OTP Bank Plc.

Summary of the first quarter 2018 results

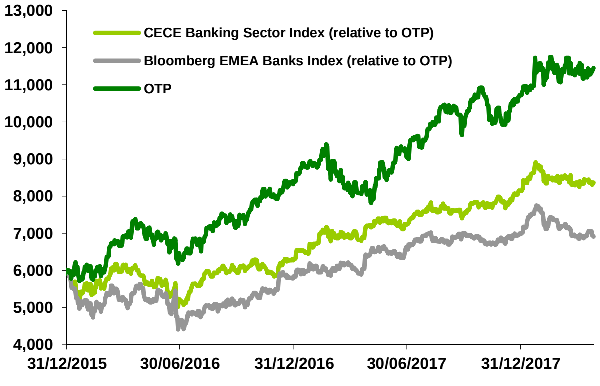
(English translation of the original report submitted to the Budapest Stock Exchange)

Budapest, 11 May 2018

CONSOLIDATED FINANCIAL HIGHLIGHTS[1] AND SHARE DATA

Main components of the Statement of recognised income in HUF million	1Q 2017	4Q 2017	1Q 2018	Q-o-Q	Y-o-Y
Consolidated after tax profit	**52,859**	**68,454**	**65,050**	**-5%**	**23%**
Adjustments (total)	**-13,902**	**8,934**	**-14,216**	**-259%**	**2%**
Consolidated adjusted after tax profit without the effect of adjustments	**66,762**	**59,520**	**79,266**	**33%**	**19%**
Pre-tax profit	76,204	66,063	89,696	36%	18%
Operating profit	88,721	85,077	92,830	9%	5%
Total income	188,756	208,852	206,335	-1%	9%
Net interest income	132,180	140,523	143,614	2%	9%
Net fees and commissions	44,549	58,073	49,579	-15%	11%
Other net non-interest income	12,026	10,256	13,142	28%	9%
Operating expenses	-100,035	-123,775	-113,505	-8%	13%
Total risk costs	-12,475	-19,120	-1,289	-93%	-90%
One off items	-42	106	-1,845		
Corporate taxes	-9,442	-6,543	-10,430	59%	10%
Main components of balance sheet closing balances in HUF million	1Q 2017	4Q 2017	1Q 2018	Q-o-Q	Y-o-Y
Total assets	11,295,754	13,190,228	13,511,182	2%	20%
Total customer loans (net, FX adjusted)	**5,721,239**	**7,013,904**	**7,102,159**	**1%**	**24%**
Total customer loans (gross, FX adjusted)	**6,613,915**	**7,717,862**	**7,856,093**	**2%**	**19%**
Allowances for possible loan losses (FX adjusted)	-892,676	-703,958	-753,934	7%	-16%
Total customer deposits (FX adjusted)	**8,357,216**	**10,260,240**	**10,385,228**	**1%**	**24%**
Issued securities	263,629	250,320	258,602	3%	-2%
Subordinated loans	76,565	76,028	75,266	-1%	-2%
Total shareholders' equity	1,436,232	1,640,055	1,592,448	-3%	11%
Indicators based on adjusted earnings	1Q 2017	4Q 2017	1Q 2018	Q-o-Q	Y-o-Y
ROE (from accounting net earnings)	15.0%	16.9%	16.2%	-0.7%p	1.2%p
ROE (from accounting net earnings, on 12.5% CET1 ratio)	18.3%	20.3%	19.4%	-1.0%p	1.1%p
ROE (from adjusted net earnings)	18.8%	14.7%	19.7%	5.0%p	0.9%p
ROA (from adjusted net earnings)	2.4%	1.9%	2.4%	0.6%p	0.0%p
Operating profit margin	3.22%	2.65%	2.83%	0.18%p	-0.40%p
Total income margin	6.86%	6.50%	6.28%	-0.22%p	-0.58%p
Net interest margin	4.80%	4.38%	4.37%	0.00%p	-0.43%p
Cost-to-asset ratio	3.64%	3.85%	3.46%	-0.40%p	-0.18%p
Cost/income ratio	53.0%	59.3%	55.0%	-4.3%p	2.0%p
Risk cost to average gross loans	0.65%	0.70%	0.03%	-0.67%p	-0.62%p
Total risk cost-to-asset ratio	0.45%	0.60%	0.04%	-0.56%p	-0.41%p
Effective tax rate	12.4%	9.9%	11.6%	1.7%p	-0.8%p
Net loan/(deposit+retail bond) ratio (FX adjusted)	68%	68%	68%	0%p	1%p
Capital adequacy ratio (consolidated, IFRS) - Basel3	18.5%	14.6%	16.9%	2.3%p	-1.5%p
Tier1 ratio - Basel3	16.0%	12.7%	15.0%	2.4%p	-1.0%p
Common Equity Tier 1 ('CET1') ratio - Basel3	16.0%	12.7%	15.0%	2.4%p	-1.0%p
Share Data	1Q 2017	4Q 2017	1Q 2018	Q-o-Q	Y-o-Y
EPS diluted (HUF) (from unadjusted net earnings)	202	261	248	-5%	23%
EPS diluted (HUF) (from adjusted net earnings)	255	227	303	33%	19%
Closing price (HUF)	8,093	10,720	11,420	7%	41%
Highest closing price (HUF)	9,396	10,930	11,750	8%	25%
Lowest closing price (HUF)	8,093	9,930	10,790	9%	33%
Market Capitalization (EUR billion)	7.3	9.7	10.2	6%	39%
Book Value Per Share (HUF)	5,129	5,857	5,687	-3%	11%
Tangible Book Value Per Share (HUF)	4,534	5,219	5,074	-3%	12%
Price/Book Value	1.6	1.8	2.0	10%	27%
Price/Tangible Book Value	1.8	2.1	2.3	10%	26%
P/E (trailing, from accounting net earnings)	10.3	10.7	10.9	2%	6%
P/E (trailing, from adjusted net earnings)	10.3	10.6	10.8	2%	5%
Average daily turnover (EUR million)	15	14	17	19%	16%
Average daily turnover (million share)	0.5	0.4	0.5	8%	-10%

SHARE PRICE PERFORMANCE



MOODY'S RATINGS

OTP Bank - FX long term deposits	Baa3
OTP Mortgage Bank - Covered mortgage bond	Baa1

S&P GLOBAL RATINGS

OTP Bank and **OTP Mortgage Bank -** FX Long term credit rating	BBB-

DAGONG GLOBAL RATING

OTP Bank - FX long term credit rating	BBB+

FITCH'S RATING

OTP Bank Russia - Long term credit rating	BB

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

SUMMARY – OTP BANK'S RESULTS FOR FIRST QUARTER 2018

Summary of the first quarter 2018 results of OTP Bank Plc. has been prepared on the basis of its separate and consolidated IFRS financial statements for 31 March 2018 or derived from that. At presentation of first quarter 2018 report of OTP Bank we applied International Financial Reporting Standards adopted by the European Union. The impact of shifting from IAS 39 to IFRS 9 – in accordance with the standards – was incorporated into the opening balance of own equity including the deferred tax effect.

SUMMARY OF THE FIRST QUARTER 2018

The Hungarian economy had an excellent performance in 2017, the annual GDP growth was 4%. The growth is wide-based: the strengthening household consumption and the improving investment activity have become the real engine of expansion, with the export performance remaining robust. It was positive that the economic growth coupled with stable balance indicators: the annual budget deficit stood at 2% and the public debt to GDP declined from 76% to 73.6%. The current account surplus is still meaningful (2.9% of GDP). Due to such a strong base economic performance in 2018 can be even better. Based on the Convergence Program submitted to the European Committee in May the Ministry of National Economy expects 4.3% growth, whereas in its Inflation Report published on 27 March 2018 the National Bank of Hungary (NBH) forecasted almost identical growth for this year (4.2%).

As for the loan volume expansion in Hungary, in 2017 all segments demonstrated a turnaround and in 2018 both the household and corporate sectors are expected to continue their dynamic growth. It is important to note that despite the robust corporate and retail lending activity no sign of overheating is experienced, penetration levels are still way below the V4 (so called Visegrad 4 countries, i.e. Poland, Slovakia, Czech Republic and Hungary) levels. Furthermore, the macro-prudential brakes introduced by the NBH contribute to the stable development of the local financial sector, whereas the debt service capability of households is solid as a result of the ongoing wage growth.

The introduction of the certified consumer friendly mortgage loan product reached its goal: on one hand lending rates have come down, at the same time out of newly disbursed mortgages the weight of fixed rate mortgages with a fixing period of at least one year kept increasing and by March their share comprised 76% for the sector. In order to boost fixed rate mortgage lending the NBH initiated a mortgage bonds purchase programme and plays an active role both on the primary and secondary markets.

As for the local yield environment, the short end of the curve remained practically unchanged with the 3M BUBOR being at 3 bps (q-o-q flat).

The ruling Government coalition was re-elected with a $^2/_3$ majority again on the general elections held on 8 April 2018; markets reacted positively to the outcome. According to preliminary information, within the priorities of the new cabinet one can expect the continuation of the rigorous control of balance indicators, as well as initiatives aimed at improving the competitiveness of the economy and fostering growth in the long run.

On 18 April the deputy governor of NBH outlined a dynamic loan volume growth path for the 2018-2030 period, accordingly the overall loan-to-GDP penetration level of the sector may increase from 32% in 2017 to 70% alongside a sustainable annual average nominal economic growth rate of 6%. Meanwhile the indebtedness can remain in a tolerable range provided the major criteria set by the central bank are met. Under such penetration growth path, corporate exposures may expand by 12% on average annually, household loan volumes by 15%, within that mortgages by 18%, respectively.

Within the European Union the Central East European region remained the centre of growth: almost all countries within the OTP universe will enjoy strong growth in 2018. Such a positive picture is coupled with fiscal rigour, declining public debt and unemployment rates and low interest rate environment. At the same time almost all countries face tight labour market which generates wage inflation.

The new and more stringent sanctions against Russia announced on 6 April resulted in a significant RUB weakening, several stock exchange listed Russian companies suffered massive sale-offs and local government yields sharply increased. The communication of the CBR suggests that monetary easing might temporarily be put on hold in 2018. Still, most of the analysts expect only a marginal growth setback and the rating agencies confirmed their ratings for Russia.

Consolidated earnings: HUF 79.3 billion adjusted after tax profit in 1Q, stable net interest margin (4.37%), improving adjusted ROE (19.7%)

The consolidated accounting after tax profit was HUF 65 billion (+23% y-o-y). In line with the management's guidance only one material adjustment items appeared in 1Q 2018, namely the banking tax in the amount of -HUF 14.7 billion (after tax). This amount includes the full-year Hungarian levy booked already in 1Q in a lump-sum, as well as the quarterly part of the Slovakian banking tax. Besides, there were two minor positive adjustment items in this period:

- +HUF 380 million effect of acquisitions (after tax);
- +HUF 129 million dividends and net cash transfers (after tax).

As a result, the total amount of adjustment items within 1Q 2018 accounting profit represented -HUF 14.2 billion (after tax), fairly similar to that of in the base period.

As for the y-o-y development of particular P&L lines one should consider that neither the performance of Splitska banka (Croatia), nor that of Vojvodjanska banka (Serbia) was consolidated in 1Q 2017. Furthermore, the average quarterly FX rate of UAH against HUF weakened by 13% y-o-y and that of RUB by 10%, respectively.

In 1Q 2018 OTP Group posted HUF 79.3 billion adjusted after-tax profit (+19% y-o-y). The non-Hungarian profit contribution improved substantially (1Q 2017: 33%, 1Q 2018: 46%). As for the individual performances, OTP Core posted HUF 39.1 billion net profit, followed by DSK Bank with over HUF 11 billion. The Russian subsidiary excelled itself with HUF 8.5 billion, the Croatian operation with HUF 7.7 billion (of which OBH made HUF 2.7 billion and Splitska banka realized HUF 5 billion) and the Ukrainian operation with HUF 5.8 billion. As for the Russian subsidiary one should go back to 2012 to see such strong quarterly results, whereas the Ukrainian 1Q profit was the strongest ever. The same applies to OTP Romania (HUF 1.5 billion). There was a meaningful profit contribution from the Leasing operation (HUF 2.5 billion) and the Asset Management group (HUF 1.2 billion), besides the Slovakian (HUF 0.8 billion), Serbian (HUF 0.6 billion, of which HUF 460 million was realized by Vojvodjanska banka) and Montenegrin banks (HUF 0.7 billion) were all profit-makers. Though Touch Bank suffered another loss-making quarter (-HUF 1.3 billion), its magnitude declined both q-o-q and y-o-y.

The consolidated adjusted ROE for 1Q increased to 19.7% (+0.9 pp y-o-y). The accounting ROE for the same period was 16.2% (+1.2 pps y-o-y). Many of the outstanding net profit numbers at subsidiaries level were coupled with strong profitability indicators, too: in 1Q the Ukrainian ROE stood at 68.2%, the Russian at 25.7%, the Bulgarian at 17.3%, the Croatian at 12.8% and the Romanian at 12.3%, respectively.

Key components of the adjusted after tax profit improvement: on one hand total risk costs declined to all-time low levels (-HUF 1.3 billion), at the same time the operating profit grew by 5% y-o-y: increasing total income (+9% y-o-y) offset the 13% y-o-y surge of operating expenses. In 1Q the effective tax rate was 11.6% (-0.8 pp y-o-y).

Within consolidated total income the net interest income improved by 9% y-o-y, while the net fee and commission income grew by 11%. The y-o-y erosion of NIM (1Q: 4.37%, -43 bps y-o-y) was offset by the higher volume of performing loans, as a result the net interest income grew by HUF 11.4 billion compared to the base period.

One of the most apparent evidences of the supportive macroeconomic environment is the steady improvement of the credit profile. On one hand the DPD90+ ratio dropped to 8.9%. Furthermore, the DPD90+ volume growth (adjusted for FX and the effect of sales and write offs) reached only HUF 7.3 billion versus the quarterly average of HUF 12.7 billion in 2017. The volume of Stage 3 exposure under IFRS 9 amounted to HUF 961 billion at the end of 1Q (12.2% of gross loans).

Total risk costs amounted to -HUF 1.3 billion. The consolidated risk cost rate was 0.03%.

The other important consequence of the favourable operating environment and low interest rates is the continuing increase of the performing volumes: in 1Q the FX-adjusted loan book advanced by HUF 151 billion (+2% q-o-q). All credit segments realized volume increase. As for the major Group members performing exposures grew by 2% at OTP Core, by 3% at OTP Russia and DSK Bank and by 6% at OTP Ukraine. Vojvdjanska banka realized a 3% increase ytd, while Merkantil, CKB Montenegro and OTP Romania reached 2% growth. Regarding the product segments the SME book grew the fastest (+5% ytd) followed by corporate dynamics (+3%). The consumer loan portfolio expanded by 2% ytd and mortgages grew by 1%, respectively.

At the same time the FX-adjusted deposit portfolio grew by HUF 127 billion (+1% q-o-q). The strongest quarterly deposit inflow was registered at OTP Core (+4%) and OTP Romania (+8%).

With respect to the q-o-q profit dynamics the adjusted after tax profit grew by HUF 19.7 billion (+33% q-o-q), but P&L lines were distorted by one-offs.

Quarterly risk costs dropped by 93% q-o-q, furthermore operating expenses moderated a lot (-HUF 10.3 billion q-o-q) after a seasonally high 4Q levels. A sharp quarterly drop was realized in administrative costs (marketing, expert fees), yet personnel expenses still kept increasing q-o-q as a result of the strong wage inflation.

Within core banking revenues Net Interest Income grew by 2% q-o-q. Lower margins were offset by increasing performing exposure, though calendar and base effect also affected the quarterly development. Recall: in 4Q 2017 OTP Core had a HUF 1.3 billion one-off distorting upward the NII (for details see at OTP Core section), at the same time at OTP Romania an accounting adjustment had around HUF 2 billion effect, but in negative direction. Also, in 4Q 2017 there was only one month net interest earnings realized at Vojvodjanska banka (HUF 1 billion) versus a full quarter in 1Q 2018 HUF 3 billion).

The quarterly development of F&C income (-15% q-o-q, -HUF 8.5 billion) was shaped by several factors. On one hand the base period was distorted by HUF 5 billion success fee at OTP Fund Management (booked within F&C), also, similar to previous years, the financial transaction tax on card transactions had to be paid in a lump-sum in the first quarter for the whole year, based on the annual volume of previous year's transactions. This item amounted to HUF 1.6 billion in 1Q 2018 at OTP Core, similar to previous years. There was another negative item at OTP Core: effective from 12 February 2018 the Debt Management Agency reduced the selling fees on household-targeted government papers. The estimated annual negative impact is around HUF 3.5 billion. At the same time the quarterly dynamics were supported by the fact that the total amount of credit card refunds (HUF 1.9 billion) was booked in lump-sum in 4Q 2017.

Other net non-interest income grew by around HUF 3 billion q-o-q.

As a result, 1Q total income marginally eroded (-1% q-o-q), but it was offset by lower operating expenses (-8% q-o-q), so the operating profit improved by 9% q-o-q.

In 1Q FX-moves had a moderate impact on earnings: the average UAH rate weakened 6% against HUF q-o-q, whereas the RUB devaluation was 2%.

The quarterly NIM (4.37%) remained stable. Out of the major Group members OTP Core suffered a 10 bps decline, the erosion was less meaningful in Bulgaria and Croatia (-4 bps and -1 bp q-o-q, respectively). On the other hand, margins improved q-o-q both in Russia (+29 bps) and Ukraine (+18 bps)

At the end of 1Q 2018 the Group' liquidity position was comfortably stable: operative liquidity reserves comprised EUR 9.3 billion equivalent.

Consolidated capital adequacy ratio (in accordance with BASEL III)

By the end of March 2018 the consolidated Common Equity Tier1 ratio under IFRS was 15.0% (+2.4 pps q-o-q, -1.0 pp y-o-y). Neither the quarterly net result was included (only audited net result may be included), nor was the accrued dividend amount deducted from the regulatory capital when calculating the IFRS consolidated capital adequacy ratios. Including those items the CET1 ratio would have been 15.6%.

In line with the Resolution made by the AGM the Bank has accrued HUF 15,330 million dividend that will be paid in the future from the 1Q 2018 retained earnings.

The preliminary estimate for the impact of implementing the IFRS 9 standards on the retained earnings in the opening consolidated balance sheet as of 1 January 2018, including the deferred tax effect, has been finalised in line with the audit of the standalone financials (-HUF 50.4 billion). As flagged earlier, OTP Bank opted to apply transitional rules (phase-in), accordingly in 2018 the negative CET1 impact will be 3 bps, in line with preliminary estimate.

Credit rating, shareholder structure

During 1Q 2018 there was no change in the credit rating of OTP Bank. Accordingly, OTP Bank Plc.'s long term foreign-currency deposit rating is 'Baa3' by Moody's with stable outlook. OTP Mortgage Bank's issuer rating was 'Baa3' with stable outlook and their covered bond carried a rating of 'Baa1'. According to S&P Global OTP Bank an OTP Mortgage Bank had a rating of 'BBB-', the outlook is stable. From Dagong Global OTP Bank has 'BBB+' long term ratings, the outlook is stable. OTP Bank Russia has a 'BB' rating by Fitch, the outlook is stable.

Regarding the ownership structure of the Bank, by 31 March 2018 the following investors had more than 5% influence (voting rights) in the Company: MOL (the Hungarian Oil and Gas Company, 8.67%), the Rahimkulov family (8.02%), OPUS Securities SA (5.23%) and Groupama Group (5.18%).

POST BALANCE SHEET EVENTS

Hungary

- The Fidesz-Christian Democratic People's Party (KDNP) collation has been reelected with $^2/_3$ majority during the parliamentary elections on 8 April 2018. On 7 May the President asked Mr. Viktor Orbán to form his new cabinet.
- On 13 April OTP Bank's AGM elected Mr. Olivier Péqueux into its Supervisory Board and Audit Committee replacing Mr. Dominique Uzel.
- In early May the Hungarian government submitted its convergence program for 2018-2022 period to the European Committee. The program anticipates a pace of economic growth significantly exceeding the EU average enabling faster convergence. Accordingly, in the forthcoming four years GDP growth will be in the access of 4% and the public debt to GDP will shrink below 60% by 2022 as a result of disciplined budgetary policy.

Russia

- On 6 April 2018 the United States imposed new sanctions against Russia striking at some of the country's biggest companies, oligarchs and senior officials to punish Moscow for its alleged meddling in the 2016 U.S. election and other ongoing aggressions in Crimea and Syria.

Romania

- According to the extraordinary announcement by OTP Bank as of 19 April 2018: The acquisition of the 99.28% shareholding held by National Bank of Greece S.A. in Romanian Banca Romaneasca S.A. and the acquisition of other Romanian exposures of other Romanian subsidiaries of NBG by OTP Bank Romania S.A that - due to the non-fulfilment of the conditions precedents by the longstop date - the share purchase agreement entered into on 26 July 2017 has been terminated. With reference to this development, on 18 April 2018, OBR withdrew the appeal filed against the National Bank of Romania's first instance decision, in which the central bank did not grant its approval with respect to the Transaction.
- On 7 May 2018 the National Bank of Romania raised the base rate by 25 bps to 2.50%.

