

OTP Bank Plc.

Relevant information of the consolidated and separate financial statements for the year ended 2017

According to paragraph 3:272 (3) of Act V., 2013 on the Civil Code, and with regard to the Annual General Meeting to be held on 13 April 2018 the Board of Directors of the OTP Bank Plc. releases the relevant information of the consolidated and separate financial statements prepared in accordance with International Financial Reporting Standards for the year ended 2017, and the report on relevant information of the Board of Directors and the Supervisory Board hereunder.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(in HUF million)

	31 December 2017	31 December 2016 (Restated)	1 January 2016 (Restated)
Cash, amounts due from banks and balances with the National Banks	1,198,045	1,625,357	1,878,960
Placements with other banks, net of allowance for placement losses	462,180	363,530	300,568
Financial assets at fair value through profit or loss	344,417	189,778	182,359
Securities available-for-sale	2,174,718	1,527,093	1,305,486
Loans, net of allowance for loan losses	6,987,834	5,736,232	5,409,967
Associates and other investments	12,269	9,836	10,028
Securities held-to-maturity	1,310,331	1,114,227	926,677
Property and equipment	237,321	193,485	193,661
Intangible assets and goodwill	176,069	162,031	155,809
Investment properties	35,385	29,446	30,319
Derivative financial assets designated as fair value hedge	10,277	7,887	16,009
Other assets	241,382	250,139	242,219
<i>from this: Deferred tax assets</i>	<i>29,419</i>	<i>52,593</i>	<i>73,079</i>
<i>from this: Current income tax receivable</i>	<i><u>14,281</u></i>	<i><u>11,679</u></i>	<i><u>20,492</u></i>
TOTAL ASSETS	<u>13,190,228</u>	<u>11,209,041</u>	<u>10,652,062</u>
Amounts due to banks, the Hungarian Government, deposits from the National Banks and other banks	472,068	543,775	533,310
Deposits from customers	10,233,471	8,540,583	7,984,579
Liabilities from issued securities	250,320	146,900	239,376
Financial liabilities at fair value through profit or loss	69,874	75,871	101,561
Derivative financial liabilities designated as fair value hedge	17,199	20,002	13,723
Other liabilities	431,213	383,803	311,070
<i>from this: Deferred tax liabilities</i>	<i>9,271</i>	<i>3,234</i>	<i>4,610</i>
<i>from this: Current income tax payable</i>	<i>17,674</i>	<i>16,066</i>	<i>13,684</i>
Subordinated bonds and loans	<u>76,028</u>	<u>77,458</u>	<u>234,784</u>
TOTAL LIABILITIES	<u>11,550,173</u>	<u>9,788,392</u>	<u>9,418,403</u>
Share capital	28,000	28,000	28,000
Retained earnings and reserves	1,671,879	1,449,478	1,261,029
Treasury shares	(63,289)	(60,121)	(58,021)
Non-controlling interest	<u>3,465</u>	<u>3,292</u>	<u>2,651</u>
TOTAL SHAREHOLDERS' EQUITY	<u>1,640,055</u>	<u>1,420,649</u>	<u>1,233,659</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>13,190,228</u>	<u>11,209,041</u>	<u>10,652,062</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
(in HUF million)

