OTP Bank Plc.

Interim Management Report
First quarter 2015 result

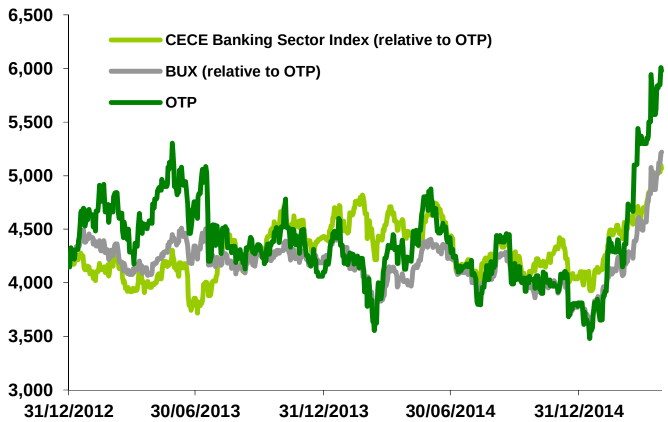
(English translation of the original report submitted to the Budapest Stock Exchange)

Budapest, 15 May 2015

CONSOLIDATED FINANCIAL HIGHLIGHTS[1] AND SHARE DATA

Main components of the Statement of recognised income in HUF million	1Q 2014	4Q 2014	1Q 2015	Q-o-Q	Y-o-Y
Consolidated after tax profit	**5,864**	**10,928**	**1,913**	**-82%**	**-67%**
Adjustments (total)	**-29,449**	**698**	**-26,416**		**-10%**
Consolidated adjusted after tax profit without the effect of adjustments	**35,312**	**10,230**	**28,329**	**177%**	**-20%**
Pre-tax profit	38,983	12,327	30,579	148%	-22%
Operating profit	108,161	88,652	95,374	8%	-12%
Total income	210,184	195,109	189,446	-3%	-10%
Net interest income	162,453	155,798	142,727	-8%	-12%
Net fees and commissions	42,040	44,479	37,293	-16%	-11%
Other net non-interest income	5,691	-5,168	9,426	-282%	66%
Operating expenses	-102,023	-106,458	-94,071	-12%	-8%
Total risk costs	-68,945	-77,290	-64,468	-17%	-6%
One off items	-233	965	-328	-134%	41%
Corporate taxes	-3,671	-2,097	-2,249	7%	-39%
Main components of balance sheet closing balances in HUF million	1Q 2014	4Q 2014	1Q 2015	Q-o-Q	Y-o-Y
Total assets	10,139,918	10,971,052	10,714,446	-2%	6%
Total customer loans (net, FX adjusted)	**6,089,357**	**5,802,108**	**5,600,813**	**-3%**	**-8%**
Total customer loans (gross, FX adjusted)	**7,411,249**	**6,934,719**	**6,680,786**	**-4%**	**-10%**
Allowances for possible loan losses (FX adjusted)	-1,321,892	-1,132,611	-1,079,973	-5%	-18%
Total customer deposits (FX adjusted)	**6,795,144**	**7,560,028**	**7,567,531**	**0%**	**11%**
Issued securities	376,128	267,084	253,763	-5%	-33%
Subordinated loans	280,278	281,968	244,017	-13%	-13%
Total shareholders' equity	1,440,662	1,264,166	1,196,125	-5%	-17%
Indicators based on one-off adjusted earnings %	1Q 2014	4Q 2014	1Q 2015	Q-o-Q	Y-o-Y
ROE (from adjusted net earnings)	9.7%	3.1%	9.3%	6.2%p	-0.4%p
ROA (from adjusted net earnings)	1.4%	0.4%	1.1%	0.7%p	-0.3%p
Operating profit margin	4.28%	3.20%	3.57%	0.36%p	-0.71%p
Total income margin	8.31%	7.05%	7.09%	0.03%p	-1.22%p
Net interest margin	6.42%	5.63%	5.34%	-0.29%p	-1.08%p
Cost-to-asset ratio	4.03%	3.85%	3.52%	-0.33%p	-0.51%p
Cost/income ratio	48.5%	54.6%	49.7%	-4.9%p	1.1%p
Risk cost to average gross loans	3.78%	3.82%	3.66%	-0.16%p	-0.12%p
Total risk cost-to-asset ratio	2.73%	2.79%	2.41%	-0.38%p	-0.31%p
Effective tax rate	9.4%	17.0%	7.4%	-9.7%p	-2.1%p
Net loan/(deposit+retail bond) ratio (FX adjusted)	88%	76%	73%	-3%p	-15%p
Capital adequacy ratio (consolidated, IFRS) - Basel3	20.2%	17.5%	16.1%	-1.4%p	-4.1%p
Tier1 ratio - Basel3	16.4%	14.1%	13.0%	-1.1%p	-3.4%p
Common Equity Tier 1 ('CET1') ratio - Basel3	16.4%	14.1%	13.0%	-1.1%p	-3.4%p
Share Data	1Q 2014	4Q 2014	1Q 2015	Q-o-Q	Y-o-Y
EPS diluted (HUF) (from unadjusted net earnings)	22	41	8	-80%	-64%
EPS diluted (HUF) (from adjusted net earnings)	132	38	106	177%	-20%
Closing price (HUF)	4,272	3,811	5,304	39%	24%
Highest closing price (HUF)	4,600	4,154	5,440	31%	18%
Lowest closing price (HUF)	3,555	3,684	3,479	-6%	-2%
Market Capitalization (EUR billion)	3.9	3.4	5.0	47%	27%
Book Value Per Share (HUF)	5,145	4,515	4,272	-5%	-17%
Tangible Book Value Per Share (HUF)	4,447	3,948	3,703	-6%	-17%
Price/Book Value	0.8	0.8	1.2	47%	50%
Price/Tangible Book Value	1.0	1.0	1.4	48%	49%
P/E (trailing, from accounting net earnings)	20.4	-10.4	-14.0	34%	-169%
P/E (trailing, from adjusted net earnings)	8.5	9.0	13.4	48%	57%
Average daily turnover (EUR million)	17	11	21	92%	21%
Average daily turnover (million share)	1.3	0.8	1.5	74%	14%

SHARE PRICE PERFORMANCE



MOODY'S RATINGS

OTP Bank	
Foreign currency long term deposits	Ba2
Financial strength	D
OTP Mortgage Bank	
Covered mortgage bond	Baa2
OTP Bank Russia	
Foreign currency long term deposits	Ba3
Financial strength	E+
OTP Bank Ukraine	
Foreign currency long term deposits	Ca

STANDARD & POOR'S RATING

OTP Bank and OTP Mortgage Bank	
Long term credit rating	BB

FITCH'S RATING

OTP Bank Russia	
Long term credit rating	BB

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

INTERIM MANAGEMENT REPORT – OTP BANK'S RESULTS FOR FIRST QUARTER 2015

Interim Management Report for the first quarter 2015 results of OTP Bank Plc. has been prepared according to the 24/2008. (VIII.15.) PM resolution on the basis of its unaudited separate and consolidated condensed IFRS financial statements for 31 March 2015 or derived from that. At presentation of first quarter 2015 report of OTP Bank we applied International Financial Reporting Standards adopted by the European Union.