Serbia

- On 11 April 2018 the Serbian central bank decided to cut the key rate by 25 bps to 3%.

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

in HUF million	1Q 2017	4Q 2017	1Q 2018	Q-o-Q	Y-o-Y
Consolidated after tax profit	**52,859**	**68,454**	**65,050**	**-5%**	**23%**
Adjustments (total)	**-13,902**	**8,934**	**-14,216**	**-259%**	**2%**
Consolidated adjusted after tax profit without the effect of adjustments	**66,762**	**59,520**	**79,266**	**33%**	**19%**
Banks total without one-off items[1]	63,608	52,772	75,755	44%	19%
OTP CORE (Hungary)[2]	40,848	31,685	39,095	23%	-4%
Corporate Centre (after tax)[3]	1,137	-1,755	1,111	-163%	-2%
OTP Bank Russia[4]	7,553	6,328	8,520	35%	13%
Touch Bank (Russia)[5]	-2,259	-2,236	-1,315	-41%	-42%
OTP Bank Ukraine[6]	3,311	5,242	5,833	11%	76%
DSK Bank (Bulgaria)[7]	13,391	10,445	11,258	8%	-16%
OBR (Romania)[8]	1,308	952	1,504	58%	15%
OTP banka Srbija (Serbia)[9]	-6	-1,634	573	-135%	
OBH (Croatia)[10]	-1,847	6,035	7,718	28%	-518%
OBS (Slovakia)[11]	90	-1,469	770	-152%	756%
CKB (Montenegro)[12]	82	-819	688	-184%	737%
Leasing	2,053	2,763	2,473	-10%	20%
Merkantil Bank + Car, adj. (Hungary)[13]	1,942	2,317	1,648	-29%	-15%
Foreign leasing companies (Croatia, Bulgaria, Romania, Serbia)[14]	111	446	825	85%	645%
Asset Management	1,087	5,194	1,221	-76%	12%
OTP Asset Management (Hungary)	1,046	5,071	1,074	-79%	3%
Foreign Asset Management Companies (Ukraine, Romania, Bulgaria)[15]	41	123	147	19%	263%
Other Hungarian Subsidiaries	5	-1,239	41	-103%	685%
Other Foreign Subsidiaries (Slovakia, United Kingdom, Montenegro, Romania, Serbia, Croatia, Belize)[16]	51	307	38	-88%	-25%
Eliminations	-42	-277	-263	-5%	523%
Total adjusted after tax profit of HUNGARIAN subsidiaries[17]	44,936	35,807	42,706	19%	-5%
Total adjusted after tax profit of FOREIGN subsidiaries[18]	21,825	23,717	36,559	54%	68%
Share of foreign profit contribution, %	33%	40%	46%	16%	41%

[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	1Q 2017	4Q 2017	1Q 2018	Q-o-Q	Y-o-Y
Consolidated after tax profit	**52,859**	**68,454**	**65,050**	**-5%**	**23%**
Adjustments (total)	**-13,902**	**8,934**	**-14,216**	**-259%**	**2%**
Dividends and net cash transfers (after tax)	139	30	129	332%	-7%
Goodwill/investment impairment charges (after tax)	512	-5,606	0	-100%	-100%
Special tax on financial institutions (after corporate income tax)	-14,730	-171	-14,725		0%
Impact of fines imposed by the Hungarian Competition Authority (after tax)	177	0	0		-100%
Effect of acquisitions (after tax)	0	14,681	380	-97%	
Consolidated adjusted after tax profit without the effect of adjustments	**66,762**	**59,520**	**79,266**	**33%**	**19%**
Before tax profit	**76,204**	**66,063**	**89,696**	**36%**	**18%**
Operating profit	**88,721**	**85,077**	**92,830**	**9%**	**5%**
Total income	**188,756**	**208,852**	**206,335**	**-1%**	**9%**
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Net fees and commissions	**44,549**	**58,073**	**49,579**	**-15%**	**11%**
Other net non-interest income	**12,026**	**10,256**	**13,142**	**28%**	**9%**
Foreign exchange result, net	5,004	3,955	7,238	83%	45%
Gain/loss on securities, net	1,719	1,295	779	-40%	-55%
Net other non-interest result	5,304	5,006	5,124	2%	-3%
Operating expenses	**-100,035**	**-123,775**	**-113,505**	**-8%**	**13%**
Personnel expenses	-49,560	-56,780	-57,598	1%	16%
Depreciation	-9,722	-12,376	-11,304	-9%	16%
Other expenses	-40,753	-54,619	-44,604	-18%	9%
Total risk costs	**-12,475**	**-19,120**	**-1,289**	**-93%**	**-90%**
Provision for loan losses	-10,647	-13,371	-570	-96%	-95%
Other provision	-1,828	-5,749	-719	-87%	-61%
Total one-off items	**-42**	**106**	**-1,845**		
Gain on the repurchase of own Upper and Lower Tier2 Capital	0	0	0		
Result of the treasury share swap at OTP Core	-42	106	-1,845		
Corporate taxes	**-9,442**	**-6,543**	**-10,430**	**59%**	**10%**
INDICATORS	1Q 2017	4Q 2017	1Q 2018	Q-o-Q	Y-o-Y
ROE (from accounting net earnings)	15.0%	16.9%	16.2%	-0.7%p	1.2%p
ROE (from adjusted net earnings)	18.8%	14.7%	19.7%	5.0%p	0.9%p
ROA (from adjusted net earnings)	2.4%	1.9%	2.4%	0.6%p	0.0%p
Operating profit margin	3.22%	2.65%	2.83%	0.18%p	-0.40%p
Total income margin	6.86%	6.50%	6.28%	-0.22%p	-0.58%p
Net interest margin	4.80%	4.38%	4.37%	0.00%p	-0.43%p
Net fee and commission margin	1.62%	1.81%	1.51%	-0.30%p	-0.11%p
Net other non-interest income margin	0.44%	0.32%	0.40%	0.08%p	-0.04%p
Cost-to-asset ratio	3.64%	3.85%	3.46%	-0.40%p	-0.18%p
Cost/income ratio	53.0%	59.3%	55.0%	-4.3%p	2.0%p
Risk cost for loan losses-to-average gross loans	0.65%	0.70%	0.03%	-0.67%p	-0.62%p
Total risk cost-to-asset ratio	0.45%	0.60%	0.04%	-0.56%p	-0.41%p
Effective tax rate	12.4%	9.9%	11.6%	1.7%p	-0.8%p
Non-interest income/total income	30%	33%	30%	-2%p	0%p
EPS base (HUF) (from unadjusted net earnings)	202	262	248	-5%	23%
EPS diluted (HUF) (from unadjusted net earnings)	202	261	248	-5%	23%
EPS base (HUF) (from adjusted net earnings)	255	227	303	33%	19%
EPS diluted (HUF) (from adjusted net earnings)	255	227	303	33%	19%
Comprehensive Income Statement	1Q 2017	4Q 2017	1Q 2018	Q-o-Q	Y-o-Y
Consolidated after tax profit	52,859	68,454	65,050	-5%	23%
Fair value changes of financial instruments measured at fair value through other comprehensive income	4,970	4,104	-4,224	-203%	-185%
Fair value adjustment of derivative financial instruments designated as cash-flow hedge	0	0	1		
Fair value adjustment of strategic open FX position hedging net investment in foreign operations	543	274	-705	-357%	-230%
Foreign currency translation difference	10,736	-8,140	4,277	-153%	-60%
Change of actuarial losses (IAS 19)	0	-241	0	-100%	
Net comprehensive income	**69,108**	**64,450**	**64,398**	**0%**	**-7%**
o/w Net comprehensive income attributable to equity holders	68,890	64,370	64,362	0%	-7%
Net comprehensive income attributable to non-controlling interest	218	80	36	-55%	-83%
Average exchange rate of the HUF (in HUF)	1Q 2017	4Q 2017	1Q 2018	Q-o-Q	Y-o-Y
HUF/EUR	297	309	307	0%	4%
HUF/CHF	241	289	292	1%	21%
HUF/USD	224	275	276	0%	23%

CONSOLIDATED BALANCE SHEET

Main components of balance sheet in HUF million	1Q 2017	4Q 2017	1Q 2018	Q-o-Q	Y-o-Y
TOTAL ASSETS	**11,295,754**	**13,190,228**	**13,511,182**	**2%**	**20%**
Cash and amount due from banks	1,351,267	1,198,046	1,264,606	6%	-6%
Placements with other banks	347,441	462,180	460,641	0%	33%
Financial assets at fair value	210,599	344,417	307,136	-11%	46%
Securities available-for-sale	1,669,298	2,174,718	2,104,417	-3%	26%
Net customer loans	5,778,811	6,987,834	7,102,159	2%	23%
Net customer loans (FX adjusted[1])	**5,721,239**	**7,013,904**	**7,102,159**	**1%**	**24%**
Gross customer loans	6,708,882	7,690,419	7,856,093	2%	17%
Gross customer loans (FX adjusted[1])	**6,613,915**	**7,717,862**	**7,856,093**	**2%**	**19%**
o/w Retail loans	4,329,815	4,875,734	4,947,536	1%	14%
Retail mortgage loans (incl. home equity)	2,321,061	2,453,634	2,455,901	0%	6%
Retail consumer loans	1,482,627	1,875,226	1,919,302	2%	29%
SME loans	526,127	546,874	572,333	5%	9%
Corporate loans	2,027,526	2,577,226	2,636,335	2%	30%
Loans to medium and large corporates	1,941,672	2,375,799	2,414,305	2%	24%
Municipal loans	85,855	201,427	222,030	10%	159%
Car financing loans	217,051	264,744	272,222	3%	25%
Bills and accrued interest receivables related to loans	39,523	158	0	-100%	-100%
Allowances for loan losses	-930,071	-702,585	-753,934	7%	-19%
Equity investments	10,041	12,269	16,913	38%	68%
Securities held-to-maturity	1,218,822	1,310,331	1,537,619	17%	26%
Premises, equipment and intangible assets, net	360,314	413,389	410,638	-1%	14%
o/w Goodwill, net	107,573	100,976	100,318	-1%	-7%
Premises, equipment and other intangible assets, net	252,740	312,414	310,320	-1%	23%
Other assets	349,160	287,044	307,051	7%	-12%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**11,295,754**	**13,190,228**	**13,511,182**	**2%**	**20%**
Liabilities to credit institutions and governments	491,895	472,068	537,682	14%	9%
Customer deposits	8,441,077	10,233,471	10,385,228	1%	23%
Customer deposits (FX adjusted[1])	**8,357,216**	**10,260,240**	**10,385,228**	**1%**	**24%**
o/w Retail deposits	6,077,407	7,290,603	7,445,850	2%	23%
Household deposits	5,090,141	6,095,712	6,203,164	2%	22%
SME deposits	987,266	1,194,891	1,242,685	4%	26%
Corporate deposits	2,268,399	2,954,962	2,926,854	-1%	29%
Deposits to medium and large corporates	1,733,683	2,264,984	2,163,721	-4%	25%
Municipal deposits	534,716	689,978	763,132	11%	43%
Accrued interest payable related to customer deposits	11,410	14,675	12,524	-15%	10%
Issued securities	263,629	250,320	258,602	3%	-2%
o/w Retail bonds	19,875	6,500	6,038	-7%	-70%
Issued securities without retail bonds	243,754	243,821	252,564	4%	4%
Other liabilities	586,357	518,286	661,957	28%	13%
Subordinated bonds and loans[2]	76,565	76,028	75,266	-1%	-2%
Total shareholders' equity	**1,436,232**	**1,640,055**	**1,592,448**	**-3%**	**11%**
Indicators	1Q 2017	4Q 2017	1Q 2018	Q-o-Q	Y-o-Y
Loan/deposit ratio (FX adjusted[1])	79%	75%	76%	0%p	-3%p
Net loan/(deposit + retail bond) ratio (FX adjusted[1])	68%	68%	68%	0%p	1%p
Stage 3 loan volume under IFRS 9			960,509		
Stage 3 loans under IFRS9/gross customer loans			12.2%		
90+ days past due loan volume	941,546	707,211	696,882	-1%	-26%
90+ days past due loans/gross customer loans	14.1%	9.2%	8.9%	-0.3%p	-5.2%p
Total provisions/90+ days past due loans	98.8%	99.3%	108.2%	8.8%p	9.4%p
Consolidated capital adequacy - Basel3	1Q 2017	4Q 2017	1Q 2018	Q-o-Q	Y-o-Y
Capital adequacy ratio (consolidated, IFRS)	18.5%	14.6%	16.9%	2.3%p	-1.5%p
Tier1 ratio	16.0%	12.7%	15.0%	2.4%p	-1.0%p
Common Equity Tier1 ('CET1') capital ratio	16.0%	12.7%	15.0%	2.4%p	-1.0%p
Regulatory capital (consolidated)	1,249,250	1,228,628	1,454,460	18%	16%
o/w Tier1 Capital	1,082,777	1,062,701	1,288,998	21%	19%
o/w Common Equity Tier1 capital	1,082,777	1,062,701	1,288,998	21%	19%
Tier2 Capital	166,473	165,927	165,463	0%	-1%
o/w Hybrid Tier2	89,935	89,935	89,935	0%	0%
Consolidated risk weighted assets (RWA) (Credit&Market&Operational risk)	6,768,003	8,389,920	8,582,683	2%	27%
o/w RWA (Credit risk)	5,552,337	6,795,559	6,980,967	3%	26%
RWA (Market & Operational risk)	1,215,665	1,594,361	1,601,716	0%	32%
Closing exchange rate of the HUF (in HUF)	1Q 2017	4Q 2017	1Q 2018	Q-o-Q	Y-o-Y
HUF/EUR	309	310	313	1%	1%
HUF/CHF	289	265	265	0%	-8%
HUF/USD	289	259	254	-2%	-12%

[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] The ICES bonds are considered as Tier2 debt, but accounting-wise they are treated as part of the shareholders' equity.

OTP BANK'S HUNGARIAN CORE BUSINESS

OTP Core Statement of recognized income:

Main components of the Statement of recognised income in HUF million	1Q 2017	4Q 2017	1Q 2018	Q-o-Q	Y-o-Y
After tax profit without the effect of adjustments	40,848	31,685	39,095	23%	-4%
Corporate income tax	-5,179	-1,637	-3,526	115%	-32%
Pre-tax profit	46,026	33,322	42,621	28%	-7%
Operating profit	38,033	33,042	37,961	15%	0%
Total income	87,926	91,506	89,539	-2%	2%
Net interest income	57,586	60,132	59,506	-1%	3%
Net fees and commissions	24,249	26,214	23,840	-9%	-2%
Other net non-interest income	6,091	5,161	6,193	20%	2%
Operating expenses	-49,893	-58,464	-51,578	-12%	3%
Total risk costs	8,035	174	6,505		-19%
Provisions for possible loan losses	6,988	4,139	7,706	86%	10%
Other provisions	1,048	-3,964	-1,200	-70%	-215%
Total one-off items	-42	106	-1,845		
Gain on the repurchase of own Upper and Lower Tier2 Capital	0	0	0	0%	0%
Revaluation result of the treasury share swap agreement	-42	106	-1,845		
Indicators	**1Q 2017**	**4Q 2017**	**1Q 2018**	**Q-o-Q**	**Y-o-Y**
ROE	12.6%	8.8%	10.8%	2.0%p	-1.8%p
ROA	2.3%	1.7%	2.0%	0.3%p	-0.3%p
Operating profit margin	2.2%	1.7%	2.0%	0.2%p	-0.2%p
Total income margin	5.06%	4.80%	4.60%	-0.20%p	-0.45%p
Net interest margin	3.31%	3.16%	3.06%	-0.10%p	-0.25%p
Net fee and commission margin	1.39%	1.38%	1.23%	-0.15%p	-0.17%p
Net other non-interest income margin	0.35%	0.27%	0.32%	0.05%p	-0.03%p
Operating costs to total assets ratio	2.9%	3.1%	2.7%	-0.4%p	-0.2%p
Cost/income ratio	56.7%	63.9%	57.6%	-6.3%p	0.9%p
Cost of risk/average gross loans[1]	-1.07%	-0.58%	-1.10%	-0.52%p	-0.04%p
Effective tax rate	11.3%	4.9%	8.3%	3.4%p	-3.0%p

[1] Negative *Cost of risk/average gross loan volumes* indicators imply provision release.

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

Main components of balance sheet closing balances in HUF mn	1Q 2017	4Q 2017	1Q 2018	Q-o-Q	Y-o-Y
Total Assets	7,186,708	7,704,135	8,037,659	4%	12%
Net customer loans	2,462,973	2,634,920	2,681,001	2%	9%
Net customer loans (FX adjusted)	**2,462,073**	**2,636,951**	**2,681,001**	**2%**	**9%**
Gross customer loans	2,667,329	2,793,871	2,852,776	2%	7%
Gross customer loans (FX adjusted)	**2,664,812**	**2,795,949**	**2,852,776**	**2%**	**7%**
Retail loans	1,764,241	1,823,160	1,845,164	1%	5%
Retail mortgage loans (incl. home equity)	1,279,878	1,275,672	1,278,196	0%	0%
Retail consumer loans	316,750	372,006	383,621	3%	21%
SME loans	167,613	175,481	183,347	4%	9%
Corporate loans	900,571	972,790	1,007,612	4%	12%
Loans to medium and large corporates	871,004	936,987	959,649	2%	10%
Municipal loans	29,567	35,803	47,964	34%	62%
Provisions	-204,356	-158,951	-171,775	8%	-16%
Provisions (FX adjusted)	**-202,739**	**-158,998**	**-171,775**	**8%**	**-15%**
Deposits from customers + retail bonds	4,868,019	5,388,080	5,576,136	3%	15%
Deposits from customers + retail bonds (FX adjusted)	**4,845,391**	**5,388,056**	**5,576,136**	**3%**	**15%**
Retail deposits + retail bonds	3,198,516	3,477,983	3,634,768	5%	14%
Household deposits + retail bonds	2,623,670	2,821,360	2,934,921	4%	12%
o/w: Retail bonds	19,875	6,500	6,038	-7%	-70%
SME deposits	574,846	656,624	699,847	7%	22%
Corporate deposits	1,646,875	1,910,073	1,941,368	2%	18%
Deposits to medium and large corporates	1,149,319	1,290,959	1,253,863	-3%	9%
Municipal deposits	497,557	619,114	687,505	11%	38%
Liabilities to credit institutions	288,139	285,539	314,015	10%	9%
Issued securities without retail bonds	299,280	288,799	299,451	4%	0%
Total shareholders' equity	1,303,288	1,430,256	1,422,547	-1%	9%
Loan Quality	1Q 2017	4Q 2017	1Q 2018	Q-o-Q	Y-o-Y
Stage 3 loan volume under IFRS 9 (in HUF million)			257,516		
Stage 3 loans under IFRS 9/gross customer loans (%)			9.0%		
90+ days past due loan volume (in HUF million)	243,919	179,618	175,935	-2%	-28%
90+ days past due loans/gross customer loans (%)	9.1%	6.4%	6.2%	-0.3%p	-3.0%p
Total provisions/90+ days past due loans (%)	83.8%	88.5%	97.6%	9.1%p	13.9%p
Market Share	1Q 2017	4Q 2017	1Q 2018	Q-o-Q	Y-o-Y
Loans	20.3%	20.6%	20.8%	0.2%p	0.5%p
Deposits[1]	24.3%	26.1%	26.2%	0.1%p	1.9%p
Total Assets	25.0%	25.7%	26.3%	0.6%p	1.3%p
Performance Indicators	1Q 2017	4Q 2017	1Q 2018	Q-o-Q	Y-o-Y
Net loans to (deposits + retail bonds) (FX adjusted)	51%	49%	48%	-1%p	-3%p
Leverage (closing Shareholder's Equity/Total Assets)	18.1%	18.6%	17.7%	-0.9%p	-0.4%p
Leverage (closing Total Assets/Shareholder's Equity)	5.5x	5.4x	5.7x	0.3x	0.1x
Capital adequacy ratio (OTP Bank, non-consolidated, Basel3, HAS until 4Q 2016, IFRS from 1Q 2017)	32.2%	31.4%	31.8%	0.4%p	-0.3%p
Common Equity Tier1 ratio (OTP Bank, non-consolidated, Basel3, HAS until 4Q 2016, IFRS from 1Q 2017)	29.5%	29.0%	29.5%	0.5%p	0.0%p

[1] Market share figures changed retroactively due to data revision.