	2017	2016
Interest Income:		
Loans	521,121	510,449
Placements with other banks	42,686	74,588
Securities available-for-sale	34,442	34,557
Securities held-to-maturity	56,343	51,427
Amounts due from banks and balances with the National Banks	1,444	9,866
Other	<u>10,479</u>	<u>8,804</u>
Total Interest Income	<u>666,515</u>	<u>689,691</u>
Interest Expense:		
Amounts due to banks, the Hungarian Government, deposits from the National Banks and other banks	(46,475)	(75,925)
Deposits from customers	(50,995)	(72,554)
Liabilities from issued securities	(5,727)	(4,726)
Subordinated bonds and loans	(2,259)	(10,239)
Other	<u>(7,303)</u>	<u>(6,518)</u>
Total Interest Expense	<u>(112,759)</u>	<u>(169,962)</u>
NET INTEREST INCOME	<u>553,756</u>	<u>519,729</u>
Provision for impairment on loan and placement losses	(40,848)	(93,473)
NET INTEREST INCOME AFTER PROVISION FOR IMPAIRMENT ON LOAN AND PLACEMENT LOSSES	<u>512,908</u>	<u>426,256</u>
Income from fees and commissions	315,606	272,235
Expense from fees and commissions	<u>(54,413)</u>	<u>(49,244)</u>
Net profit from fees and commissions	<u>261,193</u>	<u>222,991</u>
Foreign exchange gains, net	21,870	36,142
Gains on securities, net	7,930	20,828
Dividend income	4,152	3,054
Release of provision on securities available-for-sale and held-to-maturity	10	55
Other operating income	65,469	19,628
Other operating expense	<u>(51,240)</u>	<u>(36,461)</u>
Net operating gain	<u>48,191</u>	<u>43,246</u>
Personnel expenses	(213,886)	(191,442)
Depreciation and amortization	(48,988)	(44,427)
Goodwill impairment	(504)	-
Other administrative expenses	<u>(236,072)</u>	<u>(220,229)</u>
Other administrative expenses	<u>(499,450)</u>	<u>(456,098)</u>
PROFIT BEFORE INCOME TAX	<u>322,842</u>	<u>236,395</u>
Income tax expense	<u>(41,503)</u>	<u>(33,943)</u>
NET PROFIT FOR THE PERIOD	<u>281,339</u>	<u>202,452</u>
From this, attributable to:		
Non-controlling interest	<u>197</u>	<u>242</u>
Owners of the company	<u>281,142</u>	<u>202,210</u>
Consolidated earnings per share (in HUF)		
Basic	<u>1,074</u>	<u>765</u>
Diluted	<u>1,074</u>	<u>765</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(in HUF million)

	2017	2016
NET PROFIT FOR THE PERIOD	281,339	202,452
Items that may be reclassified subsequently to profit or loss:		
Fair value adjustment of securities available-for-sale	15,677	9,583
Effect of tax rate-modification (19%→9%)	-	2,241
Net investment hedge in foreign operations	155	525
Foreign currency translation difference	(20,535)	24,554
Items that will not be reclassified subsequently to profit or loss:		
Change of actuarial costs related to employee benefits	(241)	61
Subtotal	<u>(4,944)</u>	<u>36,964</u>
NET COMPREHENSIVE INCOME	<u>276,395</u>	<u>239,416</u>
From this, attributable to:		
Non-controlling interest	<u>173</u>	<u>641</u>
Owners of the company	<u>276,222</u>	<u>238,775</u>

SEPARATE STATEMENT OF FINANCIAL POSITION
(in HUF million)

	31 December 2017	31 December 2016 (Restated)	1 January 2016 (Restated)
Cash, amounts due from banks and balances with the National Bank of Hungary	399,124	928,846	1,326,197
Placements with other banks, net of allowance for placement losses	978,098	915,654	647,724
Financial assets at fair value through profit or loss	303,927	168,188	180,717
Securities available-for-sale	1,735,902	1,484,522	1,462,660
Loans, net of allowance for loan losses	2,145,046	1,902,937	1,679,184
Investments in subsidiaries, associates and other investments	967,414	668,869	657,531
Securities held-to-maturity	1,043,779	858,150	824,801
Property and equipment	65,286	62,361	63,440
Intangible assets	32,877	27,767	32,438
Investment properties	2,374	2,267	2,294
Deferred tax assets	7,991	27,603	41,905
Derivative financial assets designated as fair value hedge	10,148	7,886	33,768
Other assets	<u>79,916</u>	<u>98,082</u>	<u>76,931</u>
TOTAL ASSETS	<u>7,771,882</u>	<u>7,153,132</u>	<u>7,029,590</u>
Amounts due to banks and Hungarian Government, deposits from the National Bank of Hungary and other banks	694,533	646,271	829,122
Deposits from customers	5,192,869	4,745,051	4,323,239
Liabilities from issued securities	60,304	104,103	150,231
Financial liabilities at fair value through profit or loss	79,545	96,668	144,592
Derivative financial liabilities designated as fair value hedge	17,179	21,434	35,701
Other liabilities	193,360	216,824	197,540
Subordinated bonds and loans	<u>108,835</u>	<u>110,358</u>	<u>266,063</u>
TOTAL LIABILITIES	<u>6,346,625</u>	<u>5,940,709</u>	<u>5,946,488</u>
Share capital	28,000	28,000	28,000
Retained earnings and reserves	1,406,797	1,193,132	1,064,255
Treasury shares	<u>(9,540)</u>	<u>(8,709)</u>	<u>(9,153)</u>
TOTAL SHAREHOLDERS' EQUITY	<u>1,425,257</u>	<u>1,212,423</u>	<u>1,083,102</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>7,771,882</u>	<u>7,153,132</u>	<u>7,029,590</u>

