OTP Group
First half 2013 results

Conference call – 15 August 2013

László Bencsik
Chief Financial and Strategic Officer

The one-timer payment compensating the underperformance of the financial transaction tax was a drag on 2Q accounting results. The 2Q adjusted after tax profit grew by 28% q-o-q, whereas before tax profit without one-off items declined by 5%

	1H 12	1H 13	Y-o-Y	2Q 12	1Q 13	2Q 13	Q-o-Q	Y-o-Y
	in HUF billion			in HUF billion				
Consolidated after tax profit (accounting)	**53.9**	**51.8**	**-4%**	**41.1**	**11.2**	**40.6**	**261%**	**-1%**
Adjustments (total)	**-26.9**	**-41.3**	**54%**	**4.1**	**-29.5**	**-11.8**	**-60%**	**-388%**
Dividends and net cash transfers (after tax)	0.0	0.0	-105%	0.2	-0.3	0.3	-199%	55%
Goodwill/investment impairment charges (after tax)	4.0	1.4	-65%	4.0	0.0	1.4		-65%
Special tax on financial institutions and one-timer payment compensating the underperformance of the financial transaction tax (after tax)	-29.1	-42.7	47%	-0.1	-29.2	-13.4	-54%	
Impact of early repayment of FX mortgage loans (after tax)	-1.8	0.0	-100%	0.0	0.0	0.0		
Consolidated adjusted after tax profit	**80.8**	**93.1**	**15%**	**37.0**	**40.7**	**52.3**	**28%**	**41%**
Corporate tax	-16.5	-23.2	40%	-9.1	-17.2	-6.0	-65%	-34%
O/w tax shield of subsudiary investments	6.4	0.1	*-99%*	2.6	-4.2	4.3	-202%	67%
Before tax profit	97.3	116.3	20%	46.1	58.0	58.3	1%	27%
Total one-off items	-4.4	4.3		-1.8	0.5	3.9	750%	-319%
Revaluation result of FX swaps at OTP Core	-2.6	0.7	-129%	-1.4	0.4	0.3	-28%	-123%
Gain on the repurchase of own capital instruments	1.1	1.0		0.0	0.0	1.0		
Result of the Treasury share swap agreement	-2.9	2.6	-190%	-0.4	0.0	2.6		-722%
Before tax profit without one-off items	**101.7**	**111.9**	**10%**	**47.9**	**57.5**	**54.4**	**-5%**	**14%**

1 Impairment charges were booked under HAR in relation to the investments in the Serbian and Montenegrin subsidiaries held in the standalone balance sheet of OTP Bank (in HUF billion: in 2Q 2012 20.9, in 2Q 2013 7.3 billion). IFRS results were affected only by the positive tax shield.

2 The total annual amount of the special banking tax paid by Hungarian group-members was recognised in 1Q 2013 (after tax HUF 29.0 billion). In 1H 2013 the Slovakian subsidiary paid HUF 544 million banking tax (after corporate taxes). In addition to this, the one-timer payment compensating the underperformance of the Hungarian financial transaction tax was recognized in 2Q accounts, its after tax negative impact reached HUF 13.2 billion.

3 In 1Q 2013 the tax shield effect of the revaluation of subsidiary investments resulted HUF 4.2 billion additional tax payment due to the depreciation of the forint. However, in 2Q 2013 the forint appreciation caused HUF 4.3 billion tax savings.

The quarterly profit before tax without one-off items declined by 5% q-o-q, while the Hungarian core business improved by 15%, partly explained by higher other net non-interest revenues

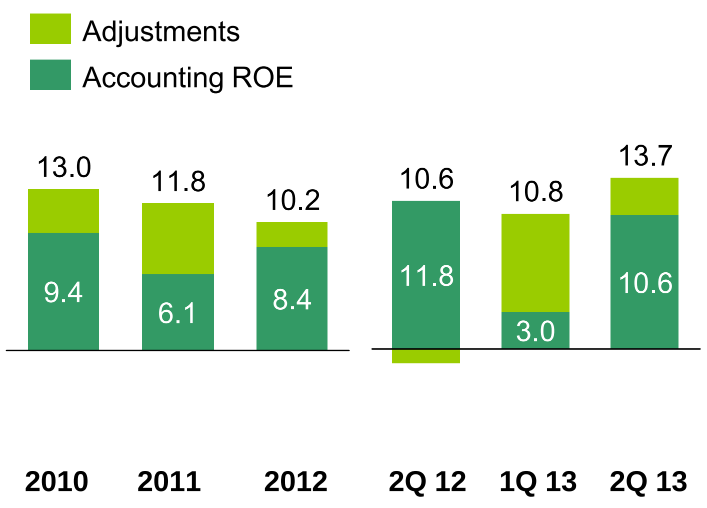
CONSOLIDATED	1H 12	1H 13	Y-o-Y	2Q 12	1Q 13	2Q 13	Q-o-Q	Y-o-Y
	in HUF billion			in HUF billion				
Before tax profit without one-off items	**101.7**	**111.9**	**10%**	**47.9**	**57.5**	**54.4**	**-5%**	**14%**
Operating profit w/o one-off items	224.5	226.7	1%	112.0	112.5	114.2	2%	2%
Total income w/o one-off items	417.3	432.8	4%	208.0	212.9	219.9	3%	6%
Net interest income w/o one-off items	323.1	328.5	2%	158.9	165.9	162.6	-2%	2%
Net fees and commissions	72.0	78.6	9%	37.9	35.8	42.8	19%	13%
Other net non interest income without one-offs	22.2	25.7	16%	11.2	11.2	14.5*	30%	30%
Operating costs	-192.8	-206.0	7%	-96.1	-100.4	-105.7	5%	10%
Total risk costs	-122.8	-114.8	-7%	-64.1	-55.0	-59.8	9%	-7%

OTP CORE	1H 12	1H 13	Y-o-Y	2Q 12	1Q 13	2Q 13	Q-o-Q	Y-o-Y
	in HUF billion			in HUF billion				
Before tax profit without one-off items	**57.3**	**71.8**	**25%**	**27.9**	**33.3**	**38.4**	**15%**	**38%**
Operating profit w/o one-off items	108.2	97.0	-10%	52.1	45.5	51.6	13%	-1%
Total income w/o one-off items	197.6	192.2	-3%	97.0	91.7	100.5	10%	4%
Net interest income w/o one-off items	147.4	136.1	-8%	71.2	67.7	68.4	1%	-4%
Net fees and commissions	42.6	43.2	1%	22.2	19.7	23.5	20%	6%
Other net non interest income without one-offs	7.6	13.0	70%	3.6	4.4	8.6*	98%	139%
Operating costs	-89.4	-95.2	6%	-44.9	-46.2	-49.0	6%	9%
Total risk costs	-50.9	-25.3	-50%	-24.3	-12.1	-13.1	8%	-46%

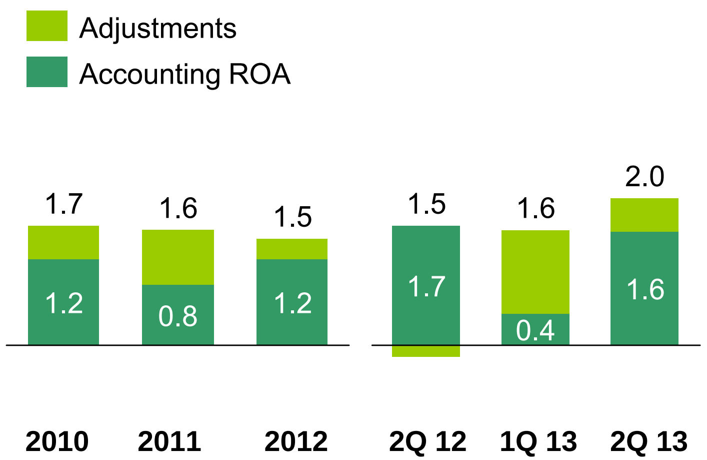
* At OTP Core gains on the Hungarian government bond portfolio increased by HUF 0.5 billion q-o-q (1Q 2013: HUF 3.1 billion, 2Q: HUF 3.6 billion), while other FX results became stronger, too (1Q 2013: HUF -0.2 billion, 2Q: HUF 2.2 billion).

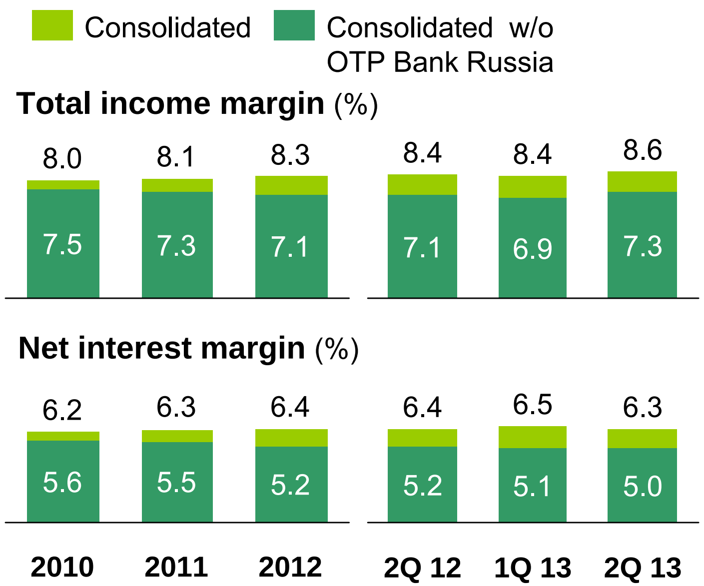
On consolidated level income margins remained steadily high. Loans and deposits declined in 2Q. As a result of strong portfolio deterioration the coverage came down q-o-q, but still surpasses its 2Q 2012 level by 2 ppts

Adjusted Return on Equity – ROE (%)

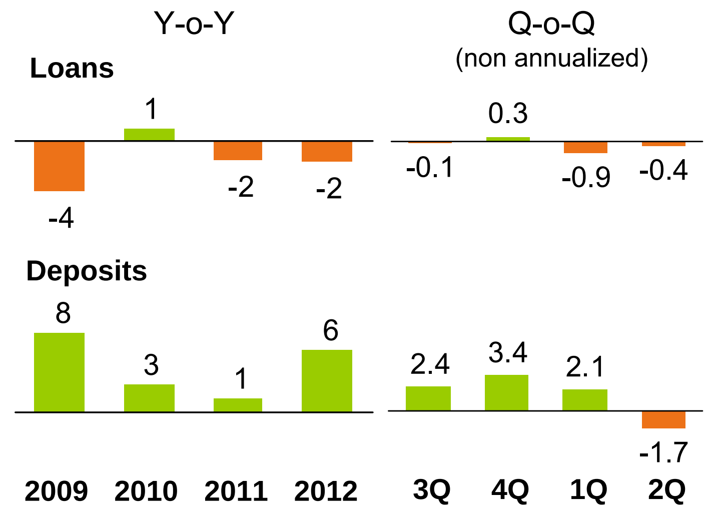


Adjusted Return on Assets – ROA (%)

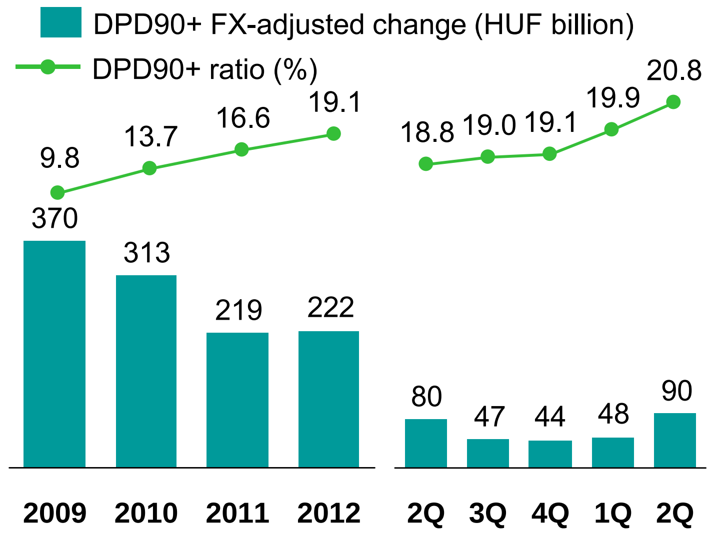




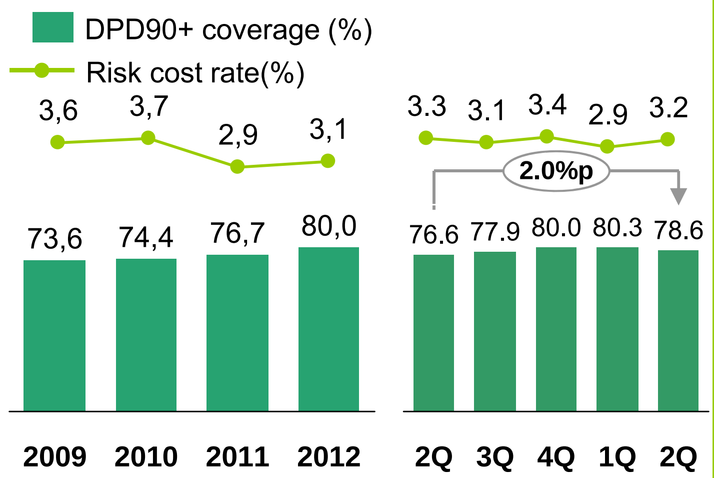
Growth of business volumes (%, FX-adj.)



Portfolio quality development



Risk cost development



Capital adequacy ratios are significantly above the regulatory minimum both on consolidated and stand-alone levels. Responding to a change in regulatory environment, the Montenegrin bank received subordinated capital in April 2013

OTP Group consolidated capital adequacy ratio (IFRS)

(Basel 2)	2009	2010	2011	2012	1H 2013
Capital adequacy ratio	17.2%	17.5%	17.3%	19.7%	20.2%
Tier1 ratio	13.7%	14.0%	13.3%	16.0%	16.3%
Core Tier1 ratio	12.0%	12.5%	12.0%	14.7%	15.3% (1)

1. The **consolidated Core Tier1** rate improved by 0.6 ppt against the end of 2012, which was explained partly by continuously profitable operation and partly by slightly shrinking risk-weighted assets due to the decline in the loan book.
2. At the **Serbian** bank subordinated debt (LT2) of RSD 4.5 billion was converted to capital in January.
3. The **Montenegrin** bank obtained EUR 10 million subordinated capital in April, which resulted in a higher capital adequacy ratio at 13.4% by end-June.