- ***1Q 2018 adjusted profit after tax of OTP Core reached HUF 39.1 billion (-4% y-o-y)***
- ***Operating profit remained stable y-o-y, whereas risk cost releases moderated***
- ***The q-o-q improving result (+23%) was due to higher provision write-backs and seasonally lower operating expenses***
- ***Continuing q-o-q erosion of net interest margin***
- ***Further diminishing DPD90+ ratio***
- ***Performing loan growth reached 11% y-o-y and 2.3% q-o-q. In quarterly comparison both consumer and SME loans advanced by 4%***
- ***Performing mortgage loans expanded by 1% q-o-q and 2% y-o-y, amidst 32% growth in new mortgage loan disbursements. Within new housing loan applications the share of fixed rate and within that, the proportion of certified consumer-friendly loans has been rising further***

P&L developments

Without the effect of adjustment items **OTP Core** posted a profit after tax of HUF 39.1 billion in 1Q 2018, falling short of the base period by 4%, but showing a q-o-q 23% increase.

The profit before tax moderated by 7% y-o-y, reasoned partly by the lower provision write-backs, whereas the operating profit remained stable. The quarterly profit improvement was shaped mostly by favourable developments in risk costs and seasonally dropping operating costs, whereas revenues were negatively influenced by both technical and seasonal factors.

It was favourable that total income (without one-off items) went up by 2% y-o-y. Within that net interest income expanded by 3% y-o-y. Gross interest revenues benefited from dynamic organic loan volume growth, the continuing shift of liquidity reserves toward longer duration and higher yielding Hungarian government bonds. The investment of additional liquidity generated by the deposit inflow added to the interest revenues, too. The 1Q 2018 net interest margin (3.06%) declined by 25 bps compared to 1Q 2017; this was to a great extent driven by the continuing erosion of short-term reference rates used as benchmark rates for variable rate loans. The quarterly average 3M BUBOR rate diminished y-o-y by 23 bps.

1Q net interest income contracted q-o-q by 1%. This can be explained by the calendar effect and a base effect: certain one-off items booked in 4Q 2017 in connection with agent fees related to purchase loan disbursements added HUF 1.3 billion to the NII line in the previous quarter. On the other hand, continued expansion of performing loans, especially consumer loans, as well as further growth in long maturity higher yielding government bonds affected interest revenues positively.

Short-term reference rates did not erode further q-o-q in 1Q 2018: the average rate of 3M BUBOR shrank by a mere 1 bp to 2 bps.

The net interest margin eroded q-o-q by 10 bps, but adjusted for the above-mentioned HUF 1.3 billion one-off item accounted for in 4Q 2017 the 4Q NIM would have stood at 3.09%, implying a q-o-q decline of only 3 bps.

The net fee and commission income decreased by 2% y-o-y. On one hand, growing transactional turnover and volumes resulted in stronger card, deposit and transaction-related fee revenues. However, securities fee income moderated because the distribution fees on certain household targeted government bonds were reduced by the Government Debt Management Agency in two steps: from 17 July 2017 and February 2018.

Net fees dropped by 9% q-o-q. Apart from the seasonality-driven decline, the quarterly development was also explained by the fact that similar to previous years, the financial transaction tax on card transactions had to be paid in a lump-sum in the first quarter for the whole year, based on the annual volume of previous year's transactions. This item amounted to HUF 1.6 billion in 1Q 2018 (similar to 1Q 2017). The reduction of retail government bonds' distribution fees by the Government Debt Management Agency effective from mid-February was a drag on quarterly development of fee revenues, too. However, the quarterly dynamics were positively affected by base effect: the annual amount of refunds related to the usage of credit cards (HUF 1.9 billion) was booked in one lump-sum in 4Q 2017.

In 2018 OTP Bank will be paying altogether HUF 1.3 billion into the Compensation Fund (established in order to indemnify the victims of Quaestor and Hungaria Securities Ltd.). The whole annual amount was already accounted for in 1Q 2018, in line with IFRS standards. The contributions can be deducted immediately from the nominal amount of banking tax or financial transaction tax or corporate tax. Due to the deductibility, in the adjusted P&L structure the Compensation Fund contributions booked in a lump-sum in 1Q 2018, as well as the deductions are presented within the financial transaction tax.

The other net non-interest income (without one-offs) grew by 2% y-o-y.

In 1Q 2018 -HUF 1.8 billion negative revaluation result was recorded on the Revaluation result of the treasury share swap agreement line. The reason for this was that according to the structure of the swap agreement, the extraordinary dividend announced by MOL Plc. reduced that net present value component of the swap deal which relates to the dividends. The expected realization of the extraordinary dividend in 2Q 2018 will neutralize the negative NPV-effect booked in 1Q.

Operating expenses increased by 3% y-o-y mostly as a result of higher personnel expenses, but amortization went up, too. Personnel expense growth was driven by base salary hikes in 2017 and higher number of employees. These were partially offset by the 2.5 pps reduction of social and health care contributions to be paid by employers effective from January 2018. (In 2017 the Government cut these contributions by 5 pps).

The q-o-q 12% decrease in operating costs was mainly due to the base effect of higher marketing expenses, advisory costs in connection with M&A and integration tasks, as well as business development projects booked in 4Q 2017, and also the seasonality of other general costs.

On the total risk costs line a release of HUF 6.5 billion was recognized in 1Q 2018, 19% less than a year ago.

The DPD90+ volumes adjusted for FX rate movements and sales and write offs declined by HUF 2 billion in 1Q 2018 (the decline was HUF 5 billion in 2016 adjusted for the technical effect of the AXA portfolio take-over and HUF 14 billion in 2017, respectively). In 1Q 2018 HUF 2 billion non-performing exposures were sold or written off. The DPD90+ ratio moderated by 0.3 pp q-o-q and by 3.0 pps y-o-y to 6.2%. The ratio of Stage 3 loans under IFRS 9 to total gross loans stood at 9.0% at the end of March.

Balance sheet trends

The FX-adjusted gross loan portfolio increased by 7% y-o-y. However, due to the sales and write-offs of non-performing loans, the performing (DPD0-90) loan volume developments are more illustrative: performing loans advanced by 2.3% q-o-q and by 11% y-o-y (FX-adjusted).

Whereas the organic loan expansion was predominantly driven by corporate loan growth both in 2016 and 2017, in 2018 the structure of quarterly loan growth showed a more balanced picture. All segments posted positive growth rates q-o-q: within the overall 2.3% performing loan growth mortgages expanded by 1%, consumer and SME loans by 4%, and medium and large corporate loans by 2%.

The outstanding stock of mortgage loans has finally switched into growth mode in the second half of 2017: the performing mortgage volumes have grown q-o-q in every quarter since 3Q 2017. In 1Q 2018 the q-o-q expansion was 1%. In 1Q mortgage loan applications at OTP Core represented HUF 81.9 billion (+5% q-o-q, +35% y-o-y). New disbursements showed a 32% increase y-o-y. OTP Bank's market share in new mortgage loan contractual amounts reached 28.5% in 1Q 2018.

From October 2017 the share of fixed rate mortgages within total mortgage loan applications has been steadily rising. The proportion of fixed rate housing loans (with an interest rate fixation period of at least 5 years) within applications for non-subsidized housing loans reached 77% in March 2018.

The gradually increasing share of certified customer-friendly mortgages is also positive: their proportion within new fixed rate market-based housing loan applications stood at 61% in April 2018.

OTP Bank helps the Hungarian families realize their housing aims through its active participation in the Housing Subsidy Scheme for Families (CSOK), too. In 1Q 2018 around 2,500 applications for the CSOK subsidy were registered at OTP Bank with a value of HUF 9 billion. Applicants also combined CSOK subsidy with subsidized or market-based loan applications in the amount of HUF 15 billion. Also thanks to the additional demand generated by the CSOK, state subsidized housing loan applications represented HUF 22.4 billion in 1Q 2018, up by 6% y-o-y.

Performing consumer loan volumes advanced by 28% y-o-y and 4% q-o-q (FX adjusted). The yearly increase was supported by few big ticket Lombard loans disbursed in 2Q 2017; without these the y-o-y growth would have been 17%.

Within consumer loans, cash loan growth was outstanding: the quarterly performing cash loan growth reached 9%, whereas the yearly increase accelerated to 40%. OTP's market share in the outstanding cash loan volumes stood at 34.5% at the end of March.

FX-adjusted deposit volumes (including retail bonds) increased by 15% y-o-y and by 3% q-o-q. The yearly growth was equally supported by retail and corporate expansion, while the quarterly growth was mainly propelled by the continued strong pace of household deposit growth and the q-o-q 11% jump in municipal deposits.

At the end of March 2018 OTP kept HUF 17 billion in three-month central bank deposits. As for the distribution of the liquidity reserves of the Bank, during the last twelve months there has been a gradual shift towards longer duration Hungarian government securities.

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	1Q 2017	4Q 2017	1Q 2018	Q-o-Q	Y-o-Y
After tax profit w/o dividends and net cash transfer	1,046	5,071	1,074	-79%	3%
Income tax	-102	-497	-107	-78%	5%
Profit before income tax	1,149	5,568	1,181	-79%	3%
Operating profit	1,149	5,588	1,181	-79%	3%
Total income	1,539	6,982	1,698	-76%	10%
Net interest income	0	0	0	-94%	-84%
Net fees and commissions	1,538	6,955	1,701	-76%	11%
Other net non-interest income	0	28	-3	-111%	
Operating expenses	-390	-1,395	-517	-63%	33%
Other provisions	0	-20	0	-100%	-100%
Main components of balance sheet closing balances in HUF mn	1Q 2017	4Q 2017	1Q 2018	Q-o-Q	Y-o-Y
Total assets	18,046	20,587	21,784	6%	21%
Total shareholders' equity	10,701	17,958	18,952	6%	77%
Asset under management in HUF bn	1Q 2017	4Q 2017	1Q 2018	Q-o-Q	Y-o-Y
Assets under management, total (w/o duplicates)	**1,522**	**1,519**	**1,261**	**-17%**	**-17%**
Retail investment funds (closing, w/o duplicates)	994	942	912	-3%	-8%
Volume of managed assets (closing, w/o duplicates)	529	576	350	-39%	-34%
Volume of investment funds (with duplicates)	1,176	1,171	1,160	-1%	-1%
money market	276	219	172	-22%	-38%
bond	367	311	294	-6%	-20%
mixed	34	48	60	26%	77%
security	133	148	158	7%	19%
guaranteed	66	49	44	-9%	-32%
other	301	396	431	9%	43%

The OTP Fund Management posted HUF 1.1 billion profit in 1Q 2018 underpinning a 3% y-o-y increase. The 79% q-o-q decline can be explain by the base effect of accounted performance fees generated by the fund management activities in 4Q 2017.

Both the profit before tax and the operating profit increased by 3% y-o-y, the latter is the result of the 10% y-o-y increase of total income and the 33% expansion of operating expenses. Net fees and commissions improved by 11% y-o-y supported by a shift towards higher fee-generating products. The 75% q-o-q decline was due to the above mentioned performance fees booked in 4Q.

Considering the whole market, in 1Q 2018 the managed assets of BAMOSZ members increased q-o-q. Equity and mixed funds as well as total return funds and real estate funds experienced increasing cash inflow, while money market funds, bond funds and protected funds suffered an outflow.

Assets under management at the Company dropped by HUF 226 billion q-o-q as a result of an intragroup portfolio re-allocation. The volume of AUM marginally declined both q-o-q and y-o-y (-1% respectively). The shift within different types of investment funds resembled pretty much the whole market during the quarter.

The market share of OTP Fund Management (without duplications) was 23.5%, lower by 0.4 pp y-o-y. The Company retained its market leading position.

MERKANTIL BANK AND CAR (HUNGARY)

Performance of Merkantil Bank and Car:

Main components of P&L account in HUF mn	1Q 2017	4Q 2017	1Q 2018	Q-o-Q	Y-o-Y
After tax profit without the effect of adjustments	1,942	2,317	1,648	-29%	-15%
Income tax	-56	-38	0		
Profit before income tax	1,998	2,355	1,648	-30%	-17%
Operating profit	1,546	1,174	1,786	52%	16%
Total income	3,009	2,891	3,269	13%	9%
Net interest income	2,779	3,326	3,098	-7%	11%
Net fees and commissions	-128	-45	-30	-34%	-77%
Other net non-interest income	359	-390	202		-44%
Operating expenses	-1,464	-1,718	-1,484	-14%	1%
Total provisions	452	1,181	-137		
Provision for possible loan losses	559	463	-139		
Other provision	-106	719	1		
Main components of balance sheet closing balances in HUF mn	**1Q 2017**	**4Q 2017**	**1Q 2018**	**Q-o-Q**	**Y-o-Y**
Total assets	351,217	369,180	376,903	2%	7%
Gross customer loans	282,564	292,925	298,693	2%	6%
Gross customer loans (FX-adjusted)	282,409	293,099	298,693	2%	6%
Retail loans	25,838	28,860	28,427	-2%	10%
Corporate loans	83,961	89,585	94,835	6%	13%
Car financing loans	172,609	174,654	175,431	0%	2%
Allowances for possible loan losses	-36,415	-21,000	-20,915	0%	-43%
Allowances for possible loan losses (FX-adjusted)	-36,343	-21,001	-20,915	0%	-42%
Deposits from customers	31,173	20,799	19,473	-6%	-38%
Deposits from customer (FX-adjusted)	31,173	20,799	19,473	-6%	-38%
Retail deposits	25,446	19,250	17,706	-8%	-30%
Corporate deposits	5,726	1,549	1,767	14%	-69%
Liabilities to credit institutions	287,526	303,371	314,443	4%	9%
Issued securities	3	0	0		-100%
Total shareholders' equity	26,400	30,268	27,248	-10%	3%
Loan Quality	**1Q 2017**	**4Q 2017**	**1Q 2018**	**Q-o-Q**	**Y-o-Y**
Stage 3 loan volume under IFRS 9 (in HUF million)			23,126		
Stage 3 loans under IFRS 9/gross customer loans (%)			7.7%		
Cost of risk/average gross loans (%)	-0.80%	-0.63%	0.19%	0.82%p	0.99%p
90+ days past due loan volume (in HUF million)	32,353	16,874	17,298	3%	-47%
90+ days past due loans/gross customer loans (%)	11.4%	5.8%	5.8%	0.0%p	-5.7%p
Total provisions/90+ days past due loans (%)	112.6%	124.5%	120.9%	-3.5%p	8.4%p
Performance Indicators	**1Q 2017**	**4Q 2017**	**1Q 2018**	**Q-o-Q**	**Y-o-Y**
ROA	2.3%	2.5%	1.8%	-0.7%p	-0.4%p
ROE	31.3%	29.4%	22.9%	-6.5%p	-8.4%p
Total income margin	3.49%	3.16%	3.59%	0.43%p	0.10%p
Net interest margin	3.22%	3.63%	3.40%	-0.23%p	0.18%p
Cost/income ratio	48.6%	59.4%	45.4%	-14.0%p	-3.3%p

The **Merkantil Bank and Car** posted adjusted HUF 1.6 billion after tax profit of in 1Q 2018, The q-o-q and y-o-y lower profit was mainly attributable to loan-related risk costs development: against provision releases in the base period, in 1Q 2018 provisions were made.

In 1Q the net interest income increased by 11% y-o-y, the expansion of performing loan volumes, as well as the lower funding costs had a positive NII-effect.

The q-o-q developments on the other net non-interest income line were shaped by base effect: in 4Q 2017 there was a sale of a claim resulting a HUF 0.4 billion drop in other income (simultaneously other risk cost line decreased by the same amount).

Operating expenses grew moderately y-o-y (+1%), whereas the significant drop of 14% q-o-q was due to lower marketing and personnel expenses.

In 1Q 2018 DPD90+ volumes (adjusted for FX rate changes and sold and written off volumes) increased by HUF 0.3 billion against the quarterly average decline of HUF 0.3 billion in 2017. The ratio of DPD90+ loans decreased by 5.7 pps y-o-y to 5.8% parallel with HUF 14.0 billion problem loans being sold or written off for the last twelve months. The volume of Stage 3 loans amounted to HUF 23 billion at the end of 1Q (7.7% of total gross loans).

The FX-adjusted performing loan portfolio expanded by 13%. The volume of performing corporate exposures increased by 6% q-o-q and by 14% y-o-y, respectively. Car loans expanded by 12% on a yearly base. Annual total new loan origination grew by 31% y-o-y, within that the volume of newly disbursed car loans surged by 27% y-o-y. Merkantil retained its market leading position both in terms of new loan disbursements and volumes.

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	1Q 2017	4Q 2017	1Q 2018	Q-o-Q	Y-o-Y
After tax profit without the effect of adjustments	13,391	10,445	11,258	8%	-16%
Income tax	-1,496	-827	-1,143	38%	-24%
Profit before income tax	14,887	11,271	12,401	10%	-17%
Operating profit	15,776	13,747	15,446	12%	-2%
Total income	26,278	26,997	26,930	0%	2%
Net interest income	18,392	17,756	17,927	1%	-3%
Net fees and commissions	6,394	7,304	6,896	-6%	8%
Other net non-interest income	1,492	1,936	2,107	9%	41%
Operating expenses	-10,502	-13,250	-11,484	-13%	9%
Total provisions	-890	-2,476	-3,045	23%	242%
Provision for possible loan losses	-466	-2,718	-4,183	54%	797%
Other provision	-423	242	1,138	370%	
Main components of balance sheet closing balances in HUF mn	**1Q 2017**	**4Q 2017**	**1Q 2018**	**Q-o-Q**	**Y-o-Y**
Total assets	1,895,337	1,925,740	1,978,056	3%	4%
Gross customer loans	1,144,119	1,184,871	1,223,884	3%	7%
Gross customer loans (FX-adjusted)	1,158,307	1,194,113	1,223,884	2%	6%
Retail loans	827,073	833,791	848,893	2%	3%
Corporate loans	331,234	360,322	374,991	4%	13%
Allowances for possible loan losses	-141,609	-109,137	-110,035	1%	-22%
Allowances for possible loan losses (FX-adjusted)	-143,318	-109,989	-110,035	0%	-23%
Deposits from customers	1,563,146	1,626,924	1,631,333	0%	4%
Deposits from customer (FX-adjusted)	1,572,999	1,637,702	1,631,333	0%	4%
Retail deposits	1,347,251	1,463,398	1,474,304	1%	9%
Corporate deposits	225,747	174,305	157,029	-10%	-30%
Liabilities to credit institutions	32,077	4,802	44,838	834%	40%
Total shareholders' equity	212,740	250,296	220,814	-12%	4%
Loan Quality	**1Q 2017**	**4Q 2017**	**1Q 2018**	**Q-o-Q**	**Y-o-Y**
Stage 3 loan volume under IFRS 9 (in HUF million)			149,552		
Stage 3 loans under IFRS 9/gross customer loans (%)			12.2%		
Cost of risk/average gross loans (%)	0.16%	0.90%	1.37%	0.47%p	1.21%p
90+ days past due loan volume (in HUF million)	129,209	93,936	94,426	1%	-27%
90+ days past due loans/gross customer loans (%)	11.3%	7.9%	7.7%	-0.2%p	-3.6%p
Total provisions/90+ days past due loans (%)	109.6%	116.2%	116.5%	0.3%p	6.9%p
Performance Indicators	**1Q 2017**	**4Q 2017**	**1Q 2018**	**Q-o-Q**	**Y-o-Y**
ROA	2.9%	2.2%	2.3%	0.1%p	-0.5%p
ROE	21.8%	17.0%	17.3%	0.4%p	-4.5%p
Total income margin	5.60%	5.66%	5.54%	-0.12%p	-0.06%p
Net interest margin	3.92%	3.72%	3.69%	-0.04%p	-0.23%p
Cost/income ratio	40.0%	49.1%	42.6%	-6.4%p	2.7%p
Net loans to deposits (FX-adjusted)	65%	66%	68%	2%p	4%p
FX rates (in HUF)	**1Q 2017**	**4Q 2017**	**1Q 2018**	**Q-o-Q**	**Y-o-Y**
HUF/BGN (closing)	157.8	158.6	159.8	1%	1%
HUF/BGN (average)	158.1	159.3	159.0	0%	1%

- ***HUF 11.3 billion profit in 1Q (-16% y-o-y) as a result of operating results shrinking by 2% and higher risk cost on the yearly basis***
- ***Net interest income improved q-o-q, the expansion of performing loan volumes counterbalanced the negative effect from the 4 bps NIM erosion***
- ***Stronger business activity: FX-adjusted performing loans grew by 10% y-o-y and 3% q-o-q supported by further strengthening retail loan sales***

DSK Group posted an after tax profit of HUF 11.3 billion in 1Q 2018, an 8% growth q-o-q and 16% decline y-o-y.

On the yearly basis operating profit decreased by 2%, as a result of total income growing by 2% and operating expenses by 9%, respectively. The significant decline of net results was due to higher risk cost exceeding HUF 2 billion. On the quarterly basis operating expenses increased by 12% with stable total income and operating expenses declining by 13%.

Net interest margin eroded by 23 bps y-o-y to 3.69% and net interest income declined by 3%. Despite the slight quarterly contraction of NIM (4 bps) and the calendar effect, net interest income increased by 1% q-o-q due to growing performing loan volumes.

