OTP Bank
First Nine Months 2008 Results

Conference call – 14 November, 2008

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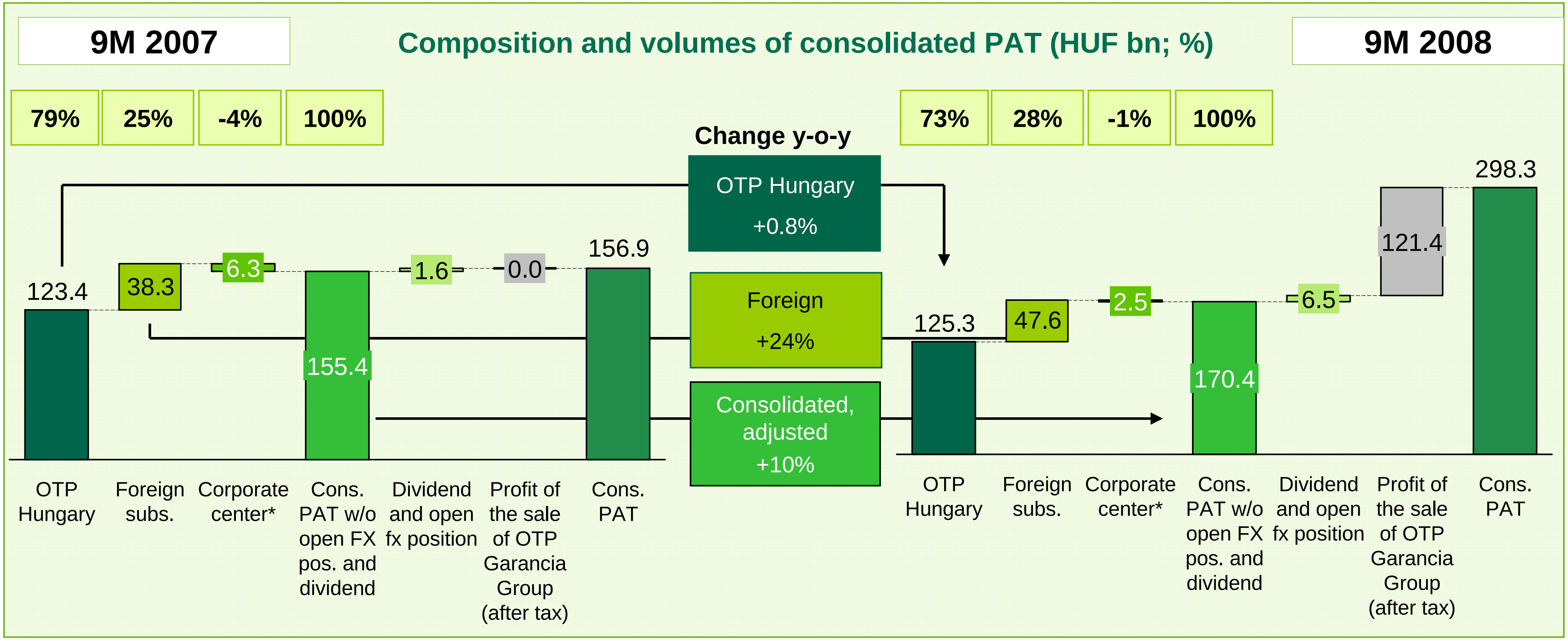
HUF 298.3 billion all time high PAT in 9M 2008 (+90% y-o-y), without the result of the sale of OTP Garancia Group (HUF 170.3 billion) and one-off items 10% profit growth on a yearly base



- Contribution of foreign subsidiaries reached roughly 28% (+3%-point y-o-y)
- Dynamic profit growth at the foreign subsidiaries against the volatility of the exchange rates (+24% vs. +0.8% in Hungary)
- The improving results at the Corporate Centre reflected the effect of increasing subsidiary financing

* Corporate Centre is including funding cost of Tier 2 capital, net interest and non interest income of OTP Bank from subsidiary financing

Record 9M earnings of HUF 298.3 billion; adjusted by the result from the sale of Garancia and other one-offs PAT grew by 10% y-o-y

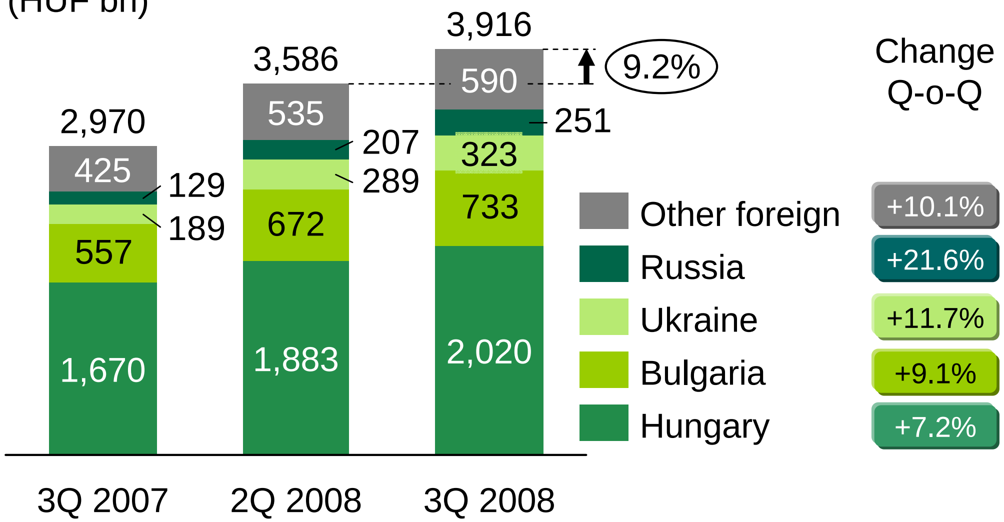
Financial highlights of OTP Group (consolidated, IFRS)

in HUF billion	9M 08	Y-o-Y	2Q 08	3Q 08	Q-o-Q
After tax profits	**298.3**	**90%**	**74.3**	**168.7**	**127%**
Dividends and net cash transfers	1.7	103%	0.3	0.7	177%
Profit of the strategic open FX position (after tax)	4.7	575%	10.1	-3.6	-135%
Profit of the sale of OTP Garancia Group (after tax)	121.4		0.0	121.4	
After tax profit (adj)	**170.4**	**10%**	**63.9**	**50.1**	**-22%**
Pre-tax profit	199.7	6%	72.1	59.8	-17%
Total income	523.1	14%	179.9	175.9	-2%
Net interest income (adj.)	371.9	15%	124.0	130.0	5%
Net fees and commissions	103.6	10%	34.6	34.9	1%
Total other non-interest income (adj.)	47.6	17%	21.4	11.1	-48%
Provision for possible loan losses (adj.)	-45.4	78%	-15.8	-17.2	9%
Other provisions	-3.5	-38%	-0.9	-2.8	231%
Operating expenses (adj.)	-274.5	14%	-91.1	-96.1	5%
Total assets	**9,363**	**16%**	**8,853**	**9,363**	**6%**
Total customer loans (gross)	**6,660**	**26%**	**6,164**	**6,660**	**8%**
Total customer deposits	**5,376**	**15%**	**5,069**	**5,376**	**6%**
Issued securities	1,426	50%	1,341	1,426	6%
Subordinated debt	291	-3%	292	291	0%
Total shareholders' equity	1,133	29%	946	1,133	20%
Gross loan/deposit ratio (%)	123.8%	11.4%	121.5%	123.8%	2.3%
Net interest margin (adj.)	5.57%	-0.14%	5.57%	5.68%	0.11%
Cost/income ratio (adj.)	52.5%	0.2%	50.6%	54.6%	4.0%
ROA (adj.)	2.6%	-0.2%	2.9%	2.2%	-0.7%
ROE (adj.)	22.4%	-2.5%	27.6%	19.2%	-8.4%
EPS base (HUF)	1,158	94%	292	647	121%
Market capitalization (HUF billion)	1,711	-36%	1,753	1,711	-2%

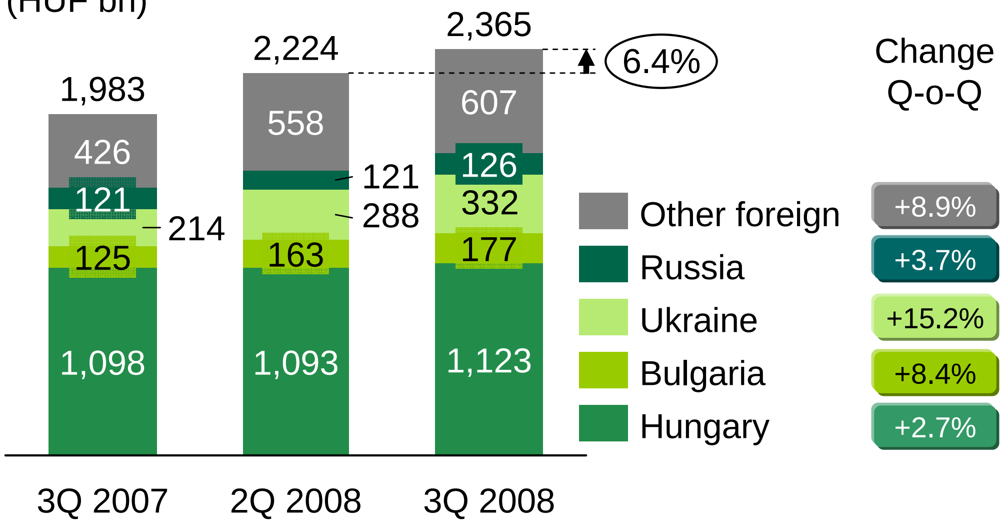
- **OTP Bank booked a net result of HUF 121.4 billion from the Garancia-sale after deducting the book value, taxes and related transaction costs**
- **Net interest income advanced by 15% y-o-y**
- **Conservative provisioning remained in place (+78 % y-o-y) keeping close eye on future risk (Ukraine, OTP Core Corporate business, Russia)**
- **Strong control on operating expenses, stable CIR (52,5%), a y-o-y growth of 14,5% reflects the network enlargement and high headline CPI in certain countries**
- **Substantial volume dynamics: loan book grew by 26% y-o-y, deposits by 15% y-o-y. Loan-to-deposit ratio reached 124%**
- **Garancia sale brought in additional EUR 600 M liquidity**
- **Consolidated CAR (capital adequacy ratio) reached 15.4% with 11.5% Tier1**