SUMMARY OF 1Q 2015

Diverging trends have remained in place between Central and Eastern Europe on one hand and Ukraine and Russia on the other not just in macroeconomic performance and outlook, but in overall profitability and volume developments. The difference was quite material already in 2014 and it is expected to continue through this year

As for 2015 outlook: the Central and Eastern European (CEE) region enjoys an improving operating environment. According to OTP Bank's own forecasts due to strengthening household consumption and better export performance the GDP is forecasted to further grow in all countries, but Serbia. The average economic output in OTP's CEE markets is expected to increase by 2.3% which exceeds both the European Union average and that of the Eurozone. The operating environment which includes not just the macroeconomic, but the regulatory conditions, too is expected to improve the most in Hungary.

On April 30 the Hungarian Government submitted its medium term convergence programme to the European Commission. According to the document the Government forecasts 3.1% GDP growth, 0% inflation, 2.4% fiscal deficit and 74.9% public debt-to-GDP ratio for 2015.

Amid favourable local and external market conditions the Hungarian National Bank cut the base rate in March and April by 15-15 bps, thus the policy rate is currently 1.8%. In its communication the central bank flagged further cautious monetary easing as long as it supports achieving the medium term inflation target.

It is encouraging that the regulatory environment towards the banking sector is turning into more supportive: the banking tax is going to be reduced by 40% and the 2016 budget submitted to the Parliament on 13 May already incorporated the lower banking tax as a revenue item.

The Funding for Growth Scheme (FGS) initiated by the National Bank of Hungary was amended by a new structure in February 2015 (FGS+). By 3 April Hungarian small and medium sized enterprises drew down in total HUF 1,361 billion in forms of cheaper refinancing or new funding sources under the first (already completed) and the on-going second phase of the Scheme. The NBH recently extended the final deadline for drawdown of loan facilities under the second phase until December 2016. The amount of the available funding is HUF 1 000 billion which can be raised by a similar amount.

The notification of clients and the settlement between banks and clients regarding the FX consumer contracts has already taken place and the conversion of FX mortgage loans into HUF has been completed at OTP Bank, OTP Mortgage Bank and OTP Factoring. Financial statements in 1Q Interim Management Report already incorporated the relevant impact of settlement and conversion. In case of Merkantil and OTP Flat Lease the settlement hasn't been made, only 2Q reports will include the changes. Regarding HUF denominated consumer contracts, their settlement is due in 3Q 2015, whereas the deadline for client notification is 30 September 2015. According to the preliminary statistics of the central bank the total outstanding amount of FX loans dropped by HUF 3,417 billion, simultaneously the amount of HUF loans increased by 2,731 billion.

With the settlement of FX and HUF consumer loans there is a good chance that household loan demand will gear up. Not only the improving financial condition of customers supports that belief, but the dynamic rebound of the local property sector already seen through increasing transaction numbers and higher housing prices.

With respect to the two underperforming members of the Group, in case of Ukraine and Russia OTP's management expects gradually normalizing operating environment in 2015 and lower overall losses compared to the previous year. However, weak macroeconomic outlook will remain valid through 2015: according to our forecast in Ukraine the economic contraction might be higher than 7% and the average inflation will hover around 40%. In Russia the GDP will shrink by around 4%, whereas the headline inflation after a high level at the beginning of the year will decelerate to 10%. For both subsidiaries' operating environment the performance of the local currencies will be crucial. In Ukraine the USD/UAH cross currency rate will largely depend on the support of international financial institutions (following the approval of the IMF package in March the UAH quickly recovered from the lows of around USD/UAH 30 in February to a range of 23-24 by the end of March) and on the successful implementation of the required institutional reforms. As for the RUB the key factor is the oil price development and the level of market confidence towards Russian assets. The Russian central bank has already loosened the monetary conditions in several steps in order to give boost to economic activity, thus the policy rate was reduced from 17% at the beginning of the year to 12.5% effective from 5 May. In the meantime the USD/RUB cross rate came back from last December level of 80 to around 50 by early May.

The process and impact of the settlement with clients and conversion of FX mortgage loans in Hungary

In the Summary of the full year 2014 results the relevant time-table with respect to the settlement and conversion has been already demonstrated. Below is a short summary on the status of the process, as well as concrete steps:

a) In March the settlement of the existing and matured (or prepaid) FX mortgage and consumer loan contracts at OTP Bank and OTP Mortgage Bank was completed. The amount of money credited to clients represented HUF 111 billion;

b) In 1Q the conversion of FX mortgage loans into HUF has been completed (except for OTP Flat Lease) with a total gross amount of HUF 436 billion at OTP Bank and OTP Mortgage Bank. At OTP Factoring the remaining converted non-performing/terminated gross loan volumes represented HUF 74 billion after the netting out with provisions;

c) By 3 May OTP Bank, OTP Mortgage Bank and Factoring clients received their detailed notifications (around 370 thousands cases);

d) In 2Q 2015 the settlement of contracts at Merkantil will be completed, provisions for the potential refund due to the settlement represent HUF 22 billion. Client notification (around 160 thousands cases) was accomplished by 30 April;

e) In 2Q the settlement with OTP Flat Lease clients will be completed, the provisions created for the settlement of those contracts represent HUF 5 billion. Furthermore, FX lease contracts will be converted into HUF, too. By 26 June 2015 all OTP Flat Lease customers will receive the notification (around 3 thousands cases).

Those clients who wish to refinance their existing loans under the conditions set by the law will have 91 days − after receiving the notification letter − for terminating the loan contract and another 90 days to complete the prepayment.

As a result of the settlement and conversion in case of OTP Bank and OTP Mortgage Bank gross loan volumes contracted by HUF 86 billion. In case of Factoring gross loan volumes declined altogether by HUF 92 billion; of which the amount of gross loans and also provisions dropped by HUF 90 billion due to the net out process at the Factoring (i.e. net volumes remained the same).

In 1Q 2015 the net interest income of OTP Core contracted by around HUF 3 billion q-o-q, partly explained by the joint effect of settlement and conversion.

Recent developments and rulings influencing the operational environment of the banking sector in Hungary

In 2015 three local brokerage firms went bankrupt in Hungary, namely Buda-Cash, Hungaria and Quaestor, currently there is an ongoing liquidation at all three firms.

Compensation of clients up to EUR 20 thousand will be handled by the Investor Protection Fund (Beva) in all three cases (bondholders of fictitious Quaestor bonds are also eligible for the compensation up to EUR 20 thousands). However, given that the Fund owns much less amount that could cover the required compensation, the annual contribution of service providers will be increased. In line with the regulation in force Beva already asked for an extraordinary contribution to be made which is equal to the annual 2015 base fee, i.e. HUF 1.3 billion for the sector, within that HUF 440 million for OTP Bank.