Net fee and commission income improved by 8% y-o-y due to the growth of deposit and transactions related fee revenues, while on the quarterly basis it decreased by 6% resulting from the lower loan related F&C income.

Operating expenses decreased by 13% q-o-q mainly due to lower marketing and IT spending, as well as decreasing advisory cost. Large part of the 9% yearly growth can be explained by the higher personnel expenses stemming from the digitalisation and retail internet banking development projects.

1Q total risk cost amounted to HUF 3 billion (+23% q-o-q). Risk cost rate grew to 1.37%, the negative developments were induced by the provisions made on consumer and corporate exposures. The FX-adjusted DPD90+ volumes excluding the impact of loan sales and write-offs remained unchanged q-o-q. The DPD90+ ratio decreased by 0.2 pp q-o-q to 7.7% (-3.6 pps y-o-y). The volume of Stage 3 loans amounted to HUF 150 billion at the end of 1Q (12.2% of total gross loans).

The FX-adjusted growth of performing loans reached 10% y-o-y supported by strengthening retail disbursement activity. Mortgage loan disbursement went up by 10% q-o-q in local currency (+87% y-o-y), so performing mortgage loan volumes grew by 2% q-o-q (+9% y-o-y). Cash loan and POS loan disbursements returned to the levels seen in 3Q 2017 (+11% q-o-q, +29% y-o-y), the performing consumer loan portfolio went up by 1% q-o-q (+4% y-o-y, FX-adjusted).

Corporate and SME loan disbursements fell short of the record 4Q level, but increased by 57% y-o-y in 1Q. Performing corporate loan portfolio grew by 5% q-o-q and 16% y-o-y.

The FX-adjusted deposit base was stable on a quarterly basis as the retail deposit expansion counterbalanced the corporate deposit outflow; on the yearly basis the overall deposit volume growth was 4%. As a favourable development net loan-to-deposit ratio increased to 68% (+2 pps q-o-q).

The quarterly drop of shareholders' equity is due to the reclassification of dividend payable to the mother company into short-term liabilities.

OTP BANK RUSSIA

Performance of OTP Bank Russia:

Main components of P&L account in HUF mn	1Q 2017	4Q 2017	1Q 2018	Q-o-Q	Y-o-Y
After tax profit w/o dividends and net cash transfer	7,553	6,328	8,520	35%	13%
Income tax	-2,218	-1,631	-2,196	35%	-1%
Profit before income tax	9,771	7,959	10,716	35%	10%
Operating profit	19,630	16,587	17,422	5%	-11%
Total income	32,847	30,697	30,776	0%	-6%
Net interest income	27,093	24,386	24,555	1%	-9%
Net fees and commissions	5,663	6,047	6,142	2%	8%
Other net non-interest income	92	263	79	-70%	-14%
Operating expenses	-13,217	-14,110	-13,354	-5%	1%
Total provisions	-9,859	-8,628	-6,706	-22%	-32%
Provision for possible loan losses	-9,725	-8,273	-6,030	-27%	-38%
Other provision	-134	-355	-676	90%	406%
Main components of balance sheet closing balances in HUF mn	1Q 2017	4Q 2017	1Q 2018	Q-o-Q	Y-o-Y
Total assets	612,958	638,031	610,555	-4%	0%
Gross customer loans	508,938	531,280	536,315	1%	5%
Gross customer loans (FX-adjusted)	436,085	520,870	536,315	3%	23%
Retail loans	398,978	465,564	473,692	2%	19%
Corporate loans	36,026	55,202	62,521	13%	74%
Car financing loans	1,081	104	102	-2%	-91%
Gross DPD0-90 customer loans (FX-adjusted)	351,656	438,756	453,907	3%	29%
Retail loans	319,735	388,088	395,946	2%	24%
Allowances for possible loan losses	-120,651	-112,158	-113,936	2%	-6%
Allowances for possible loan losses (FX-adjusted)	-103,428	-109,971	-113,936	4%	10%
Deposits from customers	340,151	353,306	313,762	-11%	-8%
Deposits from customer (FX-adjusted)	293,292	346,640	313,762	-9%	7%
Retail deposits	245,744	279,297	262,003	-6%	7%
Corporate deposits	47,548	67,342	51,759	-23%	9%
Liabilities to credit institutions	70,632	100,404	101,879	1%	44%
Issued securities	690	353	366	1%	-49%
Subordinated debt	25,902	22,780	22,486	-2%	-14%
Total shareholders' equity	139,104	135,213	140,192	4%	1%
Loan Quality	1Q 2017	4Q 2017	1Q 2018	Q-o-Q	Y-o-Y
Stage 3 loan volume under IFRS 9 (in HUF million)			87,967		
Stage 3 loans under IFRS 9/gross customer loans (%)			16.4%		
Cost of risk/average gross loans (%)	7.89%	6.48%	4.55%	-1.93%p	-3.34%p
90+ days past due loan volume (in HUF million)	98,483	83,742	82,407	-2%	-16%
90+ days past due loans/gross customer loans (%)	19.4%	15.8%	15.4%	-0.4%p	-4.0%p
Total provisions/90+ days past due loans (%)	122.5%	133.9%	138.3%	4.3%p	15.8%p
Performance Indicators	1Q 2017	4Q 2017	1Q 2018	Q-o-Q	Y-o-Y
ROA	5.0%	4.1%	5.5%	1.5%p	0.5%p
ROE	23.4%	18.6%	25.7%	7.1%p	2.3%p
Total income margin	21.81%	19.70%	19.97%	0.27%p	-1.83%p
Net interest margin	17.99%	15.65%	15.93%	0.29%p	-2.05%p
Cost/income ratio	40.2%	46.0%	43.4%	-2.6%p	3.2%p
Net loans to deposits (FX-adjusted)	113%	119%	135%	16%p	21%p
FX rates (in HUF)	1Q 2017	4Q 2017	1Q 2018	Q-o-Q	Y-o-Y
HUF/RUB (closing)	5.2	4.5	4.4	-2%	-15%
HUF/RUB (average)	4.9	4.5	4.5	-2%	-10%

- ***HUF 8.5 billion after tax profit in 1Q (+25% y-o-y in local currency) with stable operating profit and lower risk cost***
- ***Net interest income grew by 2% q-o-q in RUB terms, with NIM growing by 0.3 pp and performing loan volumes expanding***
- ***In 1Q loan portfolio quality deterioration remained moderate, risk cost rate declined to 4.5%***
- ***Due to seasonality loan disbursements dropped q-o-q, but performing loan volumes grew nevertheless by 3% q-o-q***

The HUF denominated financial figures of OTP Bank Russia are distorted by the HUF/RUB moves: the 1Q 2018 closing rate showed q-o-q 2% and y-o-y 15% depreciation of RUB against HUF; whereas the 1Q average rate weakened by 2% q-o-q and 10% y-o-y. Therefore, local currency P&L and balance sheet dynamics can be materially different from those in HUF terms.

In 1Q 2018 **OTP Bank Russia** posted HUF 8.5 billion after tax profit, which underpins a material improvement y-o-y and q-o-q as well (+25% and +37% respectively, in RUB terms).

As for the rouble denominated yearly earnings dynamics, operating profit was flat as the 4% y-o-y growth of total income was counterbalanced by the 12% increase of operating expenses. Thus the yearly improvement of net results was predominantly driven by the 25% drop of risk cost. On the quarterly basis growth of operating profit (+7%) as well as the decline of risk cost (-21%) fuelled the q-o-q improvement in the after tax profit.

Despite narrowing net interest margin net interest income increased by 1% on yearly basis in RUB terms (+2% q-o-q). As a favourable development NIM improved by 29 bps q-o-q and decreased by 2 pps to 15.9% y-o-y.

Net fee and commission income grew in RUB terms by 20% y-o-y due to insurance fee income on cash loans with insurance policies and other products growing considerably, while commission income generated by credit cards declined due to the shrinkage of the average outstanding portfolio. Net F&C income increased by 3% q-o-q partly due to lower agent fee expense.

Operating expenses grew y-o-y by 12% in RUB terms, within that personnel expenses by 10% and administrative expenses by 19%, respectively. On the quarterly basis personnel expense increased by 7% in RUB terms, but overall operating expenses declined by 4% due to the seasonality of material expenses.

In 1Q 2018 the moderation of loan portfolio quality deterioration continued, the FX-adjusted increase in DPD90+ loans (adjusted for loan sales and write-offs) amounted to HUF 6.7 billion versus (1Q 2017 8.3, 2Q 9.4, 3Q 7.9, 4Q 7.1). The DPD90+ ratio improved by 0.4 pp to 15.4% q-o-q (-4.0 pps y-o-y). Total risk cost decreased y-o-y, as well as q-o-q (25 and 21% respectively). The risk cost rate decreased accordingly to 4.5% in 1Q. The volume of Stage 3 loans amounted to HUF 88 billion at the end of 1Q (16.4% of total gross loans).

In 1Q 2018 the growth of the loan portfolio continued, the FX-adjusted performing (DPD0-90) loan portfolio expanded by 29% y-o-y and by 3.5% q-o-q. In consumer lending the fourth quarter is seasonally the strongest, therefore we see lower disbursement volumes on the quarterly comparison in 1Q. However, on the yearly basis POS disbursements increased by 25% and cash loan disbursements by 60%. So, the FX-adjusted performing POS loan portfolio surged by 28% y-o-y and was flat q-o-q. The FX-adjusted volume of performing cash loans grew by 45% y-o-y and 7% q-o-q. With regards to the credit card segment, the portfolio growth that has been in place since 2H 2017 continued and we already see y-o-y performing volume growth (+2% q-o-q, +3% y-o-y).

FX-adjusted performing corporate loan volumes kept on growing dynamically (+14% q-o-q, +82 y-o-y), due to the favourable development of large corporate exposures and commercial factoring. With the portfolio expansion in the last 12 months the share of corporate loans within gross loans grew from 8% to 12%. The newly originated loans are mainly local currency denominated, so the share of FX loans within the corporate segment is below 20%.

FX-adjusted total deposits increased by 7% y-o-y; within that both retail and corporate segments performed well. Retail deposits decreased by 6% q-o-q, while the corporate deposits drooped by 23%. FX-adjusted net loan-to-deposit ratio stood at 135% at the end of 1Q 2018 (+16 pps q-o-q).

TOUCH BANK (RUSSIA)

Performance of Touch Bank:

Main components of P&L account in HUF mn	1Q 2017	4Q 2017	1Q 2018	Q-o-Q	Y-o-Y
After tax profit w/o dividends and net cash transfer	-2,259	-2,236	-1,315	-41%	-42%
Income tax	558	537	321	-40%	-43%
Profit before income tax	-2,817	-2,773	-1,636	-41%	-42%
Operating profit	-2,665	-2,287	-1,006	-56%	-62%
Total income	158	613	763	24%	384%
Net interest income	218	559	658	18%	201%
Net fees and commissions	-68	46	96	109%	-241%
Other net non-interest income	8	8	10	19%	23%
Operating expenses	-2,823	-2,900	-1,769	-39%	-37%
Total provisions	-152	-487	-630	29%	315%
Provision for possible loan losses	-153	-484	-615	27%	302%
Other provision	1	-2	-15	602%	
Main components of balance sheet closing balances in HUF mn	**1Q 2017**	**4Q 2017**	**1Q 2018**	**Q-o-Q**	**Y-o-Y**
Total assets	28,059	33,693	34,200	2%	22%
Gross customer loans	6,953	12,812	13,999	9%	101%
Gross customer loans (FX-adjusted)	5,940	12,556	13,999	12%	136%
Retail loans	5,940	12,556	13,999	12%	136%
Corporate loans	0	0	0		
Allowances for possible loan losses	-198	-1,657	-2,907	77%	
Allowances for possible loan losses (FX-adjusted)	-169	-1,623	-2,907	80%	
Deposits from customers	21,398	26,352	26,122	-1%	22%
Deposits from customer (FX-adjusted)	18,297	25,826	26,122	1%	43%
Retail deposits	18,297	25,826	26,122	1%	43%
Corporate deposits	0	0	0		
Liabilities to credit institutions	0	0	0		
Subordinated debt	0	0	0		
Total shareholders' equity	6,509	7,142	7,519	5%	16%
Loan Quality	**1Q 2017**	**4Q 2017**	**1Q 2018**	**Q-o-Q**	**Y-o-Y**
Stage 3 loan volume under IFRS 9 (in HUF million)			1,706		
Stage 3 loans under IFRS 9/gross customer loans (%)			12.2%		
Cost of risk/average gross loans (%)	17.32%	15.43%	18.46%	3.03%p	1.14%p
Cost of risk/average (FX-adjusted) gross loans	17.72%	15.66%	18.81%	3.15%p	1.09%p
90+ days past due loan volume (in HUF million)	21	1,283	1,691	33%	
90+ days past due loans/gross customer loans (%)	0.3%	10.0%	12.1%	2.1%p	11.8%p
Total provisions/90+ days past due loans (%)	953.4%	129.1%	171.9%	42.6%p	-781.5%p
Performance Indicators	**1Q 2017**	**4Q 2017**	**1Q 2018**	**Q-o-Q**	**Y-o-Y**
Total income margin	2.41%	7.83%	9.03%	1.20%p	6.62%p
Net interest margin	3.33%	7.14%	7.78%	0.64%p	4.45%p
Net loans to deposits (FX-adjusted)	32%	42%	42%	0%p	11%p
FX rates (in HUF)	**1Q 2017**	**4Q 2017**	**1Q 2018**	**Q-o-Q**	**Y-o-Y**
HUF/RUB (closing)	5.2	4.5	4.4	-2%	-15%
HUF/RUB (average)	4.9	4.5	4.5	-2%	-10%

- ***Declining, HUF 1.3 billion loss in 1Q***
- ***Moderate q/q loan portfolio growth; closing volume of gross loans was HUF 14 billion***
- ***Worsening loan portfolio quality, DPD90+***

Touch Bank is part of OTP Bank Russia from legal point of view, and it is operating under the same banking license, but as a separate digital banking business line. In order to provide transparent information Touch Bank is presented as a separate virtual entity.

In 1Q 2018 **Touch Bank's** after tax loss amounted to HUF 1.3 billion (-35% y-o-y, -40% q-o-q in local currency). Total income growth continued in 1Q (+27% q-o-q in RUB terms), within that net interest income grew by 20% q-o-q driven by the loan portfolio growth. Net fee and commission income almost doubled q-o-q: on one hand F&C income grew, on the other refunds to customers were seasonally lower.

Operating expenses amounted to HUF 1.8 billion in 1Q 2018 decreasing by 38% q-o-q in RUB terms (-30% y-o-y) mostly due to base effect.

Risk cost increased by 32% q-o-q in RUB terms. The loan portfolio quality deteriorated, the DPD90+ ratio grew to 12.1%, almost equal to the Stage 3 ratio.

In 1Q 2018 gross loans grew further in 1Q (+12% q-o-q, +136% y-o-y on an FX-adjusted basis) and reached HUF 14 billion.

In 1Q total deposits grew by 1% (FX-adjusted) amid lower deposit rates.

OTP BANKA HRVATSKA (CROATIA)

Performance of OTP banka Hrvatska (including Splitska banka):

Main components of P&L account in HUF mn	1Q 2017	4Q 2017	1Q 2018	Q-o-Q	Y-o-Y
After tax profit without the effect of adjustments	-1,847	6,035	7,718	28%	-518%
Income tax	417	-938	-1,456	55%	-449%
Profit before income tax	-2,264	6,973	9,174	32%	-505%
Operating profit	3,140	8,676	7,576	-13%	141%
Total income	7,818	19,216	18,187	-5%	133%
Net interest income	5,955	13,483	13,166	-2%	121%
Net fees and commissions	1,301	3,913	3,599	-8%	177%
Other net non-interest income	562	1,820	1,422	-22%	153%
Operating expenses	-4,678	-10,540	-10,611	1%	127%
Total provisions	-5,404	-1,703	1,598	-194%	-130%
Provision for possible loan losses	-5,011	-891	1,597	-279%	-132%
Other provision	-393	-812	1	-100%	-100%
Main components of balance sheet closing balances in HUF mn	**1Q 2017**	**4Q 2017**	**1Q 2018**	**Q-o-Q**	**Y-o-Y**
Total assets	639,423	1,821,613	1,755,802	-4%	175%
Gross customer loans	483,195	1,121,938	1,138,641	1%	136%
Gross customer loans (FX-adjusted)	489,061	1,132,068	1,138,641	1%	133%
Retail loans	316,968	629,255	640,836	2%	102%
Corporate loans	171,972	483,924	479,159	-1%	179%
Car financing loans	121	18,889	18,646	-1%	
Allowances for possible loan losses	-55,397	-63,752	-70,256	10%	27%
Allowances for possible loan losses (FX-adjusted)	-56,131	-64,399	-70,256	9%	25%
Deposits from customers	508,805	1,395,087	1,371,458	-2%	170%
Deposits from customer (FX-adjusted)	506,973	1,404,534	1,371,458	-2%	171%
Retail deposits	440,002	997,777	991,619	-1%	125%
Corporate deposits	66,971	406,757	379,839	-7%	467%
Liabilities to credit institutions	40,802	132,765	81,145	-39%	99%
Total shareholders' equity	72,917	238,935	248,521	4%	241%
Loan Quality	**1Q 2017**	**4Q 2017**	**1Q 2018**	**Q-o-Q**	**Y-o-Y**
Stage 3 loan volume under IFRS 9 (in HUF million)			110,466		
Stage 3 loans under IFRS 9/gross customer loans (%)			9.7%		
Cost of risk/average gross loans (%)	4.29%	0.32%	-0.58%	-0.90%p	-4.87%p
90+ days past due loan volume (in HUF million)	56,771	74,325	78,246	5%	38%
90+ days past due loans/gross customer loans (%)	11.7%	6.6%	6.9%	0.2%p	-4.9%p
Total provisions/90+ days past due loans (%)	97.6%	85.8%	89.8%	4.0%p	-7.8%p
Performance Indicators	**1Q 2017**	**4Q 2017**	**1Q 2018**	**Q-o-Q**	**Y-o-Y**
ROA	-1.2%	1.4%	1.8%	0.4%p	2.9%p
ROE	-10.0%	10.3%	12.8%	2.5%p	22.8%p
Total income margin	4.92%	4.31%	4.16%	-0.15%p	-0.76%p
Net interest margin	3.75%	3.02%	3.01%	-0.01%p	-0.73%p
Cost/income ratio	59.8%	54.9%	58.3%	3.5%p	-1.5%p
Net loans to deposits (FX-adjusted)	85%	76%	78%	2%p	-7%p
FX rates (in HUF)	**1Q 2017**	**4Q 2017**	**1Q 2018**	**Q-o-Q**	**Y-o-Y**
HUF/HRK (closing)	41.5	41.6	42.1	1%	1%
HUF/HRK (average)	41.4	41.4	41.8	1%	1%

- ***In 1Q 2018 the Croatian banking group posted HUF 7.7 billion adjusted net profit with ROE getting close to 13%***
- ***The integration of Splitska banka is in progress, the merger is expected to be completed in the second half of 2018***
- ***The net interest margin remained stable q-o-q***
- ***The FX-adjusted performing loan portfolio grew by 0.3% q-o-q, while deposits melted down by 2% (FX-adjusted)***

Based on the acquisition agreement on purchasing 100% shareholding of Splitska banka d.d., member of Société Générale Group signed on 20 December 2016 between OTP banka Hrvatska, the Croatian subsidiary of OTP Bank and Société Générale Group, on 2 May 2017 the financial closure of the transaction has been completed and Splitska banka was consolidated.

The Croatian P&L account was adjusted for the one-off items directly related to the acquisition; these corrections are shown on consolidated level among the adjustment items. The balance sheet items were not adjusted for the acquisition effect.

The **Croatian operation** (including Splitska banka) posted HUF 7.7 billion adjusted after tax profit in 1Q 2018, implying a 28% improvement q-o-q. This reflects mainly the provision release on the total risk cost line. Splitska banka delivered HUF 5.0 billion after tax profit in 1Q 2018, up from HUF 3.3 billion a quarter ago (+51%).

Return on equity (ROE) climbed to 12.8% versus 9.3% in 2017 as a whole.

The comparability of the financial performance on a yearly base is limited, as 1Q 2017 did not incorporate any contribution from Splitska banka; the first time consolidation happened in May 2017. The loss reported in 1Q 2017 was explained to a great extent by provisions booked on a big corporate exposure.

As for other key P&L lines, in 1Q 2018 Splitska banka contributed HUF 7.4 billion to the net interest income, HUF 2.4 billion to the net fees and commissions, HUF 0.6 billion to the other net non-interest income, -HUF 6.0 billion to the operating expenses and +HUF 1.6 billion to the total risk costs line, respectively.

In 1Q 2018 the operating result moderated by 14% q-o-q, explained partially by technical factors and seasonality. The net interest income dropped by 2% due to the negative calendar effect; both performing loans and margins remained stable q-o-q. The y-o-y 73 bps net interest margin decline of the Croatian operation was mainly reasoned by the dilution effect of the lower margin at Splitska banka.