Strong quarterly consolidated gross loan growth of 8% was fuelled by retail loan expansion; deposit collection activity picked up and showed a remarkable increase above 6% q-o-q

Retail loan volume by countries
(HUF bn)

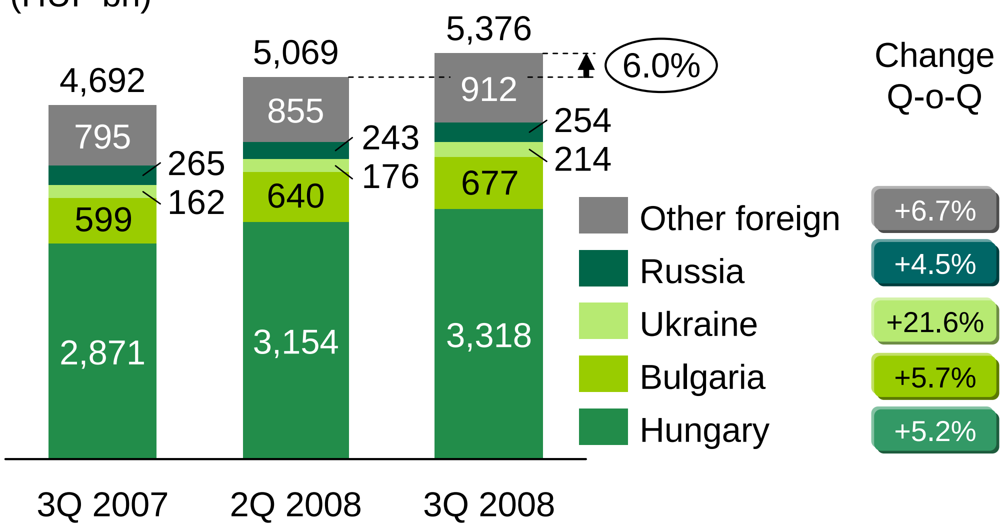


Corporate loan volume by countries
(HUF bn)



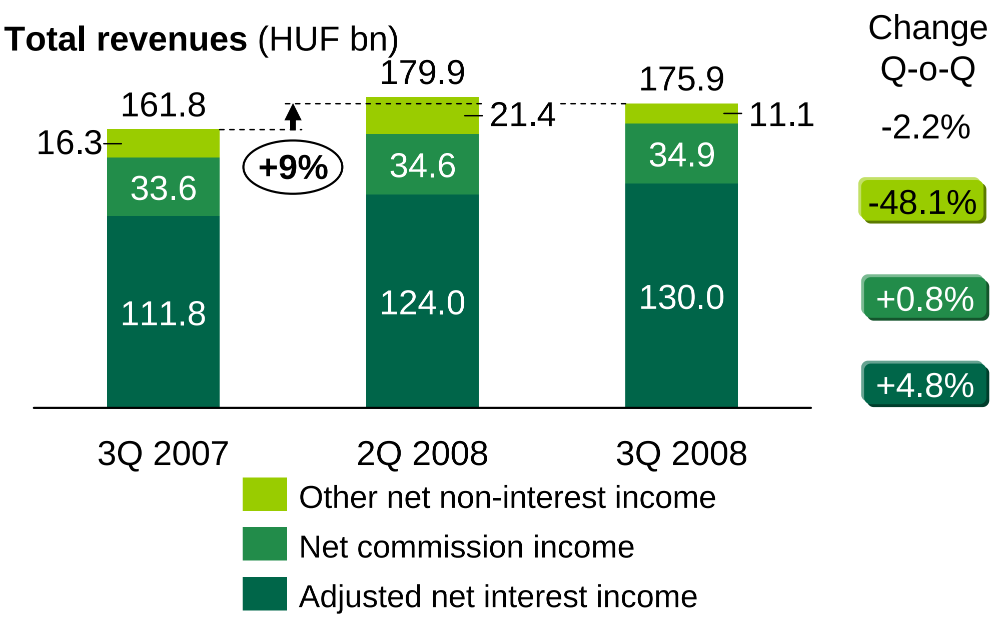
- Pace of loan book's expansion remained at elevated level (+8.1% q-o-q)
- Corporate loans in Hungary stagnated adjusted by the effect of weaker HUF
- Retail loans expanded by 9.2% (dynamics in Russia was especially high at 21.6%), corporate loan book showed a slower pace as a result of planned cutback of Hungarian corporate lending activity
- Consolidated deposit volume grew by 6% q-o-q

Total deposit volume by countries
(HUF bn)

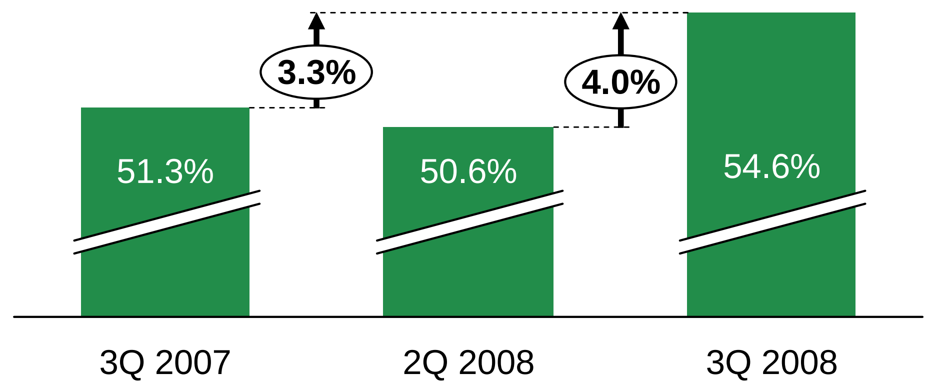


Total income dropped by 2% q-o-q due to loss on securities and declining net insurance premium, whereas costs showed a moderate increase; C/I ratio rose

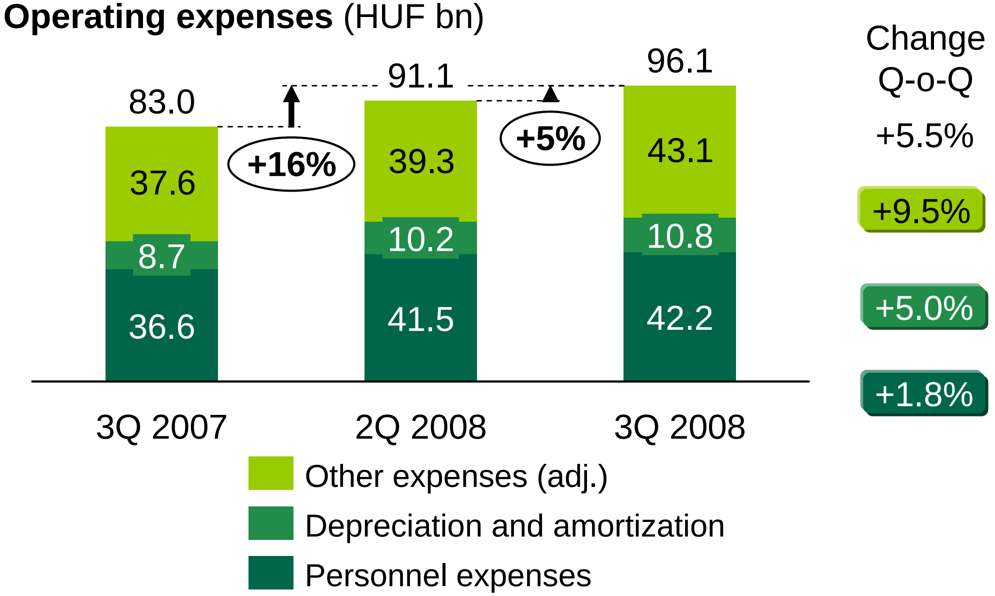
Total revenues (HUF bn)



