



Strategy and Finance Division
Investor Relations & DCM

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Extraordinary announcement

2018 EU Wide Stress Test Results

OTP Bank Plc. was subject to the 2018 EU-wide stress test conducted by the European Banking Authority (EBA), in cooperation with the National Bank of Hungary, the European Central Bank (ECB) and the European Systemic Risk Board (ESRB).

OTP Bank Plc. notes the announcements made today by the EBA on the EU-wide stress test and fully acknowledges the outcomes of this exercise.

The 2018 EU-wide stress test does not contain a pass fail threshold and instead is designed to be used as an important source of information for the purposes of the SREP. The results will assist competent authorities in assessing OTP Bank Plc.'s ability to meet applicable prudential requirements under stressed scenarios.

The baseline and adverse stress test scenarios were set by the ECB/ESRB and cover a three-year time horizon (2018-2020). Furthermore, both the baseline and the adverse scenarios have been carried out applying a static balance sheet assumption as at December 2017, and does not take into account future business strategies and management actions. Therefore, the baseline and adverse stress test scenarios do not constitute a forecast of OTP Bank Plc. profits, moreover even the baseline scenario suggests significantly lower profits than the management's expectation for the three-year time horizon (2018-2020).

According to the stress test results the fully loaded consolidated Common Equity Tier 1 (CET1) ratio of OTP Bank Plc. would change to **15.8%** under the baseline scenario and to **12.4%** under the adverse scenario in 2020, compared to **14.9%** as at the end of 2017 (including IFRS 9 implementation effect). In the 2018 EU-wide stress test the CET1 ratio showed a decrease of **2.5 percentage points** under the adverse scenario during the three-year time horizon (2018-2020), while in the 2016 EU-wide stress test the CET1 ratio decreased by **3.7 percentage points** under the adverse scenario by the end of the three-year time horizon (2016-2018).

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