In case of Quaestor clients, however, the compensation cap was raised to EUR 100 thousands which will be partially paid by Beva and the rest by a newly established compensation fund of Quaestor victims (special Quaestor fund) pursuant to Act No. XXXIX of 2015. On 14 April the Parliament approved a law on the establishment of that special Quaestor fund. Accordingly, the special Quaestor fund will be in charge for compensating the fictitious bond holders between EUR 20-100 thousands and the compensation of bondholders of genuine Quaestor bonds up to EUR 100 thousands.

The final aggregated amount of client claims is still unknown in case of the special Quaestor fund (aggrieved clients can submit their claims between 6 May - 5 June 2015). Therefore currently we have no precise information about the potential scale of contribution in form of advance payment to be paid into the special Quaestor fund (later deductible from tax) by the financial institutions.

In 2014 within annual administrative expenses OTP Group's contribution into the National Deposit Insurance Fund (OBA) represented HUF 2.7 billion, HUF 0.6 billion into the Resolution Fund established in 2014 and another HUF 0.3 billion into Beva, i.e. in total those contributions represented HUF 3.6 billion. For 2015 those items are expected to change as follows: contribution into OBA: HUF 3.8 billion, contribution into the Resolution Fund: HUF 2.3 billion and HUF 0.4 billion into Beva coupled with another HUF 0.4 additional contribution already stipulated and approved by the Beva. In total OTP Group's obligation will increase to HUF 7 billion (booked mainly at OTP Core). On the top of that an additional contribution obligation in form of advance payment might arise towards the special Quaestor fund, its volume is to be calculated from the total sum of Quaestor clients' claims (yet unknown) multiplied by the share of Beva members' 2014 annual contribution (26.6% in case of OTP). However, according to Act No. XXXIX of 2015 there will be a separate act stipulating that that part of the advance payments into the special Quaestor fund will be deductible from tax that do not recover during the operation of the special Quaestor fund.

Legislative acts or other regulatory changes related to FX mortgages having an impact of other Group members

In Romania **OTP Bank Romania** was the first one to react to the step of the Swiss National Bank abolishing the CHF/EUR peg and on 16 January 2015 it announced that in order to mitigate the negative impact on monthly instalment for 3 months it will reduce by 1.5 ppts the interest spread of those customers who had variable-rate CHF mortgage loans (in accordance with effective conditions and depending on the antecedents of the loans). The promotion has been renewed on a monthly base and through the offered preferential rates the Bank intended to bring down monthly instalment amounts (in RON terms) to the level paid by the end of December 2014. By the end of 1Q the take-up ratio reached 52% of performing CHF mortgage loan volumes. In 1Q 2015 HUF 160 million interest revenue was forgone due to the interest spread reduction. In April the bank renewed its offer, accordingly for a 6-months period it will reduce by 1.0 ppt the interest spread for those customers who are apply for it. By 17 April the take-up ratio reached 28% of performing CHF mortgage volumes. Also, the Parliament is currently considering a separate package submitted by the Government for addressing the difficulties of CHF denominated housing loan holders, the final form of the regulation is still unknown. By the end of 1Q 2015 OTP Bank Romania had HUF 146 billion equivalent net CHF mortgage loans on its balance sheet.

In **Croatia**, on 19 January 2015 the Government announced that it will fix the HKR/CHF rate at 6.39 for the next 12 months for servicing CHF debt obligations. The decree is effective from 26 January. Given that such unilateral step raises certain constitutional concerns, the banking sector has started working on its version that could ease the temporary difficulties of clients and considers rather the individual social aspects. The negative impact of the fixing was about HUF 360 million in 1Q booked on Other non-interest income line and also depleted interest income by another HUF 14 million. The expected total impact of that measure on interest revenues for 12 months is around HUF 120 million. By the end of March 2015 OTP Bank Croatia had HUF 23 billion equivalent CHF mortgages on its balance sheet.

In **Serbia** the central bank made several decisions on 24 February related to FX loans. According to the first decision, the increment of monthly instalments due to unilateral rate hikes made by banks should be considered for all FX loans as prepayments. Consequently, the Bank booked a one-off item of around HUF 100 million in 1Q 2015. On the top of it interest revenues will shrink by HUF 6 million annually. According to the second regulation CHF based mortgage borrowers will have four options to choose from affecting the currency denomination, interest rate level, maturity and instalments of the existing contracts. Clients have to make up their minds in three months-time (they should decide by the end of 3Q the latest). By the end of March 2015 OTP Bank Serbia had HUF 5 billion equivalent CHF mortgages on its balance sheet.

Consolidated earnings: HUF 28.3 billion adjusted after-tax profit, declining income off-set by lower expenses, moderating risk costs, improving DPD90+ ratio and provision coverage coupled with steadily strong capital position and record low net loan-to-deposit ratio

OTP Group posted HUF 28.3 billion adjusted profit in 1Q 2015 which underpins a y-o-y 20% decline against the base period, but massively exceeds the previous quarter. The material q-o-q improvement is reasoned mainly by lower risk costs, but the operating profit also improved (+8%). The consolidated pre-tax earnings without one-offs comprised around HUF 30.6 billion (-22% y-o-y, +148% q-o-q). The effective corporate tax rate in 1Q was 7.4% as a result the positive tax shield related to the revaluation of subsidiary investments, but also due to deferred taxes in case of the Russian and Ukrainian subsidiaries.

The consolidated total income without one-offs moderated by 3% q-o-q and by 10% y-o-y, within that the decline of net interest income was 8%. As for individual group members the net interest income substantially dropped in Russia, somewhat moderated at OTP Core, and Ukraine, however increased at DSK Bulgaria, OTP Romania and OTP Croatia. Lower net interest income at OTP Core is reasoned by the negative effect of the settlement and also by the lower applicable rates following the conversion of customer loans into HUF. In Russia the higher funding costs and lower principal volumes took their tools. The consolidated net interest margin (5.34%) moderated by 29 bps q-o-q.

The net fee and commission dropped by 16% q-o-q. Apart from seasonality the lower fee income was due to a HUF 1.6 billion one-off item at OTP Core (the whole year 2015 financial transaction tax after card transaction was booked in 1Q) , whereas in

Russia and Ukraine lending activity was scaled back and the weakening local currencies also affected negatively this revenue line.

The other net non-interest income improved significantly q-o-q: in 1Q HUF 9.4 billion was booked on this line versus a negative HUF 5.2 billion result in 4Q 2014. The Hungarian and Bulgarian subsidiaries demonstrated better q-o-q results, but the major contributor to the better quarterly income was Ukraine: in 4Q a one-off item distorted the base, whereas in 1Q the volatile currency caused a decent FX gain at the Ukrainian subsidiary.

Operating expenses dropped by 12% q-o-q. At all major Group members there was a substantial decline (8% at OTP Core, 18% at DSK Bank, 21% at OTP Russia and 38% at OTP Ukraine respectively).

Within consolidated adjusted earnings there has been a material geographical re-allocation of profits: OTP Core posted HUF 29.4 billion, while DSK Bank HUF 17.6 billion respectively. Also, all smaller subsidiaries posted positive bottom line result, their total profit contribution represented HUF 1 billion. On a quarterly base the Ukrainian losses dropped a lot: the local subsidiary suffered a loss of HUF 10.2 billion without the East Ukrainian adjustment items, with them the total loss represented HUF 11.3 billion. The Russian subsidiary posted HUF 11.4 billion negative result including the loss of HUF 0.7 billion at Touch Bank.