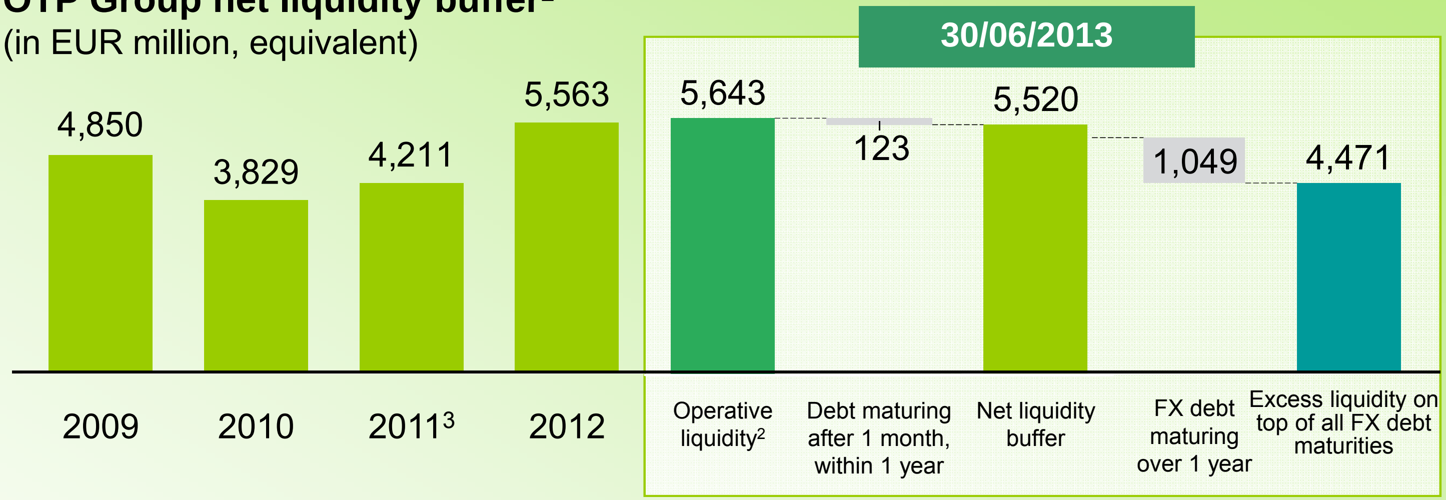
Capital adequacy ratios (under local regulation)

	Min. CAR	2010	2011	2012	1H 2013
OTP Group (IFRS)	**8%**	**17.5%**	**17.3%**	**19.7%**	**20.2%**
Hungary	8%	18.1%	17.9%	20.4%	22.5%
Russia	11%	17.0%	16.2%	16.2%	14.5%
Ukraine	10%	22.1%	21.3%	19.6%	20.6%
Bulgaria	12%	23.7%	20.6%	18.9%	19.1%
Romania	10%	14.0%	13.4%	15.6%	14.7%
Serbia	12%	16.4%	18.1%	16.5%	40.6% (2)
Croatia	12%	15.0%	14.8%	16.0%	16.0%
Slovakia	8%	11.1%	13.1%	12.8%	12.1%
Montenegro	10%	13.9%	13.4%	12.4%	13.4% (3)

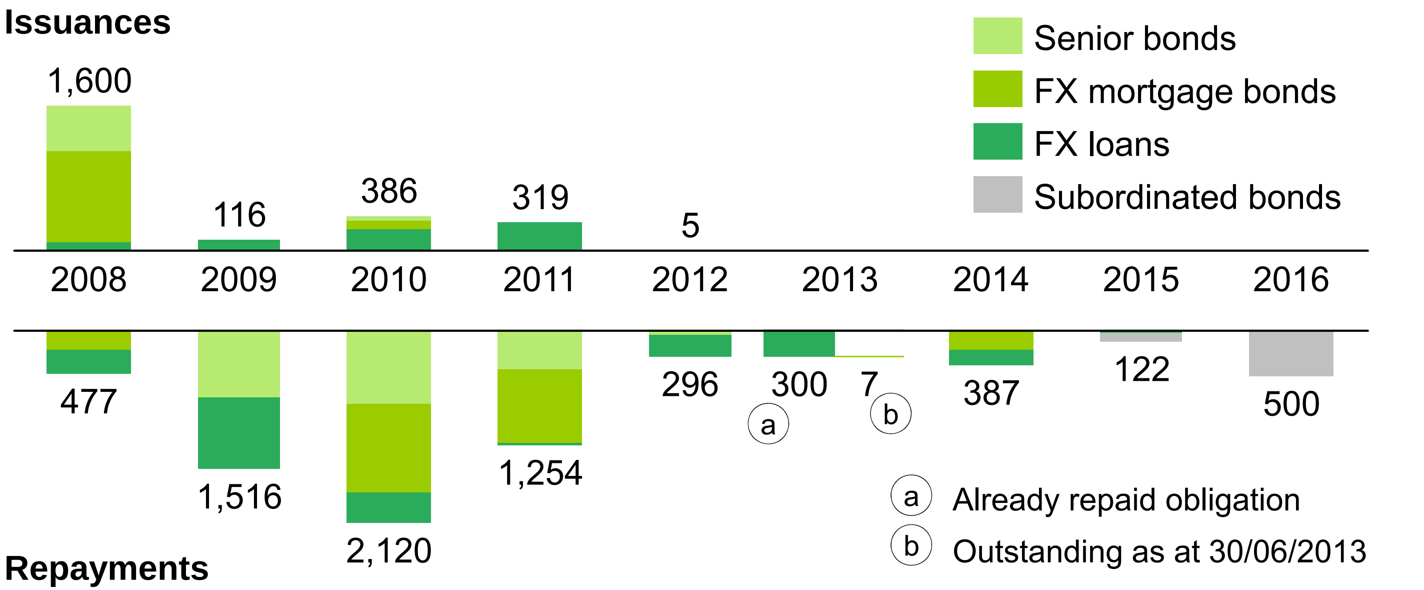
otpbank

The Group's liquidity position strengthened further, swap roll-over needs for 2013 had been already renewed by end-2012

OTP Group net liquidity buffer[1]
(in EUR million, equivalent)



FX denominated wholesale funding transactions at OTP Core level[4] (in EUR mn)



Debt and capital market issuances in 2012 and 1H 2013:

- OTP Bank Russia printed a RUB 6 billion bond in March 2012 with 3 years maturity
- Shrinking Hungarian retail bond portfolio due to strong competition from local government bonds (2Q 2013 volume at HUF 124 billion or EUR 0.4 billion).
- EUR denominated mortgage bond issuances at OTP Mortgage Bank in September 2012, total external obligations grew by EUR 5 million

Repaid debt and capital market instruments in 2012 and 1H 2013:

- On 24 February 2012 OTP Bank paid back a CHF 100 million senior bond issued in 2010
- On 2 July 2012 OTP Bank repaid EUR 250 million syndicated loan
- OTP Bank Russia paid back about RUB 3.9 billion bonds in November 2012
- On 17 May 2013 OTP Bank repaid EUR 300 million syndicated loan

OTP Bank did not participate in the LTRO programs of the European Central Bank.

[1] operating liquidity less debt maturing over one month, within one year
[2] liquid asset surplus within one month + repo value of government bonds, covered bonds, municipal bonds
[3] as at 22/02/2012
[4] wholesale funding transactions do not include intra-group holdings

Before tax profit in Hungary and Bulgaria was better q-o-q and y-o-y, too, while the Russian profit suffered a setback

PROFIT BEFORE INCOME TAX – 2Q 2013 without one-off items (HUF billion)	Share	HUF billion	Y-o-Y change (HUF billion)	Y-o-Y change (%)	Q-o-Q change (HUF billion)	Q-o-Q change (%)
OTP Group	100%	54	7	14%	-3	-5%
OTP CORE (Hungary)	71%	38	11	38%	5	15%
OBRU (Russia)	6%	3	-11	-76%	-7	-66%
DSK (Bulgaria)	22%	12	6	86%	2	19%
OBU (Ukraine)	1%	1	1	197%	-3	-83%
OBH (Croatia)	2%	1	1	233%	0	72%
OBS (Slovakia)	0%	0	0	13%	-1	-86%
OBR (Romania)	-3%	-2	-2	-267%	-1	-110%
CKB (Montenegro)	1%	0	1	148%	0	211%
OBSrb (Serbia)	-1%	-1	0	3%	0	3%
Merkantil (Hungary)	0%	0	0	-58%	0	-58%

Contribution of foreign subsidiaries: **28%**

The Group's second quarter total income advanced by 3% q-o-q, mainly due to better revenues of OTP Core; lower net interest income on the back of deteriorating portfolio was behind the moderating revenues in Russia

	TOTAL INCOME – 2Q 2013 without one-off items (HUF billion)	Y-o-Y (%)	Q-o-Q (%)	FX adjusted Y-o-Y change of loans (%)	FX adjusted Y-o-Y change of deposits (%)
OTP Group	219.9	6%	3%	-1%	6%
OTP CORE (Hungary)	100.5	4%	10%	-7%	6%
OBRu (Russia)	53.3	10%	-6%	27%	24%
DSK (Bulgaria)	23.0	-6%	-1%	-2%	2%
OBU (Ukraine)	17.1	20%	3%	-4%	-6%
OBH (Croatia)	5.8	-1%	10%	5%	3%
OBS (Slovakia)	3.6	0%	2%	3%	3%
OBR (Romania)	5.2	3%	15%	3%	25%
CKB (Montenegro)	2.7	8%	17%	0%	-8%
OBSrb (Serbia)	1.8	3%	1%	7%	22%
Other*	6.9	31%	-7%		

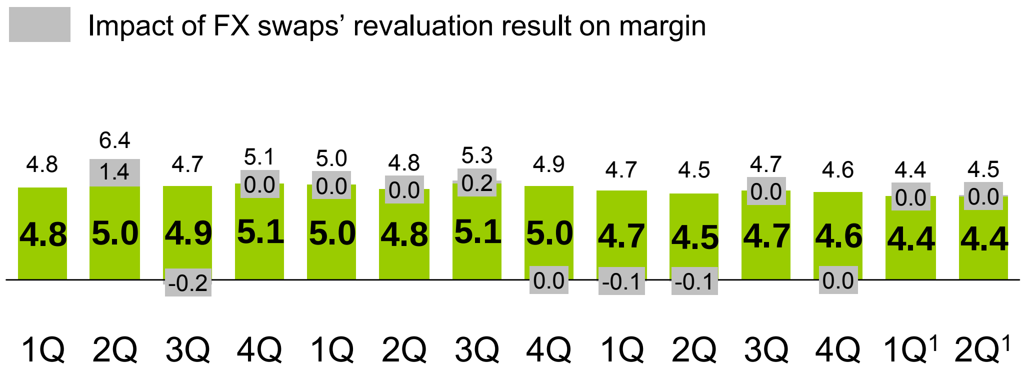
Contribution of foreign subsidiaries: **51%**

* Other subsidiaries and adjustments

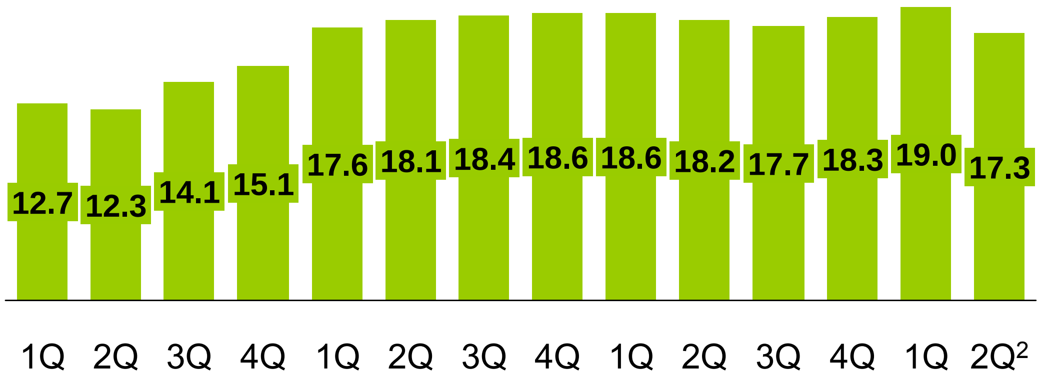
The Hungarian net interest margin was stable. The erosion of the Russian margin was due to declining lending rates and worse portfolio quality. DSK's net interest margin was squeezed by lower yield realised on interbank placements. In the Ukraine increasing margins y-o-y were driven by strengthening consumer lending

Net interest margin (%)

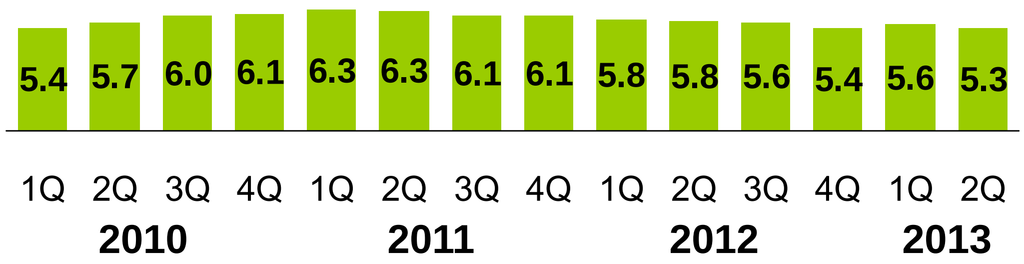
OTP Core Hungary



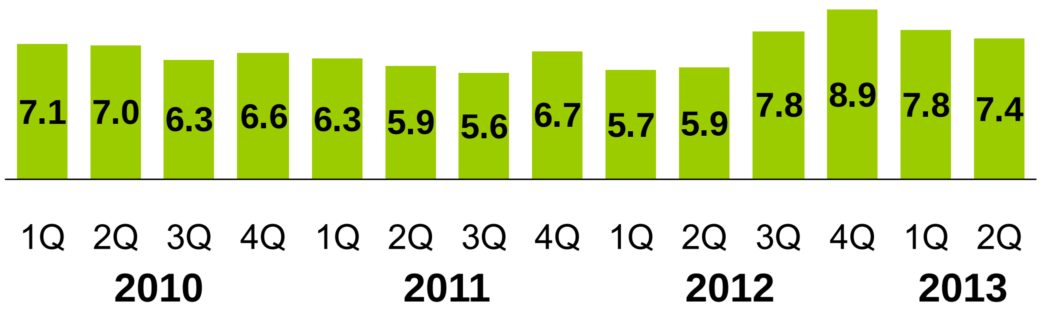
OTP Bank Russia



DSK Bank Bulgaria



OTP Bank Ukraine



[1] The full annual negative impact of the FX protection scheme was recognised in 1Q 2013 in the amount of HUF 2.2 billion. If OTP Core was to apply accrual accounting, the net interest margin would have been at 4.48% instead of 4.37% in 1Q 2013 and at 4.40% instead of 4.44% in 2Q 2013.

[2] Out of the total q-o-q decline of 170 bps in the Russian net interest margin, 100 bps comes from the increasing risk cost set aside in relation to accrued interest receivables, as a result of loan quality worsening.

otpbank

Net fee income surged by 19% q-o-q due to the good performance of OTP Core, DSK Bank and OTP Ukraine; the quarterly jump in other net non-interest income is mainly related to OTP Core and OTP Romania

2Q 2013	NET FEE INCOME Q-o-Q (HUF bn)	NET FEE INCOME Q-o-Q (%)	OTHER INCOME Q-o-Q (HUF bn)	OTHER INCOME Q-o-Q (%)
OTP Group	7.0	19%	3.4	30%
OTP CORE (Hungary)	3.9 (1)	20%	4.3 (4)	98%
OBRU (Russia)	0.2	3%	-0.4	-51%
DSK (Bulgaria)	0.6 (2)	15%	-0.5	-66%
OBU (Ukraine)	1.7 (3)	63%	-0.8	-93%
OBH (Croatia)	0.2	15%	0.3	124%
OBS (Slovakia)	0.0	4%	0.0	14%
OBR (Romania)	0.0	9%	1.6 (5)	538%
CKB (Montenegro)	0.2	46%	0.0	9%
OBSrb (Serbia)	0.0	5%	0.1	28%

1 The quarterly increase in OTP Core's net fee income is explained partly by growing fees from selling government bonds and mutual funds, seasonally higher card related fees and higher compensation for the financial transaction tax.

2 DSK's net fees were supported by outstanding consumer loan sales in 2Q. Furthermore card related fee income grew on the back of higher transactional turnover.