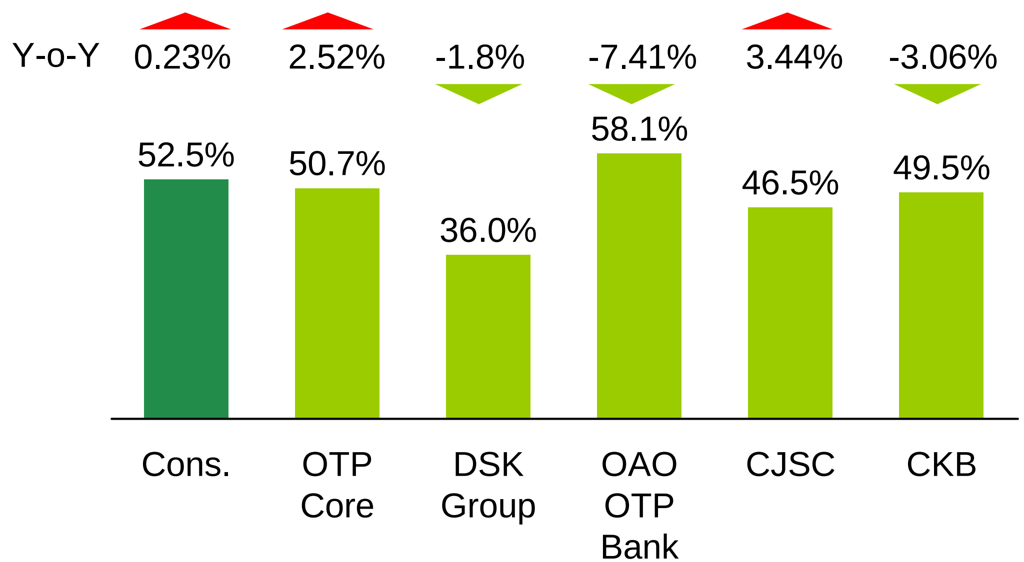
Cost/income ratio, consolidated



Operating expenses (HUF bn)

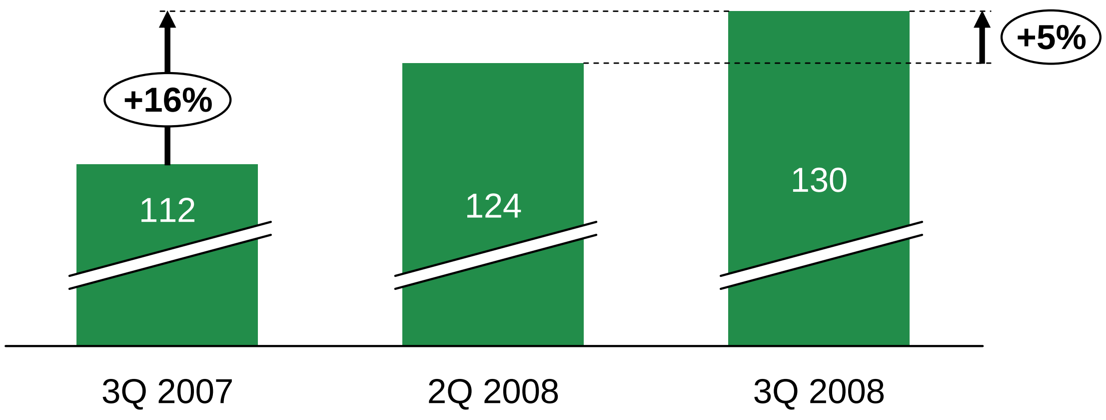


Cost/income ratio of the major Group members in 3Q 2008

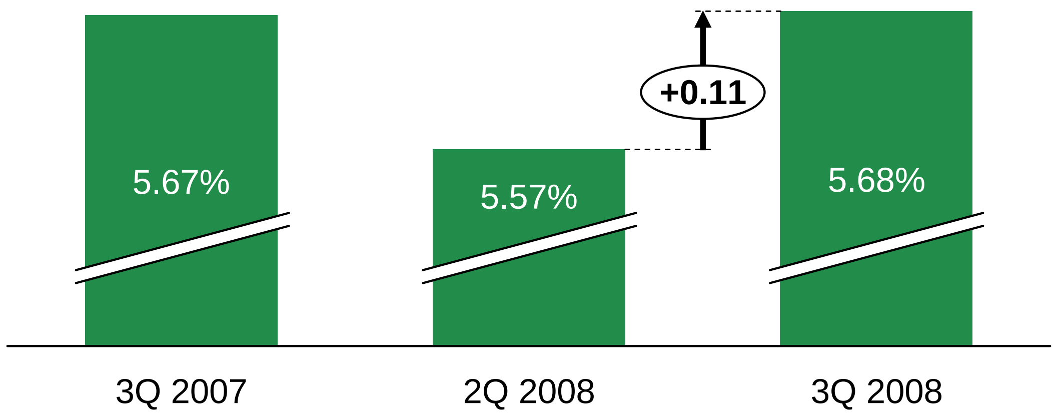


Consolidated net interest margin improved by 11 bps q-o-q, net interest income increased by 5%

Net interest income – adjusted, consolidated* (HUF bn)

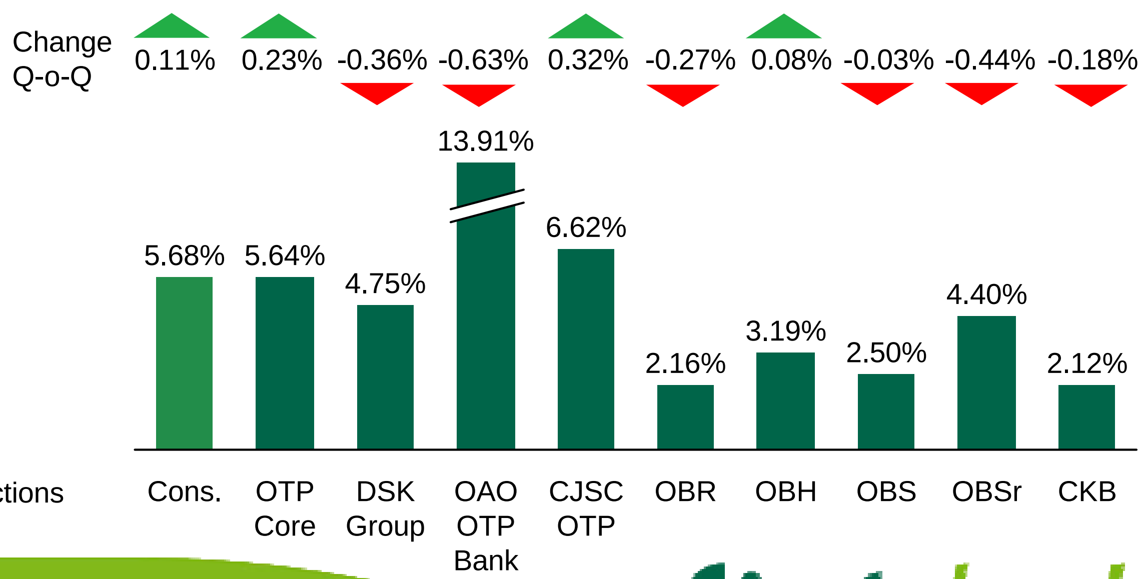


Net interest margin – adjusted, consolidated (%)



- Consolidated net interest income reached HUF 130 billion (+5% q-o-q and +16% y-o-y)
- Net interest margin came out at 5.68%, being unchanged compared to the base period, but 11bps higher than in 2Q 2008
- OTP Core and CJSC OTP Bank managed to improve NIM (by 23 and 32 bps respectively), but NIM in Bulgaria, Russia and Serbia dropped by more than 30 bps

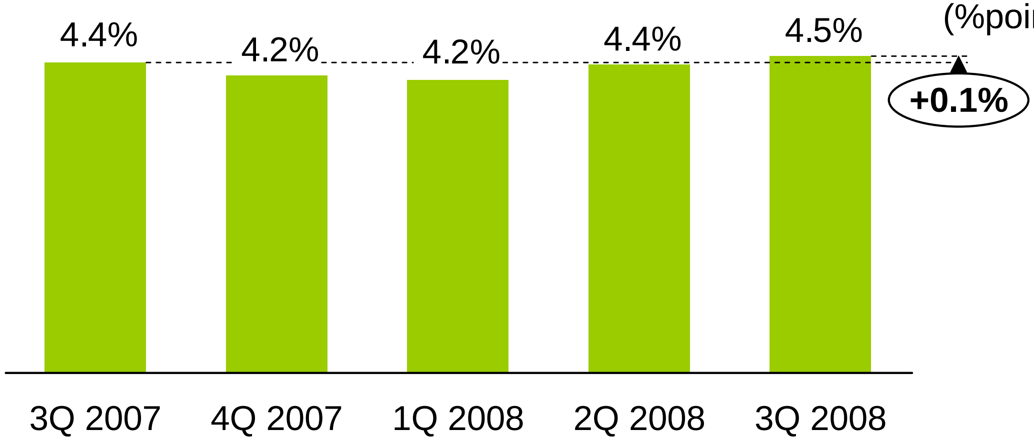
Net interest margin of major Group members in 3Q 2008 (%)