The net fee income eroded by 8% over the quarter, and other net non-interest income dropped by 22% q-o-q, both changes can be partly attributed to seasonality.

Operating expenses grew by 1% q-o-q. 5 branches were closed down in the first quarter, while the number of employees declined by 11 persons q-o-q (based on FTE number). The cost to income ratio improved y-o-y by 1.5 pps to 58.3%.

In 1Q a release of altogether HUF 1.6 billion was reflected on the total risk cost line, against the creation of -HUF 1.7 billion in the previous quarter and -HUF 5.4 billion a year ago. During 1Q 2018 loan-related risk cost releases happened primarily in the corporate segment.

The FX-adjusted increase in DPD90+ loans (adjusted for loan sales and write-offs) amounted to HUF 3 billion in 1Q 2018, the deterioration befell mainly in consumer loans. In the HUF 9 billion problem loans were sold or written off in the period under review. The DPD90+ ratio changed to 6.9% (+0.2 pp q-o-q, -4.9 pps y-o-y, latter was mainly driven by the Splitska transaction). The Croatian operation’s Stage 3 ratio under IFRS 9 in percentage of total gross loans stood at 9.7% at the end of March.

At the end of March the gross loan volumes of Splitska banka amounted to HUF 640 billion, whereas performing loans comprised HUF 616 billion. Excluding Splitska-effect the performing loans expanded by 3% y-o-y (FX-adjusted).

Performing retail loan volumes increased by 1% q-o-q; mortgage loan disbursements moderated by 7% q-o-q, but jumped by 85% y-o-y. Cash loan sales remained stable q-o-q, and corporate loan production showed a 13% improvement over the last quarter.

There was a 2% deposit outflow in the last quarter. The net loan to deposit ratio increased by 2 pps q-o-q to 78% (FX-adjusted).

OTP BANK UKRAINE

Performance of OTP Bank Ukraine:

Main components of P&L account in HUF mn	1Q 2017	4Q 2017	1Q 2018	Q-o-Q	Y-o-Y
After tax profit without the effect of adjustments	3,311	5,242	5,833	11%	76%
Income tax	-617	-1,154	-1,107	-4%	79%
Profit before income tax	3,928	6,395	6,940	9%	77%
Operating profit	5,031	4,872	5,894	21%	17%
Total income	8,671	9,128	9,399	3%	8%
Net interest income	5,836	6,070	6,118	1%	5%
Net fees and commissions	2,214	2,689	2,404	-11%	9%
Other net non-interest income	621	369	877	138%	41%
Operating expenses	-3,639	-4,256	-3,505	-18%	-4%
Total provisions	-1,104	1,523	1,047	-31%	
Provision for possible loan losses	161	588	1,270	116%	691%
Other provision	-1,264	935	-223		-82%
Main components of balance sheet closing balances in HUF mn	**1Q 2017**	**4Q 2017**	**1Q 2018**	**Q-o-Q**	**Y-o-Y**
Total assets	320,750	312,334	333,388	7%	4%
Gross customer loans	367,784	287,236	305,124	6%	-17%
Gross customer loans (FX-adjusted)	328,056	293,081	305,124	4%	-7%
Retail loans	140,455	112,457	119,755	6%	-15%
Corporate loans	168,306	161,590	163,965	1%	-3%
Car financing loans	19,294	19,034	21,404	12%	11%
Gross DPD0-90 customer loans (FX-adjusted)	193,097	216,291	228,514	6%	18%
Retail loans	43,048	45,637	54,262	19%	26%
Corporate loans	138,730	154,983	156,024	1%	12%
Car financing loans	11,319	15,671	18,227	16%	61%
Allowances for possible loan losses	-180,478	-90,163	-95,805	6%	-47%
Allowances for possible loan losses (FX-adjusted)	-160,533	-91,362	-95,805	5%	-40%
Deposits from customers	231,073	234,943	243,926	4%	6%
Deposits from customer (FX-adjusted)	208,505	240,728	243,926	1%	17%
Retail deposits	90,882	99,653	103,499	4%	14%
Corporate deposits	117,623	141,074	140,427	0%	19%
Liabilities to credit institutions	45,131	33,985	37,162	9%	-18%
Total shareholders' equity	27,849	34,079	35,858	5%	29%
Loan Quality	**1Q 2017**	**4Q 2017**	**1Q 2018**	**Q-o-Q**	**Y-o-Y**
Stage 3 loan volume under IFRS 9 (in HUF million)			115,726		
Stage 3 loans under IFRS 9/gross customer loans (%)			37.93%		
Cost of risk/average gross loans (%)	-0.17%	-0.74%	-1.77%	-1.03%p	-1.60%p
90+ days past due loan volume (in HUF million)	151,671	75,922	76,611	1%	-49%
90+ days past due loans/gross customer loans (%)	41.2%	26.4%	25.1%	-1.3%p	-16.1%p
Total provisions/90+ days past due loans (%)	119.0%	118.8%	125.1%	6.3%p	6.1%p
Performance Indicators	**1Q 2017**	**4Q 2017**	**1Q 2018**	**Q-o-Q**	**Y-o-Y**
ROA	4.4%	6.7%	7.5%	0.9%p	3.1%p
ROE	52.4%	62.6%	68.2%	5.6%p	15.9%p
Total income margin	11.50%	11.60%	12.14%	0.53%p	0.63%p
Net interest margin	7.74%	7.72%	7.90%	0.18%p	0.16%p
Cost/income ratio	42.0%	46.6%	37.3%	-9.3%p	-4.7%p
Net loans to deposits (FX-adjusted)	80%	84%	86%	2%p	5%p
FX rates (in HUF)	**1Q 2017**	**4Q 2017**	**1Q 2018**	**Q-o-Q**	**Y-o-Y**
HUF/UAH (closing)	10.7	9.2	9.6	4%	-10%
HUF/UAH (average)	10.7	9.8	9.3	-5%	-13%

- ***The Ukrainian subsidiary posted the highest ROE within subsidiary banks across the Group (ROE: 68.2%); all time high quarterly profit: HUF 5.8 billion***
- ***Outstanding 1Q earnings due to q-o-q moderating operating expenses and increasing total income; provision release also supported the quarterly profit***
- ***The DPD90+ ratio dropped a lot y-o-y partly as a result of write offs and sales***
- ***Performing loan volumes advanced by 18% y-o-y, whereas deposits increased by 17%, respectively (FX-adjusted)***

The financial performance and indicators of OTP Bank Ukraine in HUF terms were affected by the HUF/UAH exchange rate moves: in 1Q 2018 the closing rate of UAH appreciated by 4% q-o-q, but weakened by 10% y-o-y. The 1Q average rates also demonstrated weakening (-5% q-o-q and -13% y-o-y, respectively). As a result, there are some differences in local currency P&L and balance sheets dynamics versus those in HUF terms.

OTP Bank Ukraine posted HUF 5.8 billion an all-time high adjusted after tax profit in 1Q 2018 marking a 76% increase against the base period. The quarterly ROE reached 68.2% the highest among subsidiary banks across the Group.

Given the significant HUF/UAH cross-currency moves y-o-y and q-o-q, we rather analyse the P&L developments in UAH terms.

1Q operating result surged by 35% y-o-y, the key reason was the y-o-y 21% increase in net interest income. The q-o-q improvement in operating profit was rather the result of lower operating expenses.

The y-o-y NII dynamics (in UAH) were positively influenced by the higher NIM and also by the growing volume of performing loans. Amid the higher interest environment the net interest margin advanced to 7.90% (+18 bps q-o-q and +16 bps y-o-y).

Net F&C income (in UAH) jumped by 25% y-o-y supported by corporate transactions and deposit-related fee income; the stronger overall business activity had its positive impact, too.

Operating expenses in UAH increased by 11% y-o-y amid a 14.4% average inflation in 1Q. The q-o-q drop of 13% was reasoned by lower personnel expenses and declining marketing and advisory costs.

In 1Q there was a provision release of HUF 1.0 billion equivalent mainly in the large corporate segment. The DPD90+ volumes (FX-adjusted and excluding the impact of loan sales and write-offs) increased by HUF 1.6 billion (versus HUF 1.3 billion decline for the entire 2017).

During the last twelve months HUF 65 billion equivalent of non-performing loans were sold or written off, of which HUF 2.5 billion were executed in 1Q 2018. As a result, the DPD90+ ratio dropped to 25.1% (-1.3 pps q-o-q, -16.1 pps y-o-y). The volume of Stage 3 loans amounted to HUF 116 billion at the end of 1Q (37.9% of total gross loans).

The FX-adjusted total performing loan book grew by 18% y-o-y and by 6% q-o-q. Within that especially the volume of retail loans grew dynamically (+26% y-o-y and +19% q-o-q). The outstanding increase of consumer exposures (+54% y-o-y and +9% q-o-q) were induced by credit card and POS volumes. For the latter new flows advanced by 50% y-o-y in UAH terms. Mortgage lending has not been resumed, thus the performing mortgage book eroded further (-20% y-o-y and -5% q-o-q). Car financing has been re-started in 1Q 2017 and the FX-adjusted volumes surged by 61% y-o-y. Performing corporate exposures grew by 1% q-o-q, however, the y-o-y increase was more significant (+12%). Alongside the steady disbursement activity in corporate segment, the leasing also demonstrates significant uptick.

Deposits (adjusted for the FX-effect) expended by 1% q-o-q and leaped by 17% y-o-y amid further declining offered deposit rates.

OTP BANK ROMANIA

Performance of OTP Bank Romania:

Main components of P&L account in HUF mn	1Q 2017	4Q 2017	1Q 2018	Q-o-Q	Y-o-Y
After tax profit without the effect of adjustments	1,308	952	1,504	58%	15%
Income tax	-575	-138	-463	236%	-19%
Profit before income tax	1,883	1,090	1,967	80%	4%
Operating profit	2,949	941	1,894	101%	-36%
Total income	7,158	6,013	6,629	10%	-7%
Net interest income	5,330	3,656	5,112	40%	-4%
Net fees and commissions	769	761	829	9%	8%
Other net non-interest income	1,060	1,596	689	-57%	-35%
Operating expenses	-4,210	-5,072	-4,735	-7%	12%
Total provisions	-1,065	149	72	-51%	-107%
Provision for possible loan losses	-1,026	-58	-249	329%	-76%
Other provision	-39	207	321	55%	-918%
Main components of balance sheet closing balances in HUF mn	**1Q 2017**	**4Q 2017**	**1Q 2018**	**Q-o-Q**	**Y-o-Y**
Total assets	588,209	624,060	646,378	4%	10%
Gross customer loans	520,174	535,140	536,965	0%	3%
Gross customer loans (FX-adjusted)	511,735	538,765	536,965	0%	5%
Retail loans	374,012	380,354	377,521	-1%	1%
Corporate loans	137,723	158,411	159,444	1%	16%
Allowances for possible loan losses	-75,287	-56,909	-59,672	5%	-21%
Allowances for possible loan losses (FX-adjusted)	-71,895	-57,145	-59,672	4%	-17%
Deposits from customers	325,251	337,691	365,635	8%	12%
Deposits from customer (FX-adjusted)	322,087	339,757	365,635	8%	14%
Retail deposits	241,340	254,970	264,727	4%	10%
Corporate deposits	80,747	84,788	100,908	19%	25%
Liabilities to credit institutions	180,216	196,377	192,772	-2%	7%
Total shareholders' equity	43,726	53,481	48,271	-10%	10%
Loan Quality	**1Q 2017**	**4Q 2017**	**1Q 2018**	**Q-o-Q**	**Y-o-Y**
Stage 3 loan volume under IFRS 9 (in HUF million)			83,940		
Stage 3 loans under IFRS 9/gross customer loans (%)			15.6%		
Cost of risk/average gross loans (%)	0.8%	0.0%	0.2%	0.1%p	-0.6%p
90+ days past due loan volume (in HUF million)	91,925	72,133	61,263	-15.1%	-33.4%
90+ days past due loans/gross customer loans (%)	17.7%	13.5%	11.4%	-2.1%p	-6.3%p
Total provisions/90+ days past due loans (%)	81.9%	78.9%	97.4%	18.5%p	15.5%p
Performance Indicators	**1Q 2017**	**4Q 2017**	**1Q 2018**	**Q-o-Q**	**Y-o-Y**
ROA	0.9%	0.6%	1.0%	0.3%p	0.1%p
ROE	12.2%	8.1%	12.3%	4.3%p	0.1%p
Total income margin	4.93%	3.85%	4.22%	0.36%p	-0.72%p
Net interest margin	3.67%	2.34%	3.25%	0.91%p	-0.42%p
Cost/income ratio	58.8%	84.4%	71.4%	-12.9%p	12.6%p
Net loans to deposits (FX-adjusted)	137%	142%	131%	-11%p	-6%p
FX rates (in HUF)	**1Q 2017**	**4Q 2017**	**1Q 2018**	**Q-o-Q**	**Y-o-Y**
HUF/RON (closing)	67.9	66.6	67.1	1%	-1%
HUF/RON (average)	68.4	67.5	66.8	-1%	-2%

- ***The Romanian subsidiary posted HUF 1.5 billion after tax profit in 1Q 2018 (+15% y-o-y) supported by provision release, too***
- ***Operating profit dropped by 36% y-o-y as a result of lower total income (-7% y-o-y) and higher operating expenses (+12% y-o-y)***
- ***The performing loan volumes increased by 12% y-o-y supported by robust consumer and SME lending dynamics***

In July 2017 OTP Bank Romania S.A., the Romanian subsidiary of OTP Bank signed an acquisition agreement on purchasing a 99.28% shareholding held in the Romanian Banca Romaneasca S.A. by National Bank of Greece S.A and certain other Romanian exposures held by different subsidiaries of National Bank of Greece S.A.

On 14 March 2018 the National Bank of Romania (NBR) notified the bank that it did not grant its approval for the acquisition; the Bank appealed against the decision.

Due to the non-fulfilment of the conditions precedents by the longstop date the share purchase agreement has been terminated. As a result, on 18 April 2018 OBR withdrew the appeal filed against NBR's first instance decision, in which NBR did not grant its approval with respect to the transaction.

OTP Bank Romania posted HUF 1.5 billion net profit in 1Q 2018 exceeding the base period by 15% (+58% q-o-q).

Quarterly earning dynamics and profitability indicators were significantly distorted since in 4Q 2017 there were certain accounting corrections influencing several P&L lines: -HUF 2.0 billion appeared on the net interest income, +0.4 billion on the other income and +0.9 billion on the other risk costs line, respectively.

1Q operating profit dropped by 36% y-o-y as a result of lower total income (-7% y-o-y) and higher operating expenses (+12% y-o-y).

The net interest income eroded by 4% y-o-y. Higher interbank rates had negative impact on funding costs, however the bank managed to realize higher interest income, too. The 4Q accounting correction also had a negative impact on net interest margin. 1Q NIM (3.25%) dropped by 42 bps y-o-y.

Other net non-interest income declined by 35% y-o-y due to a base effect: in 1Q 2017 the bank booked a substantial income from property sale on that line.

Quarterly operating expenses grew by 12% y-o-y due to higher personal expenses (+13% y-o-y), and higher contributions paid to supervisory authorities.

On a quarterly base operating expenses moderated by 7%. Both personal expenses and amortization costs declined (-4% and -14% q-o-q, respectively), within administrative expenses marketing costs and expert fees came down, too.

On 1Q total risk costs line there was a HUF 0.1 billion provision release as a result of write backs on other risk cost line.

DPD90+ volumes (FX-adjusted, without sales and write-offs) decreased by HUF 3 billion in 1Q 2018, induced by lower non-performing mortgage and corporate exposures. During 1Q HUF 7 billion problem loans were sold/written off. The DPD90+ ratio declined to 11.4% (-6.3 pps y-o-y, -2.1 pps q-o-q). The volume of Stage 3 exposures amounted to HUF 84 billion at the end of 1Q (15.6% of total gross loans).

The FX-adjusted performing loan volumes increased by 12% y-o-y and by 2% q-o-q. Both the retail and corporate segment supported the expansion (+9% and +22% y-o-y, respectively). Within retail the consumer and SME segments were the key drivers of growth (+17% and 20% y-o-y, respectively), while mortgage volumes grew by 3%. As for new loan disbursements, in 1Q mortgages surged by 34% y-o-y, whereas the cash loan sales grew by 16% y-o-y.

FX-adjusted deposit volumes increased by 14% y-o-y and by 8% q-o-q. The growth was supported by retail and corporate inflows, too.

OTP BANKA SRBIJA (SERBIA)

Performance of OTP banka Srbija (including Vojvodjanska banka):

Main components of P&L account in HUF mn	1Q 2017	4Q 2017	1Q 2018	Q-o-Q	Y-o-Y
After tax profit without the effect of adjustments	-6	-1,634	573	-135%	
Income tax	0	109	10	-91%	-100%
Profit before income tax	-6	-1,744	563	-132%	
Operating profit	136	604	909	51%	567%
Total income	1,889	4,004	6,616	65%	250%
Net interest income	1,424	2,794	4,645	66%	226%
Net fees and commissions	411	954	1,589	67%	286%
Other net non-interest income	54	256	383	50%	611%
Operating expenses	-1,753	-3,400	-5,707	68%	226%
Total provisions	-143	-2,348	-346	-85%	143%
Provision for possible loan losses	-122	-2,297	-391	-83%	220%
Other provision	-20	-51	45	-190%	-322%
Main components of balance sheet closing balances in HUF mn	**1Q 2017**	**4Q 2017**	**1Q 2018**	**Q-o-Q**	**Y-o-Y**
Total assets	121,461	482,887	464,689	-4%	283%
Gross customer loans	106,738	306,874	315,504	3%	196%
Gross customer loans (FX-adjusted)	109,358	309,043	315,504	2%	189%
Retail loans	49,862	156,967	163,522	4%	228%
Corporate loans	59,496	152,076	151,982	0%	155%
Allowances for possible loan losses	-24,797	-19,759	-25,266	28%	2%
Allowances for possible loan losses (FX-adjusted)	-25,968	-19,905	-25,266	27%	-3%
Deposits from customers	72,998	349,553	338,223	-3%	363%
Deposits from customer (FX-adjusted)	74,992	351,976	338,223	-4%	351%
Retail deposits	49,700	240,360	240,662	0%	384%
Corporate deposits	25,292	111,616	97,561	-13%	286%
Liabilities to credit institutions	13,373	38,397	35,308	-8%	164%
Subordinated debt	2,491	2,505	2,525	1%	1%
Total shareholders' equity	28,451	80,070	75,561	-6%	166%
Loan Quality	**1Q 2017**	**4Q 2017**	**1Q 2018**	**Q-o-Q**	**Y-o-Y**
Stage 3 loan volume under IFRS 9 (in HUF million)			32,335		
Stage 3 loans under IFRS 9/gross customer loans (%)			10.2%		
Cost of risk/average gross loans (%)	0.5%	6.3%	0.5%	-5.8%p	0.0%p
Cost of risk/average (FX-adjusted) gross loans (%)	0.5%	6.3%	0.5%	-5.8%p	0.0%p
90+ days past due loan volume (in HUF million)	33,496	28,372	29,210	3.0%	-12.8%
90+ days past due loans/gross customer loans (%)	31.4%	9.2%	9.3%	0.0%p	-22.1%p
Total provisions/90+ days past due loans (%)	74.0%	69.6%	86.5%	16.9%p	12.5%p
Performance Indicators	**1Q 2017**	**4Q 2017**	**1Q 2018**	**Q-o-Q**	**Y-o-Y**
ROA	0.0%	-3.3%	0.5%	3.7%p	0.5%p
ROE	-0.1%	-17.5%	3.1%	20.6%p	3.2%p
Total income margin	6.30%	7.97%	5.74%	-2.22%p	-0.56%p
Net interest margin	4.75%	5.56%	4.03%	-1.53%p	-0.72%p
Cost/income ratio	92.8%	84.9%	86.3%	1.3%p	-6.5%p
Net loans to deposits (FX-adjusted)	111%	82%	86%	4%p	-25%p
FX rates (in HUF)	**1Q 2017**	**4Q 2017**	**1Q 2018**	**Q-o-Q**	**Y-o-Y**
HUF/RSD (closing)	2.5	2.6	2.6	1%	6%
HUF/RSD (average)	2.5	2.6	2.6	0%	5%

- ***The Serbian operation posted HUF 0.6 billion profit in 1Q 2018 of which Vojvodjanska banka's contribution was HUF 0.5 billion***
- ***Operating profit surged by almost seven fold y-o-y, three-quarter of which came from Vojvodjanska banka***
- ***Performing loan volumes further increased (+2% q-o-q) supported by the retail sector***

Based on the acquisition agreement signed on 4 August 2017 by OTP banka Srbija a.d. Novi Sad, the Serbian subsidiary of OTP Bank and the Group of National Bank of Greece ("NBG") on purchasing 100% shareholding held in the Serbian Vojvodjanska banka a.d. („VOBAN") and NBG Leasing d.o.o. and certain other Serbian exposures held by the Group of the National Bank of Greece S.A. the financial closure of the transaction has been completed on 1 December 2017 and Vojvodjanska banka was consolidated.