3 In Ukraine higher net fees are mainly attributable to strong sales of POS loans as fees related to insurance policies sold with POS loans increased.

4 Other non-interest revenues of OTP Core grew due to higher profits realised on Hungarian government bonds (1Q 2013: HUF 3.1 billion, 2Q: 3.6 billion) and also to improving other FX results (1Q 2013: HUF -0.2 billion, 2Q: +2.2 billion).

5 In case of OTP Romania the quarterly improvement is stemming from better FX results related to the volatile local currency.

The consolidated net loan to deposit ratio has stabilised below 100% since 3Q 2012

Loan to deposit ratio, % (30 June 2013)

Net loan to deposit **
Gross loan to deposit

100%

Change of net loan to deposit ratio, adjusted*

	Net loan to deposit **	Gross loan to deposit	Q-o-Q	Y-o-Y
OTP Group**	93%	114%	+1%p	-6%p
OTP CORE** (Hungary)	71%	86%	+1%p	-8%p
OBRU (Russia)	117%	146%	-4%p	-6%p
DSK (Bulgaria)	94%	113%	-2%p	-7%p
OBU (Ukraine)	196%	276%	+3%p	-1%p
OBR (Romania)	194%	223%	+7%p	-52%p
OBH (Croatia)	86%	93%	+3%p	+1%p
OBS (Slovakia)	91%	98%	+1%p	0%p
OBSrb (Serbia)	146%	209%	-13%p	-21%p
CKB (Montenegro)	74%	107%	+7%p	+4%p

In case of OTP Core the yearly decline in the indicator reflects the gradual erosion in mortgage loan volumes and the debt consolidation of local governments. In the two rounds of consolidation altogether HUF 70.3 billion equivalent of municipal debt was repaid in December 2012 and June 2013, while further HUF 101.2 billion equivalent was refinanced by a loan originated by OTP Bank for the Government Debt Management Agency. Deposits grew altogether by 6% boosted by expanding corporate volumes, whereas household deposits melted down and retail bonds fell back by more than 50% y-o-y.

The Russian ratio continued declining: apart from the stagnation in net loan volumes, deposits grew by 3% q-o-q.

Significant y-o-y improvement in Romania with the outstanding deposit growth playing key role. As the Bank decreased deposit rates in 2Q, the indicator increased.

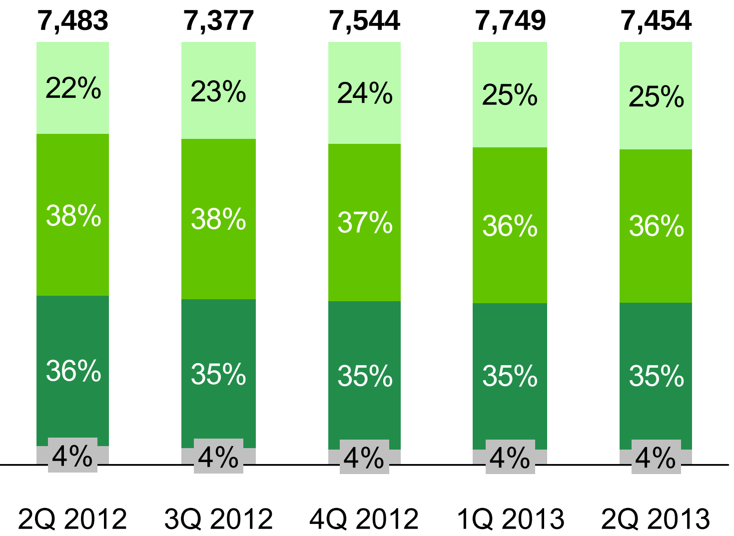
* Changes are adjusted for the effect of FX-rate movements

** In case of the ratio of the Group and OTP Core the applied formula is „net loan / (deposit + retail bond)"

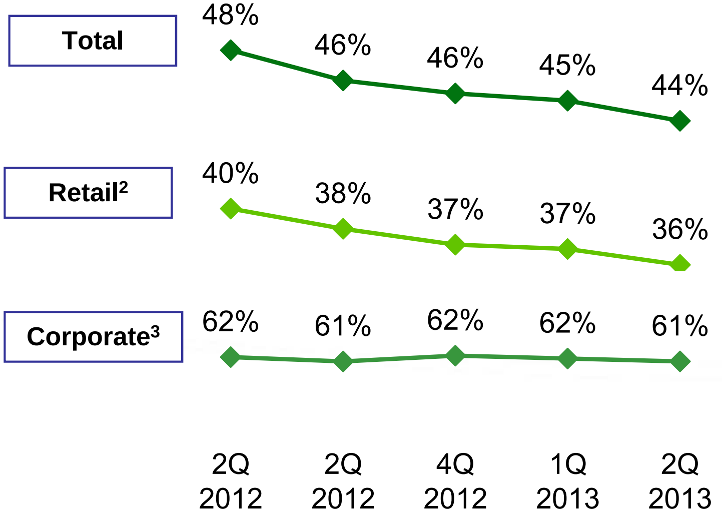
otpbank

Within the stagnating consolidated loan book the share of consumer loans increased further driven by strong growth in the Russian, Ukrainian, Romanian and Slovakian portfolios

Breakdown of consolidated gross loan book (in HUF billion)



Share of FX loans in the consolidated gross loan portfolio



Q-o-Q loan volume changes in 2Q 2013, adjusted for FX-effect

	Cons.	Core (Hungary)	Merk (Hungary)	OBRu (Russia)	DSK (Bulgaria)	OBU (Ukraine)	OBR (Romania)	OBH (Croatia)	OBS (Slovakia)	OBSr (Serbia)	CKB (Monte-negro)
Total	0%	-2%	-2%	2%	0%	0%	0%	2%	2%	0%	3%
Consumer	3%	-1%		3%	1%	24%	20%	0%	30%	9%	5%
Mortgage	-1%	-2%		-5%	0%	-4%	-1%	0%	3%	1%	-2%
Corporate[1]	-1%	-3%	12%	3%	-3%	-1%	-2%	5%	-2%	-3%	4%
Car-financing	-3%		-5%	-15%		15%		-16%	0%		

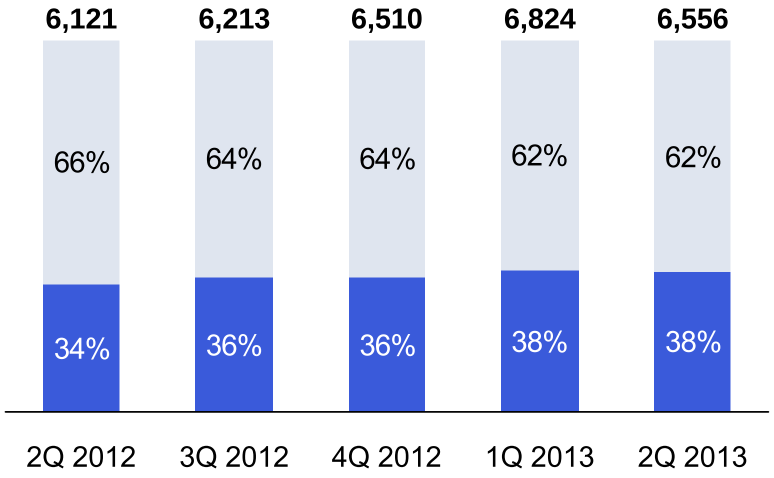
Y-o-Y loan volume changes in 2Q 2013, adjusted for FX-effect

	Cons.	Core (Hungary)	Merk (Hungary)	OBRu (Russia)	DSK (Bulgaria)	OBU (Ukraine)	OBR (Romania)	OBH (Croatia)	OBS (Slovakia)	OBSr (Serbia)	CKB (Monte-negro)
Total	-1%	-7%	-14%	27%	-2%	-4%	3%	5%	3%	7%	0%
Consumer	16%	-2%		36%	0%	115%	86%	3%	114%	23%	7%
Mortgage	-6%	-7%		-21%	-2%	-13%	-4%	0%	7%	1%	-5%
Corporate[1]	-4%	-9%	30%	-26%	-5%	-8%	4%	11%	-5%	5%	0%
Car-financing	-18%		-21%	-48%		4%		-45%	-10%		

[1] including SME, LME and municipality loans as well
[2] including loans to households and SME loans
[3] including LME and municipality loans as well

Consolidated deposits declined by 2% q-o-q as a result of further erosion of Hungarian household deposits, seasonal setback of Hungarian municipal deposits and scaled-back deposit collection efforts in Romania

Breakdown of consolidated customer deposits (in HUF billion)



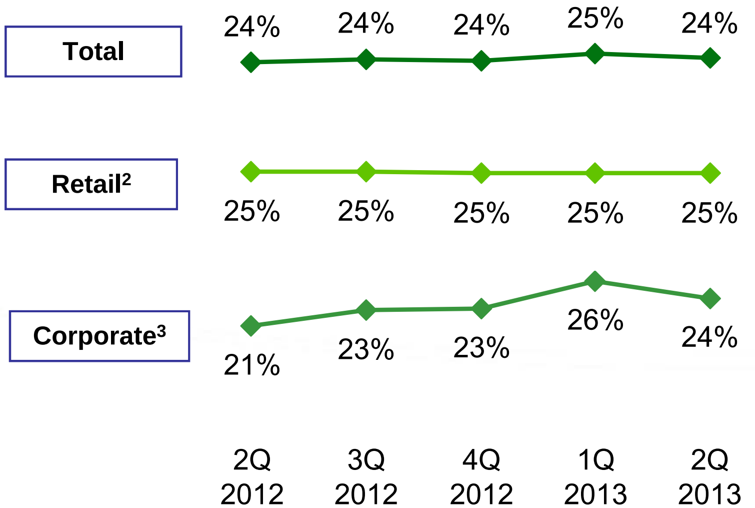
Q-o-Q deposit volume changes in 2Q 2013, adjusted for FX-effect

	Cons.	Core (Hungary)	OBRu (Russia)	DSK (Bulgaria)	OBU (Ukraine)	OBR (Romania)	OBH (Croatia)	OBS (Slovakia)	OBSr (Serbia)	CKB (Monte-negro)
Total	-2%	-3%	3%	1%	0%	-4%	-2%	0%	8%	-7%
Retail	-1%	-2%	1%	0%	2%	3%	-1%	1%	3%	-1%
Corporate[1]	-3%	-4%	8%	7%	-4%	-13%	-7%	0%	15%	-20%

Y-o-Y deposit volume changes in 2Q 2013, adjusted for FX-effect

	Cons.	Core (Hungary)	OBRu (Russia)	DSK (Bulgaria)	OBU (Ukraine)	OBR (Romania)	OBH (Croatia)	OBS (Slovakia)	OBSr (Serbia)	CKB (Monte-negro)
Total	6%	6%	24%	2%	-6%	25%	3%	3%	22%	-8%
Retail	1%	-5%	19%	2%	3%	40%	3%	5%	15%	2%
Corporate[1]	16%	23%	36%	0%	-18%	10%	5%	-2%	34%	-26%

Proportion of FX deposits in the consolidated deposit portfolio



[1] including SME, LME and municipality deposits as well
[2] including households' deposits and SME deposits
[3] including LME and municipality deposits as well

Hungary

Strengthening 2013 growth expectation for Hungary with strong balance indicators (fiscal deficit below 3.0%, current account surplus around 2.6% of the GDP)

Key economic indicators	2008	2009	2010	2011	2012	OTP Research 2013F	OTP Research 2014F	Focus Economics* 2013F	Focus Economics* 2014F
Nominal GDP (at current prices, HUF billion)	26,543	25,626	26,607	27,886	28,276	**29,019**	**30,355**	**30,870**	**32,816**
Real GDP change	0.9%	-6.8%	1.3%	1.6%	-1.7%	**1.0%**	**1.7%**	**0.3%**	**1.4%**
Household final consumption	-0.2%	-5.6%	-3.3%	0.4%	-2.0%	**0.2%**	**1.3%**	**0.0%**	**0.8%**
Household consumption expenditure	-0.6%	-6.8%	-3.0%	0.5%	-1.4%	**0.5%**	**1.5%**		
Collective consumption	-0.2%	2.6%	3.8%	-0.3%	0.5%	**0.0%**	**0.5%**		
Gross fixed capital formation	2.9%	-11.1%	-9.5%	-3.6%	-3.8%	**-4.3%**	**-1.0%**	**-2.6%**	**1.0%**
Exports	5.7%	-10.2%	14.2%	6.3%	2.0%	**4.1%**	**6.4%**		
Imports	5.5%	-14.8%	12.7%	5.0%	0.1%	**2.9%**	**5.5%**		
General government balance (in percent of GDP)	-3.7%	-4.6%	-4.4%	4.2%	-2.0%	**-2.7%**	**-2.9%**	**-2.9%**	**-3.1%**
General government debt (in percent of GDP)	73.0%	79.8%	81.8%	81.4%	79.2%	**79.0%**	**78.4%**	**79.3%**	**78.7%**
Current account (in percent of GDP)**	-7.3%	-0.2%	1.1%	0.8%	1.6%	**2.6%**	**4.0%**	**2.1%**	**2.1%**
Gross external debt (in percent of GDP)***	99%	110%	112%	115%	98%				
FX reserves (in EUR billion)	24.0	30.7	33.7	37.8	33.9				
Gross real wages	0.8%	-3.5%	-3.4%	-0.9%	-0.1%	**1.1%**	**2.8%**		
Gross real disposable income	-1.1%	-3.3%	-3.1%	3.0%	-3.7%	**1.6%**	**1.5%**		
Employment (annual change)	-1.2%	-2.5%	0.0%	0.8%	1.7%	**-0.7%**	**-0.5%**		
Unemployment rate (annual average)	7.8%	10.0%	11.2%	10.9%	10.9%	**10.6%**	**10.7%**	**11.0%**	**10.9%**
Inflation (annual average)	6.1%	4.2%	4.9%	4.0%	5.7%	**2.1%**	**2.0%**	**2.1%**	**3.1%**
Base rate (end of year)	10.00%	6.25%	5.75%	7.00%	5.75%	**3.50%**	**3.50%**	**3.50%**	**4.00%**
1Y Treasury Bill (average)	9.0%	8.6%	5.5%	6.2%	7.0%	**4.2%**	**3.8%**		
Real interest rate (average, ex post)****	2.8%	4.2%	0.7%	2.1%	1.3%	**2.1%**	**1.8%**		
EUR/HUF exchange rate (end of year)	251.5	280.6	275.3	279.3	289.3	**299.0**	**299.0**	**296.0**	**289.0**