The quarterly accounting loss was HUF 1.9 billion versus a profit of HUF 10.9 billion in the previous quarter and HUF 5.9 billion in the base period. During 1Q 2015 the following adjustment items occurred:

- the special banking tax imposed on the Hungarian and Slovakian banks with a negative after-tax profit impact of HUF 28.7 billion. In case of Hungary the entire annual levy was booked in 1Q;
- the business model of OTP Life Annuity Ltd was affected by a modification of Act 2003 LX, accordingly from January 2015 only insurance companies are eligible to conclude reverse mortgage contracts. Consequently provisions were made on the Company's portfolio which had a negative impact of HUF 5.5 billion (after tax);
- the Bank raised the provision coverage of the gross loan exposures to Donetsk and Luhansk which had a negative after-tax impact of HUF 1.2;
- actual and expected one-off impact of regulatory changes related to consumer contracts in Hungary had a positive (after tax) impact of HUF 7.4 billion. The release is the difference between the other provision estimation made earlier on a portfolio-base and the de facto settlement and conversion-related expenses booked as adjustment items on consolidated level. In the course of the settlement process apart from negative effects, FX conversion-related items were also booked according to IFRS. Accordingly the following items were considered: a fair value adjustment (FVA) induced by the interest rate change of customer loans, furthermore FVA related to fees paid to selling agents and originally amortized until the final maturity and hedging contracts (CIRS). Those FVAs were taken off in the course of derecognition (i.e. pro forma old FX loans were taken off the balance sheet and new HUF loans appeared). With regard to the potential negative impact on HUF loans settlement, no change in estimation occurred;
- the positive impact of badwill related to the acquisition of Banca Millennium with HUF 1.6 billion (after tax). Originally the transaction might have induced a higher badwill impact of around HUF 9.4 billion. However, before the settlement of the transaction provisions made for the loan portfolio of Banca Millennium reduced the total amount of equity booked in the opening balance sheet by HUF 4.5 billion. In addition HUF 3.1 billion was booked as one-off M&A related expenses and a further HUF 0.3 billion tax effect. Those items reduced the positive impact of badwill.

As a result, in 1Q 2015 the total volume of adjustments amounted to -HUF 26.4 billion versus –HUF 29.4 billion in the base period and +HUF 0.7 billion in 4Q 2014.

In order to mitigate the negative impact of the Russian-Ukrainian conflict on the Hungarian banking sector, according to the 2003/XCII Law part of provisions made for the Ukrainian subsidiary can be deducted from the 2015 tax obligation up to HUF 5 billion. OTP Bank submitted its tax reclaim to the Hungarian Tax Authority (NAV) in December 2014. NAV asked for a ruling in that particular case from the European Committee, the review is still in process. In case there will be a positive ruling, it will reduce the tax burden of OTP Bank by maximum HUF 5 billion, but this amount has not been booked in 1Q report.

The FX-adjusted consolidated loan portfolio declined by 4% q-o-q and by 10% y-o-y. Apart from the SME sector all product segments suffered setbacks. While in 1Q volume trends were less so distorted by write offs, overall quarterly volumes were influenced by the settlement and conversion process at OTP Core.

As for the yearly changes in 2014 HUF 238 billion loan non-performing volumes in total were written off, mainly at OTP Core, DSK, OTP Bank Russia and OTP Bank Ukraine. Furthermore, a significant portion of the municipality exposures were taken over by the State and later they were prepaid (with a total amount of HUF 79 billion). Also, the settlement and conversion of consumer loans in Hungary had a negative impact on overall volumes (with a total amount of HUF 178 billion).

The FX-adjusted deposit volumes stagnated q-o-q, but advanced dynamically on a yearly base (+12%) .Out of the major Group members volumes advanced by 9% at OTP Core, by 6% in Russia, by 4% in Ukraine and by 13% at DSK Bank respectively. In 1Q only the Bulgarian deposits increased (+1%), whereas in Russia and Ukraine there was a deposit outflow (2% and 8% respectively).The consolidated net loan to (deposit+retail bonds) ratio dropped to 73% (-15 ppts y-o-y).

The volume of issued securities eroded by 5% q-o-q (-HUF 13.3 billion) mainly due to redemptions at OTP Core and OTP Bank Russia. The q-o-q 13% volume decline of subordinated bonds and loans reflects FX rate movements and a redemption on 4 March 2015 (EUR 93.5 million). No buy-back took place in 1Q 2015. By end of March the gross liquid reserves of the Group exceeded to EUR 8 billion equivalent.

DPD90+ loan volumes adjusted for FX rate changes (in HUF billion 2015 1Q: 13, 2014 4Q: 58), as well the DPD90+ ratio (18.4%) and their coverage (88.8%) were heavily influenced by the settlement and conversion of consumer loans at OTP Core. The impact was significant both for the consolidated and stand-alone volumes. Favourable asset quality trends remained in place at CEE subsidiaries, in Ukraine the pace of deterioration moderated, however new DPD90+ formation (without write off and sales) jumped to new heights in Russia.

Consolidated risk costs declined q-o-q by 17% and comprised HUF 64.5 billion. Despite the lower risk cost volumes the provision coverage ratio of DPD90+ loans increased by 4.5%-point and reached 88.8%.1Q consolidated risk cost rate moderated to 3.66%, however increased both in Russia and Ukraine.

OTP Core: HUF 29.4 billion adjusted after-tax profit as a result of stable operating profit and doubling risk costs, mildly moderating NIM, significantly improving DPD90+ ratio and coverage due to the netting of non-performing

The adjusted after tax profit of ***OTP Core*** (basic activity in Hungary) in 1Q 2015 reached HUF 29.4 billion underpinning a 17% q-o-q and 13% y-o-y decline .The operating profit remained stable on a quarterly base. Total income moderated by 4%, net interest income suffered similar setback mainly due to the lower principals and margins related to the settlement and conversion.Net fees and commissions eroded by 9% q-o-q. Within the operating profit lower total revenues were off-set by lower operating expenses (-8%). Despite risk costs doubled q-o-q, the lending related provisions dropped to HUF 1 billion which is the lowest level since the crisis. The quarterly increase was induced by other risk costs. The profit after tax was negatively influenced by q-o-q higher effective taxes: the positive tax shield related to foreign subsidiaries revaluation melted down to HUF 3 billion versus HUF 6.3 billion in the previous quarter.

The settlement and conversion had a substantial impact on portfolio quality indicators: on one hand DPD90+ volumes at OTP Bank and OTP Mortgage dropped by HUF 52 billion, while at Factoring, there was a HUF 92 billion decline in gross volumes and provision volumes dropped by 90 billion as a result of netting. Consequently, the DPD90+ ratio at OTP Core moderated by 4.5%-point q-o-q and reached 13.1%; simultaneously its coverage improved to 83.1%

The FX-adjusted performing (DPD0-90) loan portfolio declined both y-o-y and q-o-q (-12% and -4% respectively). The gross mortgage book sank by 5% q-o-q, whereas consumer loans eroded by 2% q-o-q. The corporate portfolio declined by 5%. Positive though that the micro and SME exposure kept expanding and grew by 1% q-o-q and by 8% y-o-y.

