**	**-7,481**	**-4,406**	**-1,606**	**-2,765**	**-3,731**	**-12,508**
(-) Sponsorships, subsidies and cash transfers to public benefit organisations	-1,163	-5,665	-156	-5,293	-12,277	-4,645	-4,601	-2,787	-3,440	-15,473
(-) Dividend income of swap counterparty shares kept under the treasury share swap agreement		2,957	0	0	2,957	0	2,433	0	0	2,433
(-) Change in shareholders' equity of companies consolidated with equity method		683	255	710	1,648	237	490	-58	22	690
(-) One-off impact of regulatory changes in relation to consumer contracts and the impact of the related methodological changes in Hungary									-303	-303
After tax dividends and net cash transfers	**-55**	**114**	**31**	**101**	**191**	**2**	**72**	**80**	**-10**	**144**
Depreciation	**-10,379**	**-32,660**	**-11,709**	**-11,198**	**-65,946**	**-9,953**	**-10,811**	**-10,557**	**-14,141**	**-45,463**
(-) Goodwill impairment charges (OTP banka Srbija (Serbia), OTP Bank JSC (Ukraine), OTP banka Hrvatska (Croatia), CKB (Montenegro))	0	-22,225	0	0	-22,225	0	0	0	0	0
Depreciation (adj.)	**-10,379**	**-10,435**	**-11,709**	**-11,198**	**-43,721**	**-9,953**	**-10,811**	**-10,557**	**-14,141**	**-45,463**
Income taxes	**3,258**	**47,425**	**-13,581**	**14,283**	**51,385**	**7,328**	**-5,709**	**3,010**	**-1,481**	**3,148**
(-) Corporate tax impact of goodwill/investment impairment charges	0	10,628	0	6,582	17,210	0	2,701	0	3,982	6,683
(-) Corporate tax impact of the special tax on financial institutions	6,593	121	98	7	6,818	6,429	52	56	73	6,609
(+) Tax deductible transfers	-336	-4,797	3	-4,605	-9,734	-2,938	-4,378	-2,133	-2,750	-12,200
(-) Corporate tax impact of the risk cost created in relation to the decision of the Hungarian Competition Authority	0	0	0	0	0	0	0	0	151	151
(-) Corporate tax impact of the badwill booked in relation to acquisitions		-902	-11	0	-913	-295	0	0	0	-295
(-) Corporate tax shield on previous losses of acquired banks		902	11	0	913	0	0	0	0	0
(-) Corporate tax impact of provision on potential merger expenses		108	0	0	108	0	0	0	0	0
(-) Corporate tax impact of the one-off effect of regulatory changes in relation to consumer contracts and the impact of the related methodological changes in Hungary		40,467	-5,911	2,908	37,464	-931	-2,071	0	-1,171	-4,173
(-) Corporate tax impact of risk cost created toward Crimean exposures from 2Q 2014		1,096	-16	-69	1,010	3	6	42	19	71
(-) Corporate tax impact of risk cost created toward exposures to Donetsk and Luhansk from 3Q 2014			1,020	2,347	3,367	134	196	37	59	426
(-) Corporate tax impact of revaluation of reverse mortgage portfolio of OTP Life Annuity Ltd. simultaneous with regulatory changes						1,299	0	0	0	1,299
(-) Corporate tax impact of the expected one-off impact of regulatory changes related to CHF consumer contracts in Croatia								1,583	0	1,583
(-) Corporate tax impact of the one-off impact of regulatory changes related to FX consumer contracts in Serbia						0	0	0	0	0
(-) Corporate tax impact of the expected one-off impact of the CHF mortgage loan conversion programme in Romania								4,408	0	4,408
Corporate income tax (adj.)	**-3,671**	**-9,791**	**-8,768**	**-2,097**	**-24,327**	**-2,249**	**-10,971**	**-5,249**	**-7,344**	**-25,813**