The Serbian P&L account was adjusted for the one-off items directly related to the acquisition; these corrections are shown on consolidated level among the adjustment items. The balance sheet items were not adjusted for the acquisition effect.

The Serbian operation (including Vojvodjanska banka) posted HUF 0.6 billion profit after tax in 1Q 2018 versus a loss of HUF 6 million in the base period. Out of the quarterly profit Vojvodjanska banka added HUF 0.5 billion to the Serbian after tax profit.

The q-o-q developments on P&L lines were distorted by the consolidation of Vojvodjanska banka: in 4Q 2017 only one month contribution was booked, whereas in 1Q a full quarter performance was consolidated within the results.

The 1Q operating profit was HUF 0.9 billion of which the contribution of Vojvodjanska banka comprised HUF 0.6 billion. Withint that it brought in HUF 3.1 billion in net interest income, HUF 1.1 billion in net fees and commissions and HUF 0.2 billion other income, respectively. The operating costs reached -HUF 3.8 billion, while the total risk cost amounted to -HUF 0.1 billion.

The 1Q net interest margin (4.03%) of the Serbian operation dropped by 153 bps q-o-q and it was partly the result of technical factors through the consolidation of Vojvodjanska banka[3].

The 1Q operating profit of the Serbian operation grew almost seven fold y-o-y, within that net interest income increased more than three times y-o-y, while net fees and commissions grew by nearly four times. Without the effect of Vojvodjanska acquisition the operating profit more than doubled, total income grew by 17% and operating expense by 8% y-o-y, respectively.

1Q total risk costs comprised -HUF 0.3 billion, all related to lending; on other risk cost there was a marginal provision release.

The DPD90+ loan portfolio (FX-adjusted, without sales and write-offs) practically remained unchanged in 1Q 2018. In 1Q there were no substantial non-performing portfolio sales or writte-offs either. The DPD90+ ratio stood at 9.3% at the end of 1Q 2018, no change q-o-q. The volume of Stage 3 exposure amounted to HUF 32 billion at the end of 1Q (10.2% of total gross loans).

Loan volume trends y-o-y were mainly shaped by the consolidation of Vojvodjanska banka. The performing (DPD0-90) loan portfolio was consolidated on a gross base, whereas the DPD90+ volumes were consolidated net of provisions, i.e. adjusted for provisions already set aside at the time of consolidation. Gross loan volumes (FX-adjusted) expanded almost three times y-o-y, while the performing portfolio nearly quadrupled. The quarterly growth was 2% both for the gross and performing loan volumes. Latter was supported by the retail segment: the performing book advanced by 4% q-o-q, whereas the consumer exposure increased by 5% q-o-q, respectively.

Out of new disbursement, cash loans grew by 9% q-o-q while mortgages demonstrated strong y-o-y dynamism (+134%).

The FX-adjusted deposit base expanded four and a half times y-o-y, but eroded by 4% q-o-q mainly as a result of corporate outflows.The net loan-to-deposit ratio increased by 4%-points q-o-q to 86%.

[3] The 4Q 2017 Serbian margin was upwardly biased by the fact that practically the full December net interest income of Vojvodjanska banka was consolidated, but according to the performance indicator calculation methodology, the total assets of Vojvodjanska banka (which influences the denominator of net interest margin) was counted in only from the end of December.

OTP BANKA SLOVENSKO (SLOVAKIA)

Performance of OTP Banka Slovensko*:

Main components of P&L account in HUF mn	1Q 2017	4Q 2017	1Q 2018	Q-o-Q	Y-o-Y
After tax profit without the effect of adjustments	90	-1,469	770	-152%	756%
Income tax	-50	-128	-196	53%	296%
Profit before income tax	140	-1,341	967	-172%	592%
Operating profit	1,801	1,402	754	-46%	-58%
Total income	4,437	4,345	3,644	-16%	-18%
Net interest income	3,412	3,314	2,785	-16%	-18%
Net fees and commissions	933	916	794	-13%	-15%
Other net non-interest income	92	115	65	-43%	-30%
Operating expenses	-2,636	-2,942	-2,890	-2%	10%
Total provisions	-1,661	-2,743	213	-108%	-113%
Provision for possible loan losses	-1,636	-2,701	134	-105%	-108%
Other provision	-26	-42	78	-287%	-405%
Main components of balance sheet closing balances in HUF mn	1Q 2017	4Q 2017	1Q 2018	Q-o-Q	Y-o-Y
Total assets	444,108	452,084	437,645	-3%	-1%
Gross customer loans	384,442	382,932	384,941	1%	0%
Gross customer loans (FX-adjusted)	389,235	385,907	384,941	0%	-1%
Retail loans	329,033	333,463	335,172	1%	2%
Corporate loans	60,151	52,414	49,743	-5%	-17%
Allowances for possible loan losses	-32,481	-28,098	-35,614	27%	10%
Allowances for possible loan losses (FX-adjusted)	-32,886	-28,316	-35,614	26%	8%
Deposits from customers	353,455	343,924	349,249	2%	-1%
Deposits from customer (FX-adjusted)	357,213	346,488	349,249	1%	-2%
Retail deposits	331,030	321,361	322,176	0%	-3%
Corporate deposits	26,183	25,126	27,074	8%	3%
Liabilities to credit institutions	8,432	10,020	10,054	0%	19%
Subordinated debt	6,178	6,205	6,254	1%	1%
Total shareholders' equity	27,126	32,200	25,066	-22%	-8%
Loan Quality	1Q 2017	4Q 2017	1Q 2018	Q-o-Q	Y-o-Y
Stage 3 loan volume under IFRS 9 (in HUF million)			43,994		
Stage 3 loans under IFRS 9/gross customer loans (%)			11.4%		
Cost of risk/average gross loans (%)	1.72%	2.76%	-0.14%	-2.91%p	-1.86%p
90+ days past due loan volume (in HUF million)	44,990	35,968	36,314	1%	-19%
90+ days past due loans/gross customer loans (%)	11.7%	9.4%	9.4%	0.0%p	-2.3%p
Total provisions/90+ days past due loans (%)	72.2%	78.1%	98.1%	20.0%p	25.9%p
Performance Indicators (%)	1Q 2017	4Q 2017	1Q 2018	Q-o-Q	Y-o-Y
ROA	0.1%	-1.3%	0.7%	2.0%p	0.6%p
ROE	1.3%	-21.2%	12.1%	33.3%p	10.8%p
Total income margin	4.01%	3.80%	3.34%	-0.46%	-0.67%
Net interest margin	3.08%	2.90%	2.55%	-0.34%	-0.53%
Cost/income ratio	59.4%	67.7%	79.3%	11.6%p	19.9%p
Net loans to deposits (FX-adjusted)	100%	103%	100%	-3%p	0%p
FX rates (in HUF)	1Q 2017	4Q 2017	1Q 2018	Q-o-Q	Y-o-Y
HUF/EUR (closing)	308.7	310.1	312.6	1%	1%
HUF/EUR (average)	309.2	311.6	311.1	0%	1%

* P&L account lines and indicators are adjusted for banking tax and Deposit Protection Fund contributions

- ***1Q adjusted after tax profit of HUF 770 million as a result of risk cost release and deteriorating operating profit***
- ***Further improving DPD90+ ratio (1Q: 11.7%, -2.3 pps y-o-y)***
- ***FX-adjusted performing loan book grew by 1.4% y-o-y***

OTP Banka Slovensko posted HUF 770 million adjusted after tax profit in 1Q 2018 against a loss of HUF 1.5 billion in the base period. The quarterly performance was partly shaped by technical changes, as a result the operating profit dropped by 46%, at the same time there was a provision release.

1Q net interest income declined by 16% q-o-q (-18% y-o-y). The quarterly decline to a greater extent was due to a methodology change (at the same time risk costs also came down), but decrasing margins took their toll, too.

1Q net fee and commission income decreased by 13% q-o-q partly due to seasonality. Also, effective from January 2018 monitoring fees were accrued for 12 months, whereas contract modification fees for the whole maturity of the loan, respectively.

Operating expenses decreased by 2% q-o-q attributable to the seasonality of administrative costs (within that IT and marketing, as well as training expenses declined).

On the total risk cost line there was a HUF 0.2 billion release. The FX-adjusted DPD90+ loan growth (without the effect of sales and write-offs) against the quarterly average of HUF 1.3 billion deterioration for the last 5 quarters. The DPD90+ ratio remained unchanged q-o-q (9.4%) (-2.3 pps y-o-y). In 1Q 2018 around HUF 0.1 billion equivalent non-performing loans were sold or written off. The volume of Stage 3 exposure amounted to HUF 44 billion at the end of 1Q (11.4% of the gross loan book).

The FX-adjusted gross loan book shrank by 1% y-o-y, while the performing loan book expanded by 1.4%. The latter can be explained by 8% higher mortgage volumes; FX-adjusted corporate loan volumes declined by 16% y-o-y. In 1Q 2018 the newly disbursed cash loan volumes advanced by 28% y-o-y; new mortgage originations remained stable y-o-y.

The FX-adjusted deposit volumes eroded by 2% y-o-y, but increased by 2% q-o-q. The latter was driven by the 8% expansion of corporate volumes comprising 7% of the total deposit book; retail volumes remained flat.

CRNOGORSKA KOMERCIJALNA BANKA (MONTENEGRO)

Performance of CKB:

Main components of P&L account in HUF mn	1Q 2017	4Q 2017	1Q 2018	Q-o-Q	Y-o-Y
After tax profit w/o dividends and net cash transfer	82	-819	688	-184%	737%
Income tax	0	-11	-85	672%	-100%
Profit before income tax	82	-808	773	-196%	840%
Operating profit	524	319	406	27%	-23%
Total income	2,278	3,008	2,374	-21%	4%
Net interest income	1,623	1,664	1,717	3%	6%
Net fees and commissions	531	1,381	638	-54%	20%
Other net non-interest income	124	-37	19	-151%	-85%
Operating expenses	-1,754	-2,689	-1,968	-27%	12%
Total provisions	-442	-1,127	367	-133%	-183%
Provision for possible loan losses	-192	-703	272	-139%	-242%
Other provision	-250	-425	94	-122%	-138%
Main components of balance sheet closing balances in HUF mn	**1Q 2017**	**4Q 2017**	**1Q 2018**	**Q-o-Q**	**Y-o-Y**
Total assets	185,478	197,590	191,162	-3%	3%
Gross customer loans	137,644	138,485	139,898	1%	2%
Gross customer loans (FX-adjusted)	139,361	139,561	139,898	0%	0%
Retail loans	72,115	73,554	73,301	0%	2%
Corporate loans	67,245	66,008	66,598	1%	-1%
Allowances for possible loan losses	-52,454	-38,899	-39,651	2%	-24%
Allowances for possible loan losses (FX-adjusted)	-53,108	-39,201	-39,651	1%	-25%
Deposits from customers	138,878	152,316	147,270	-3%	6%
Deposits from customer (FX-adjusted)	139,553	153,290	147,270	-4%	6%
Retail deposits	109,066	117,230	114,303	-2%	5%
Corporate deposits	30,487	36,059	32,968	-9%	8%
Liabilities to credit institutions	19,181	17,962	17,981	0%	-6%
Subordinated debt	0	0	0	-100%	-100%
Total shareholders' equity	21,143	21,127	19,795	-6%	-6%
Loan Quality	**1Q 2017**	**4Q 2017**	**1Q 2018**	**Q-o-Q**	**Y-o-Y**
Stage 3 loan volume under IFRS 9 (in HUF million)			49,005		
Stage 3 loans under IFRS 9/gross customer loans (%)			35.0%		
Cost of risk/average gross loans (%)	0.6%	2.1%	-0.8%	-2.8%p	-1.3%p
Cost of risk/average (FX-adjusted) gross loans (%)	0.6%	2.0%	-0.8%	-2.8%p	-1.3%p
90+ days past due loan volume (in HUF million)	54,256	43,395	41,880	-3.5%	-22.8%
90+ days past due loans/gross customer loans (%)	39.42%	31.34%	29.94%	-1.4%p	-9.5%p
Total provisions/90+ days past due loans (%)	96.7%	89.6%	94.7%	5.0%p	-2.0%p
Performance Indicators	**1Q 2017**	**4Q 2017**	**1Q 2018**	**Q-o-Q**	**Y-o-Y**
ROA	0.2%	-1.6%	1.4%	3.1%p	1.3%p
ROE	1.6%	-14.9%	14.2%	29.1%p	12.6%p
Total income margin	4.84%	5.92%	4.96%	-0.95%p	0.12%p
Net interest margin	3.45%	3.27%	3.59%	0.32%p	0.14%p
Cost/income ratio	77.0%	89.4%	82.9%	-6.5%p	5.9%p
Net loans to deposits (FX-adjusted)	62%	65%	68%	3%p	6%p
FX rates (in HUF)	**1Q 2017**	**4Q 2017**	**1Q 2018**	**Q-o-Q**	**Y-o-Y**
HUF/EUR (closing)	308.7	310.1	312.6	1%	1%
HUF/EUR (average)	309.2	311.6	311.1	0%	1%

- ***In 1Q CKB posted HUF 0.7 billion net profit which translates into 14.2% ROE***
- ***Operating profit dropped by 23% y-o-y as a result of higher total income (+4% y/y) and higher operating expenses (+12% y/y); moreover there was a provision release in 1Q***
- ***The y/y 16% surge in performing loan volumes was mainly induced by higher corporate exposures***

The Montenegrin **CKB Bank** posted HUF 0.7 billion profit in 1Q 2018. The better quarterly result versus the base period was due mainly to a provision release in 1Q 2018.

The 1Q operating profit declined by 23% y-o-y: the higher total income (+4% y-o-y) could not offset the increase in operating expenses (12% y-o-y). The net interest income improved by 6% y-o-y. The quarterly increase (+3%) is due to a methodology change: certain lending-related income previously booked within net fees and commissions was shifted into NII since January 2018.

The q-o-q 54% drop in net fee and commission is reasoned by methodology change: effective from 4Q 2017 the contribution paid into the deposit insurance scheme and booked earlier within net fees and commissions was shifted into the operating cost line in a lump sum for the whole year (HUF 0.7 billion). The y-o-y 20% surge in net fees and commissions was reasoned also by that reclassification.

Other net non-interest income declined by HUF 0.1 billion y-o-y.

Operating expenses increased by 12% y-o-y as a result of higher fees paid to regulatory authorities reflecting the reclassification of the contribution paid into the deposit insurance scheme.

The total risk cost represented +HUF 0.4 billion in 1Q. There were provision releases both on lending related risk cost line and other risk cost lines.

The DPD90+ loan volume (FX-adjusted, without sales and write offs) decreased by HUF 0.4 billion in 1Q. During the first three months of 2018 HUF 1.3 billion non-performing loans were sold/written off. The DPD90+ ratio (29.9%) improved further by 9.5 pps y-o-y (-1.4 pps q-o-q). The volume of Stage 3 exposures amounted to HUF 49 billion at the end of 1Q (35.0% of total gross loans)

The FX-adjusted performing loan portfolio increased by 16% y-o-y and by 2% q-o-q. The strong yearly increase was mainly due to the remarkable growth of corporate exposures (+37% y-o-y). The retail portfolio increased less dynamically (+6% y-o-y): the mortgage loans advanced by 8% y-o-y, the consumer portfolio by 3%, whereas the SME exposure by 9% y-o-y, respectively.

The FX-adjusted deposit portfolio grew by 6% y-o-y, but eroded by 4% q-o-q. As a result, the net loan-to-deposit ratio changed to 68%.

STAFF LEVEL AND OTHER INFORMATION

	31/12/2017				31/03/2018			
	Branches	ATM	POS	Headcount (closing)	Branches	ATM	POS	Headcount (closing)
OTP Core	362	1,945	70,002	9,049	361	1,923	70,348	9,261
DSK Group	367	890	7,005	4,872	366	899	7,486	4,868
OTP Bank Russia (w/o employed agents)	134	230	1,079	4,956	134	230	1,033	4,946
Touch Bank (Russia)	0	0	0	356	0	0	0	351
OTP Bank Ukraine (w/o employed agents)	85	115	382	2,224	85	140	386	2,205
OTP Bank Romania	96	139	4,351	1,163	96	137	4,320	1,188
OTP banka Hrvatska (including Splitska banka)	196	528	10,765	2,430	191	535	10,872	2,419
OTP Banka Slovenko	62	148	276	674	62	146	274	686
OTP banka Srbija (including Vojvodjanska banka)	157	254	5,098	2,103	157	255	5,224	2,026
CKB	29	91	4,070	429	29	89	4,185	419
Foreign subsidiaries, total	**1,126**	**2,395**	**33,026**	**19,206**	**1,120**	**2,431**	**33,780**	**19,107**
Other Hungarian and foreign subsidiaries				860				849
OTP Group (w/o employed agents)				**29,116**				**29,217**
OTP Bank Russia - employed agents				5,771				5,439
OTP Bank Ukraine - employed agents				747				653
OTP Group (aggregated)	**1,488**	**4,340**	**103,028**	**35,633**	**1,481**	**4,354**	**104,128**	**35,309**

PERSONAL AND ORGANIZATIONAL CHANGES

In the first quarter of 2018 there was no change in the composition of the Board of Directors, the Supervisory Board, the Audit Committee and the Auditor of the Bank.

FINANCIAL DATA

SEPARATE AND CONSOLIDATED IFRS STATEMENT OF FINANCIAL POSITION

in HUF million	OTP Bank			Consolidated		
	31/03/2018	31/03/2017	change	31/03/2018	31/03/2017	change
Cash, due from banks and balances with the National Banks	496,123	637,013	-22%	1,264,606	1,351,267	-6%
Placements with other banks, net of allowance for possible placement losses	1,043,732	774,590	35%	460,641	347,441	33%
Financial assets at fair value through profit or loss	270,317	179,467	51%	307,136	210,599	46%
Non-trading securities mandatorily at fair value through profit or loss	0	0		541	0	0
Securities available-for-sale (at fair value through OCI)	1,668,984	1,672,719	0%	2,104,417	1,669,298	26%
Loans, net of allowance for loan losses	2,197,801	1,968,949	12%	7,102,159	5,778,811	23%
Shares and equity investments	967,967	682,140	42%	16,913	10,041	68%
Securities held-to-maturity (at amortized cost)	1,273,861	951,078	34%	1,537,619	1,218,822	26%
Tangible and intangible assets	99,119	90,238	10%	410,638	360,314	14%
Other assets	159,162	229,763	-31%	306,510	349,161	-12%
TOTAL ASSETS	**8,177,067**	**7,185,957**	**14%**	**13,511,182**	**11,295,754**	**20%**
Liabilities to credit institution and to the National Bank of Hungary	798,360	644,649	24%	537,682	491,895	9%
Deposits from customers	5,379,953	4,693,061	15%	10,385,228	8,441,077	23%
Liabilities from issued securities	54,614	83,718	-35%	258,602	263,629	-2%
Fair value adjustment of derivative financial instruments held for trade	67,594	74,873	-10%	59,113	62,786	-6%
Other liabilities	332,996	326,982	2%	602,844	523,571	15%
Subordinated bonds and loans	108,314	109,156	-1%	75,266	76,565	-2%
TOTAL LIABILITIES	**6,741,830**	**5,932,439**	**14%**	**11,918,734**	**9,859,523**	**21%**
Share capital	28,000	28,000	0%	28,000	28,000	0%
Retained earnings and other reserves without earnings	1,335,284	1,144,969	17%	1,559,349	1,412,180	10%
Profit or loss for the financial year according to the balance sheet	81,450	89,393	-9%	64,971	52,798	23%
Treasury shares	-9,496	-8,844	7%	-63,245	-60,257	5%
Non-controlling interest	0	0		3,374	3,510	-4%
TOTAL SHAREHOLDERS' EQUITY	**1,435,237**	**1,253,517**	**14%**	**1,592,448**	**1,436,232**	**11%**
TOTAL LIABILTITIES AND SHAREHOLDERS' EQUITY	**8,177,067**	**7,185,957**	**14%**	**13,511,182**	**11,295,754**	**20%**