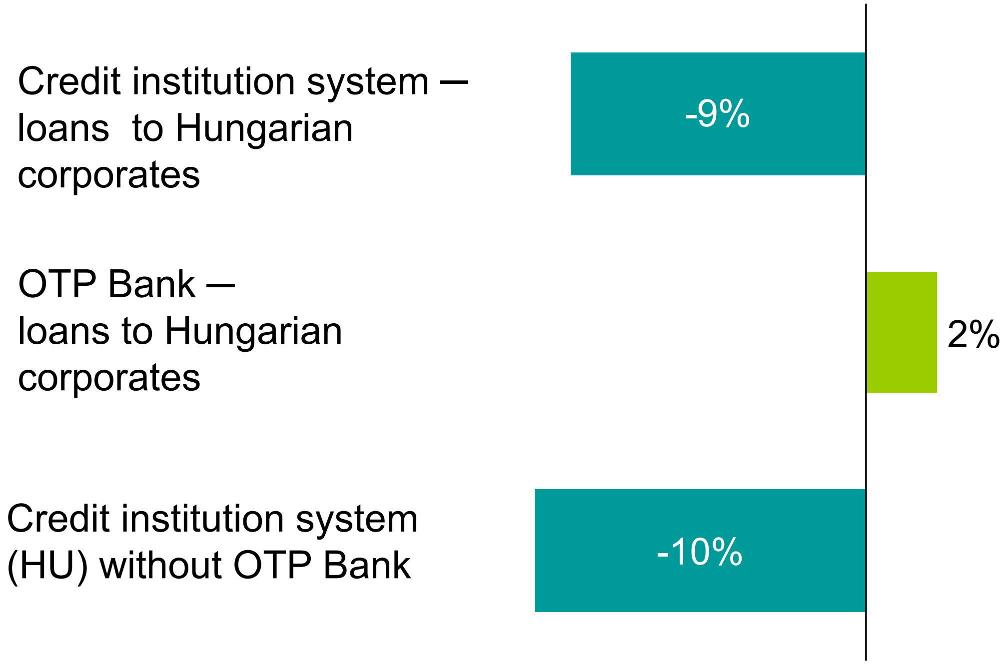
Source: Central Statistical Office. National Bank of Hungary. OTP Bank
* August 2013 consensus **Official data of balance of payments (excluding net errors and omissions)
*** w/o FDI related intercompany lending **** = (1+ Yield of the 1Y Treasury Bill (average)) / (1+ annual average inflation) - 1

otpbank

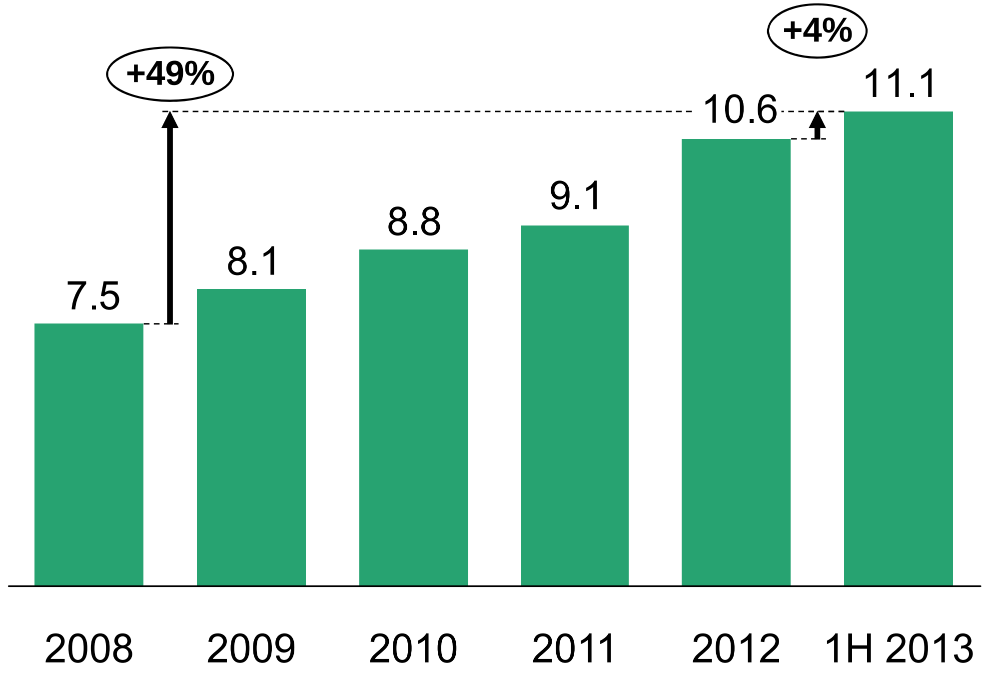
Hungary

In Hungarian corporate lending OTP gained further ground, expanding outstanding volumes resulted in a trend-like improvement in the Bank's market position

Corporate lending in Hungary* in 1H 2013
(FX-adjusted, y-o-y change)



OTP Bank's market share in loans to Hungarian companies (%)



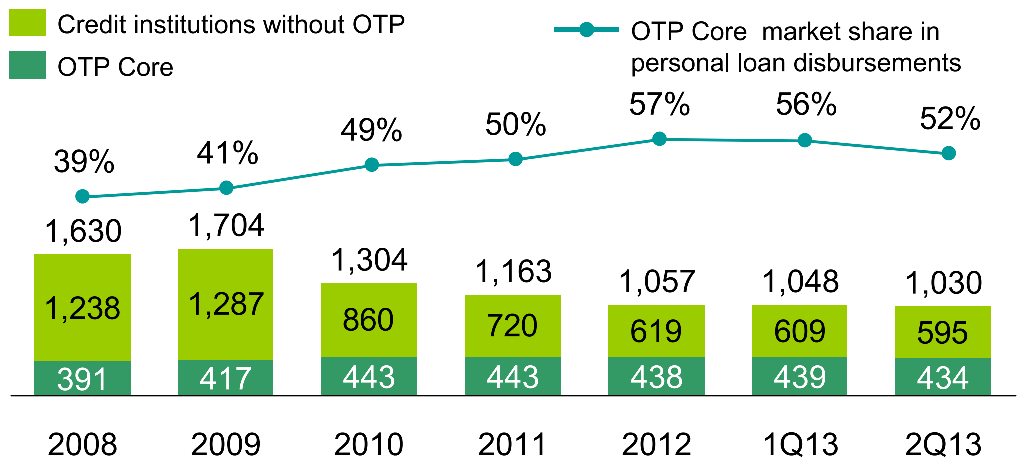
- Under the first pillar of the National Bank's Funding for Growth Scheme, preferential loans in the amount of HUF 425 billion are available to small and medium-sized enterprises. Loans are allowed to be used to finance investments and working capital, to contribute to and prepay EU financial support or to redeem such loans. The second pillar provides refinancing in the amount of HUF 325 billion to convert FX loans of SMEs into forint. Banks can charge an interest rate of maximum 2.5%. Eligible clients for the preferential funds are enterprises employing fewer than 250 persons and have an annual turnover below EUR 50 million and/or balance sheet total below EUR 43 million equivalent.
- At OTP Group clients show strong interest for the Scheme. The Group is likely to lend out its total allocated funding. As for the first pillar, the share of non-refinancing loans is expected to reach cca. 60% of disbursements.

* The estimate for volume changes is based on the Supervisory balance sheet data provision to the Hungarian Financial Supervisory Authority (HFSA), calculated from the „Loans to non-financial and other-financials companies" line, adjusted for FX-effect.

OTP' s market share is steadily strong both in new retail loan flows and in the stock of household savings. Mortgage applications advanced by 43% q-o-q in 2Q 2013

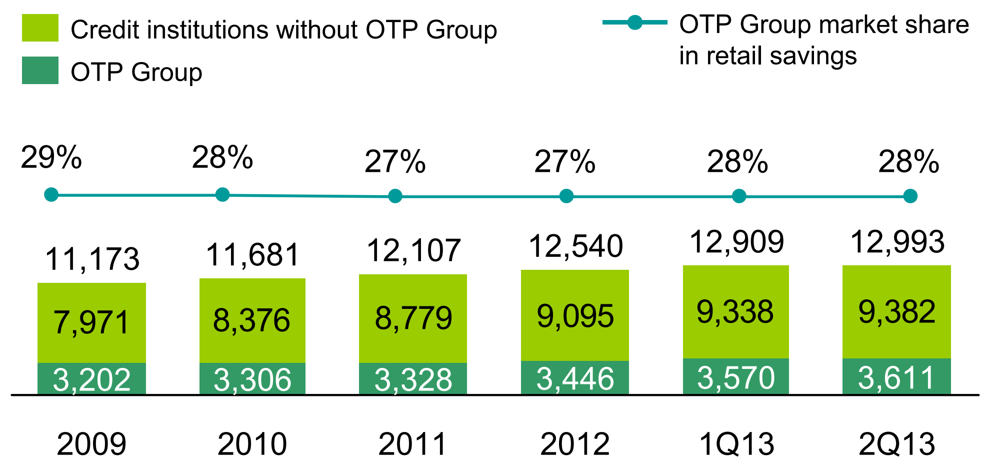
Consumer loan volumes

(in HUF billion, without home eqiuty and car-financing loans)



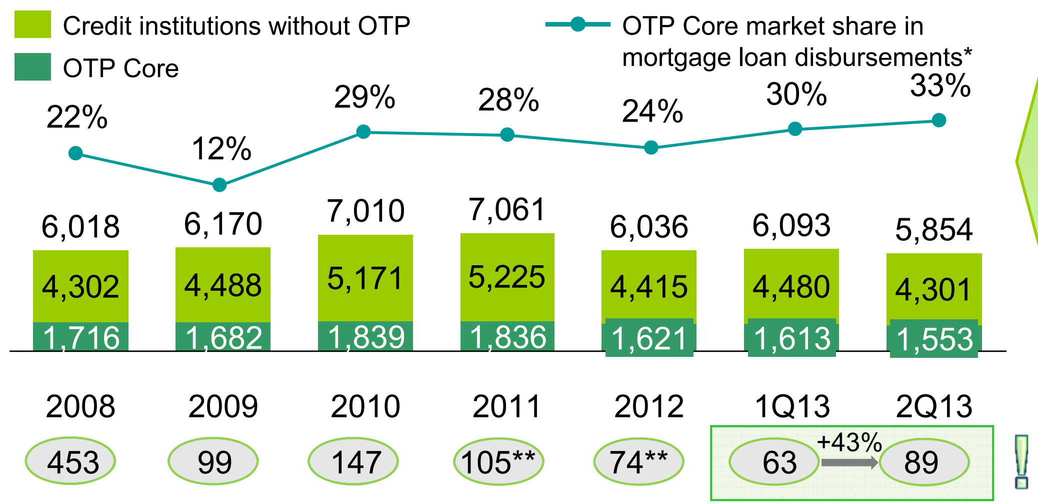
Retail savings of Hungarian credit institutions

(in HUF billion)



Mortgage loan volumes

(in HUF billion, housing and home equity loans)



- Since January 2013 conditions of state-subsidised housing loans have become more favourable: state subsidy remains fixed in the first 5 years, maximum size of loans was risen (new home: 15, used home: HUF 10 million), maximum value of used home to-be-bought was raised (HUF 20 million).
- In the first five years, customers can have an all-in mortgage rate of around 6-7%.
- Applications for state-subsidised housing loans were at HUF 6.4 billion in 2Q 2013 that is 42% of total housing loan applications and 28% of total mortgage loan applications.

Annualised mortgage loan applications at OTP Core (in HUF billion)

Source: Hungarian Financial Supervisory Authority and National Bank of Hungary statistics

* After the suspension of Swiss franc lending at OTP Core the ratio is calculated from market statistics excluding Swiss franc mortgages.

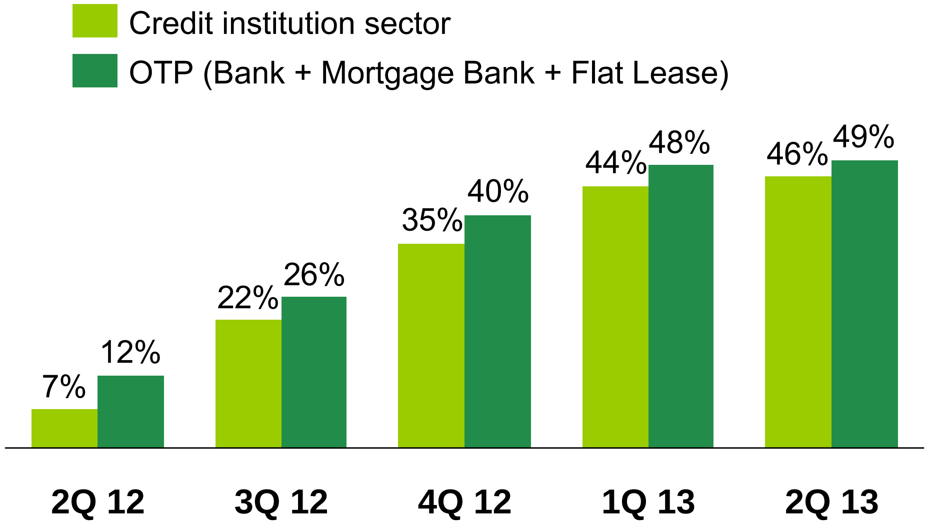
** Without applications for refinancing forint loans under the early repayment programme of FX mortgage loans.

Hungary

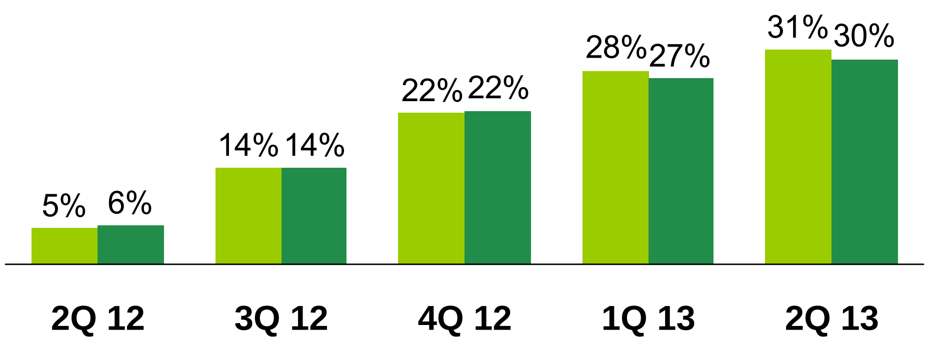
The fixed exchange rate scheme provides considerable benefits to almost half of the eligible FX mortgage borrowers in terms of loan volumes. Property purchases of the Asset Management Company are increasing

PARTICIPATION IN THE FX PROTECTION SCHEME

…as a share of performing FX mortgage volumes*



…as a share of number of eligible loan contracts**



Fixed exchange rate scheme

- As a result of the scheme, on sector level the total annual instalments of FX borrowers decline by cca. HUF 39 billion[1], representing a 25% decrease in the total annual burden of participating clients. Out of interest payments due in the next 12 months, HUF 27 billion is going to be forgiven to clients. This is going to be borne jointly by the Government and the banks.
- In case of a typical Swiss franc denominated loan carrying market conditions with a principal at HUF 8.5 million and remaining maturity of 15 years, the client's total annual burden is reduced by HUF 252 thousand[2]. Out of this reduction, the forgiven interest payment amounts to HUF 171 thousand in the first year.

National Asset Management Company

- The Company purchases the property offered by the eligible client with the consent of the Bank. The borrower will become a tenant in his home, whereas the foreclosure process will be suspended by the Bank.
- The purchase price depends on the location of the real estate and is set at 55% of the market price included in the loan contract if the property is located either in Budapest or in big cities, 50% in case of other towns and 35% in case of villages.
- The Company plans to buy 25 thousand estates by 2014.
- The Company announced that by end-July appr. 7,300 applications were accepted, ensuring residency for 33 thousand people.