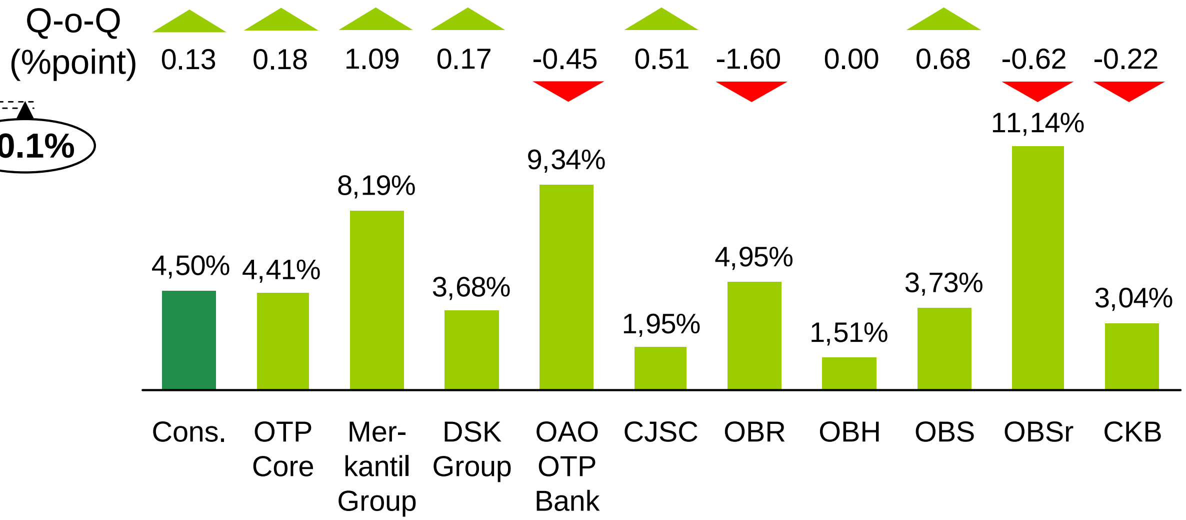
* Adjusted net interest income (including the non-interest results of swap transactions and provisioning after the interest income of NPLs in Russia)

Consolidated loan portfolio quality remained stable with NPL ratio at around 4.5% with coverage further improving

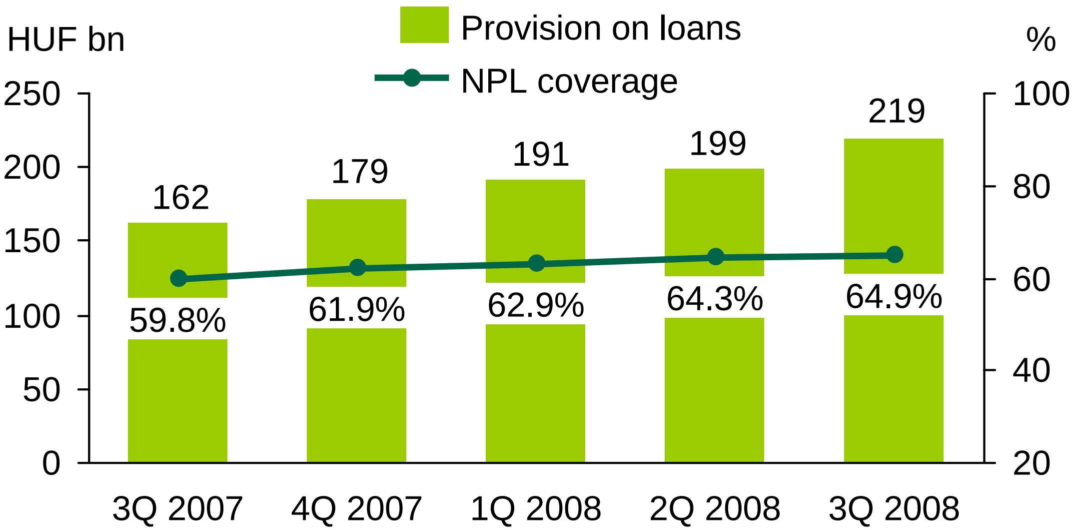
Development of NPL ratio (%)



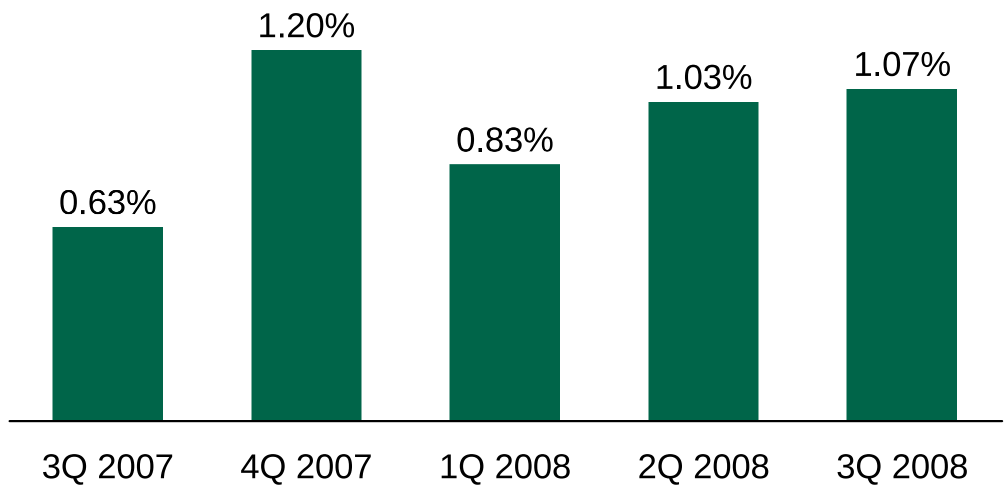
NPL ratio at the major Group members[1]



Coverage



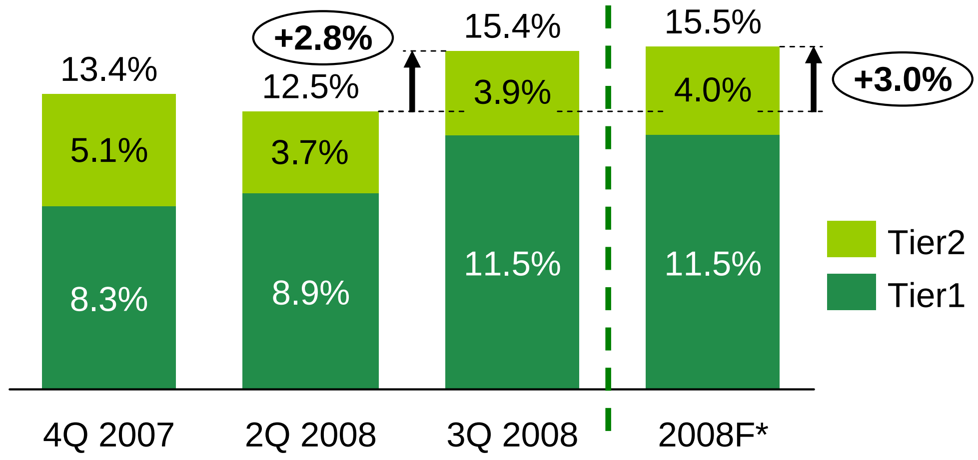
Cost of risk to the average loans[2] (%)



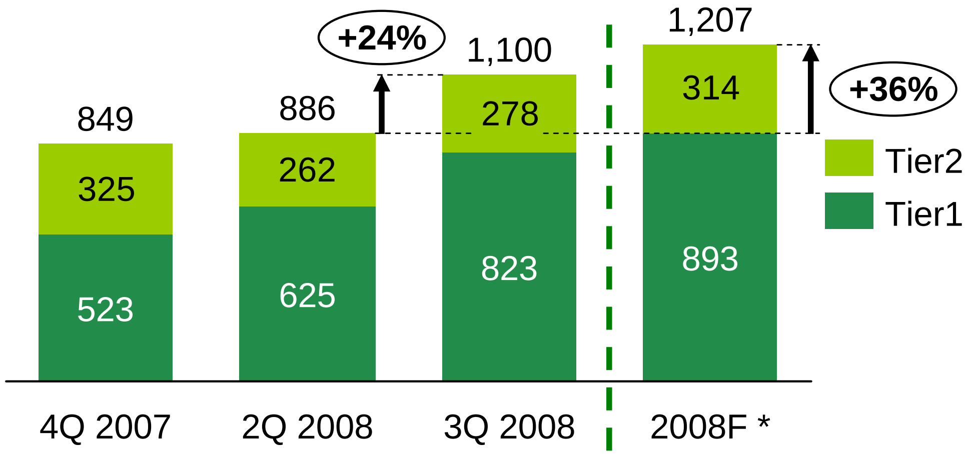
(1) The figures of foreign subsidiaries are based on local classification rules, (2) Including the income from the release of provisions before acquisitions

Consolidated CAR reached 15.4% after Garancia transaction (Tier1: 11.5%)

Consolidated capital adequacy ratio (IFRS, Basel II)
(%)



Consolidated guarantee capital of OTP Bank (IFRS, Basel II)*
(HUF bn)



* forecast by OTP (assumption: 260 EUR/HUF at year-end)