SEPARATE AND CONSOLIDATED IFRS STATEMENT OF RECOGNIZED INCOME

in HUF million	OTP Bank			Consolidated		
	1Q 2018	1Q 2017	change	1Q 2018	1Q 2017	change
Loans	33,485	29,377	14%	137,685	126,837	9%
Placements with other banks	17,083	14,912	15%	17,653	11,830	49%
Interest income due from banks and balances with the National Bank of Hungary	118	780	-85%	169	796	-79%
Securities held for trading	0	0		30	0	
Securities available-for-sale	7,431	7,715	-4%	9,042	8,011	13%
Securities held-to-maturity	11,431	11,162	2%	14,258	14,367	-1%
Non-trading financial assets mandatorily at fair value through profit or loss	0	0		1	0	
Interest expense on assets (negative interest income)	0	0		-118	0	
Other interest income	0	0		2,701	1,965	37%
Interest income	*69,548*	*63,944*	*9%*	*181,420*	*163,807*	*11%*
Interest expense due to banks and on deposits from the National Banks	-16,988	-15,136	12%	-14,807	-10,906	36%
Deposits from customers	-6,655	-3,840	73%	-17,928	-14,647	22%
From issued securities	17	-117	-115%	-1,268	-991	28%
Subordinated an supplementary bonds and loans	-732	-797	-8%	-538	-601	-10%
Interest income on liabilities (negative interest expense)	0	0		36	0	
Other interest expense	0	0		-1,912	-1,582	21%
Interest expense	*-24,357*	*-19,890*	*22%*	*-36,417*	*-28,726*	*27%*
Net interest income	**45,190**	**44,055**	**3%**	**145,004**	**135,080**	**7%**
Provisions for loans	-4,046	-915	342%	-3,430	-11,765	-71%
Provisions on placements	182	1		-52	29	-282%
Provision for loans and on placements	-3,864	-915	323%	-3,482	-11,737	-70%
NET INTEREST INCOME AFTER PROVISIONS	41,326	43,140	-4%	141,522	123,343	15%
Income from fees and commissions	49,640	48,356	3%	78,103	70,168	11%
Expense from fees and commissions	-8,054	-6,776	19%	-13,644	-11,597	18%
NET PROFIT FROM FEES AND COMMISSIONS	41,586	41,580	0%	64,459	58,572	10%
Foreign exchange gains and losses	1,413	1,578	-10%	3,460	2,913	19%
Gains and losses on securities	1,158	863	34%	-1,066	1,677	-164%
Gains and losses on non-trading loans mandatorily at fair value through profit or loss	-220	0		-127	0	
Gains on real estate transactions	54	56	-3%	574	897	-36%
Dividend income and gains and losses on associated companies	70,459	77,378	-9%	-99	171	-158%
Insurance premiums	0	0		200	0	
Gains and losses on derivative instruments	1,075	604	78%	976	-263	-471%
Other operating income	849	2,103	-60%	9,595	5,622	71%
Other operating expense	-6,274	-3,833	64%	-5,131	-3,667	40%
NET OPERATING RESULT	68,514	78,749	-13%	8,382	7,350	14%
Personnel expenses	-23,046	-21,699	6%	-57,813	-49,560	17%
Depreciation	-5,041	-4,501	12%	-12,244	-9,722	26%
Other administrative expenses	-39,121	-44,928	-13%	-68,789	-69,598	-1%
OTHER ADMINISTRATIVE EXPENSES	-67,208	-71,128	-6%	-138,846	-128,881	8%
PROFIT BEFORE INCOME TAX	**84,218**	**92,341**	**-9%**	**75,517**	**60,384**	**25%**
Income tax	-2,769	-2,948	-6%	-10,467	-7,525	39%
NET PROFIT FOR THE PERIODS	**81,450**	**89,393**	**-9%**	**65,050**	**52,859**	**23%**
From this, attributable to non-controlling interest	0	0		-79	-61	29%
NET PROFIT FOR THE PERIODS ATTRIBUTABLE OWNERS OF THE COMPANY	**81,450**	**89,393**	**-9%**	**64,971**	**52,798**	**23%**

SEPARATE AND CONSOLIDATED IFRS STATEMENT OF CASH FLOWS

in HUF million	OTP Bank			Consolidated		
	31/03/2018	31/03/2017	change	31/03/2018	31/03/2017	change
OPERATING ACTIVITIES						
Profit before income tax	84,219	92,341	-9%	75,517	60,384	25%
Adjustments to reconcile income before income taxes to net cash provided by operating activities						
Income tax paid	0	0		-5,837	-3,425	70%
Depreciation and amortization	5,030	4,501	12%	12,244	9,722	26%
Provision for impairment / Release of provision	4,116	3,857	7%	2,005	13,029	-85%
Share-based payment	868	843	3%	868	843	3%
Unrealized gains / losses on fair value change of securities at fair value through other comprehensive income and fair value through profit or loss	4,579	4,232	8%	4,579	4,232	8%
Unrealized losses on fair value adjustment of derivative financial instruments	0	-4,607	-100%	-4,496	13,519	-133%
Changes in operating assets and liabilities	115,611	-234,075	-149%	75,828	-240,048	-132%
Net cash provided by operating activities	**214,424**	**-132,908**	**-261%**	**160,708**	**-141,744**	**-213%**
INVESTING ACTIVITIES						
Net cash used in investing activities	**-216,409**	**-124,663**	**74%**	**-178,735**	**-242,734**	**-26%**
FINANCING ACTIVITIES						
Net cash used in financing activities	**96,537**	**-34,272**	**-382%**	**15,148**	**73,636**	**-79%**
Net increase in cash and cash equivalents	**94,552**	**-291,843**		**-2,879**	**-310,842**	**-99%**
Cash and cash equivalents at the beginning of the period	347,854	880,266	-60%	800,689	1,128,610	-29%
Cash and cash equivalents at the end of the period	**442,406**	**588,423**	**-25%**	**797,810**	**817,768**	**-2%**

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 2017	**28,000**	**52**	**28,237**	**1,476,657**	**-55,468**	**-60,121**	**3,292**	**1,420,649**
Net profit for the year	--	--	--	52,798		--	61	52,859
Other comprehensive income				16,092			157	16,249
Share-based payment	--	--	843			--	--	843
Treasury shares								
Dividend for the year 2016	--	--	--	-53,200		--	--	-53,200
Put option								
Treasury shares								
– sale						4		4
– loss on sale				-6				-6
– volume change						-139		-139
Payment to ICES holders				-1,028				-1,028
Balance as at 31 March 2017	**28,000**	**52**	**29,080**	**1,491,313**	**-55,468**	**-60,256**	**3,510**	**1,436,231**

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 31 December 2017	**28,000**	**52**	**31,835**	**1,695,460**	**-55,468**	**-63,289**	**3,465**	**1,640,055**
Modification due to the initial application of IFRS9				-50,401			-127	-50,528
Balance as at 1 January 2018	**28,000**	**52**	**31,835**	**1,645,059**	**-55,468**	**-63,289**	**3,338**	**1,589,527**
Net profit for the year				64,971			78	65,049
Other comprehensive income				-609			-42	-651
Share-based payment			868					868
Treasury shares								
Dividend for the year 2017				-61,320				-61,320
Put option								
Treasury shares								
– sale						44		44
– loss on sale				-21				-21
– volume change								
Payment to ICES holders				-1,049				-1,049
Balance as at 31 March 2018	**28,000**	**52**	**32,703**	**1,647,031**	**-55,468**	**-63,245**	**3,374**	**1,592,447**

CONSOLIDATED SUBSIDIARIES AND ASSOCIATES

	Name		Initial capital/Equity (HUF)	Ownership Directly + indirectly (%)	Voting rights (%)	Classification[1]
1.	Air-Invest Asset Management LLC.		400,000,000	100.00	100.00	L
2.	Artemis LLC.		28,000,000	100.00	100.00	L
3.	Bajor-Polár Center Real Estate Management LLC.		30,000,000	100.00	100.00	L
4.	Bank Center No. 1. Ltd.		11,500,000,000	100.00	100.00	L
5.	CIL Babér Ltd.		3,000,000	100.00	100.00	L
6.	CRESCO d.o.o.	HRK	39,000	100.00	100.00	L
7.	Crnogorska Komercijalna Banka a.d.	EUR	136,875,398	100.00	100.00	L
8.	DSK Asset Management EAD	BGN	1,000,000	100.00	100.00	L
9.	DSK Auto Leasing EOOD	BGN	1,000,000	100.00	100.00	L
10.	DSK Bank EAD	BGN	153,984,000	100.00	100.00	L
11.	DSK Leasing AD	BGN	3,334,000	100.00	100.00	L
12.	DSK Leasing Insurance Broker EOOD	BGN	5,000	100.00	100.00	L
13.	DSK Mobile EAD	BGN	250,000	100.00	100.00	L
14.	DSK Operating lease EOOD	BGN	1,000	100.00	100.00	L
15.	DSK Tours EOOD	BGN	8,491,000	100.00	100.00	L
16.	DSK Trans Security EAD	BGN	2,225,000	100.00	100.00	L
17.	INGA KETTŐ Ltd.		8,000,000,000	100.00	100.00	L
18.	Jet-Sol Ltd.		8,000,000	100.00	100.00	L
19.	JN Parkolóház LLC.		4,800,000	100.00	100.00	L
20.	LLC AMC OTP Capital	UAH	10,000,000	100.00	100.00	L
21.	LLC MFO "OTP Finance"	RUB	3,933,000,000	100.00	100.00	L
22.	LLC OTP Leasing	UAH	45,495,340	100.00	100.00	L
23.	Merkantil Bank Ltd.		2,000,000,000	100.00	100.00	L
24.	Merkantil Rent Ltd.		6,000,000	100.00	100.00	L
25.	Merkantil Car Ltd.		50,000,000	100.00	100.00	L
26.	Merkantil Property Leasing Private Limited by Shares		50,000,000	100.00	100.00	L
27.	Miskolci Diákotthon Investment, Utilization LLC.		5,000,000	100.00	100.00	L
28.	MONICOMP Ltd.		20,000,000	100.00	100.00	L
29.	NIMO 2002 Trading and Service LLC.		1,156,000,000	100.00	100.00	L
30.	OTP Fund Management Ltd.		900,000,000	100.00	100.00	L
31.	OTP Asset Management SAI S.A.	RON	5,795,323	100.00	100.00	L
32.	OTP Aventin d.o.o.	HRK	40,000	100.00	100.00	L
33.	OTP Bank JSC (Ukraine)	UAH	6,186,023,111	100.00	100.00	L
34.	OTP Bank Romania S.A.	RON	1,379,252,880	100.00	100.00	L
35.	OTP banka Hrvatska d.d.	HRK	3,993,754,800	100.00	100.00	L
36.	OTP Buildings s.r.o.	EUR	18,717,301	100.00	100.00	L
37.	OTP eBiz Ltd.		230,000,000	100.00	100.00	L
38.	OTP Life Annuity Ltd.		2,000,000,000	100.00	100.00	L
39.	OTP Factoring Bulgaria EAD	BGN	1,000,000	100.00	100.00	L
40.	OTP Factoring Montenegro d.o.o.	EUR	1	100.00	100.00	L
41.	OTP Factoring Serbia d.o.o.	RSD	532,902,282	100.00	100.00	L
42.	OTP Factoring Slovensko s.r.o.	EUR	5,000	100.00	100.00	L
43.	OTP Factoring SRL	RON	500,400	100.00	100.00	L
44.	OTP Factoring Ukraine LLC	UAH	6,067,380,554	100.00	100.00	L
45.	OTP Factoring Ltd.		500,000,000	100.00	100.00	L
46.	OTP Faktoring Vagyonkezelő LLC.		3,000,000	100.00	100.00	L
47.	OTP Financing Cyprus Company Limited	EUR	1,001,000	100.00	100.00	L
48.	OTP Financing Malta Ltd.	EUR	105,000,000	100.00	100.00	L
49.	OTP Financing Netherlands B.V.	EUR	18,000	100.00	100.00	L
50.	OTP Financing Solutions B.V.	EUR	18,000	100.00	100.00	L
51.	OTP Holding Ltd.	EUR	131,000	100.00	100.00	L
52.	OTP Holding Malta Ltd.	EUR	104,950,000	100.00	100.00	L
53.	OTP Hungaro-Projekt Ltd.		250,000,000	100.00	100.00	L
54.	OTP Real Estate Investment Fund Management Ltd.		100,000,000	100.00	100.00	L
55.	OTP Real Estate Ltd.		1,000,000,000	100.00	100.00	L
56.	OTP Ingatlankezelő LLC.		50,000,000	100.00	100.00	L
57.	OTP Real Estate Leasing Ltd.		214,000,000	100.00	100.00	L
58.	OTP Ingatlanpont LLC.		6,000,000	100.00	100.00	L
59.	OTP Facility Management LLC.		30,000,000	100.00	100.00	L
60.	OTP Invest d.o.o.	HRK	12,979,900	100.00	100.00	L
61.	OTP Investments d.o.o. Novi Sad	RSD	203,783,061	100.00	100.00	L
62.	OTP Mortgage Bank Ltd.		27,000,000,000	100.00	100.00	L
63.	OTP Card Factory Ltd.		450,000,000	100.00	100.00	L
64.	OTP Building Society Ltd.		2,000,000,000	100.00	100.00	L
65.	OTP Leasing d.d.	HRK	8,212,000	100.00	100.00	L

	Name		Initial capital/Equity (HUF)	Ownership Directly + indirectly (%)	Voting rights (%)	Classification[1]
66.	OTP Leasing Romania IFN S.A.	RON	23,036,300	100.00	100.00	L
67.	OTP Lizing d.o.o.	RSD	482,631,000	100.00	100.00	L
68.	OTP Mérnöki Ltd.		3,000,000	100.00	100.00	L
69.	OTP Mobile Service LLC.		1,210,000,000	100.00	100.00	L
70.	OTP Nekretnine d.o.o.	HRK	51,708,100	100.00	100.00	L
71.	OTP Osiguranje d.d.	HRK	40,900,000	100.00	100.00	L
72.	OTP Funds Servicing and Consulting Company Limited by Shares		2,349,940,000	100.00	100.00	L
73.	OTP Pénzügyi Pont Ltd.		50,000,000	100.00	100.00	L
74.	OTP Services d. o. o.	RSD	40,028	100.00	100.00	L
75.	R.E. Four d.o.o., Novi Sad	RSD	1,983,643,761	100.00	100.00	L
76.	SB Leasing d.o.o.	HRK	23,332,000	100.00	100.00	L
77.	SB NEKRETNINE d.o.o.	HRK	531,400	100.00	100.00	L
78.	SB ZGRADA d.o.o.	HRK	208,120,000	100.00	100.00	L
79.	SC Aloha Buzz SRL	RON	200	100.00	100.00	L
80.	SC Favo Consultanta SRL	RON	200	100.00	100.00	L
81.	SC Tezaur Cont SRL	RON	200	100.00	100.00	L
82.	SPLC-C Real estate delelopment, Real estate management LLC.		3,000,000	100.00	100.00	L
83.	SPLC-P Real estate delelompent, Real estate management LLC.		15,000,000	100.00	100.00	L
84.	SPLC Property Management LLC.		10,000,000	100.00	100.00	L
85.	Splitska banka d.d.	HRK	991,425,800	100.00	100.00	L
86.	TOP Collector LLC	RUB	530,000	100.00	100.00	L
87.	Velvin Ventures Ltd.	USD	50,000	100.00	100.00	L
88.	Vojvodjanska banka a.d. Novi Sad	RSD	16,337,430,000	100.00	100.00	L
89.	POK DSK-Rodina AD	BGN	6,010,000	99.75	99.75	L
90.	OTP Banka Slovensko a.s.	EUR	111,580,509	99.38	99.38	L
91.	OTP banka Srbija a.d. Novi Sad	RSD	31,607,808,040	98.90	98.90	L
92.	JSC "OTP Bank" (Russia)	RUB	4,423,768,142	97.90	97.90	L
93.	OPUS Securities S.A.	EUR	31,000		51.00	L
94.	Debt Management Project 1 Montenegro d.o.o.	EUR	20,795,000	100.00	100.00	L
95.	Balansz Private Open End Institutional Fund		30,931,279,011	100.00	100.00	L
96.	OTP MRP		5,617,887,006			L
97.	OTP Solution Fund	UAH	87,539,641	100.00	100.00	L

[1] Full consolidated -L

Ownership structure of OTP Bank Plc.

as at 31 March 2018

Description of owner	Total equity					
	At the beginning of actual year			End of actual period		
	%[1]	%[2]	Qty	%[1]	%[2]	Qty
Domestic institution/company	20.04%	20.26%	56,116,209	19.24%	19.46%	53,879,490
Foreign institution/company	63.73%	64.44%	178,445,190	63.11%	63.81%	176,708,034
Domestic individual	3.92%	3.97%	10,988,183	3.50%	3.54%	9,791,697
Foreign individual	0.23%	0.23%	650,713	0.20%	0.20%	566,425
Employees, senior officers	0.80%	0.81%	2,250,991	0.76%	0.77%	2,139,225
Treasury shares[3]	1.09%	0.00%	3,063,853	1.10%	0.00%	3,071,141
Government held owner[4]	0.08%	0.08%	226,012	0.08%	0.08%	226,012
International Development Institutions[5]	0.03%	0.03%	70,502	0.03%	0.03%	82,107
Other[6]	10.07%	10.18%	28,188,357	11.98%	12.11%	33,535,879
TOTAL	**100.00%**	**100.00%**	**280,000,010**	**100.00%**	**100.00%**	**280,000,010**

[1] Ownership share. The data of Domestic individual and Employees, senior officers were revised for the beginning of actual year.
[2] Voting rights
[3] The treasury shares do not include the OTP shares held by ESOP.
[4] E.g.: State Privatization Holding Co. Ltd., Social Security, Municipality, 100% state-owned companies, Pension Reform and Debt Reduction Fund etc.
[5] E.g.: EBRD, EIB, etc.
[6] Non-identified shareholders according to the shareholders' registry.

Number of treasury shares held in the year under review (2018)

	1 January	31 March	30 June	30 September	31 December
OTP Bank	990,293	997,581			
Subsidiaries	2,073,560	2,073,560			
TOTAL	3,063,853	3,071,141			

Shareholders with over/around 5% stake as at 31 March 2018

Name	Number of shares	Ownership	Voting rights
MOL (Hungarian Oil and Gas Company Plc.)	24,000,000	8.57%	8.67%
Megdet, Timur and Ruszlan Rahimkulov	22,199,077	7.93%	8.02%
OPUS Securities S.A.	14,496,476	5.18%	5.23%
Groupama Group	14,343,737	5.12%	5.18%

Senior officers, strategic employees and their shareholding of OTP shares as at 31 March 2018

Type[1]	Name	Position	No. of shares held
IT	Dr. Sándor Csányi [2]	Chairman and CEO	605,097
IT	Mihály Baumstark	member	44,400
IT	Dr. Tibor Bíró	member	15,356
IT	Tamás Erdei	member	16,039
IT	Dr. István Gresa	member	143,071
IT	Antal Kovács	member, Deputy CEO	12,703
IT	Dr. Antal Pongrácz	member	82,101
IT	Dr. László Utassy	member	200,000
IT	Dr. József Vörös	member	147,714
IT	László Wolf	member, Deputy CEO	597,164
FB	Ágnes Rudas	member	145,598
FB	Tibor Tolnay	Chairman	54
FB	Dr. Gábor Horváth	member	0
FB	András Michnai	member	100
FB	Dominique Uzel	member	0
FB	Dr. Márton Gellért Vági	member	0
SP	László Bencsik	Chief Financial and Strategic Officer, Deputy CEO	34,961
SP	András Tibor Johancsik	Deputy CEO	4,510
SP	György Kiss-Haypál	Deputy CEO	4,935
TOTAL No. of shares held by management:			**2,053,803**

[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: 2,405,097

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

a) Contingent liabilities

	31/03/2018	31/03/2017
Commitments to extend credit	1,822,877	1,324,075
Guarantees arising from banking activities	550,420	398,765
Confirmed letters of credit	12,441	13,045
Legal disputes (disputed value)	15,326	44,514
Contingent liabilities related to OTP Mortgage Bank	0	0
Other	280,956	312,163
Total:	**2,682,020**	**2,092,562**

[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.)