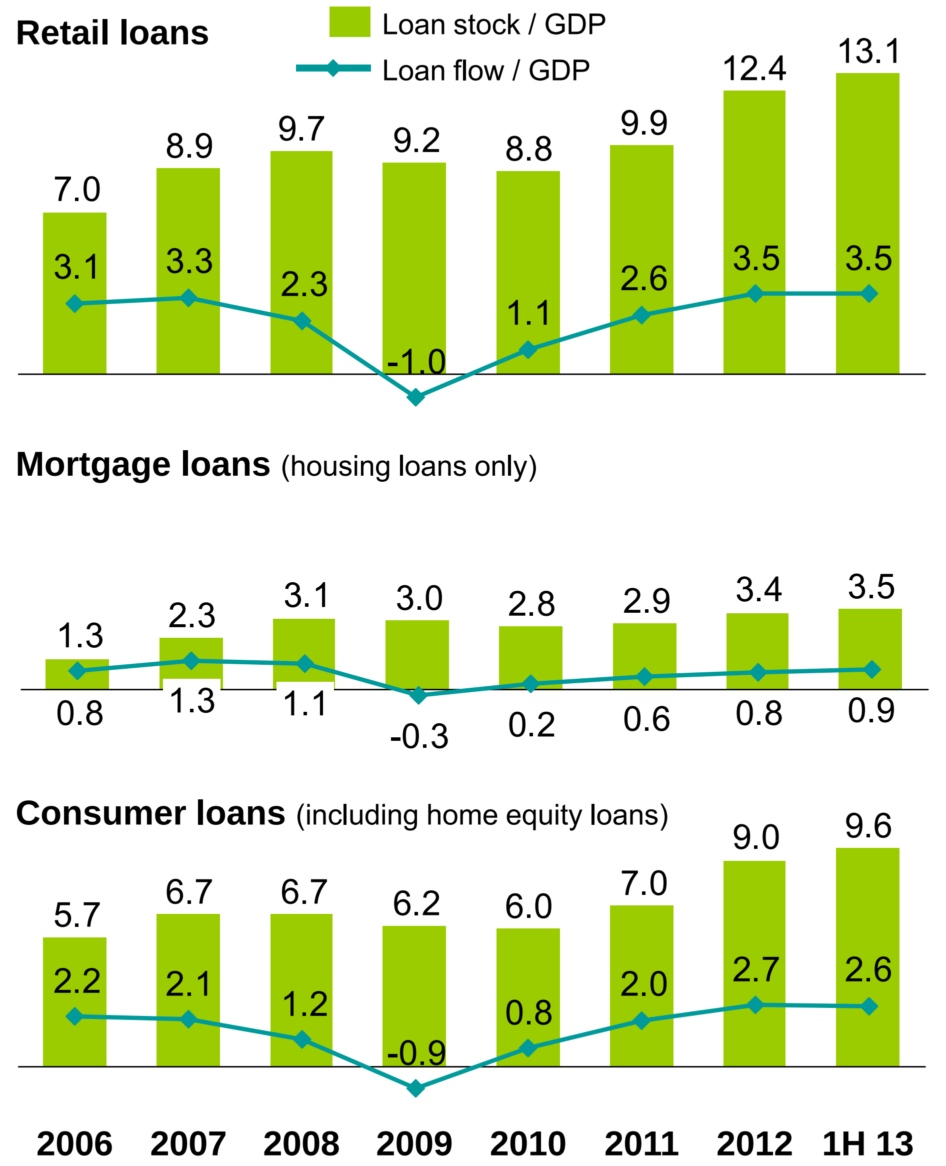
[1] Assuming unchanged loan conditions and stable FX rates (CHFHUF at 241.9, EURHUF at 298.5 and JPYHUF at 2.29).
[2] Assuming unchanged loan conditions and stable FX rates (CHFHUF at 241.9).

Source: Hungarian Financial Supervisory Authority statistics
* Loan volumes in the FX protection scheme as a share of performing FX mortgage loans as of 30 June 2013. Market-level outstanding FX mortgage volume for end-June 2013 is estimated by using end-June total volumes and the NPL rates as of 31 March.
** Number of loan contracts in the FX protection scheme as a share of the number of eligible FX mortgage loan contracts. Number of eligible contracts on market-level is estimated by using contract numbers of OTP.

With the Russian economy slowing down, only marginal moderation can be observed on the retail loan market

Key economic indicators

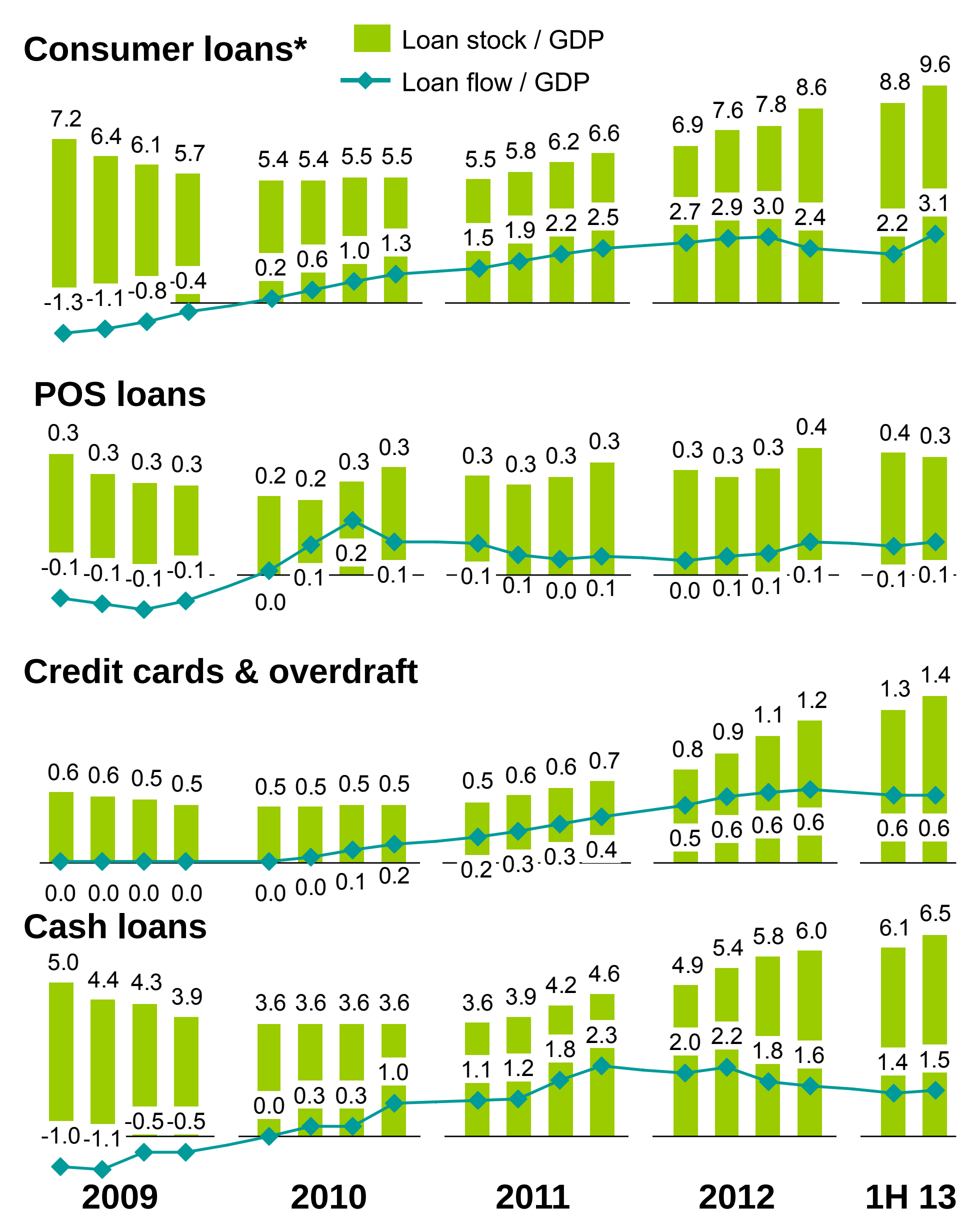
	2008	2009	2010	2011	2012	OTP Research 2013F	OTP Research 2014F
Nominal GDP (RUB bn)	41,277	38,807	46,309	55,800	62,599	**69,159**	**76,374**
Real GDP change	5.2%	-7.8%	4.5%	4.3%	3.4%	**1.9%**	**2.2%**
Final consumption	8.6%	-3.9%	3.5%	4.8%	4.8%	**3.0%**	**2.8%**
Household consumption	10.6%	-5.1%	5.5%	6.4%	6.8%	**3.8%**	**3.6%**
Collective consumption	3.4%	-0.6%	-1.5%	0.8%	-0.2%	**0.2%**	**0.2%**
Gross fixed capital formation	10.6%	-14.4%	5.9%	10.2%	6.0%	**0.2%**	**4.0%**
Exports	0.6%	-4.7%	7.0%	0.3%	1.4%	**1.2%**	**3.0%**
Imports	14.8%	-30.4%	25.8%	20.3%	9.5%	**7.8%**	**6.0%**
Government balance*	4.9%	-6.3%	-3.4%	1.5%	0.4%	**-0.4%**	**-1.0%**
Government debt*	7.9%	11.0%	11.0%	11.7%	10.9%	**11.4%**	**12.8%**
Current account*	6.2%	4.1%	4.6%	5.2%	4.0%	**2.9%**	**2.5%**
Gross external debt*	35.4%	34.6%	30.7%	30.1%	30.0%		
Gross nominal wages	27.4%	9.1%	12.8%	11.7%	13.3%	**11.5%**	**9.7%**
Unemployment rate (avg)	6.4%	8.4%	7.5%	6.6%	5.5%	**6.0%**	**6.5%**
Inflation (annual average)	14.1%	11.7%	6.9%	8.5%	5.1%	**6.5%**	**6.0%**
Base rate (end of year)	13.00%	8.75%	7.75%	8.00%	8.25%	**8.00%**	**7.50%**
RUB/USD FX rate (eop)	29.40	30.04	30.54	32.13	30.37	**31.70**	**32.00**

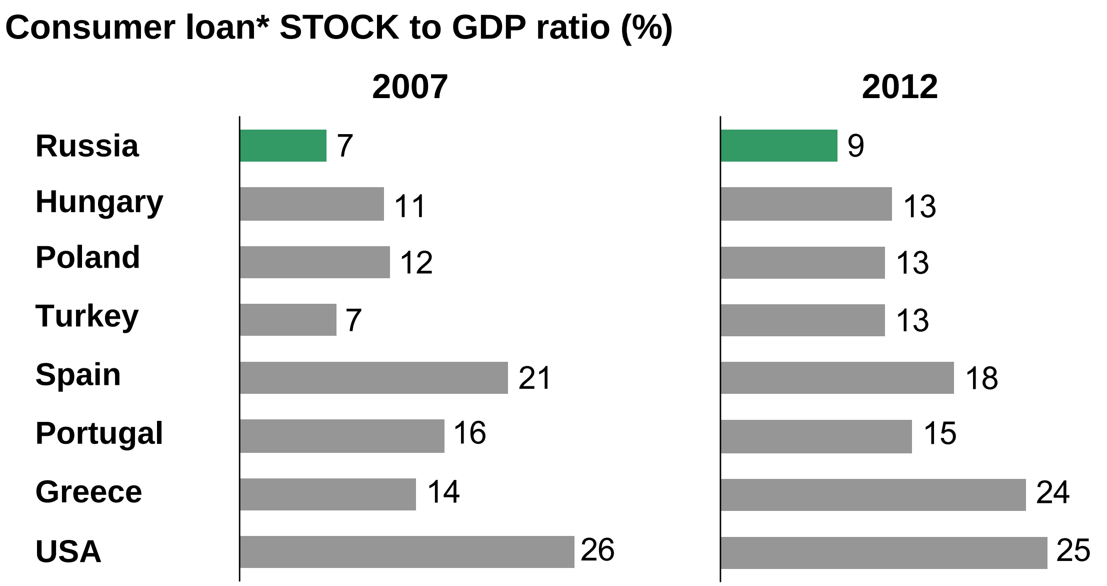


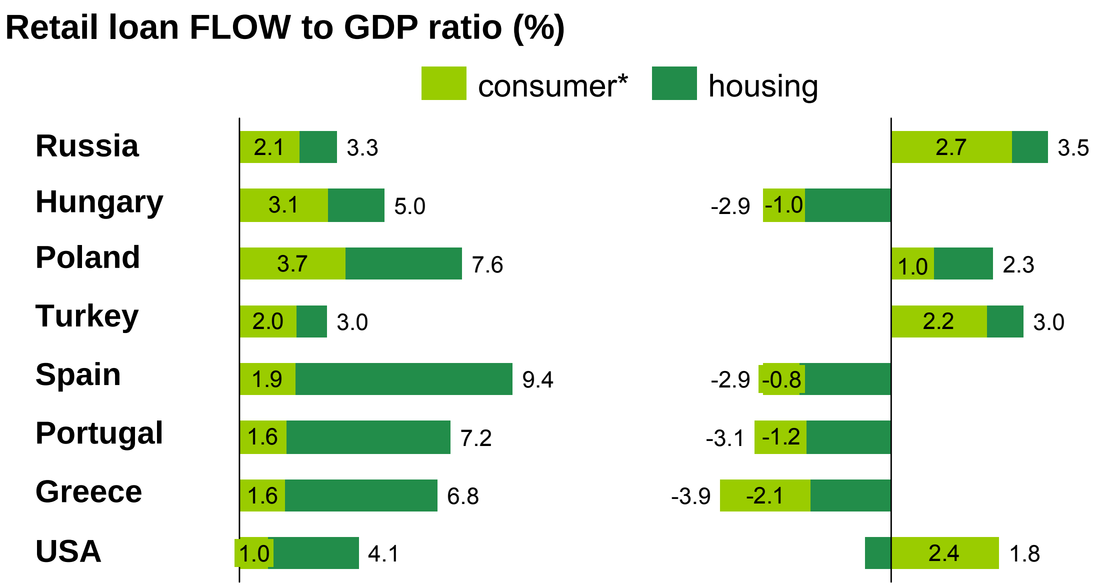
Source: Rosstat, Central Bank of Russia, BIS, OTP Bank.
*in % of GDP

Russia

The Russian retail and consumer loan penetration is still low in international comparison. The consumer loan market is also supported by the structural weaknesses on the mortgage market







Source: Central Bank of Russia, Frank Research, OTP Bank; monthly flow data are seasonally adjusted
* Including home equity loans.

otpbank

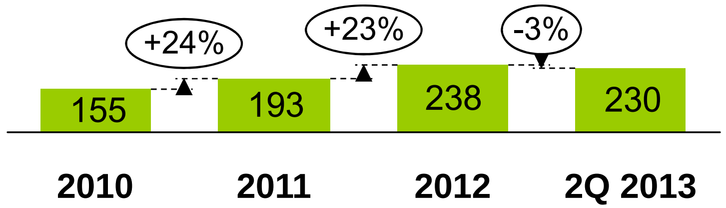
OTP Bank Russia

OTP Bank grew above the market in case of cash loans, while market share for credit cards slightly decreased and POS loan volumes moderated in line with the market trends

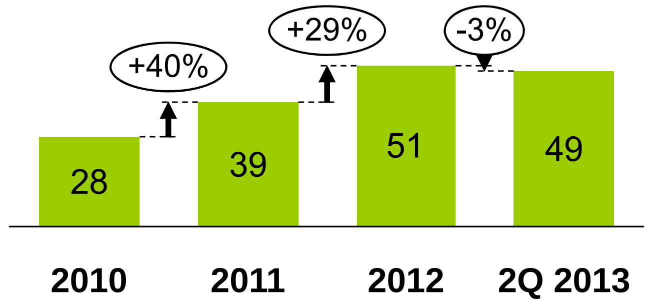
Consumer loan market segment*

Market position of OTP Bank Russia

POS loan market
(RUB billion)