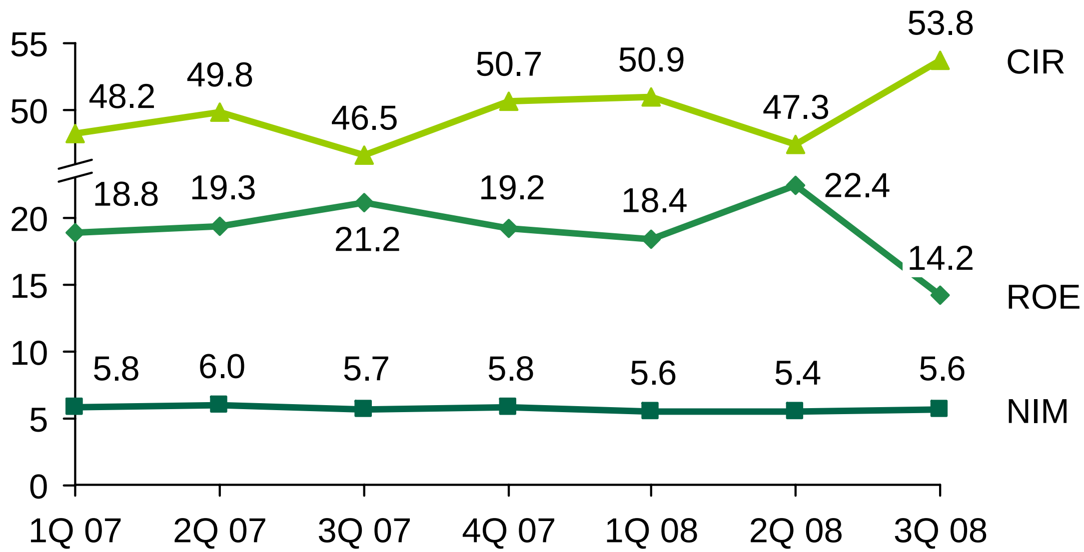
- Proceeds from Garancia transaction strengthened capital adequacy ratio materially in 3Q 2008, consolidated guarantee capital exceeded HUF 1,100 billion
- CAR amounted to 15.4% at the and of the quarter, within that Tier1 ratio represented 11.5%
- According to management's estimates, CAR might be at 15.5% by year-end assuming 260 EUR/HUF FX rate
- If goodwill write-downs occurred, they would not affect capital adequacy ratio
- CAR will grow, despite of increasing risk costs

OTP Core: HUF108.3 billion PAT (+2% y-o-y) in line with plans; due to significant one-offs in the base period and as a result of higher provisions PAT declined q-o-q

Financial highlights of OTP Core

in HUF billion	9M 08	Y-o-Y	2Q 08	3Q 08	Q-o-Q
After tax profit	***108,568***	***3%***	***43,144***	***31,339***	***-27%***
Pre-tax profit	124,490	-2%	46,191	36,416	-21%
Total income	276,719	6%	94,250	94,433	0%
NII	199,935	2%	64,501	69,848	8%
Net F&C income	65,805	11%	21,537	22,162	3%
Other net non-interest inc.	10,979	81%	8,212	2,423	-70%
Cost of risk	-10,941	72%	-3,566	-5,588	57%
Other cost of risk	-1,049	-60%	126	-1,637	-1395%
Operating expenses	-140,239	11%	-44,619	-50,791	14%
Gross loans	***3,200,309***	***11%***	***3,058,424***	***3,200,309***	***5%***
Deposits	***3,353,600***	***16%***	***3,166,806***	***3,353,600***	***6%***
Gross loans to deposits	95%	-4%	97%	95%	-1%

Profitability and cost-efficiency, %



- **9M HUF 108.3 billion after tax profit was in line with plans (+2% y-o-y)**
- **28% q-o-q decline as a result of outstandingly strong 2Q earnings which included few one-offs (HUF3.4 billion tax shield, strong non-interest income due to good trading and hedging results)**
- **NII improved by 8% q-o-q, NIMs also grew (+20bps) as a result of good swap results; ongoing re-pricing of existing HUF mortgages resulted in a lower government subsidy (-HUF 9.1 billion y-o-y)**
- **Higher provisions reflected the worsening economic outlook, with no material increase in overdue payments**
- **NPL grew to 4,4% (+0,2% q-o-q and +0,6% y-o-y), mainly in the corporate segment, retail portfolio remained stable**
- **CIR grew by 6.4% q-o-q as a result of an increase in other expenses (+25% q-o-q)**
- **Loan-to-deposit ratio dropped both y-o-y and q-o-q (9M 2008: 95,4%)**
- **Strengthening retail focus on lending side**

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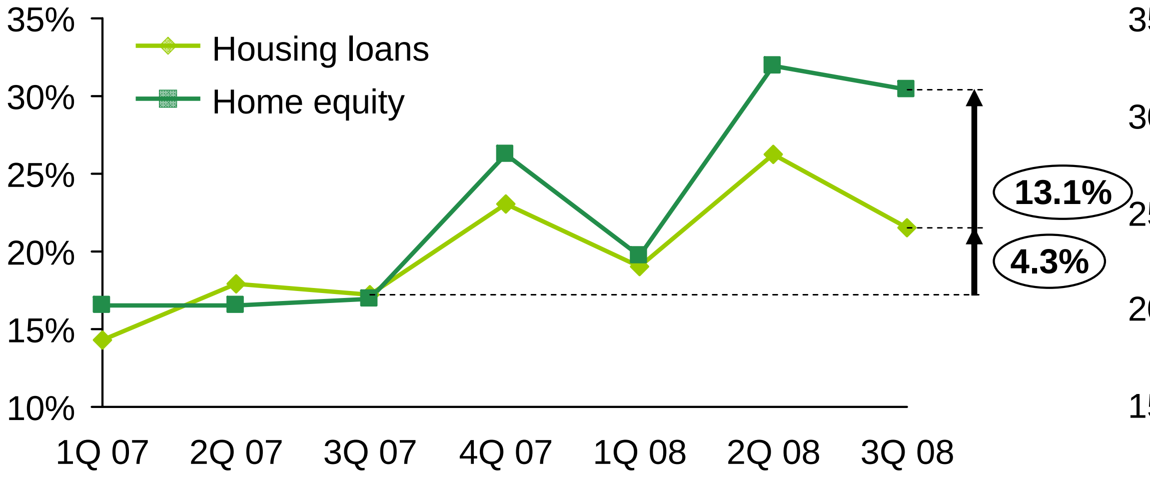
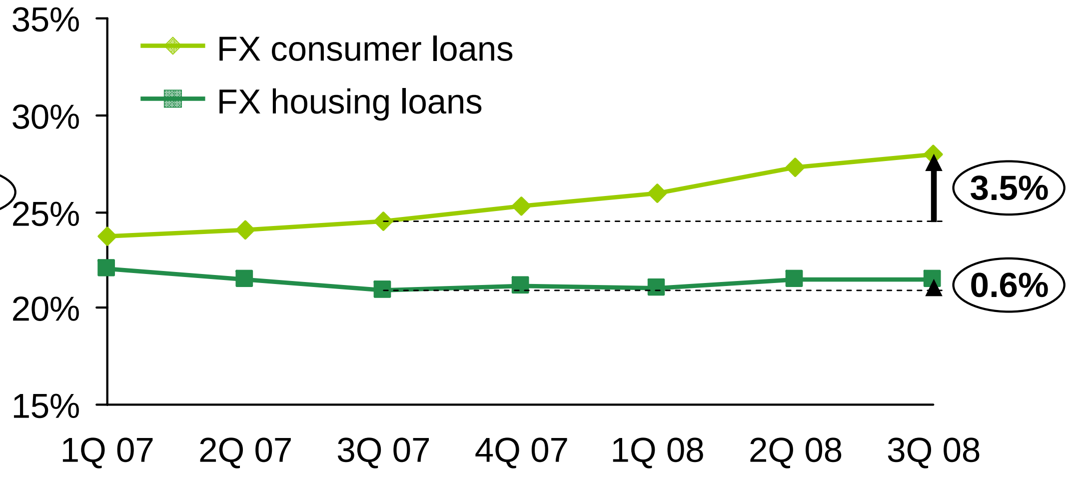
Improving market positions in the retail lending segment; significant decrease of JPY-share within new mortgage origination

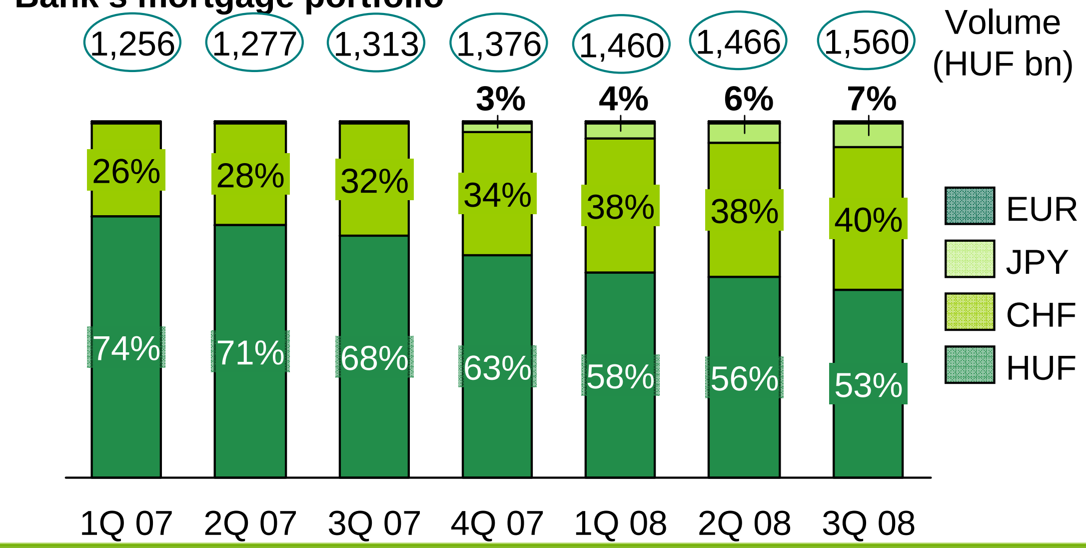
Market share of OTP Core in the Hungarian banking sector's FX-loan growth