SEPARATE STATEMENT OF PROFIT OR LOSS

(in HUF million)

	2017	2016
<i>Interest Income:</i>		
Loans	120,960	125,170
Placements with other banks, net of allowance for placement losses	47,776	102,317
Securities available-for-sale	30,100	35,766
Securities held-to-maturity	44,737	41,327
Amounts due from banks and balances with National Bank of Hungary	<u>1,403</u>	<u>9,830</u>
Total Interest Income	<u>244,976</u>	<u>314,410</u>
<i>Interest Expense:</i>		
Amounts due to banks and Hungarian Government, deposits from the National Bank of Hungary and other banks	(56,893)	(103,668)
Deposits from customers	(9,244)	(22,853)
Liabilities from issued securities	(151)	(1,329)
Subordinated bonds and loans	<u>(3,033)</u>	<u>(13,721)</u>
Total Interest Expense	<u>(69,321)</u>	<u>(141,571)</u>
NET INTEREST INCOME	<u>175,655</u>	<u>172,839</u>
Provision for impairment on loan and placement losses	(7,775)	(13,632)
NET INTEREST INCOME AFTER PROVISION FOR IMPAIRMENT ON LOAN AND PLACEMENT LOSSES	<u>167,880</u>	<u>159,207</u>
Income from fees and commissions	206,759	189,731
Expenses from fees and commissions	<u>(30,355)</u>	<u>(26,254)</u>
Net profit from fees and commissions	<u>176,404</u>	<u>163,477</u>
Foreign exchange gains, net	4,555	5,075
Gains on securities, net	7,946	44,999
Gains on derivative instruments, net	2,030	656
Dividend income	82,638	90,467
Other operating income	9,990	8,583
Net other operating income / (expenses)	<u>71,359</u>	<u>(28,851)</u>
Net operating income	<u>178,518</u>	<u>120,929</u>
Personnel expenses	(90,444)	(88,720)
Depreciation and amortization	(20,486)	(21,872)
Other administrative expenses	<u>(141,455)</u>	<u>(139,547)</u>
Other administrative expenses	<u>(252,385)</u>	<u>(250,139)</u>
PROFIT BEFORE INCOME TAX	270,417	193,474
Income tax expense	<u>(18,867)</u>	<u>(21,096)</u>
NET PROFIT FOR THE PERIOD	<u>251,550</u>	<u>172,378</u>
Earnings per share (in HUF)		
Basic	<u>902</u>	<u>619</u>
Diluted	<u>902</u>	<u>619</u>

SEPARATE STATEMENT OF COMPREHENSIVE INCOME
(in HUF million)

	2017	2016
NET PROFIT FOR THE PERIOD	<u>251,550</u>	<u>172,378</u>
Other comprehensive income:		
Items that may be reclassified subsequently from other comprehensive income to profit or loss:		
Fair value adjustment of securities available-for-sale	18,174	1,951
Deferred tax related to securities available-for-sale	(1,636)	(371)
Effect of the tax rate-modification (19%→9%)	<u>-</u>	<u>5,758</u>
Total	<u>16,538</u>	<u>7,338</u>
NET COMPREHENSIVE INCOME	<u>268,088</u>	<u>179,716</u>

The Board of Directors of the Bank proposes to the General Meeting HUF 219 dividend per share (219% of the face value of the shares) for the fiscal year 2017. The exact amount of dividend payable to the shareholders will be calculated and paid in pursuance of the Articles of Association of the Bank, the Company will distribute the amount of dividend calculated on treasury shares to shareholders entitled to receive dividend.

Dividend payment will start on 4 June 2018 in pursuance of the procedure defined in the Company's Articles of Association.

The written documents of the General Meeting shall be available for inspection by the shareholders from 22nd of March 2018 at the Budapest Branch Office of OTP Bank (H-1131 Budapest, Babér street 7.) and on the website of the Budapest Stock Exchange (www.bet.hu), on the website operated by the National Bank of Hungary (www.kozzetetelek.hu) and of the Bank (www.otpbank.hu).

Board of Directors of OTP Bank Plc.