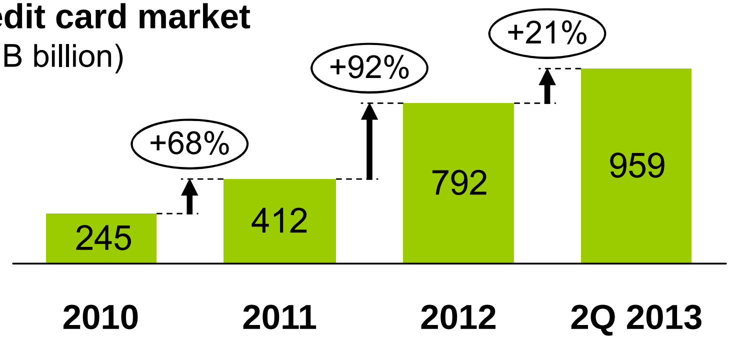


POS loan volumes of OTP Russia

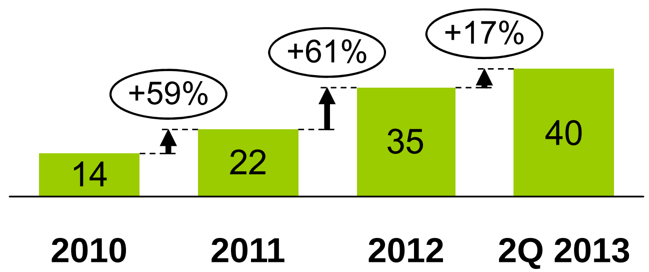


- Sales force:
  - 5,346 own sales points**
  - 25,705 external sales points***
- #2 in the market
- 2Q 2013 market share: 21.3%

Credit card market
(RUB billion)

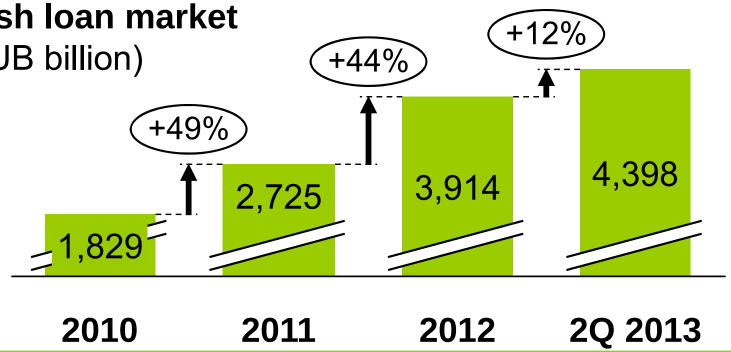


Credit card loan volumes of OTP Russia

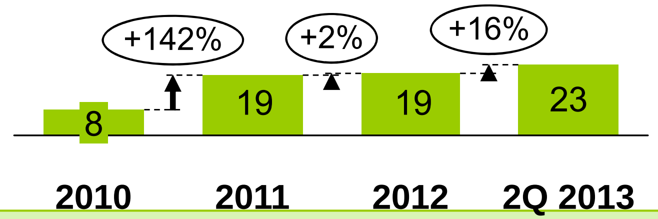


- Cross-sales to POS clients
- #7 in the market
- 2Q 2013 market share: 4.2%

Cash loan market
(RUB billion)



Cash loan volumes of OTP Russia
(including quick cash loans)



- Available in 145 branches
- #28 in the market
- 2Q 2013 market share: 0.5%

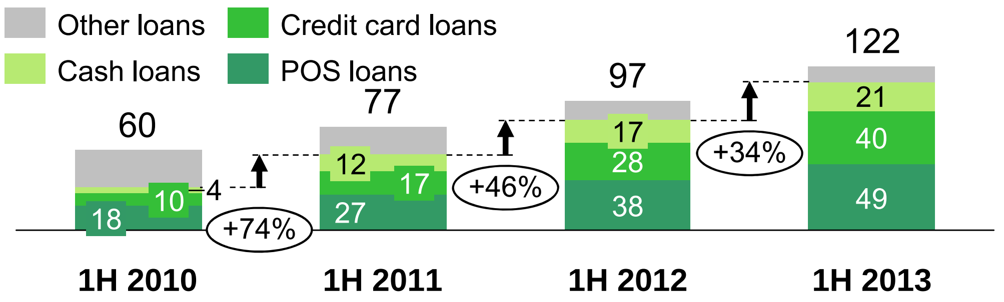
* Source: Frank Research Group
** Bank employees working with Federal or other networks.
*** Employees of commercial organizations.

otpbank

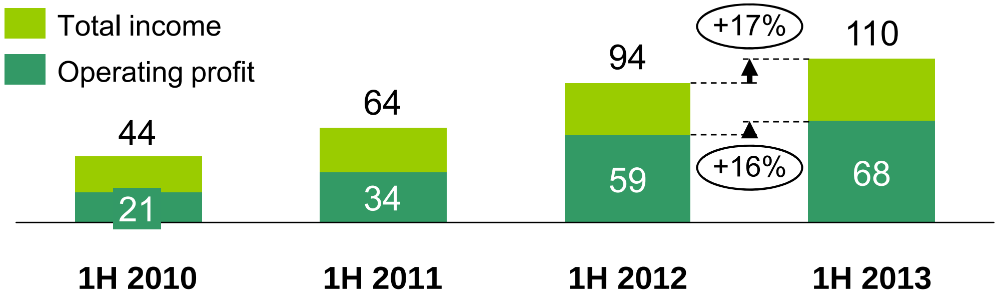
OTP Bank Russia

At OTP Russia loan volumes, revenues and operating profit kept growing, however the profitability deteriorated as a result of higher risk cost

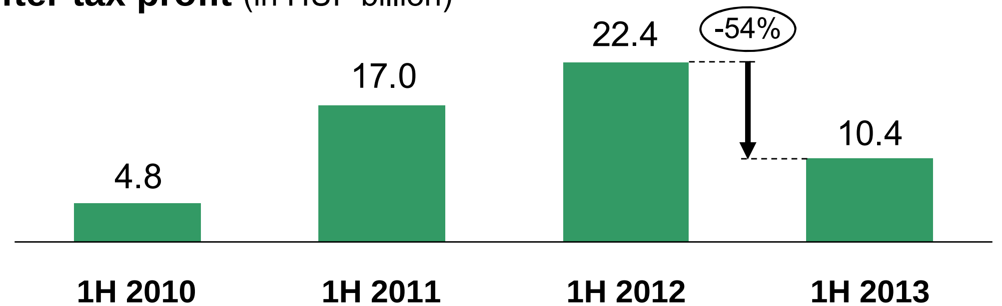
Gross loans (in RUB billion)



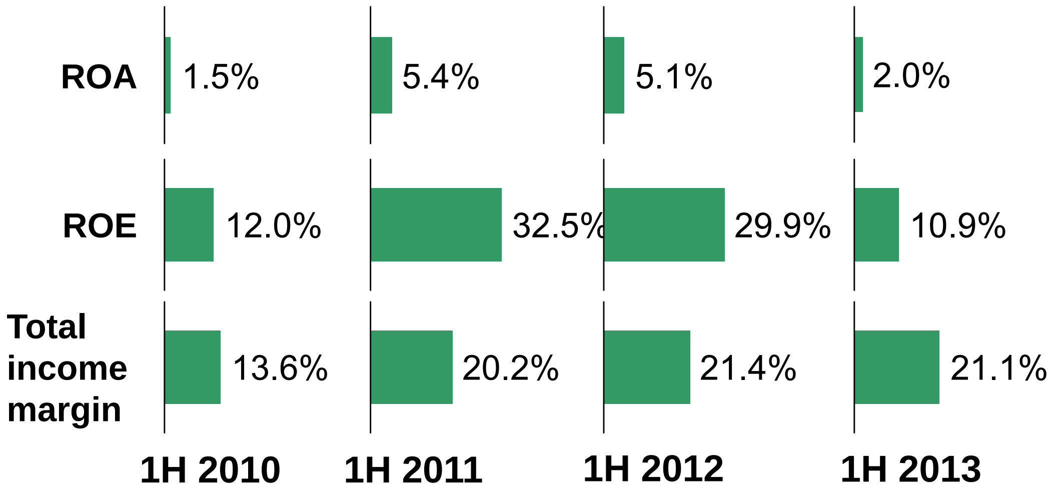
Total income and operating profit (in HUF billion)



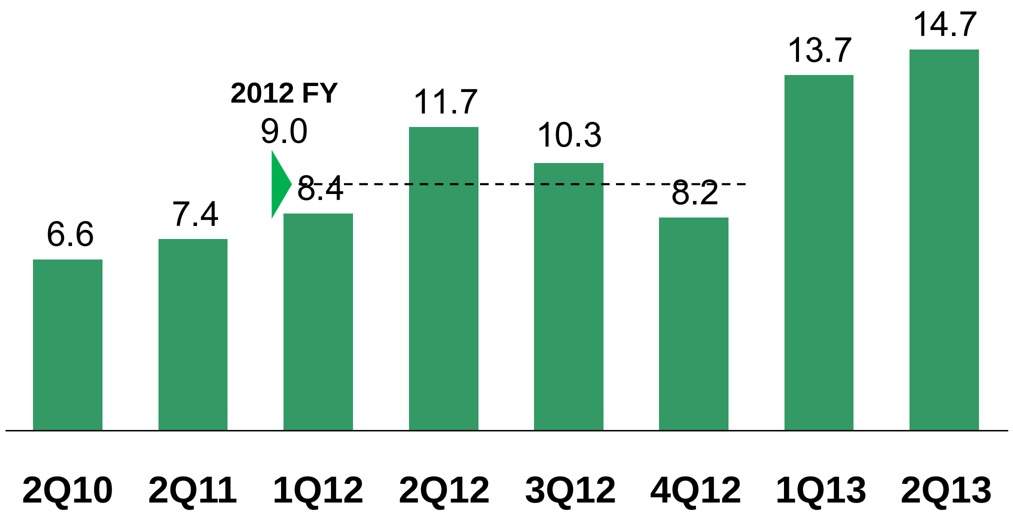
After tax profit (in HUF billion)



Performance indicators (%)



Risk cost rate of consumer loans (%)



otpbank

Risk cost rates increased for POS and cash loans and slightly decreased for credit cards; provision coverage rates decreased in the POS and cash loan segments

Risk cost rates and provision coverage at OTP Bank Russia (%)

POS loans

	2009	2010	2011	1Q 2012	2Q 2012	3Q 2012	4Q 2012	2012	1Q 2013	2Q 2013
Risk cost rate	6.2%	7.9%	7.7%	10.7%	13.0%	11.0%	6.2%	9.1%	12.5%	14.5%
DPD90+ coverage	88.0%	90.9%	108.3%	113.3%	106.9%	102.2%	97.0%	97.0%	99.6%	98.4%

Credit cards

	2009	2010	2011	1Q 2012	2Q 2012	3Q 2012	4Q 2012	2012	1Q 2013	2Q 2013
Risk cost rate	14.5%	6.8%	10.3%	6.3%	12.2%	10.5%	12.3%	10.5%	16.7%	16.0%
DPD90+ coverage	85.3%	86.4%	86.9%	89.3%	91.4%	88.1%	89.8%	89.8%	94.5%	95.2%

Cash loans

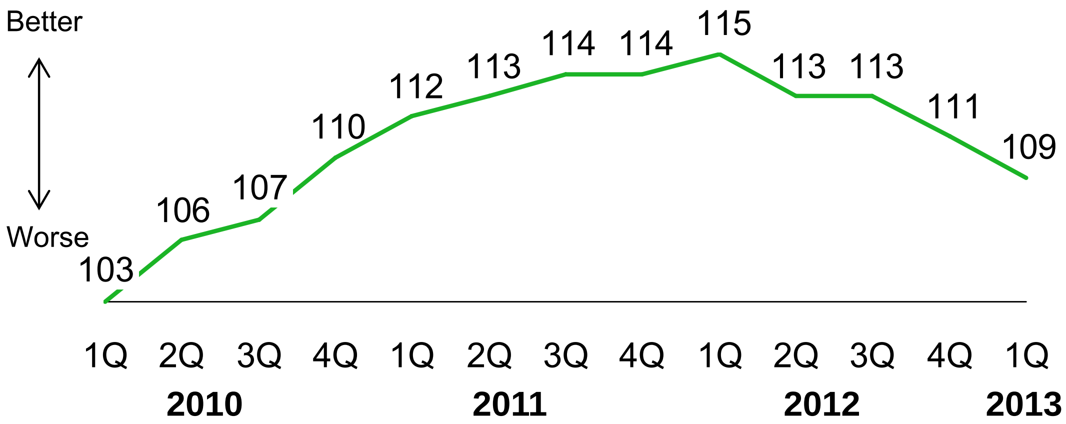
	2009	2010	2011	1Q 2012	2Q 2012	3Q 2012	4Q 2012	2012	1Q 2013	2Q 2013
Risk cost rate	11.4%	-4.8%	3.7%	6.2%	8.2%	8.2%	6.1%	6.8%	11.2%	12.2%
DPD90+ coverage	86.9%	94.1%	92.9%	97.0%	102.4%	104.6%	102.9%	102.9%	106.6%	105.7%

OTP Bank Russia

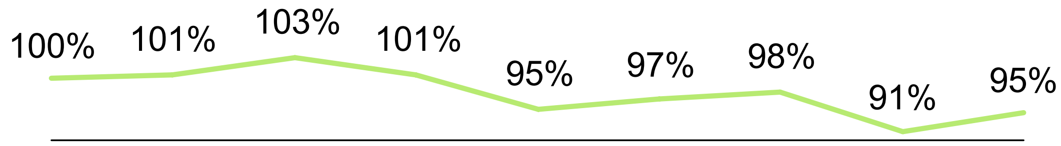
Improving soft collection efficiency was in the focus of the Collection Project in 2Q. Performance issues of hard collection will be addressed in the next phase

FICO Credit Health Index of the Russian market

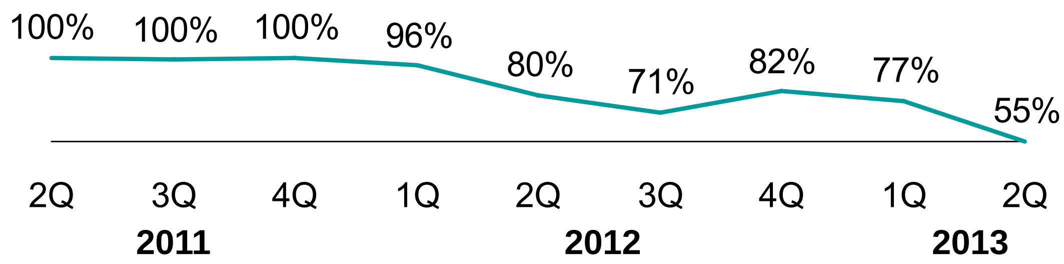
Based on consumer loans' and credit cards' 60 days deliquency reported to National Bureau of Credit Histories



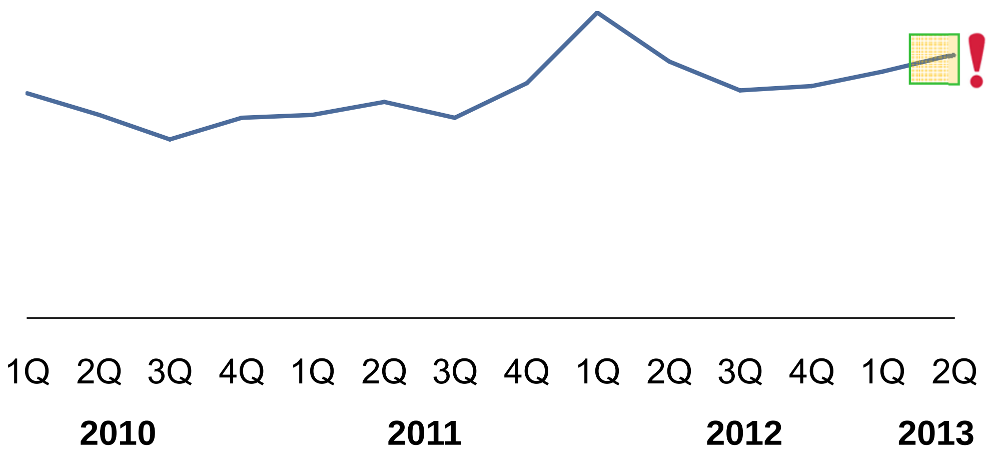
Consumer loan's soft collection efficiency[1] 2Q 2011=100% at OTP Bank Russia



Consumer loan's hard collection efficiency[2] 2Q 2011=100%



7+day First Payment Delinquence (FPD 7+) of POS loans at OTP Bank Russia



Measures taken to improve collection performance

Stronger segmentation to be applied answering worse incoming customer quality

Soft collection was in the focus of the project in 2Q

- Increased number of soft collectors (+59% ytd), higher response rate for inbound calls, more insourced volumes and increase outbound call intensity, more people involved in fraud prevention (+31% ytd)
- New processes, scripts, tools and inbound IVR (Interactive Voice Response) designed
- Reallocation of volumes among debt collection agencies
- Staffing the new Call Centre in Omsk

Strategy setting and preparatory work for hard collection project

Source: FICO, OTP Bank Russia

[1] Measured as 1 minus the multiplication of one-bucket migration rates of deliquency buckets 1-3.