The corporate loan portfolio of OTP Bank disbursed toward Hungarian entities somewhat declined y-o-y, however the banking sector's exposure without OTP Bank dropped by 5%. As a result, OTP' market share further improved and reached 13.1%[2] (+0.6 ppt y-o-y).

The settlement and conversion process had the following impact in 1Q: the gross mortgage portfolio dropped by HUF 169 billion and the consumer book eroded by HUF 9 billion, thus the whole book contracted by HUF 178.1 billion.

The FX-adjusted deposit book with retail bonds declined q-o-q by 2%, but advanced y-o-y by 9%. The quarterly moderation was partially due to pricing policy since the Bank enjoys an excellent liquidity position. The net loan to deposit with retail bonds ratio dropped to historic lows (51%).

After an outstandingly strong 4Q performance ***OTP Fund Management's*** posted HUF 1.3 billion after-tax profit without banking tax in 1Q (+19% y-o-y). Net fee income grew by 14% y-o-y. Assets under management volume (HUF 1,643 billion) stopped growing q-o-q. The Company maintained its leading market position (26.7%, -0.6 ppt).

Merkantil Group posted HUF 242 million adjusted profit which compares favourably to previous quarters. The settlement of customer loans will be

[2] Based on the balance sheet data provision to the Hungarian National Bank (MNB), calculated from the aggregated financials for the „Loans to non-financial companies, other-financials companies and non-profit organisations supporting households" line of OTP Bank, OTP Mortgage Bank, OTP Building Society and Merkantil Bank.

completed in 2Q. The better performance was the result of a q-o-q declining risk costs (-55%), the operating profit shrank by 23%. The FX-adjusted gross loan volumes stopped declining q-o-q and grew by 2% y-o-y. Due to the Bank's active participation in the Funding for Growth Scheme, its corporate exposure increased by 24% y-o-y. New car loan origination soared by 44% y-o-y.

Foreign subsidiaries' performance: outstandingly strong performance in Bulgaria with all other smaller subsidiaries making profit in 1Q; substantially declining losses in Ukraine, record high negative result in Russia

The ***Bulgarian subsidiary*** posted its strongest ever quarterly earning realizing HUF 17.6 billion after-tax results in 1Q. The excellent performance was supported by outstanding operating profit (+31% q-o-q), within that net interest income advanced by 10% due to higher net interest margin (5.74%). The q-o-q 56 bps improvement in NIM was supported by efficient deposit pricing and liquidity management. The record-high 1Q earning reflects a turnaround in risk costs as the Bank released provisions. The portfolio quality somewhat deteriorated as a result of a few corporate exposures (new DPD90+ volumes increased by HUF 6 billion q-o-q) and the DPD90+ ratio increased slightly to 15.7%. Its coverage remained conservatively high (87.7%). Cost-to-income ratio dropped to 32.4% due to the applied strict cost control.

The FX-adjusted DPD0-90 portfolio declined by 1% q-o-q, but increased by 2% y-o-y. The mortgage and consumer loan origination showed good dynamism in 1Q. The y-o-y 16% growth of the corporate book shows the focus on corporate lending. FX-adjusted deposits advanced by 1% q-o-q and by13% y-o-y despite the Bank reduced rates; especially the retail inflow was strong. The net loan to deposit ratio dropped by 9 ppts y-o-y and reached 76%.

The ***Russian subsidiary*** suffered its biggest quarterly loss in 1Q, including the losses at Touch Bank (HUF 731 million after tax), the total negative result represented HUF 11.4 billion. Evaluating the earning trends one should also consider that the average RUB/HUF rate weakened by 17% q-o-q and by 32% y-o-y.

The deteriorating operating environment took its toll mainly through weaker revenues: total income dropped by 32% q-o-q and by 41% y-o-y. (in RUB terms: -19% and -14%). Due to lower performing loan volumes and higher funding costs from December the net interest income contracted by 31% q-o-q (in RUB terms -17%). Weaker revenues were only partially offset by lower operational costs (-21% in HUF and -5% in RUB terms). As a result, the operational profit declined substantially (-41% q-o-q in HUF and -30% in RUB).

Risk costs elevated by 11% q-o-q (+34% in RUB), the portfolio deterioration accelerated. FX-adjusted DPD90+ volumes increased by 32 billion (adjusted for write offs and sales) versus HUF 27 billion in 4Q 2014. The DPD90+ ratio increased by +4.5%-point q-o-q and reached 19.3%. Its coverage improved moderately (118.4%).It was negative that the formerly declining risk cost rate of POS loans grew again q-o-q. (from 10.2% to 12.3%). In 1Q the bank wrote-off and sold RUB 1.5 billion non-performing volumes in total, the latter had a positive impact of RUB 111 million through lower risk costs.

The FX-adjusted DPD0-90 loan portfolio declined by 12% q-o-q (-8% y-o-y). Partly due to seasonal effect, but also to applying stricter underwriting standards POS origination dropped massively (in RUB terms by 59% q-o-q and by 30% y-o-y), the performing POS volume melted down by 17% q-o-q (-5% y-o-y). Since competitors reacted in similar way to rapidly changing operating conditions, the Bank's market share somewhat improved to 18.7%. Cash loan origination was resumed only from February, while the cross-selling of credit card has been still suspended. As a result, DPD0-90 cash loan volumes moderated by 7%, while cash on card loan volumes shrank by 15% q-o-q.

The FX-adjusted deposit base remained stable (-2% q-o-q), the net loan-to-deposit ratio decreased to its lowest level in the last couple of years (103%).

As a reflection of the ongoing cost reduction project, during 1Q the total number of branches declined by 39 units, the number of employees by 11% and the number of POS selling units by 7% respectively. Operational expenses moderated by 5% in RUB terms q-o-q.

The ***Ukrainian subsidiary*** posted HUF 10.2 billion loss in 1Q which less than half of that suffered in the previous quarter. Results were heavily influenced by the hectic changes in cross currency rates. The USD/UAH rate came back from a record low level of around 30 to 23.4 by the end of March, still that rate implies a q-o-q 48% devaluation. The hryvna also lost 21% of its average value versus HUF in the last quarter.

Total income more than doubled q-o-q, within that the net interest income weakened by 4% in HUF (+21% in UAH terms). The quarterly change is partly the reflection of a base effect, furthermore the Bank managed to charge higher UAH rates from its corporate clients. Also, in 1Q there was a one-off technical item related to the interest income on restructured mortgage loans. The massive improvement in other income was partly due to the low base effect seen in 4Q 2014, but also to FX gains realized amid volatile market movements. The FX-adjusted formation of DPD90+ volumes remained fairly moderate, HUF 6 billion (without sales and write offs versus HUF 26 billion in 4Q 2014.