in HUF million	1Q 14	2Q 14	3Q 14	4Q 14 Audited	2014 Audited	1Q 15	2Q 15	3Q 15	4Q 15 Preliminary	2015 Preliminary
Other operating expense, net	**-3,972**	**-227,890**	**10,727**	**-11,771**	**-232,906**	**-9,433**	**-12,943**	**-53,212**	**893**	**-74,695**
(-) Other costs and expenses	-1,735	-1,248	-1,002	-2,369	-6,354	-10,461	-1,345	-1,192	-1,212	-14,211
(-) Other non-interest expenses	-2,037	-7,326	-1,474	-9,139	-19,976	-142,376	-32,593	-10,734	-12,884	-198,588
(-) Other risk costs recognised in relation to the fixed exchange rate scheme	-14	9	4	1	0	0	0	0	0	0
(-) Provision on potential merger expenses		-539	0	0	-539	0	0	0	0	0
(-) One-off impact of regulatory changes in relation to consumer contracts and the impact of the related methodological changes in Hungary	0	-216,564	13,646	9,547	-193,371	154,576	21,368	-216	21,840	197,569
(-) Revaluation result booked on Other risk cost line due to regulatory changes related to FX mortgage loans in Hungary				-1,428	-1,428	0	0	0	0	0
(-) Revaluation of reverse mortgage portfolio of OTP Life Annuity Ltd. simultaneous with regulatory changes (booked within other risk cost)						-6,838	0	0	0	-6,838
(-) Revaluation result of FX other provisions						-1,010	-267	144	102	-1,031
(-) Expected one-off impact of regulatory changes related to CHF consumer contracts in Croatia								-10,042	0	-10,042
(-) Expected one-off impact of the CHF mortgage loan conversion programme in Romania								-29,900	72	-29,828
(-) Risk cost created in relation to the decision of the Hungarian Competition Authority									-813	-813
(-) Adjustment of the one-off reclassification between Net other non-interest result and Other provisions in 4Q 2015									-1,868	-1,868
Other provisions (adj.)	**-187**	**-2,222**	**-446**	**-8,383**	**-11,237**	**-3,323**	**-106**	**-1,272**	**-4,345**	**-9,046**

in HUF million	1Q 14	2Q 14	3Q 14	4Q 14 Audited	2014 Audited	1Q 15	2Q 15	3Q 15	4Q 15 Preliminary	2015 Preliminary
Other administrative expenses	**-85,631**	**-49,395**	**-49,360**	**-52,025**	**-236,411**	**-81,927**	**-47,874**	**-48,120**	**-54,326**	**-232,248**
(+) Other costs and expenses	-1,735	-1,248	-1,002	-2,369	-6,354	-10,461	-1,345	-1,192	-1,212	-14,211
(+) Other non-interest expenses	-2,037	-7,326	-1,474	-9,139	-19,976	-142,376	-32,593	-10,734	-12,884	-198,588
(-) Paid cash transfers	-1,226	-5,676	-196	-5,212	-12,309	-4,647	-4,640	-2,815	-3,760	-15,862
(+) Film subsidies and cash transfers to public benefit organisations	-1,163	-5,665	-156	-5,293	-12,277	-4,645	-4,601	-2,787	-3,440	-15,473
(-) Other other non-interest expenses	-811	-1,650	-1,278	-3,928	-7,666	-137,729	-27,953	-7,920	-9,125	-182,726
(-) Special tax on financial institutions (recognised as other administrative expenses)	-35,986	-548	-445	-31	-37,011	-35,173	-235	-253	-330	-35,992
(-) Tax deductible transfers	-336	-4,797	3	-4,605	-9,734	-2,938	-4,378	-2,133	-2,750	-12,200
(-) Credit institutions' contribution tax paid in relation to the fixed exchange rate scheme	-2,819	-227	23	224	-2,798	-232	0	0	0	-232
(-) Financial Transaction Tax	-9,892	-10,913	-11,207	-12,016	-44,029	-11,395	-10,880	-10,990	-11,810	-45,076
(-) One-off impact of regulatory changes in relation to consumer contracts and the impact of the related methodological changes in Hungary						-9,312	0	0	0	-9,312
(-) Expected one-off impact of the CHF mortgage loan conversion programme in Romania									-72	-72
Other non-interest expenses (adj.)	**-39,496**	**-39,821**	**-38,892**	**-43,259**	**-161,470**	**-37,983**	**-38,327**	**-38,723**	**-44,016**	**-159,048**

TABLE OF CONTENTS

OTP Bank Plc.

Postal address: P.O.Box: 501 Budapest H-1876 Hungary

Phone: +36 1 473 5460

Fax: +36 1 473 5951

E-mail: investor.relations@otpbank.hu

Internet: www.otpbank.hu