[2] Measured as 1 minus the multiplication of one-bucket migration rates of deliquency buckets 4-13.

otpbank

Operating cost growth was mainly driven by personnel expenses of OTP Core and the stronger Russian business activity; in case of other subsidiaries costs were fairly stable in the second quarter

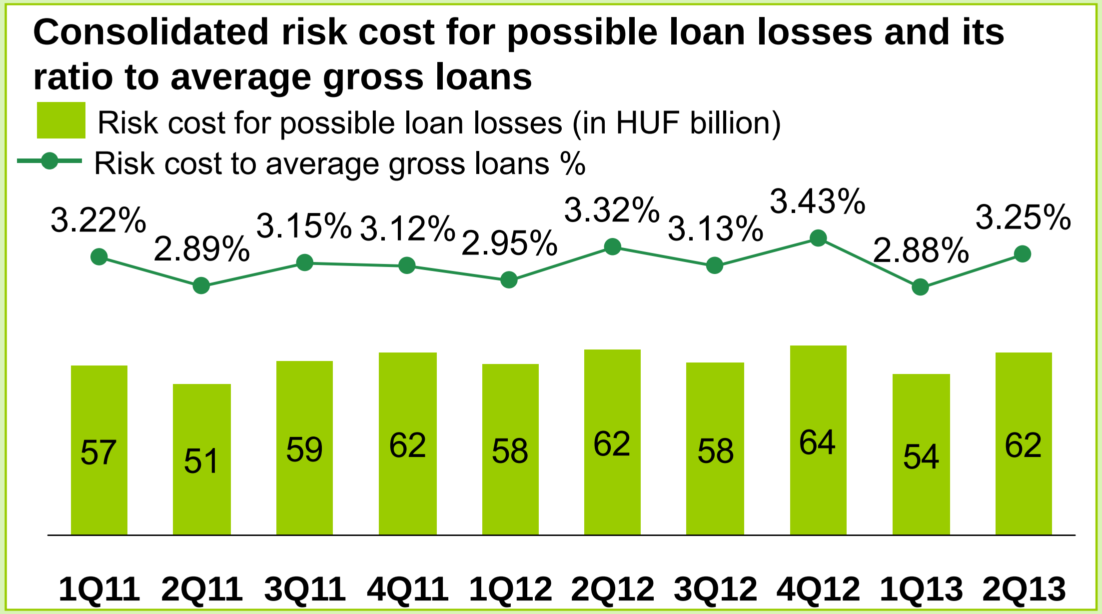
OPERATING COSTS – 1H 2013 (HUF billion)	Share	1H 2013	Y-o-Y (HUF bn)	Y-o-Y (%)	2Q 2013 (HUF billion)	Q-o-Q (HUF bn)	Q-o-Q (%)
OTP Group	100%	206	13	7%	106	5	5%
OTP CORE (Hungary)	46%	95	6	6% [1]	49	3	6% [1]
OBRU (Russia)	20%	42	7	19% [2]	21	1	5% [2]
DSK (Bulgaria)	9%	18	1	4%	9	0	2%
OBU (Ukraine)	8%	16	1	4%	8	1	16% [3]
OBH (Croatia)	4%	7	0	0%	4	0	-2%
OBS (Slovakia)	3%	5	0	-3%	3	0	1%
OBR (Romania)	3%	7	0	-3%	3	0	1%
CKB (Montenegro)	2%	3	0	-6%	2	0	-2%
OBSrb (Serbia)	2%	4	0	6%	2	0	0%
Merkantil (Hungary)	1%	3	0	-1%	2	0	4%

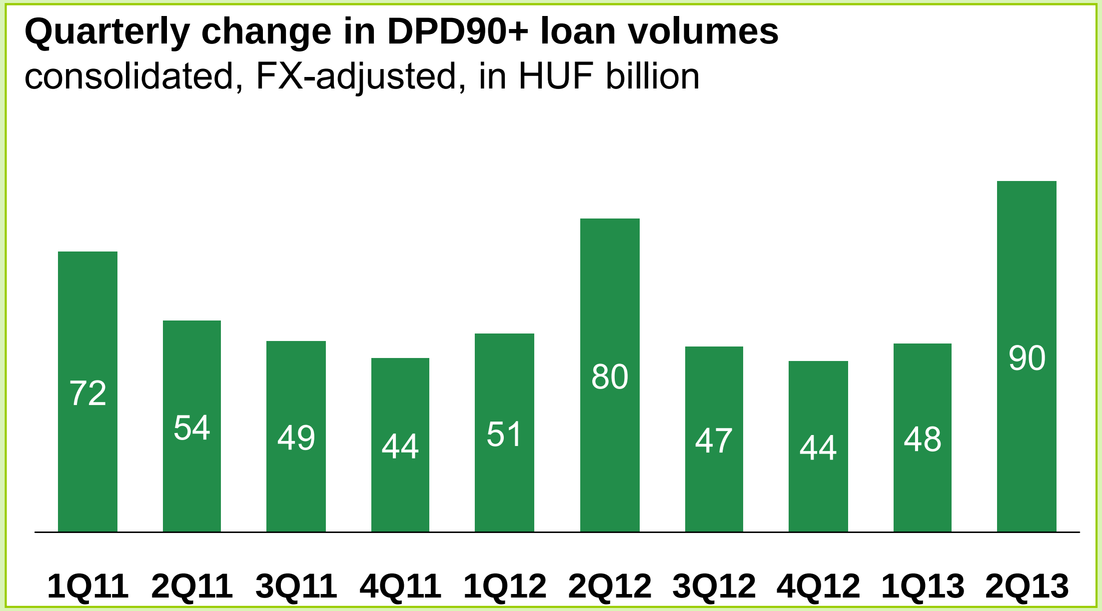
1. Amortisation and administrative costs increased moderately, while personnel expenses grew faster partially driven by the technical effect of changing the management compensation scheme in line with CRD3 in 2010.

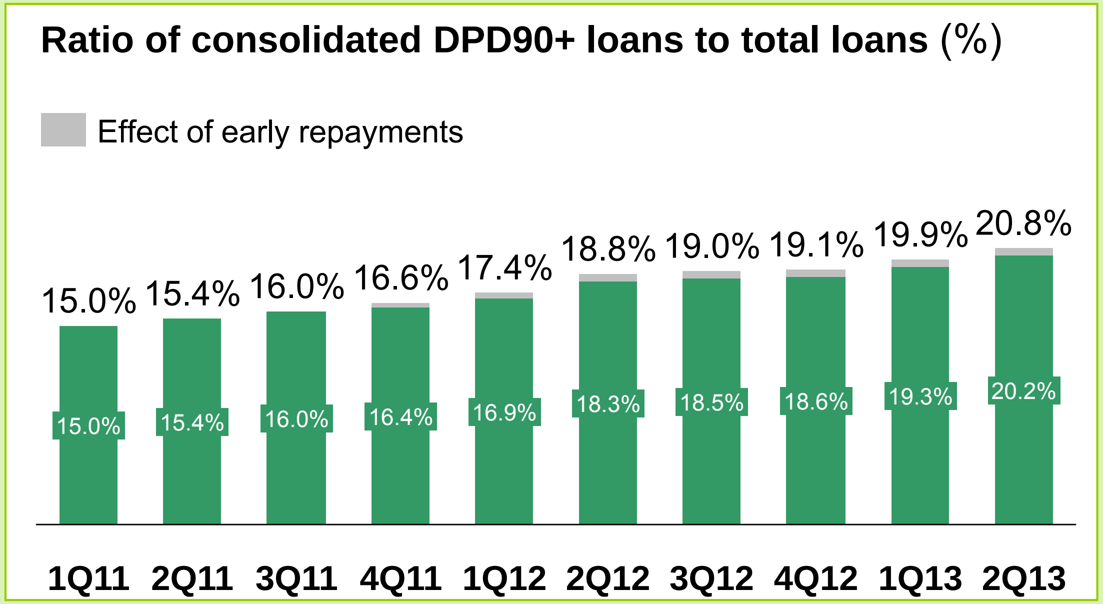
2. Operating cost growth was in line with the expansion of consumer lending, as consumer loans grew by 36% y-o-y. Advisory costs related to the transformation project raised administrative expenses q-o-q.

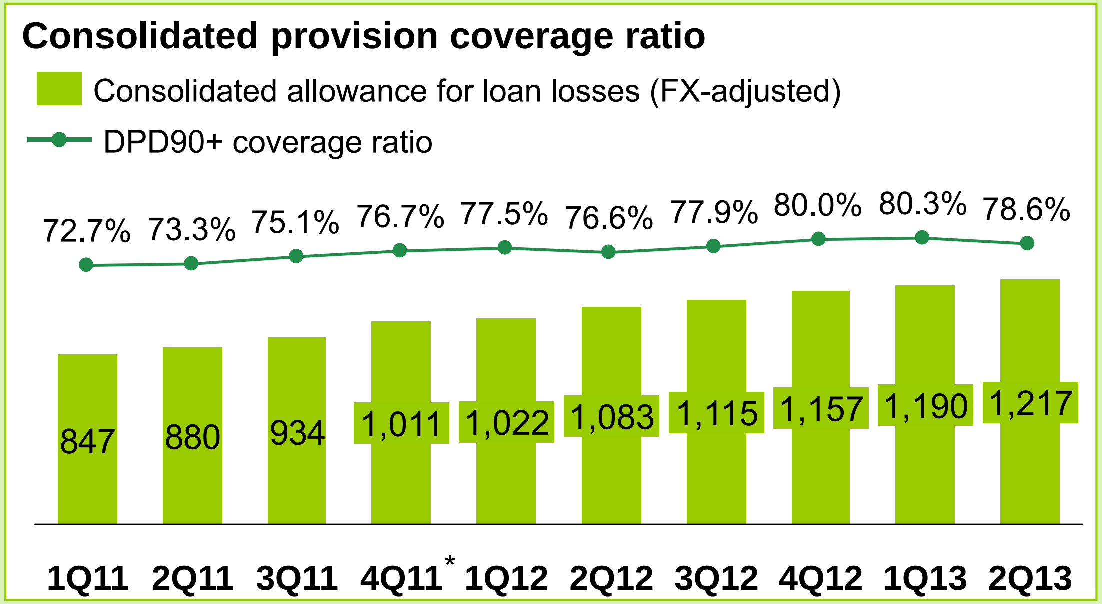
3. Administrative expenses grew on the back of advisory costs related to projects increasing the efficiency of collection.

Due to accelerating portfolio deterioration in 2Q, provision coverage ratio moderated q-o-q, though it's still higher than a year ago by 2 ppts