Lending activity remained very cautious: both cash loan and corporate loan disbursement have been suspended. The FX-adjusted DPD0-90 cash loan volumes contracted by 53% y-o-y, while credit card exposures suffered a 28% setback and POS volumes dropped by 22%. The performing corporate book melted down by 25% y-o-y. As a result, the whole Ukrainian DPD0-90 portfolio declined by 32% y-o-y (-9% q-o-q).

Risk costs elevated by 30% q-o-q and 123% y-o-y in UAH terms. The DPD90+ rate pierced 50% (50.8%) and in case of mortgages it reached 76%. The DPD90+ coverage increased by 16.6%-points y-o-y to 102.6%.

FX-adjusted deposits shrank by 8% q-o-q amid volatile market developments, but y-o-y volumes underpin a 4% increase. The net loan-to-deposit ratio decreased to several years lows with 137%.

Th branch network shrank by 25 units which were closed down in 1Q (49 units in the last twelve months).

The net group funding (including the subordinated loan) declined by USD 120 million in 1Q (and by USD 514 million y-o-y). As a result, OTP Bank exposure to its Ukrainian subsidiary represented HUF 154 billion.

During the quarter the Bank made further provisions for its East-Ukrainian exposure in the amount of HUF 1.2 billion. Similar to previous quarters practice this item is booked in a consolidated level amongst adjustment items.

The ***Romanian subsidiary*** posted HUF 402 million profit in 1Q, that is a substantial improvement versus the loss of HUF 1.6 billion in the previous quarter. The consolidation of Banca Millennium has been completed having a meaningful impact on balance sheet and earning dynamism. Despite improving total income (+23% q-o-q and +29% y-o-y), the operating profit declined (-3% q-o-q and -15% y-o-y) due to a surge in operating expenses (+37% q-o-q and +64% y-o-y). Alongside the lower net interest margin on CHF mortgages the net interest income eroded by HUF 160 million in 1Q. The FX-adjusted loan portfolio expanded by 25% q-o-q as a reflection of the consolidation. Deposits grew even faster (+43% q-o-q, +71% y-o-y) as a result, the net loan-to-deposit ratio moderated to 155%.

The DPD90+ ratio came down by 2.3% and stood at 15.5%, its coverage improved (76.6%) despite the q-o-q 55% lower risk costs.

The ***Croatian subsidiary*** posted HUF 75 million profit in 1Q versus a loss of HUF 360 million in 4Q 2014. The improvement was driven by q-o-q 39% lower risk costs; the operating income fell short of the previous quarter. Net interest income demonstrated good performance (+3% q-o-q and +25% y-o-y), however operating expenses surged (the q-o-q chance reflects a base effect, too). The other income was negatively affected by the CHF mortgage fixing (the impact was HUF 360 million in 1Q).The FX-adjusted loan book stagnated q-o-q, but expanded by 16% y-o-y driven by a strong performance in the consumer lending segment (+39% y-o-y). The portfolio quality improved, the DPD90+ ratio stood at 13.1% with a coverage of around 66%.

The ***Slovakian subsidiary*** realized favourable 1Q result, the quarterly profit reached HUF 439 million underpinning an improvement both in q-o-q and y-o-y comparison. Bottom-line earnings were shaped by lower risk costs (-53% q-o-q) and better operating income (+13%). The net interest margin remained stable y-o-y (3.18%), on a quarterly base improved by 9 bps. The FX-adjusted loan book marginally declined q-o-q, but the consumer loan book demonstrated 9% growth q-o-q (+71% y-o-y). The deposit base increased by 6% q-o-q, as a result the net loan-to-deposit ratio shrank to 87%. The DPD90 ratio practically remained unchanged (10.4%), similar to its coverage level (59.9%).

The ***Serbian subsidiary*** produced a positive break-even (HUF 5 million). Since the operating income – partly due to higher operating expenses – moderated substantially (-63% q-o-q), the tiny profit was a result of the 65% drop in risk costs. The FX-adjusted loan portfolio grew by 2% q-o-q (+7% y-o-y) within that the consumer book advanced by 8% y-o-y and the corporate portfolio by 15% respectively. The DPD90+ ratio dropped further (43.6%), its coverage was 75.1%.

The ***Montenegrin subsidiary*** remained profitable and posted HUF 63 million after-tax results in 1Q 2015. Decreasing risk costs were the key driver behind the profit, the operating income remained stable. Lower revenues were successfully off-set by lower operating expenses. The FX-adjusted loan book and deposits shrank equally by 2% q-o-q, the net loan-to-deposit ratio moderated to 74%. The DPD90+ ratio improved (39.6%), its coverage increased (83.5%) despite lower provisioning in 1Q.

Consolidated and stand-alone capital adequacy ratio (in accordance with BASEL 3)

By the end of 1Q 2015 the Basel3 consolidated Common Equity Tier1 ratio under IFRS was 13.0% (-0.4 ppt q-o-q), i.e. compared to the 4Q 2014 level adjusted by the dividend (13.5%) CET1 moderated by 0.5% q-o-q. While calculating the consolidated capital ratios, the regulatory capital did not incorporate the impact of 1Q retained earnings.

OTP Bank's stand-alone Common Equity Tier1 ratio stood at 15.3% by the end of March 2015 (+0.4 ppt q-o-q). Similar to the consolidated capital ratios, the regulatory capital did not incorporate the impact of 1Q retained earnings either.

Credit rating, shareholder structure

In 1Q 2015 the solicited ratings of OTP Bank and its subsidiaries were as follows: the FX deposit of OTP Bank: ‘Ba2/BB’ (Moody’s/S&P), covered mortgage bonds issued by OTP Mortgage Bank: ‘Baa2’ (Moody’s). As for the outlook, it was stable by S&P, whereas Moody’s had a negative outlook for FX deposits, while for LCY deposits the outlook was under review with potential upgrade.

The FX deposit of OTP Bank Russia was ‘Ba3’ with negative outlook. In February 2015 OTP Bank Russia initiated the cancellation of its rating cooperation with Moody’s. Fitch kept its rating unchanged (BB) with stable outlook.

The current rating of OTP Bank Ukraine is Ca by Moody’s. The Ukrainian subsidiary initiated the cancellation of its rating cooperation with Moody’s in December 2014.

Regarding the ownership structure of the bank, by 31 March 2015 the following investors had more than 5% influence (beneficial ownership) in the Company: the Rahimkulov family (9.00%), MOL (the Hungarian Oil and Gas Company, 8.69%), the Groupama Group (8.40%), the Lazard Group (5.17%) and the Hungarian National Asset Management Inc. (5.10%).

POST BALANCE SHEET EVENTS

Hungary

- On 22 April 2015 the National Bank of Hungary (MNB) announced three major changes in their Funding for Growth Scheme (FGS) and FGS+. Accordingly, the drawdown period was extended to end-2016, while the contracting deadline remains the end of 2015. Moreover guarantee fees, paid by the banks in order to mitigate their own risks − and through them by the clients − will no longer have to be included into the interest cap that was maximised at 2.5%. The programmes will be also available for SMEs for financing the construction of energy-efficient residential real estate.