Security issuances on Group level between 01/04/2017 and 31/03/2018

Issuer	Type of security	Security name	Date of issue	Date of maturity	Ccy	Outstanding consolidated debt (in original currency or HUF million) 31/03/2018	Outstanding consolidated debt (in HUF million) 31/03/2018
OTP Bank Plc.	Retail bond	OTP_VK1_18/3	13/04/2017	13/04/2018	USD	2,475,765	629
OTP Bank Plc.	Retail bond	OTP_DK_18/I	31/05/2017	31/05/2018	HUF	0	0
OTP Bank Plc.	Retail bond	OTP_VK1_18/4	02/06/2017	02/06/2018	USD	4,029,344	1,023
OTP Bank Plc.	Retail bond	OTP_VK1_18/5	14/07/2017	14/07/2018	USD	2,068,415	525
OTP Bank Plc.	Retail bond	OTP_VK1_18/6	04/08/2017	04/08/2018	USD	690,372	175
OTP Bank Plc.	Retail bond	OTP_VK1_18/7	29/09/2017	29/09/2018	USD	4,383,580	1,113
OTP Bank Plc.	Retail bond	OTP_VK1_18/8	17/11/2017	17/11/2018	USD	2,997,723	761
OTP Bank Plc.	Retail bond	OTP_VK1_18/9	20/12/2017	20/12/2018	USD	1,435,320	364
OTP Bank Plc.	Retail bond	OTP_VK1_19/I	16/02/2018	16/02/2019	USD	3,047,725	774
OTP Bank Plc.	Retail bond	OTP_VK1_19/2	29/03/2018	29/03/2019	USD	3,042,675	773
OTP Banka Slovensko	Corporate bond	Bonds OTP V.	31/07/2017	30/07/2018	EUR	0	0
OTP Banka Slovensko	Mortgage bond	OTP XXXII.	15/12/2017	14/12/2018	EUR	0	0

Security redemptions on Group level between 01/04/2017 and 31/03/2018

Issuer	Type of security	Security name	Date of issue	Date of maturity	Ccy	Outstanding consolidated debt (in original currency or HUF million) 31/03/2017	Outstanding consolidated debt (in HUF million) 31/03/2017
OTP Bank Plc.	Corporate bond	OTPX2017B	17/06/2011	20/06/2017	HUF	3,703	3,703
OTP Bank Plc.	Corporate bond	OTPX2017C	19/09/2011	25/09/2017	HUF	2,785	2,785
OTP Bank Plc.	Corporate bond	OTPX2017D	20/10/2011	19/10/2017	HUF	385	385
OTP Bank Plc.	Corporate bond	OTPX2017E	21/12/2011	28/12/2017	HUF	2,995	2,995
OTP Bank Plc.	Corporate bond	OTPX2018A	03/01/2012	09/01/2018	HUF	472	472
OTP Bank Plc.	Retail bond	OTPTBSZ6_17I	13/01/2012	15/12/2017	HUF	221	221
OTP Bank Plc.	Corporate bond	OTPX2018B	22/03/2012	22/03/2018	HUF	3,544	3,544
OTP Bank Plc.	Corporate bond	OTPX2017F	19/06/2012	16/06/2017	EUR	776,800	240
OTP Bank Plc.	Retail bond	OTP_VK_17/I	10/04/2015	10/04/2017	USD	285,500	82
OTP Bank Plc.	Retail bond	OTP_E1_17/4	18/03/2016	01/04/2017	EUR	6,407,000	1,978
OTP Bank Plc.	Retail bond	OTP_E1_17/5	15/04/2016	29/04/2017	EUR	8,560,100	2,643
OTP Bank Plc.	Retail bond	OTP_E1_17/6	27/05/2016	10/06/2017	EUR	11,658,600	3,599
OTP Bank Plc.	Retail bond	OTP_VK1_17/3	27/05/2016	27/05/2017	USD	6,017,500	1,737
OTP Bank Plc.	Retail bond	OTP_E1_17/7	10/06/2016	24/06/2017	EUR	3,615,700	1,116
OTP Bank Plc.	Retail bond	OTP_E1_17/8	01/07/2016	15/07/2017	EUR	6,771,400	2,090
OTP Bank Plc.	Retail bond	OTP_E1_17/9	10/08/2016	24/08/2017	EUR	8,544,600	2,638
OTP Bank Plc.	Retail bond	OTP_E1_17/10	16/09/2016	30/09/2017	EUR	4,428,700	1,367
OTP Bank Plc.	Retail bond	OTP_VK1_17/4	16/09/2016	16/09/2017	USD	1,452,900	419
OTP Bank Plc.	Retail bond	OTP_VK1_18/1	20/01/2017	20/01/2018	USD	2,892,200	835
OTP Bank Plc.	Retail bond	OTP_VK1_18/2	03/03/2017	03/03/2018	USD	4,329,500	1,250
OTP Mortgage Bank	Mortgage bond	OMB2017_I	05/02/2015	28/07/2017	EUR	500,000,000	0
OTP Banka Slovensko	Mortgage bond	OTP XXIX.	28/09/2016	27/09/2017	EUR	1,000,000	0
OTP Banka Slovensko	Mortgage bond	OTP XXX.	16/12/2016	15/12/2017	EUR	14,000,000	0
OTP Banka Slovensko	Mortgage bond	OTP XXXI.	29/03/2017	28/03/2018	EUR	8,000,000	0
OTP Banka Slovensko	Corporate bond	Bonds OTP IV.	28/02/2017	27/02/2018	EUR	65,000,000	0

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	1Q 2017	4Q 2017	1Q 2018	Q-o-Q	Y-o-Y
Total	**2,117**	**3,171**	**2,641**	**-17%**	**25%**
Short-term employee benefits	1,407	2,233	1,756	-21%	25%
Share-based payment	584	822	773	-6%	32%
Other long-term employee benefits	117	84	112	33%	-4%
Termination benefits	9	20	0	-100%	-100%
Redundancy payments	0	12	0	-100%	
Loans provided to companies owned by the management (normal course of business)	100,337	56,508	48,708	-14%	-51%
Credit lines and treasury framework contracts of the members of Board of Directors and the Supervisory Board and their close family members (at normal market conditions)	360	3,743	3,759	0%	944%
Commitments to extend credit and guarantees	35,278	38,652	42,011	9%	19%
Loans provided to unconsolidated subsidiaries	4,285	4,484	4,645	4%	8%

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

SUPPLEMENTARY DATA

ADJUSTMENTS OF THE CONSOLIDATED IFRS BALANCE SHEET LINES

Starting from 3Q 2017, in the adjusted balance sheets presented in the analytical section of the Summary the total amount of accrued interest receivables related to DPD90+ loans were netted with the provisions created in relation to the total exposure toward those particular clients, in case of the affected Group members. Therefore, this adjustment made on the accounting balance sheet has an impact on the consolidated gross customer loans and allowances for loan losses.

in HUF million	4Q 2017	1Q 2018
Gross customer loans (incl. accrued interest receivables related to loans)	7,726,631	7,896,670
(-) Accrued interest receivables related to DPD90+ loans	36,212	40,576
Gross customer loans (adjusted)	7,690,419	7,856,093
Allowances for loan losses	-738,797	-794,510
(-) Allocated provision on accrued interest receivables related to DPD90+ loans	-36,212	-40,576
Allowances for loan losses (adjusted)	-702,585	-753,934

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 (and other adjustment items). 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 certain companies engaged in OTP Group's 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; OTP Bank Employee Stock Ownership Plan Organization was included from 4Q 2016; OTP Card Factory Ltd., OTP Facility Management Llc., MONICOMP Ltd. and OTP Real Estate Lease Ltd. were included from 1Q 2017. 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 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. From 1Q 2015 the statement of recognised income and balance sheet of LLC MFO "OTP Finance" was included in the Russian performance.

(5) Touch Bank is part of OTP Bank Russia from legal point of view, and it is operating under the same banking license, but as a separate digital banking business line. In order to provide transparent information Touch Bank is presented as a separate virtual entity.

(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.

(7) From 3Q 2010 the result and balance sheet of OTP Factoring Bulgaria LLC was included. 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. Banca Millennium was consolidated into OBR's results from 1Q 2015.

(9) Including the financial performance of OTP Factoring Serbia d.o.o from 4Q 2010. Vojvodjanska banka has been consolidated from 4Q 2017.

(10) Splitska banka was consolidated into OBH's results from 2Q 2017. 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 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) OTP Leasing Romania IFN S.A. (Romania), OTP Leasing d.d. and SB Leasing d.o.o. (Croatia), DSK Leasing AD (Bulgaria), OTP Lizing d.o.o, OTP Services d.o. (Serbia).

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

(16) OTP Buildings s.r.o. (Slovakia), OTP Real Slovensko s.r.o. (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), OTP Osiguranje d.d. (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 Report, the presented consolidated and separate profit and loss statements of this 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.

Adjustments:

- The after tax effect of adjustment items (certain, typically non-recurring items from banking operations' point of view) are shown separately in the Statement of Recognised Income. The following adjustment items emerged in the period under review and the previous year: received dividends, received and paid cash transfers, the effect of goodwill/investment impairment charges, special tax on financial institutions, the impact of fines imposed by the Hungarian Competition Authority, and the effect of acquisitions. 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. The special banking tax, however, does not include the special tax levied on the result of investment services in the year of 2017 in Hungary, this item is presented among the operating expenses.
- 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.
- 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.
- From 4Q 2016 certain components of the result on derivative instruments have been presented on a separate line in the accounting P&L structure: on the Gains and losses on derivative financial instruments line (certain other components were continued to be booked on the net interest income and foreign exchange result line). In the previous accounting and adjusted P&L structure, items currently booked on the Gains and losses on derivative financial instruments line were accounted for on the net interest income, foreign exchange result and gains/losses on securities line. In 4Q 2016 the full annual amounts have been moved in one sum to the Gains and losses on derivative financial instruments line. In the adjusted P&L structure this new line constitutes part of the Net other non-interest result among Other net non-interest income.
- The Gains and losses on non-trading loans mandatorily at fair value through profit or loss line appearing in the accounting P&L structure from 1Q 2018 was presented in the adjusted P&L structure on the Net other non-interest result line within the Other net non-interest income.
- 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. Furthermore, received cash transfers within the framework of the subsidy programme targeting the expansion of POS network in Hungary in 3Q 2017 were reclassified from the After tax dividends and net cash transfers line to the Net other non-interest result (adj.) without one-offs line.
- 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 other non-interest expenses stemming from non-financial activities, and special tax on financial institutions.
- Tax deductible transfers (offset against corporate taxes) 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 these transfers (i.e. the paid transfer less the related corporate tax allowances) is recognised in the corporate income tax line of the adjusted P&L. The amount of tax deductible transfers offset against the special tax on financial institutions is shown on a net base on the special tax on financial institutions line.
- 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.
- The *Net insurance result* line which appeared in the consolidated accounting P&L structure from 3Q 2017 is presented on the *Net other non-interest result* line within the *Other net non-interest income* in the adjusted P&L structure.
- OTP Group is hedging the revaluation result of the FX provisions on its FX loans and interest claims 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"), other provisions and net interest income lines, 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.
- The Compensation Fund (established in Hungary in order to indemnify the victims of Quaestor and Hungarian Securities Ltd.) contributions booked from 1Q 2017 are recognized on the Other administrative expenses line of the accounting income statement, and are presented on the financial transaction tax and Special tax on financial institutions line the in the adjusted P&L structure.
- In case of OTP Banka Slovensko and OTP Bank Romania the total revaluation result of intra-group swap deals – earlier booked partly within the net interest income, but also on the Foreign exchange gains and Net other non-interest result lines within total Other non-interest income – is presented on a net base on the net interest income line starting from 1Q 2016.

- Starting from 3Q 2016 the Ukrainian subsidiary started to calculate interest revenues based on net loan volumes. This resulted in a one-off structural correction between the net interest income and provision for loan losses in 3Q 2016.
- Performance indicators (such as cost/income ratio, net interest margin, risk cost to average gross loans as well as ROA and ROE ratios) presented in this report are calculated on the basis of the adjusted profit and loss statement excluding adjustment items (unless otherwise indicated). Adjustment items include received dividends and net cash transfers, the effect of goodwill/investment impairment charges, special tax on financial institutions, the impact of fines imposed by the Hungarian Competition Authority, and the effect of acquisitions.
- 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. Thus the FX adjusted volumes will be different from those published earlier.

ADJUSTMENTS OF CONSOLIDATED IFRS P&L LINES

in HUF million	1Q 17	2Q 17	3Q 17	4Q 17 Audited	2017 Audited	1Q 18
Net interest income	**135,080**	**137,987**	**138,961**	**141,727**	**553,755**	**145,004**
(-) Revaluation result of FX provisions	343	-319	123	43	190	9
(+) Presentation of the revaluation result of intra-group swaps on the net interest income line realized at the Romanian and Slovakian operations	-120	87	-50	-20	-103	-202
(-) Netting of interest revenues on DPD90+ loans with the related provision (booked on the Provision for loan losses line) at OTP Core and CKB	2,437	1,467	1,102	955	5,961	956
(-) Effect of acquisitions			660	187	847	222
Net interest income (adj.)	**132,180**	**136,925**	**137,026**	**140,523**	**546,654**	**143,614**
Net fees and commissions	**58,572**	**64,941**	**65,890**	**71,791**	**261,193**	**64,459**
(+) Financial Transaction Tax	-14,022	-11,189	-12,841	-13,718	-51,770	-14,880
(-) Effect of acquisitions		-5	0	0	-5	0
Net fees and commissions (adj.)	**44,549**	**53,757**	**53,049**	**58,073**	**209,428**	**49,579**
Foreign exchange result	**2,913**	**2,168**	**4,767**	**6,731**	**16,579**	**3,460**
(-) Revaluation result of FX positions hedging the revaluation of FX provisions	-1,923	-4,243	-874	2,690	-4,350	-3,605
(-) Presentation of the revaluation result of intra-group swaps on the net interest income line realized at the Romanian and Slovakian operations	-168	105	-837	86	-814	-173
(-) Effect of acquisitions	0	122	0	0	122	0
Foreign exchange result (adj.)	**5,004**	**6,185**	**6,478**	**3,955**	**21,622**	**7,238**
Gain/loss on securities, net	**1,677**	**3,115**	**1,737**	**1,401**	**7,930**	**-1,066**
Gain/loss on securities, net (adj.) with one-offs	**1,677**	**3,115**	**1,737**	**1,401**	**7,930**	**-1,066**
(-) Revaluation result of the treasury share swap agreement (booked as Gain on securities, net (adj) at OTP Core)	-42	-198	996	106	862	-1,845
Gain/loss on securities, net (adj.) without one-offs	**1,719**	**3,312**	**741**	**1,295**	**7,068**	**779**
Gains and losses on real estate transactions	**897**	**630**	**156**	**410**	**2,093**	**574**
(+) Other non-interest income	**5,622**	**20,523**	**8,827**	**27,996**	**62,968**	**9,595**
(+) Gains and losses on derivative financial instruments	**-263**	**596**	**1,631**	**3,328**	**5,291**	**976**
(+) Net insurance result			**159**	**250**	**410**	**200**
(+) Gains and losses on non-trading loans mandatorily at fair value through profit or loss						**-127**
(-) Received cash transfers	1	1	572	9	584	144
(+) Received cash transfers within the framework of the subsidy programme targeting the expansion of POS network in Hungary			560	0	560	142
(-) Non-interest income from the release of pre-acquisition provisions	116	2,764	4,183	2,687	9,750	5,495
(+) Other other non-interest expenses	-1,044	-1,061	-866	-6,695	-9,666	-732
(+) Change in shareholders' equity of companies consolidated with equity method	32	-149	459	71	413	-232
(-) Effect of acquisitions	0	14,228	275	17,768	32,271	1
(-) Presentation of the revaluation result of intra-group swaps on the net interest income line realized at the Romanian and Slovakian operations	49	-18	787	-106	712	-29
(-) One-off impact of regulatory changes related to CHF consumer contracts in Croatia	-36	-6	-8	-4	-54	0
(-) One-off impact of the CHF mortgage loan conversion programme and regulatory changes related to mortgage loans in Romania	-58	-233	-206	134	-363	-174
(-) Impact of fines imposed by the Hungarian Competition Authority	194	0	0	0	194	0
(-) Netting of refunds related to legal cases (accounted for on the Net other non-interest result line) with the release of provisions created earlier for these cases (accounted for on the Other provisions line) from 1Q 2017 at OTP Bank Romania	-325	-539	-201	-134	-1,200	-165
Net other non-interest result (adj.) with one-offs	**5,304**	**4,342**	**5,524**	**5,006**	**20,175**	**5,124**
(-) 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
Net other non-interest result (adj.) without one-offs	**5,304**	**4,342**	**5,524**	**5,006**	**20,175**	**5,124**

in HUF million	1Q 17	2Q 17	3Q 17	4Q 17 Audited	2017 Audited	1Q 18
Provision for loan losses	**-11,737**	**-5,965**	**-5,614**	**-17,532**	**-40,848**	**-3,482**
(+) Non-interest income from the release of pre-acquisition provisions	116	2,764	4,183	2,687	9,750	5,495
(-) Revaluation result of FX provisions	1,558	4,558	757	-2,728	4,144	3,590
(-) Expected one-off impact of the CHF mortgage loan conversion programme and regulatory changes related to mortgage loans in Romania	-95	-148	-189	2,209	1,777	-50
(+) Netting of interest revenues on DPD90+ loans with the related provision (booked on the Provision for loan losses line) at OTP Core and CKB	2,437	1,467	1,102	955	5,961	956
Provision for loan losses (adj.)	**-10,647**	**-6,145**	**-896**	**-13,371**	**-31,058**	**-570**
Dividend income	**171**	**3,142**	**748**	**90**	**4,152**	**-99**
(+) Received cash transfers	1	1	572	9	584	144
(+) Paid cash transfers	-494	-398	-645	-9,959	-11,496	-4,817
(-) Sponsorships, subsidies and cash transfers to public benefit organisations	-492	-398	-645	-9,960	-11,495	-4,811
(-) Received cash transfers within the framework of the subsidy programme targeting the expansion of POS network in Hungary			560	0	560	142
(-) Dividend income of swap counterparty shares kept under the treasury share swap agreement	0	3,082	0	0	3,082	0
(-) Change in shareholders' equity of companies consolidated with equity method	32	-149	459	71	413	-232
After tax dividends and net cash transfers	**139**	**209**	**302**	**30**	**680**	**129**
Depreciation	**-9,722**	**-12,054**	**-13,897**	**-13,819**	**-49,493**	**-12,244**
(-) Effect of acquisitions		-627	-940	-940	-2,507	-940
Depreciation (adj.)	**-9,722**	**-11,427**	**-12,957**	**-12,376**	**-46,482**	**-11,304**
Personnel expenses	**-49,560**	**-53,438**	**-53,831**	**-57,057**	**-213,886**	**-57,813**
(-) Effect of acquisitions	0	-7	-4	-276	-287	-215
Personnel expenses (adj.)	**-49,560**	**-53,432**	**-53,827**	**-56,780**	**-213,599**	**-57,598**
Income taxes	**-7,525**	**-12,312**	**-9,232**	**-12,434**	**-41,503**	**-10,467**
(-) Corporate tax impact of goodwill/investment impairment charges	512	-782	-189	-5,102	-5,561	0
(-) Corporate tax impact of the special tax on financial institutions	1,423	46	46	47	1,561	1,417
(+) Tax deductible transfers (offset against corporate taxes)	0	-45	0	-2,117	-2,162	1,353
(-) Corporate tax impact of the effect of fines imposed by the Hungarian Competition Authority	-17	0	0	0	-17	0
(-) Corporate tax impact of the effect of acquisitions	0	439	215	-2,952	-2,298	-101
Corporate income tax (adj.)	**-9,442**	**-12,060**	**-9,304**	**-6,544**	**-37,350**	**-10,430**
Other operating expense, net	**-3,667**	**-16,067**	**-5,420**	**-26,076**	**-51,230**	**-5,131**
(-) Other costs and expenses	-838	-964	-1,149	-2,844	-5,795	-1,058
(-) Other non-interest expenses	-1,538	-1,459	-1,511	-16,654	-21,162	-5,549
(-) Effect of acquisitions	0	-10,884	0	1,380	-9,504	1,799
(-) Revaluation result of FX provisions	22	4	-6	-4	16	6
(-) Expected one-off impact of regulatory changes related to CHF consumer contracts in Croatia	36	6	8	4	54	0
(-) Expected one-off impact of the CHF mortgage loan conversion programme and regulatory changes related to mortgage loans in Romania	153	380	395	-2,343	-1,414	225
(-) Netting of refunds related to legal cases (accounted for on the Net other non-interest result line) with the release of provisions created earlier for these cases (accounted for on the Other provisions line) from 1Q 2017 at OTP Bank Romania	325	539	201	134	1,200	165
Other provisions (adj.)	**-1,828**	**-3,688**	**-3,359**	**-5,749**	**-14,624**	**-719**
Other administrative expenses	**-69,598**	**-52,567**	**-55,554**	**-58,353**	**-236,072**	**-68,789**
(+) Other costs and expenses	-838	-964	-1,149	-2,844	-5,795	-1,058
(+) Other non-interest expenses	-1,538	-1,459	-1,511	-16,654	-21,162	-5,549
(-) Paid cash transfers	-494	-398	-645	-9,959	-11,496	-4,817
(+) Film subsidies and cash transfers to public benefit organisations	-492	-398	-645	-9,960	-11,495	-4,811
(-) Other other non-interest expenses	-1,044	-1,061	-866	-6,695	-9,666	-732
(-) Special tax on financial institutions (recognised as other administrative expenses)	-16,153	-215	-208	-218	-16,794	-16,142
(-) Tax deductible transfers (offset against corporate taxes)	0	-45	0	-2,117	-2,162	1,353
(-) Financial Transaction Tax	-14,022	-11,189	-12,841	-13,718	-51,770	-14,880
(-) Impact of fines imposed by the Hungarian Competition Authority	0	0	0	0	0	0
(-) Effect of acquisitions		-84	-362	-486	-931	-384
Other non-interest expenses (adj.)	**-40,753**	**-42,397**	**-43,937**	**-54,618**	**-181,706**	**-44,604**

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