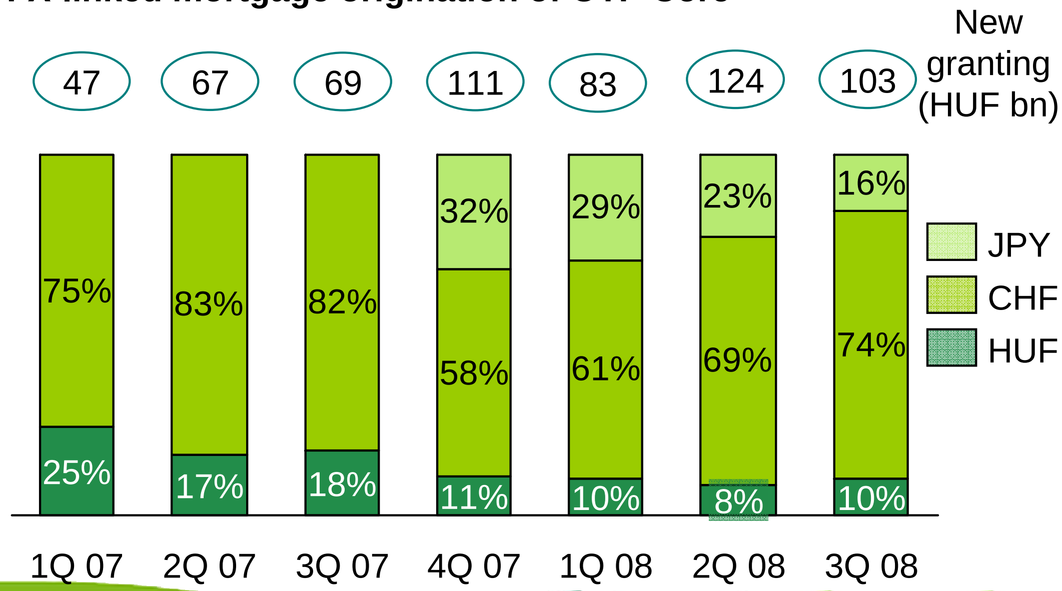
Market share of OTP Group in the Hungarian household's FX-loan market



Currency breakdown of OTP Bank and OTP Mortgage Bank's mortgage portfolio



FX-linked mortgage origination of OTP Core



Helped by new products OTP managed to gain market share in retail FX lending and maintained its stable retail deposit position in Hungary

	Market share * (30/09/2008)	Change (Q-o-Q)	Change (Y-o-Y)
Total assets	25.1%	+0.4%p	-0.1%p
Housing loans	34.1%	-1.1%p	-3.8%p
FX-housing loans	21.5%	+0.0%p	+0.6%p
Consumer loans	27.0%	+0.8%p	+2.3%p
FX-consumer loans	28.0%	+0.7%p	+3.5%p
Corporate & municipal loans	9.7%	-0.7%p	-2.0%p

	Market share * (30/09/2008)	Change (Q-o-Q)	Change (Y-o-Y)
Retail deposits	30.9%	-0.4%p	-0.4%p
Corporate & municipal deposits	18.5%	+0.3%p	+3.4%p
Investment funds	30.9%	-1.1%p	-1.2%p

- **Strengthening retail focus** in line with management's strategic goals
- **Retail loans:** improving market positions both in housing and consumer lending
- **Retail deposit:** stable positions in 1H followed by slight erosion in 3Q
- **Fund management:** negative historic yields and more appealing deposit yields put downward pressure on managed asset volumes

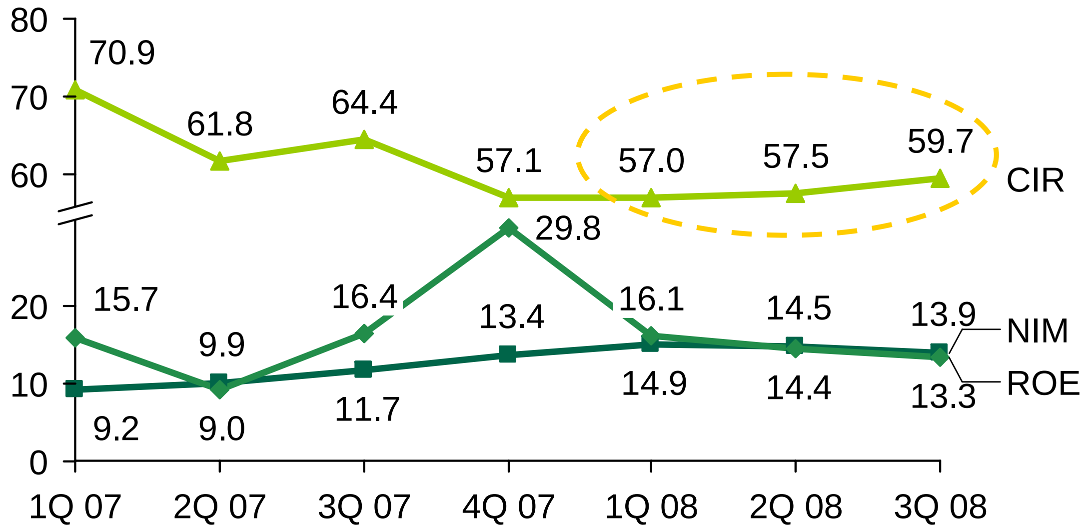
(*) OTP Bank, Merkantil Bank, OTP Mortgage Bank and OTP Building Society within banking sector total

OTP Bank Russia: PAT grew by 23% y-o-y and 13% q-o-q; retail loan book doubled y-o-y; prudent provisioning, stringent cost control

Financial highlights of OTP Bank Russia:

in HUF million	9M 08	Y-o-Y	2Q 08	3Q 08	Q-o-Q
After tax profit [1]	***4,973***	***23%***	***1,537***	***1,745***	***13%***
Pre-tax profit	6,931	11%	2,166	2,383	10%
Total income	54,683	47%	18,046	18,351	2%
NII	46,198	71%	14,964	15,785	5%
Net F&C income	7,935	-21%	2,435	2,766	14%
Other net non-interest inc.	550	300%	647	-200	-131%
Cost of risk	-14,278	114%	-5,069	-4,231	-17%
Other cost of risk	-1,722	-2005%	-427	-787	85%
Operating expenses	-31,752	30%	-10,385	-10,949	5%
Gross loans	***397,182***	***55%***	***341,950***	***397,182***	***16%***
o/w Retail	***251,049***	95%	206,504	251,049	22%
Car financing	20,278	190%	14,068	20,278	44%
Deposits	***254,356***	***-4%***	***243,399***	***254,356***	***5%***

Profitability and cost-efficiency, %



HUF 5.0 billion PAT (+23% y-o-y) supported by strong NII

- Total income grew by 47% as a result of remarkable net interest income dynamics (+71% y-o-y)
- **Improving loan quality** (NPL dropped from 9,8% to 9,3% q-o-q) due to the better quality of vintage portfolio and the involvement of external partners into the workout process
- **Prudent provisioning** (provisioning grew by 114% y-o-y, the NPL-coverage increased from 43% to 69% y-o-y
- Stringent cost control (CIR stabilizing around 58%)

Retail loan volumes almost doubled y-o-y:

- In 3Q retail lending grew by 22% fuelled by ongoing mortgage portfolio purchase, a seasonal pick-up in POS-lending and more efficient network-based sales performance
- Car financing grew robustly (+44% q-o-q)
- Stable retail deposit base q-o-q, in September some decline occurred partially being mitigated by deposit making from the MinFin

Ongoing network expansion:

- In 3Q-ban 5 new branches were opened, YTD 24 in 2008 respectively, bringing the total number to 126
- Donskoy Narodny Bank brought another 46 branches to the total network

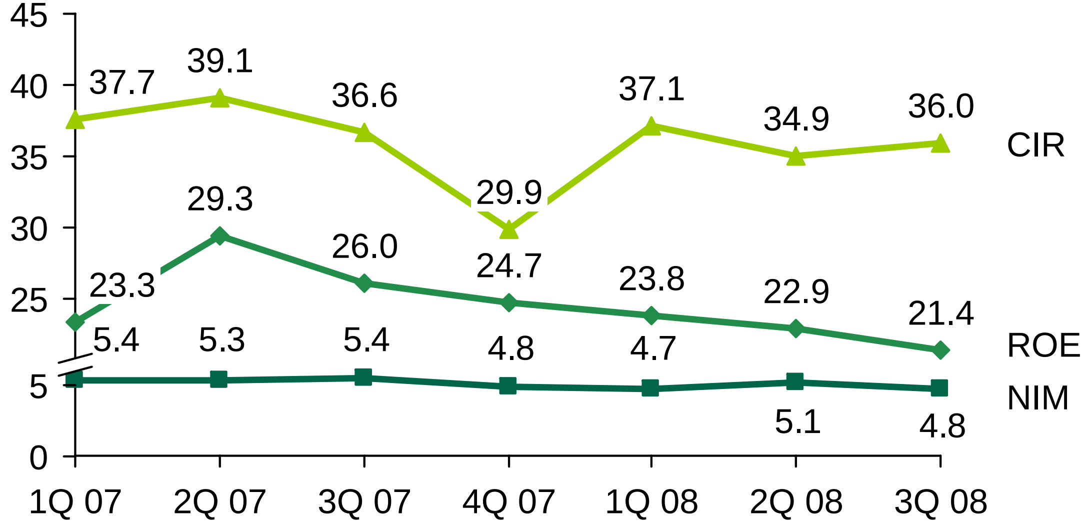
(1) After tax profit w/o dividends, net cash transfer and one-off items. From 2Q 2008, figures are based on the aggregated financial statements of OAO OTP Bank and the newly acquired Donskoy Narodny Bank.