Russia

- Effective from 5 May 2015 the Russian central bank cut the key rate by 150bps to 12.5%.

Ukraine

- On 10 April 2015 S&P lowered Ukraine’s long-term foreign currency sovereign credit rating to ’CC’ from ’CCC-’. The outlook is negative.

Slovakia

- On 30 April 2015 Moody’s changed the Slovak banking system outlook to stable from negative.

Serbia

- On 9 April 2015 the National Bank of Serbia cut the key rate by 50bps to 7%.

CONSOLIDATED AFTER TAX PROFIT BREAKDOWN BY SUBSIDIARIES (IFRS)[3]

in HUF million	1Q 2014	4Q 2014	1Q 2015	Q-o-Q	Y-o-Y
Consolidated after tax profit	**5,864**	**10,928**	**1,913**	**-82%**	**-67%**
Adjustments (total)	**-29,449**	**698**	**-26,416**		**-10%**
Dividend and total net cash transfers (consolidated)	-55	101	2	-98%	-104%
Goodwill/investment impairment charges (after tax)	0	6,582	0	-100%	
Special tax on financial institutions (after corporate income tax)	-29,394	-25	-28,745	0%	-2%
Effect of acquisitions (after tax)	0	0	1,550		
Actual and expected one-off impact of regulatory changes related to consumer contracts in Hungary (after tax)	0	12,454	7,417	-40%	
Risk cost created toward Crimean exposures from 2Q 2014 (after tax)	0	325	71	-78%	
Risk cost created toward exposures to Donetsk and Luhansk from 3Q 2014 (after tax)	0	-18,740	-1,172	-94%	
Revaluation of reverse mortgage portfolio of OTP Life Annuity Ltd. simultaneous with regulatory changes (after tax)	0	0	-5,539		
Consolidated adjusted after tax profit without the effect of adjustments	**35,312**	**10,230**	**28,329**	**177%**	**-20%**
Banks total without one-off items[1]	34,951	14,638	26,110	78%	-25%
OTP CORE (Hungary)[2]	33,946	35,464	29,388	-17%	-13%
Corporate Centre (after tax)[3]	-513	-33	-231	610%	-55%
OTP Bank Russia[4]	-4,747	-1,807	-11,452	534%	141%
OTP Bank Ukraine[5]	-7,458	-21,134	-10,184	-52%	37%
DSK Bank (Bulgaria)[6]	11,286	5,728	17,605	207%	56%
OBR (Romania)[7]	1,022	-1,643	402	-124%	-61%
OTP banka Srbija (Serbia)[8]	136	-8	5	-161%	-96%
OBH (Croatia)[9]	297	-360	75	-121%	-75%
OBS (Slovakia)[10]	388	-716	439	-161%	13%
CKB (Montenegro)[11]	595	-854	63	-107%	-89%
Leasing	73	-1,969	395	-120%	441%
Merkantil Bank + Car, adj. (Hungary)[12]	-26	-1,056	242	-123%	-1043%
Foreign leasing companies (Croatia, Bulgaria, Romania)[13]	99	-913	152	-117%	54%
Asset Management	1,162	2,021	1,437	-29%	24%
OTP Asset Management (Hungary)	1,126	2,825	1,337	-53%	19%
Foreign Asset Management Companies (Ukraine, Romania, Bulgaria)[14]	36	-804	100	-112%	178%
Other Hungarian Subsidiaries	-1,083	-563	166	-129%	-115%
Other Foreign Subsidiaries (Slovakia, United Kingdom, Montenegro, Romania, Serbia, Belize)[15]	145	-3,112	35	-101%	-75%
Eliminations	64	-784	186	-124%	189%
Total after tax profit of HUNGARIAN subsidiaries[16]	33,515	35,854	31,088	-13%	-7%
Total after tax profit of FOREIGN subsidiaries[17]	1,797	-25,624	-2,760	-89%	-254%
Share of foreign profit contribution, %	5%	-250%	-10%	241%	-15%

[3] 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 2014	4Q 2014	1Q 2015	Q-o-Q	Y-o-Y
Consolidated after tax profit	**5,864**	**10,928**	**1,913**	**-82%**	**-67%**
Adjustments (total)	**-29,449**	**698**	**-26,416**		**-10%**
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Revaluation of reverse mortgage portfolio of OTP Life Annuity Ltd. simultaneous with regulatory changes (after tax)	0	0	-5,539		
Consolidated adjusted after tax profit without the effect of adjustments	**35,312**	**10,230**	**28,329**	**177%**	**-20%**
Before tax profit	**38,983**	**12,327**	**30,579**	**148%**	**-22%**
Operating profit	**108,161**	**88,652**	**95,374**	**8%**	**-12%**
Total income	**210,184**	**195,109**	**189,446**	**-3%**	**-10%**
Net interest income	**162,453**	**155,798**	**142,727**	**-8%**	**-12%**
Net fees and commissions	**42,040**	**44,479**	**37,293**	**-16%**	**-11%**
Other net non-interest income	**5,691**	**-5,168**	**9,426**	**-282%**	**66%**
Foreign exchange result, net	1,155	-1,436	3,917	-373%	239%
Gain/loss on securities, net	788	421	3,707	781%	370%
Net other non-interest result	3,747	-4,153	1,802	-143%	-52%
Operating expenses	**-102,023**	**-106,458**	**-94,071**	**-12%**	**-8%**
Personnel expenses	-52,147	-52,000	-46,135	-11%	-12%
Depreciation	-10,379	-11,198	-9,953	-11%	-4%
Other expenses	-39,496	-43,259	-37,983	-12%	-4%
Total risk costs	**-68,945**	**-77,290**	**-64,468**	**-17%**	**-6%**
Provision for loan losses	-68,759	-68,907	-61,145	-11%	-11%
Other provision	-187	-8,383	-3,323	-60%	1681%
Total one-off items	**-233**	**965**	**-328**	**-134%**	**41%**
Revaluation result of FX swaps at OTP Core	-296	948	-679	-172%	130%
Gain on the repurchase of own Upper and Lower Tier2 Capital	0	0	0		
Result of the treasury share swap at OTP Core	63	17	352		458%
Corporate taxes	**-3,671**	**-2,097**	**-2,249**	**7%**	**-39%**
INDICATORS (%)	1Q 2014	4Q 2014	1Q 2015	Q-o-Q	Y-o-Y
ROE (adjusted)	9.7%	3.1%	9.3%	6.2%p	-0.4%p
ROA (adjusted)	1.4%	0.4%	1.1%	0.7%p	-0.3%p
Operating profit margin	4.28%	3.20%	3.57%	0.36%p	-0.71%p
Total income margin	8.31%	7.05%	7.09%	0.03%p	-1.22%p
Net interest margin	6.42%	5.63%	5.34%	-0.29%p	-1.08%p
Net fee and commission margin	1.66%	1.61%	1.39%	-0.21%p	-0.27%p
Net other non-interest income margin	0.22%	-0.19%	0.35%	0.54%p	0.13%p
Cost-to-asset ratio	4.03%	3.85%	3.52%	-0.33%p	-0.51%p
Cost/income ratio	48.5%	54.6%	49.7%	-4.9%p	1.1%p
Risk cost for loan losses-to-average gross loans	3.78%	3.82%	3.66%	-0.16%p	-0.12%p
Risk cost for loan losses-to-average FX adjusted gross loans	3.77%	3.89%	3.68%	-0.21%p	-0.10%p
Total risk cost-to-asset ratio	2.73%	2.79%	2.41%	-0.38%p	-0.31%p
Effective tax rate	9.4%	17.0%	7.4%	-9.7%p	-2.1%p
Non-interest income/total income	23%	20%	25%	5%p	2%p
EPS base (HUF) (from unadjusted net earnings)	22	41	8	-80%	-64%
EPS diluted (HUF) (from unadjusted net earnings)	22	41	8	-80%	-64%
EPS base (HUF) (from adjusted net earnings)	132	38	106	177%	-20%
EPS diluted (HUF) (from adjusted net earnings)	132	38	106	177%	-20%