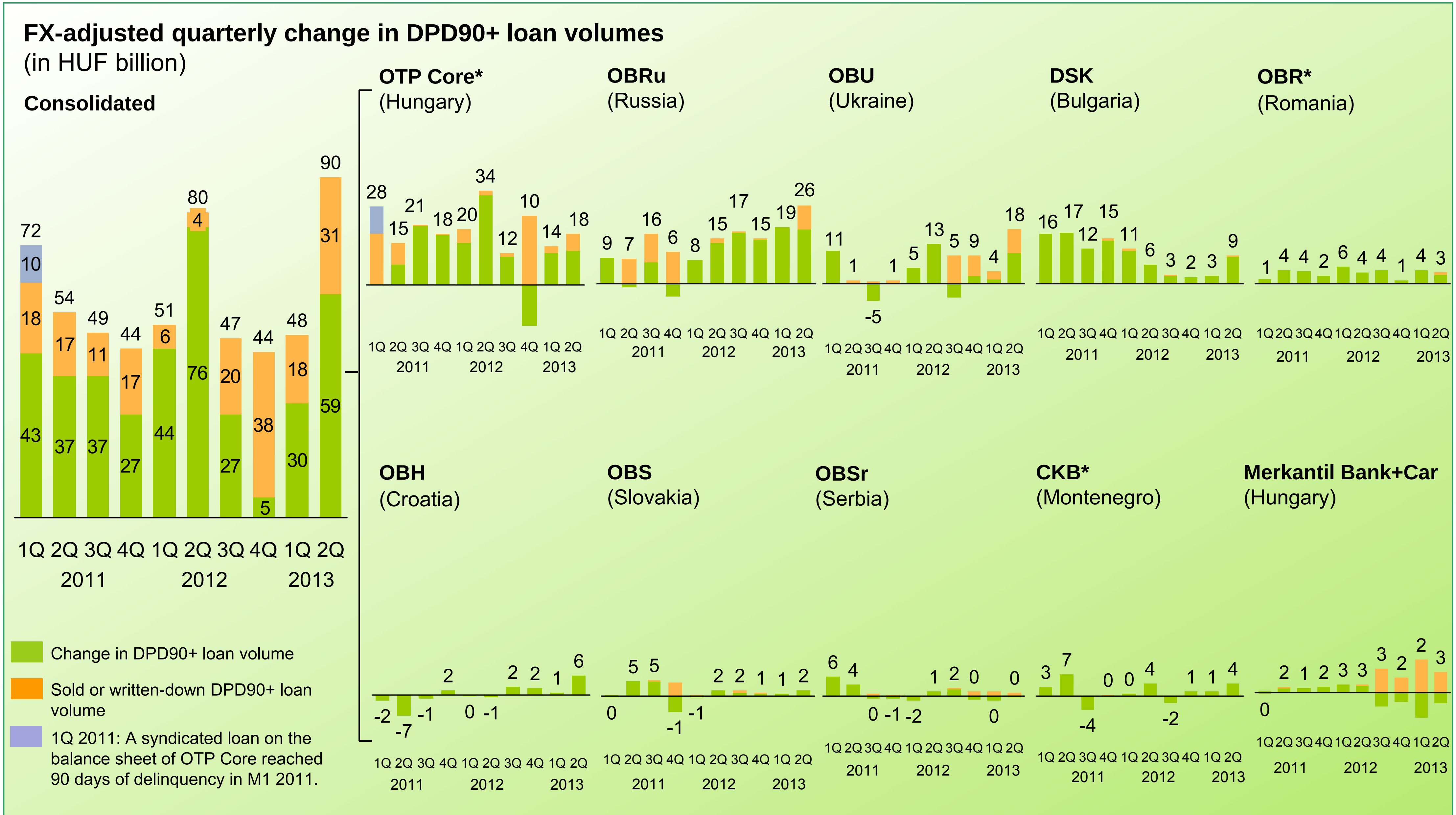






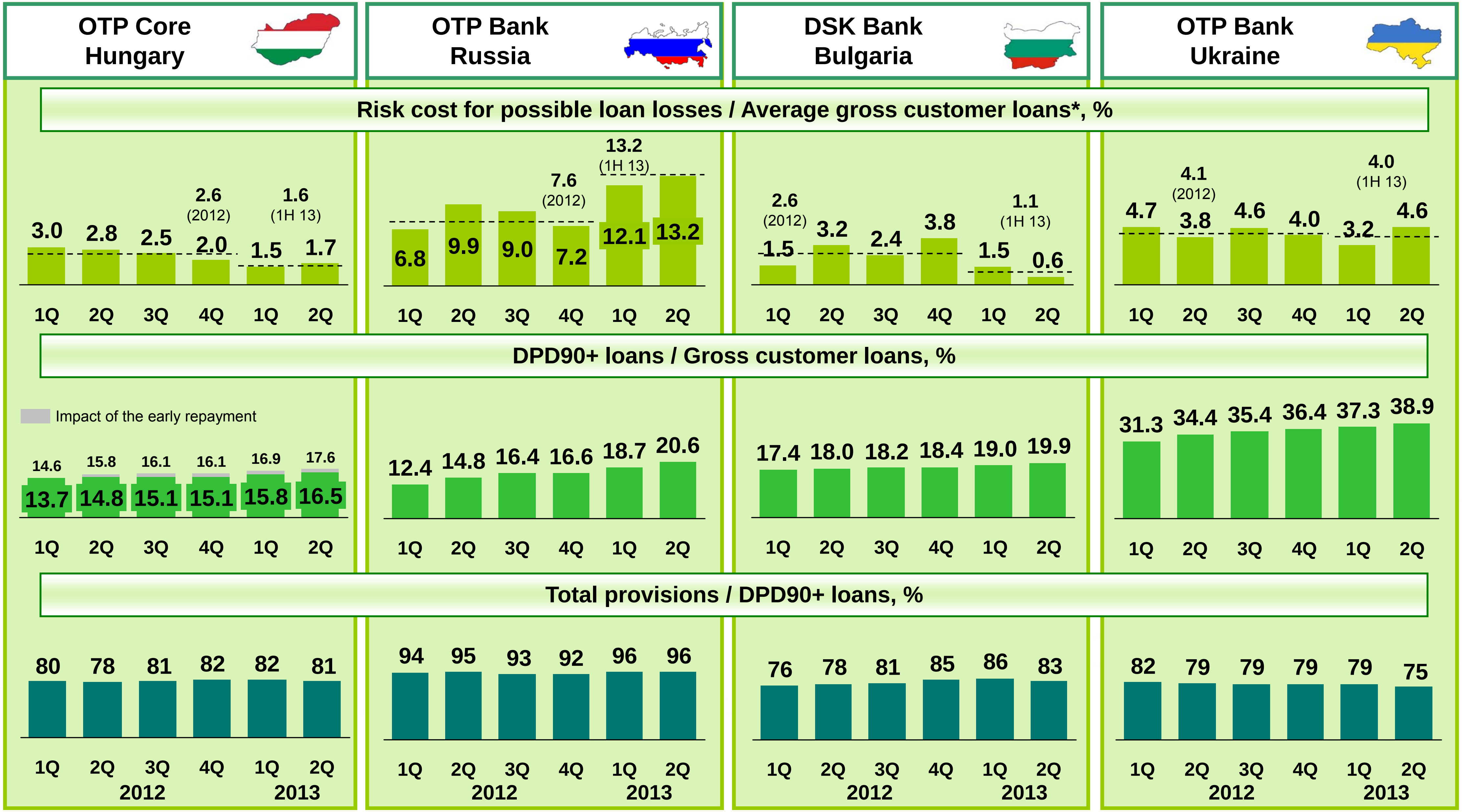
* Without HUF 36.5 billion provisions accrued for the FX mortgage loan prepayment at end-2011

Deterioration of Russian consumer loans strengthened, furthermore the Ukrainian, Bulgarian, Croatian and Montenegrin corporate portfolio deteriorated typically caused by single cases



* DPD90+ loan formation statistics of both OTP Core and CKB were adjusted for the effect of a portfolio swap between the two companies in 1Q 2011. From legal aspects the portfolio swap was necessary because of the enforceability of the collaterals behind non-performing loans. Similarly, the statistics have been adjusted with the corporate portfolio took over from OTP Romania by OTP Core in 4Q 2011, and from OTP Core by OTP Ukraine in 1Q 2012.

In 1H the Hungarian and Bulgarian risk cost rates diminished significantly compared to their 2012 level, while the coverage ratio remained above 80% in both cases; further increasing Russian risk cost rate



* Risk cost ratios were adjusted for the revaluation result of FX-denominated provisions.

In the Russian consumer book deterioration was material in all segments, the worsening of Hungarian mortgages slowed q-o-q, the Bulgarian and the Ukrainian deterioration was driven by corporate defaults

DPD90+ ratio (%)

OTP Core (Hungary)	2Q 12	3Q 12	4Q 12	1Q 13	2Q 13	Q-o-Q *(%-point)*
Total	**15.8**	**16.1**	**16.1**	**16.9**	**17.6**	***0.7***
Total*	***14.8***	***15.1***	***15.1***	***15.8***	***16.5***	***0.7***
Retail	17.7	18.4	19.1	20.5	21.2	*0.7*
*Retail**	*16.1*	*16.7*	*17.3*	*18.5*	*19.1*	*0.6*
Mortgage	16.2	16.9	17.6	19.2	19.9	*0.7*
*Mortgage**	*14.3*	*14.9*	*15.5*	*16.8*	*17.5*	*0.7*
Consumer	23.6	24.2	24.8	25.5	25.9	*0.4*
MSE**	13.8	13.9	13.8	14.2	14.3	*0.1*
Corporate	16.1	15.4	13.1	12.7	13.3	*0.6*
Municipal	0.2	0.3	0.6	0.6	0.5	*-0.1*

DPD90+ ratio (%)

OTP Bank Russia	2Q 12	3Q 12	4Q 12	1Q 13	2Q 13	Q-o-Q *(%-point)*
Total	**14.8**	**16.4**	**16.6**	**18.7**	**20.6**	***1.9***
Mortgage	10.9	11.4	12.0	12.7	13.4	*0.8*
Consumer	15.3	16.9	17.0	19.1	21.2	*2.1*
Credit card	20.0	21.3	22.1	23.7	25.8	*2.1*
POS loan	14.3	16.2	15.4	18.1	20.2	*2.1*
Personal loan	9.9	11.1	12.0	13.5	15.1	*1.6*

DPD90+ ratio (%)

DSK Bank (Bulgaria)	2Q 12	3Q 12	4Q 12	1Q 13	2Q 13	Q-o-Q *(%-point)*
Total	**18.0**	**18.2**	**18.4**	**19.0**	**19.9**	***0.9***
Mortgage	20.4	21.3	21.7	22.0	22.8	*0.7*
Consumer	15.2	15.6	15.7	16.0	16.2	*0.2*
MSE**	39.9	40.8	41.2	42.7	42.1	*-0.6*
Corporate	11.9	10.6	11.1	12.4	15.2	*2.8*

DPD90+ ratio (%)

OTP Bank Ukraine	2Q 12	3Q 12	4Q 12	1Q 13	2Q 13	Q-o-Q *(%-point)*
Total	**34.4**	**35.4**	**36.4**	**37.3**	**38.9**	***1.5***
Mortgage	49.3	51.7	52.8	54.7	55.8	*1.1*
Consumer	9.9	12.3	11.0	8.9	7.9	*-0.9*
SME***	59.6	63.3	64.0	67.3	68.9	*1.6*
Corporate	20.3	19.5	22.6	23.4	27.5	*4.1*
Car-financing	42.8	46.2	43.7	44.6	40.3	*-4.3*

* Without the effect of early repayment of FX mortgages
** Micro and small enterprises
*** Small and medium enterprises

otpbank

Restructured retail volumes declined further across the Group, representing 2.1% of total retail loans by the end of 2Q 2013

Revised definition of retail restructured loans:

- In comparison with the original terms and conditions, more favourable conditions are given to clients for a definite period of time or the maturity is prolonged.
- The exposure is not classified as restructured anymore, if:
  - the restructuring period with more favourable conditions is over and the client is servicing his loan according to the original terms for more than 12 months, and/or
  - the client is servicing his contract according to the prolonged conditions for more than 12 months.
- Hungarian FX mortgage loans in the fixed exchange rate scheme are not included in the restructured category (their principal was at HUF 158 billion by end-2012).
- Loans once restructured but currently with delinquency of more than 90 days are not included, either.

Restructured retail loans with less than 90 days of delinquency

	Old methodology		New methodology					
	4Q 2012		4Q 2012		1Q 2013		2Q 2013	
	HUF mn	*%**	*HUF mn*	*%***	*HUF mn*	*%***	*HUF mn*	*%***
OTP Core (Hungary)	36,410	1.8%	39,814	1.9%	36,065	1.8%	33,406	1.7%
OBRu (Russia)			80	0.0%	86	0.0%	65	0.0%
DSK (Bulgaria)	48,150	5.9%	21,010	2.6%	20,459	2.4%	19,643	2.4%
OBU (Ukraine)	41,164	18.9%	6,157	2.4%	6,665	2.5%	6,386	2.4%
OBR (Romania)	23,215	9.1%	41,104	16.1%	36,828	13.9%	32,595	12.7%
OBH (Croatia)			872	0.4%	915	0.4%	875	0.4%
OBS (Slovakia)			726	0.5%	644	0.4%	510	0.3%
OBSr (Serbia)			478	1.7%	701	2.3%	254	0.8%
CKB (Montenegro)			1,490	2.7%	1,131	1.9%	911	1.6%
Merkantil (Hungary)			7,573	3.4%	6,499	3.1%	5,378	2.8%
Other leasing*** (Hungary)			65	0.2%	52	0.2%	28	0.1%
TOTAL	**148,939**	**3.2%**	**119,369**	**2.4%**	**110,044**	**2.2%**	**100,052**	**2.1%**

* Share out of retail portfolio (without SME)
** Share out of retail + car-financing portfolio (without SME)
*** Merkantil Real Estate Lease + OTP Flat Lease

Ongoing fiscal consolidation all over OTP Group. With domestic demand deteriorating external demand remains the key factor behind GDP growth. In Croatia export is insufficient to offset weak domestic performance

REAL GDP GROWTH

	2011	2012	2013F	2014F
Hungary	1.6%	-1.7%	1.0%	1.7%
Ukraine	5.2%	0.2%	0.8%	2.1%
Russia	4.3%	3.4%	1.9%	2.2%
Bulgaria	1.8%	0.8%	0.8%	1.9%
Romania	2.2%	0.7%	2.0%	2.3%
Croatia	0.0%	-2.0%	-0.8%	0.7%
Slovakia	3.2%	2.0%	1.1%	2.4%
Serbia	1.6%	-1.7%	1.0%	1.4%
Montenegro	3.2%	-0.5%	1.5%	2.0%

EXPORT GROWTH

	2011	2012	2013F	2014F
Hungary	8.4%	2.0%	4.1%	6.4%
Ukraine	4.3%	-7.7%	-4.0%	2.2%
Russia	0.3%	1.4%	1.2%	3.0%
Bulgaria	12.3%	-0.4%	4.5%	4.8%
Romania	11%	-3.1%	3.1%	3.3%
Croatia	2.0%	0.4%	1.5%	2.8%
Slovakia	12.7%	8.6%	3.5%	6.0%
Serbia	13.9%	3.6%	6.0%	3.7%
Montenegro	37.5%	-19%	7.0%	8.0%

UNEMPLOYMENT

	2011	2012	2013F	2014F
Hungary	10.9%	10.9%	10.6%	10.7%
Ukraine	8.5%	7.5%	8.5%	8.0%
Russia	6.6%	5.5%	6.0%	6.5%
Bulgaria	11.3%	12.3%	12.6%	12.1%
Romania	7.4%	7.0%	7.3%	7.1%
Croatia	17.9%	19.1%	20.5%	19.8%
Slovakia	13.7%	14.0%	14.3%	13.9%
Serbia	23.0%	22.4%	22.3%	22.0%
Montenegro	15.9%	18.7%	18.3%	18.0%

BUDGET BALANCE*

	2011	2012	2013F	2014F
Hungary	4.3%	-1.9%	-2.7%	-2.9%
Ukraine	-3.2%	-3.8%	-4.0%	-4.0%
Russia	1.5%	0.4%	-0.4%	-1.0%
Bulgaria	-2.1%	-0.8%	-1.2%	-1.1%
Romania	-5.2%	-2.9%	-2.9%	-2.8%
Croatia	-5.7%	-3.8%	-4.5%	-4.3%
Slovakia	-5.1%	-4.4%	-3.2%	-3.0%
Serbia	-5.0%	-6.7%	-5.6%	-4.0%
Montenegro	-5.9%	-4.7%	-4.0%	-4.0%

CURRENT ACCOUNT BALANCE

	2011	2012	2013F	2014F
Hungary	1.4%	1.6%	2.6%	4.0%
Ukraine	-6.3%	-8.5%	-6.0%	-5.3%
Russia	5.2%	4.0%	2.9%	2.5%
Bulgaria	0.1%	-1.3%	-0.5%	-1.2%
Romania	-4.4%	-3.9%	-1.1%	-1.9%
Croatia	-0.9%	0.0%	0.3%	-0.2%
Slovakia	-2.1%	2.3%	1.6%	0.6%
Serbia	-9.2%	-11%	-8.7%	-7.5%
Montenegro	-18%	-18%	-17%	-16%

INFLATION

	2011	2012	2013F	2014F
Hungary	3.9%	5.7%	2.1%	2.0%
Ukraine	8.0%	0.6%	1.5%	5.5%
Russia	8.5%	5.1%	6.5%	6.0%
Bulgaria	4.2%	3.0%	1.6%	1.9%
Romania	5.8%	3.3%	4.6%	2.9%
Croatia	2.3%	3.4%	3.1%	2.6%
Slovakia	3.9%	3.6%	2.0%	2.4%
Serbia	11.0%	7.3%	9.8%	5.5%
Montenegro	3.1%	4.0%	3.5%	3.0%

Source: OTP Research
* For EU members deficit under the Maastricht criteria

otpbank

Forward looking statements

This presentation contains certain forward-looking statements with respect to the financial condition, results of operations, and businesses of OTP Bank. These statements and forecasts involve risk and uncertainty because they relate to events and depend upon circumstances that will occur in the future. There are a number of factors which could cause actual results or developments to differ materially from those expressed or implied by these forward looking statements and forecasts. The statements have been made with reference to forecast price changes, economic conditions and the current regulatory environment. Nothing in this announcement should be construed as a guaranteed profit forecast.

Investor Relations and Debt&Capital Markets

Tel: + 36 1 473 5460; + 36 1 473 5457

Fax: + 36 1 473 5951

E-mail: investor.relations@otpbank.hu

www.otpbank.hu