Robust earning growth, outstanding volume increase with stable portfolio quality; slightly eroding NIMs as a result of higher funding costs and mandatory reserve requirements

Financial highlights of DSK Bank:

in HUF million	9M 08	Y-o-Y	2Q 08	3Q 08	Q-o-Q
After tax profit [1]	***22,535***	***18%***	***7,518***	***7,376***	***-2%***
Pre-tax profit	25,059	18%	8,357	8,201	-2%
Total income	51,021	16%	17,586	17,230	-2%
NII	37,499	15%	12,934	12,557	-3%
Net F&C income	12,615	27%	4,349	4,380	1%
Other net non-interest inc.	907	-31%	303	293	-3%
Cost of risk	-7,590	27%	-3,080	-2,834	-8%
Other cost of risk	-20	-85%	-3	-1	-62%
Operating expenses	-18,351	11%	-6,146	-6,194	1%
Gross loans	***909,549***	***33%***	***834,559***	***909,549***	***9%***
o/w retail	732,774	31%	671,550	732,774	9%
Deposits	***676,831***	***13%***	***640,390***	***676,831***	***6%***

Profitability and cost-efficiency, %



PAT grew by 18% y-o-y, despite of unfavourable cross currency moves causing q-o-q decline:

- NII increased by 15% y-o-y
- NIMs dropped to 4,73% (-0,52% y-o-y), but regarding the higher mandatory reserve requirement imposed by BNB last year, as well as the growing funding costs, it is quite an achievement
- Net F&C growth was very strong (+27% y-o-y)
- Loan volumes had a robust increase and provisioning kept pace with that; NPL remained stable
- Ongoing stringent cost control (9M 2008: CIR 36%)

In BGN loan volumes grew even faster exceeding original plans:

- Retail portfolio increased by 31% y-o-y and 9% q-o-q fuelled by mortgage lending

Liquidity

- Retail deposit growth remained strong (+18% y-o-y, +8% q-o-q)
- Total deposits grew somewhat slower (13% y-o-y,6% q-o-q) as a result of some corporate deposit withdrawals in September caused by market uncertainties

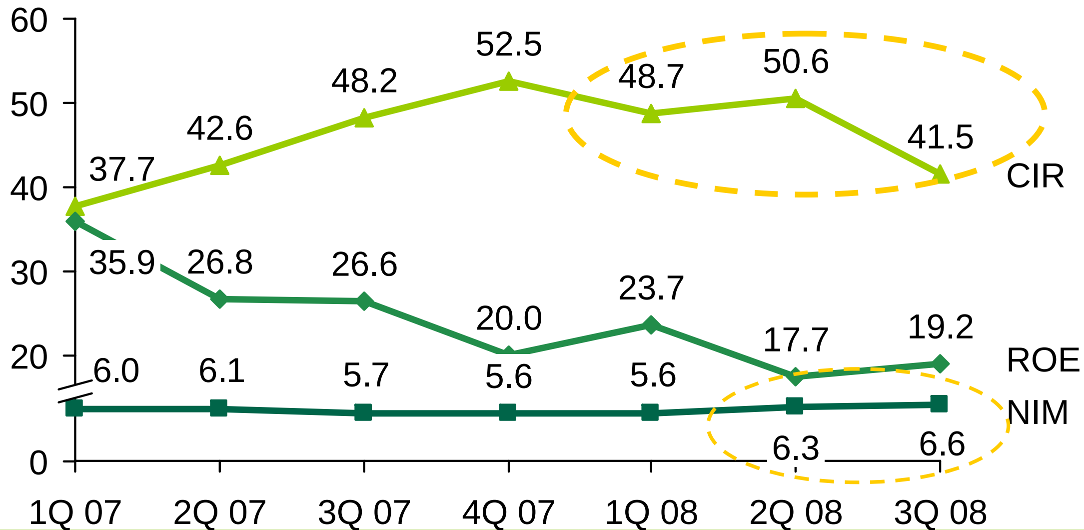
(1) As for 2007, financials are based on DSK Bank, POK DSK-Rodina, DSK Trans Security and DSK Tours consolidated figures aggregated with Asset Management (SPV) and adjusted with controlling calculations. In 2008, after SPV stopped its operation figures are reflecting the performance of consolidated DSK Group without SPV. Regarding 2007 year end, data are in line with the disclosure of the preliminary stock exchange report (non-audited).

Outstanding lending activity (+61% y-o-y, 13% q-o-q), slightly deteriorating NPL ratio (1,9%) but still far below Group average, improving NIM, strong NII and F&C performance

Financial highlights of CJSC OTP Bank

in HUF million	9M 08	Y-o-Y	2Q 08	3Q 08	Q-o-Q
After tax profit [1]	***11,045***	***1%***	***2,984***	***4,167***	***40%***
Pre-tax profit	15,179	1%	4,918	5,955	21%
Total income	39,609	54%	12,880	15,755	22%
NII	33,655	59%	11,334	13,245	17%
Net F&C income	3,695	16%	1,268	1,359	7%
Other net non-interest inc.	2,258	73%	279	1,151	313%
Cost of risk	-5,630	-2044%	-1,429	-2,862	100%
Other cost of risk	-388	-377%	-13	-393	2988%
Operating expenses	-18,412	67%	-6,521	-6,546	0%
Gross loans	***728,876***	***61%***	***643,474***	***728,876***	***13%***
o/w retail	322,540	70%	288,841	322,540	12%
Deposits	***214,205***	***32%***	***176,174***	***214,205***	***22%***

Profitability and cost-efficiency, %



9M PAT exceeded HUF 11 billion:

- While 9M PAT pro forma was flat to the corresponding period in 2007, it was mainly the reflection of the HUF appreciation against UAH (11% y-o-y)
- Provisions doubled q-o-q reflecting the local management' prudent approach, as well as the steady loan book growth
- Loan quality somewhat deteriorated (NPL grew to 1.9%), but still far below OTP Group average
- Robust NII growth (59% y-o-y) and net F&C (+16%), repricing of loans helped to improve NIM (+33 bps)
- Despite of the rapid network expansion 9M CIR grew only moderately (+3,4% y-o-y)
- In August OTP injected EUR 120 million capital; the increase was registered in November

Loans and deposits grew dynamically:

- Lending volumes expanded by 61% y-o-y and 13% q-o-q, retails loans grew even faster (+70%) In 3Q-ban the Bank already imposed stringent scoring rules and higher interest rates, thus volumes moderated
- Due to the management efforts deposits grew strongly (+32% y-o-y)

Ongoing network expansion, stable market positions:

- In 3Q 8 new branches were added bringing the total to 183 vs 94 a year ago

(1) After tax profit w/o dividends and net cash transfer

In 9M 2008 foreign and domestic subsidiaries' performance seen as positive in general

Subsidiary	Financial highlights: Profit after tax *	Y-o-Y	Gross loans**	Y-o-Y	Main achievements
OBH	**3.7**	+31%	**280**	+25%	PAT growth above 31%, loan book expansion of 25% Stable loan quality (NPL ratio: 1.5%), high NPL coverage
CKB	**2.5**	+41%	**228**	+46%	Profit picked up by 41%, loan volume up by 46% CIR stayed below 50%, ROE reached 25%
OBR	**-0.3**	-88%	**285**	+52%	Favourable changes in profitability (first profitable quarter) Dynamic loan growth (+52% y-o-y)
OBSrb	**2.1*****	+140%	**94**	+87%	Profit due to one-off items Highest loan expansion rate among Group members
OBS	**1.9**	+59%	**302**	+32%	Net income grew by 60% Loan portfolio increased by 32%
merkantilbank / merkantil Car	**6.0**	+3%	**319**	+10%	Dynamics of aggregated profit after tax exceeded 3% Leasing and loan volumes went up by 10%
otp Alapkezelő **OTP Fund Mgmt.**	**4.4**	+3%	**-**	-	Assets under management dropped by 3% PAT increased by 3%

* In HUF billion. Without dividend, net cash transfer and one-off items.
** In HUF billion. OBR's loan shown before transfer. Figure of Merkantil comprises leasing volumes.
*** Including one-off items.

As for the future… OUTLOOK

Liquidity

Profitability

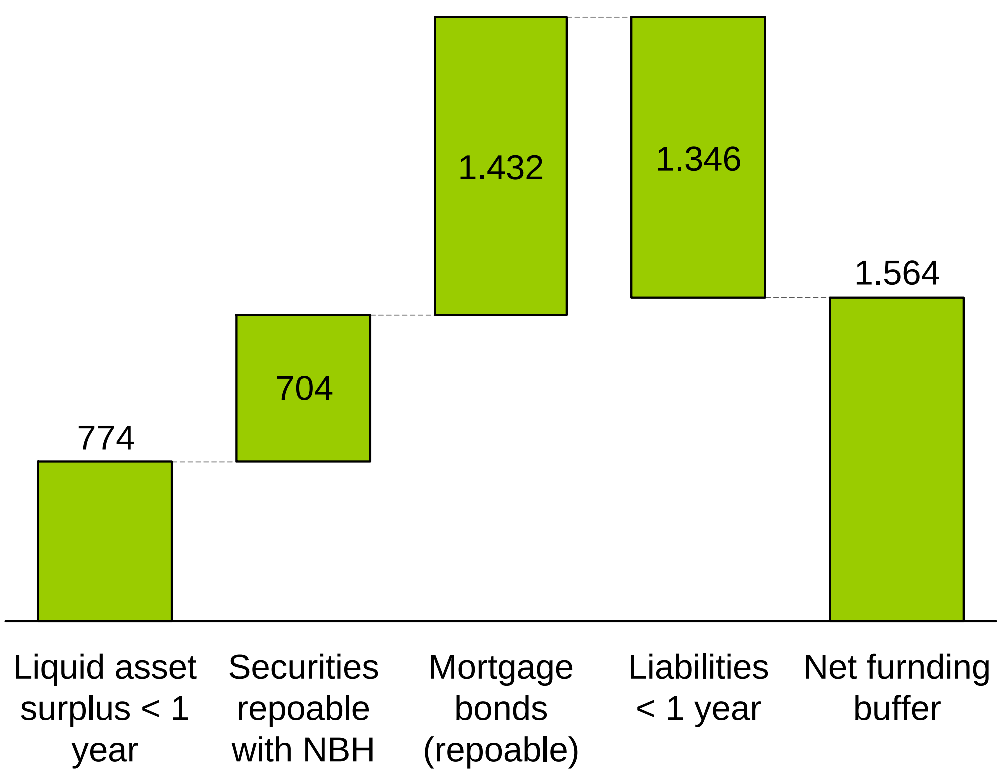
Capital adequacy

Provisioning – NPL-quality – Stress-test

Capital injection

OTP Group has a stable liquidity position with net funding position over EUR 1.6 billion (without any external funding need)

Liquidity position of OTP Group on 30 September (EUR mn)



1. **Manageable liquidity: the effective refinancing need is the EUR 1.3 billion EUR funds maturing in less than 1 year**

2. **Significant additional liquidity: National Bank of Hungary provides repo facility similar to ECB in terms of mortgage bonds opening up a (EUR 1.4 billion) line**

+

3. **Regarding the business volumes: Group-level loan book will be allowed to grow only to the extent of deposit growth until financial markets stabilise**

4. **Portfolio rationalisation has been started and potential divestments are analysed as part of planning for different external scenarios**

Profitability

Based on the 9 months adjusted HUF 170.4 billion after tax profit and considering the negative market developments in October – especially the significant growth of funding and swap related costs – and also the potential increase of risk costs, the management forecasts the annual profit after tax to be around HUF 220 billion.

Appendix

Effective governmental decisions taken to halt speculation and promote sustainability and transparency in Hungary (1)

Date	Measures	Details
08/10/2008	**Unlimited government guarantee for the households deposits in commercial banks**	
10/10/2008	**Announcement of NBH to support FX-swap market**	National Bank of Hungary steps in the FX swap market as an intermediary
12/10/2008	**Prime minister Gyurcsány announces further austerity measures**	(1) Net deficit target for 2008: 3.4%; for 2009: 2.9% (2) Cancellation of 2009 tax cuts; (3) Wage freeze in the public sector; (4) Negotiations on capital budget cap; (5) Intended support for SME's (banking capital and loans)
13/10/2008	**NBH expanded the range of repoable instruments**	The range of repoable instruments with covered mortgage bonds being rated and traded at the BSE
15/10/2008	**Prime minister Gyurcsány's proposal in Brussels at an EU meeting**	(1) Once a member-state reaches 3% deficit level, it is not obliged to further reduce it; (2) Cancellation of 10% country expenditure in EU projects; (3) Consolidation of different EU funds to subsidized SME's; (4) Standard European Financial Authority
16/10/2008	**5 billion EUR stand-by loan from ECB**	The facility is aimed at supporting local swap market
16/10/2008	**Further announcements of NBH to support FX swap and government bond markets**	(1) Agreement with primary dealers to proved bid and ask offers at the Budapest Stock Exchange, NHB is ready to provide liquidity with buying bonds from primary dealers; (2) FX liquidity provision from NBH to resident commercial banks upon request under an O/N agreement

Effective governmental decisions taken to halt speculation and promote sustainability and transparency in Hungary (2)

Date	Measures	Details
20/10/2008	**Interest rate decision**	Hold on 8.5%
22/10/2008	**Exceptional interest rate decision**	Hike by 300 bp to 11.5%; Narrowing the difference between O/N deposit and O/N repo interest rates
26/10/2008	**Agreement with IMF rate decision**	
29/10/2008	**Details of IMF stand-by loan agreement: Hungary receives USD 25.1 billion**	(1) IMF source: USD 15.7 billion, EU source: USD 8.1 billion, World Bank: USD 1.3 billion; (2) Conditions: expenditure cuts, no room for tax reduction; (3) Third budget draft and new – more realistic – governmental macroeconomic forecasts for 2009 (growth: -1%, private consumption: -3.7%, deficit target: -2.6%); (4) Expenditure cuts in 2009: bonus payment cancellation in the public sector, upper bound for the 13 month pension
29/10/2008	**Government Debt Management Agency reduced its treasury issuance**	Until the end of 2008 GDMA cancelled all Treasury auctions. The potential volume of discount T-bills will be decided in line with prevailing money market conditions
10/11/2008	**Announcing the details of the HUF 600 billion „rescue package"**	In order to enhance the stability of the financial sector, the Hungarian State – within the framework of the approved IMF-package – may take a refinancing guarantee for interbank lending and boost capital base in banks with a total amount of HUF 600 billion

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Effective governmental decisions taken to enhance sustainability and transparency – Eastern European Region (1)

Ukraine

- On 13 October NBU imposed a ban on early withdrawal of deposits and put restriction on banking asset growth. At the same time the central bank provides liquidity up to one year and up to max. 60% of own equity. The annual interest rate charged is min. 15%.
- On 17 October the prime Minister announced that Prominvestbank, the country's 6th biggest bank would be taken under state control.
- On 20 October Moody's downgraded Ukraine and 22 commercial banks.
- On 22 October the Minister of Finance and the Worldbank started negotiations on a USD 500M loan facility aimed at modernizing the local banking sector.
- On 30 October the Ukrainian Parliament accepted the IMF rescue package aimed at stabilizing the economy and strengthening the local deposit insurance system. The package earmarks USD 16 billion for the country.

Russia

- After an overall decrease in mandatory reserves by 4% in September, from 15 October the Central Bank of Russia cut the mandatory rate to 0.5%. Prior to the move the mandatory rate was 4.5% for offshore interbank deposits, 1.5 for RUB and retail deposits and 2% for other liabilities.
- The Ministry of Finance initiated a deposit auction with the maximum amount of RUB 1.500 billion to boost liquidity. Out of the licensed banks in Russia, 28 banks – including OAO OTP Bank (Russia) were eligible to participate up to their individual limits (in case of OAO OTP Bank (Russia) it is RUB 4 billion.
- The CBR lifted up the repo limits from RUB 160 billion to EUB 430 billion.
- After the announcement of the President the Russian Government may provide subordinated loan facilities with max. 5 years to the banking sector with the total available amount of RUB 950 billion. According to the plans bulk of the facility will go to Sberbank, VTB and the Russian Agriculture Bank, other banks may apply for max. RUB 225 billion.
- On 14 October the Russian Depository Insurance Agency increased the guaranteed retail deposit amounts from RUB 400 thousands to RUB 700 thousands.
- On 11 November Fitch Ratings downgraded OAO OTP Bank (Russia) currency deposit rating from „BBB-„ to „BB+". At the same time the outlook was modified from negative to stable.

Effective governmental decisions taken to enhance sustainability and transparency – Eastern European Region (2)

Bulgaria

- From 1 October BNB changed its rules on mandatory reserve requirement with the aim of supporting the liquidity of the local banking sector. Hereafter 50% of cash position of the bank can be incorporated while making mandatory reserves. Also, under the prevailing level of 12%, BNB provides 3 months financing facility up to 8% for the local banks.
- On 30 October S&P downgraded Bulgaria from „BBB+" to "BBB" and maintained a negative outlook on the rating.
- In October the Bulgarian Government pledged a guarantee on retail deposits up to EUR 100 thousands, furthermore indicated a potential guarantee for interbank loans.

Romania

- On 13 October NBR increased the retail deposit guarantee from EUR 20,000 to EUR 50,000.
- On 27 October Standard & Poor's downgraded Romania from "BBB-" to "BB+".
- On 29 October the central bank decided that if the ROBOR interest rate exceeds the NBR's rate on the lending (Lombard) facility by more than 25%, the central bank may temporarily discontinue publishing ROBID/ROBOR indices calculated based on the quotations of participating banks.
- The central bank announced that from 24 November mandatory reserve requirement after RON liabilities would be cut back from 20% to 18%. After FX liabilities the 40% mandatory level still remains effective.

Croatia

- On 10 October the CNB lifted up its earlier punitive (55%) mandatory reserve requirement on foreign liabilities. The general 17% reserve requirement will remain effective.
- On 16 October the Croatian parliament approved a bill on a deposit guarantee with a maximum of HRK 400,000.

Effective governmental decisions taken to enhance sustainability and transparency – Eastern European Region (3)

Slovakia

- On 26 September Moody's downgraded OBS from "A2/P-1" to "Baa1/P".
- In November the parliament may approve a bill on a blanket guarantee on all retail deposits.

Serbia

- A In order to boost liquidity the central bank intervened several times in October and November through selling EUR on local markets.
- On 31 October the central bank hiked base rate by 200 bps to 17.75%.

Montenegro

- On October 20 the Minister of Finance announced the government intention to minimize the negative impact of the current crisis. The Parliament will soon approve a bill and a deposit insurance scheme (up to EUR 50,000) and the Government may provide guarantee on interbank loans, as well.