Comprehensive Income Statement	1Q 2014	4Q 2014	1Q 2015	Q-o-Q	Y-o-Y
Consolidated after tax profit	5,864	10,928	1,913	-82%	-67%
Fair value adjustment of securities available-for-sale (recognised directly through equity)	1,589	8,830	1,699	-81%	7%
Fair value adjustment of derivative financial instruments designated as cash-flow hedge	131	110	0	-100%	-100%
Fair value adjustment of strategic open FX position hedging net investment in foreign operations	-2,534	-1,123	3,944	-451%	-256%
Foreign currency translation difference	-31,544	-69,484	-33,726	-51%	7%
Change of actuarial losses (IAS 19)	0	-6	0	-100%	
Net comprehensive income	**-26,494**	**-50,745**	**-26,170**	**-48%**	**-1%**
o/w Net comprehensive income attributable to equity holders	-26,273	-49,741	-26,067	-48%	-1%
Net comprehensive income attributable to non-controlling interest	-221	-1,004	-103	-90%	-53%
Average exchange rate of the HUF (in forint)	1Q 2014	4Q 2014	1Q 2015	Q-o-Q	Y-o-Y
HUF/EUR	308	308	309	0%	0%
HUF/CHF	252	256	289	13%	15%
HUF/USD	225	247	275	11%	22%
HUF/100JPY	219	216	230	7%	5%

CONSOLIDATED BALANCE SHEET

Main components of balance sheet in HUF million	1Q 2014	4Q 2014	1Q 2015	Q-o-Q	Y-o-Y
TOTAL ASSETS	**10,139,918**	**10,971,052**	**10,714,446**	**-2%**	**6%**
Cash and amount due from banks	495,275	2,307,633	2,305,973	0%	366%
Placements with other banks	283,415	281,006	214,115	-24%	-24%
Financial assets at fair value	339,423	289,276	307,340	6%	-9%
Securities available-for-sale	1,518,498	839,153	936,231	12%	-38%
Net customer loans	6,125,613	5,864,240	5,600,815	-4%	-9%
Net customer loans (FX adjusted)	**6,089,357**	**5,802,108**	**5,600,813**	**-3%**	**-8%**
Gross customer loans	7,432,821	6,993,325	6,680,788	-4%	-10%
Gross customer loans (FX adjusted)	**7,411,249**	**6,934,719**	**6,680,786**	**-4%**	**-10%**
o/w Retail loans	4,947,956	4,708,166	4,507,547	-4%	-9%
Retail mortgage loans (incl. home equity)	2,787,473	2,584,764	2,425,927	-6%	-13%
Retail consumer loans	1,689,442	1,656,138	1,613,604	-3%	-4%
SME loans	471,040	467,264	468,016	0%	-1%
Corporate loans	2,130,015	1,924,687	1,877,028	-2%	-12%
Loans to medium and large corporates	1,923,990	1,809,754	1,757,988	-3%	-9%
Municipal loans[1]	206,025	114,933	119,040	4%	-42%
Car financing loans	260,819	240,432	234,986	-2%	-10%
Bills and accrued interest receivables related to loans	72,460	61,435	61,224	0%	-16%
Allowances for loan losses	-1,307,208	-1,129,085	-1,079,973	-4%	-17%
Allowances for loan losses (FX adjusted)	-1,321,892	-1,132,611	-1,079,973	-5%	-18%
Equity investments	24,627	23,381	25,402	9%	3%
Securities held-to-maturity	698,388	709,369	660,948	-7%	-5%
Premises, equipment and intangible assets, net	431,993	365,161	362,061	-1%	-16%
o/w Goodwill, net	144,663	101,063	103,401	2%	-29%
Premises, equipment and other intangible assets, net	287,330	264,098	258,661	-2%	-10%
Other assets	222,686	291,835	301,561	3%	35%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**10,139,918**	**10,971,052**	**10,714,446**	**-2%**	**6%**
Liabilities to credit institutions and governments	588,847	708,273	736,086	4%	25%
Customer deposits	6,881,568	7,673,479	7,567,531	-1%	10%
Customer deposits (FX adjusted)	**6,795,144**	**7,560,028**	**7,567,531**	**0%**	**11%**
o/w Retail deposits	4,667,810	5,127,863	5,216,370	2%	12%
Household deposits	4,029,481	4,377,390	4,456,630	2%	11%
SME deposits	638,329	750,473	759,740	1%	19%
Corporate deposits	2,090,595	2,403,623	2,320,306	-3%	11%
Deposits to medium and large corporates	1,629,233	2,006,928	1,789,705	-11%	10%
Municipal deposits	461,362	396,695	530,601	34%	15%
Accrued interest payable related to customer deposits	36,739	28,541	30,856	8%	-16%
Issued securities	376,128	267,084	253,763	-5%	-33%
o/w Retail bonds	65,179	60,815	56,285	-7%	-14%
Issued securities without retail bonds	310,949	206,269	197,478	-4%	-36%
Other liabilities	572,435	776,082	716,924	-8%	25%
Subordinated bonds and loans	280,278	281,968	244,017	-13%	-13%
Total shareholders' equity	**1,440,662**	**1,264,166**	**1,196,125**	**-5%**	**-17%**
Indicators	1Q 2014	4Q 2014	1Q 2015	Q-o-Q	Y-o-Y
Loan/deposit ratio (FX adjusted)	109%	91%	88%	-3%p	-21%p
Net loan/(deposit + retail bond) ratio (FX adjusted)	88%	76%	73%	-3%p	-15%p
90+ days past due loan volume	1,557,898	1,339,213	1,216,070	-9%	-22%
90+ days past due loans/gross customer loans	21.2%	19.3%	18.4%	-0.9%p	-2.8%p
Total provisions/90+ days past due loans	83.9%	84.3%	88.8%	4.5%p	4.9%p

Consolidated capital adequacy - Basel3	1Q 2014	4Q 2014	1Q 2015	Q-o-Q	Y-o-Y
Capital adequacy ratio (consolidated, IFRS)	20.2%	17.5%	16.1%	-1.4%p	-4.1%p
Tier1 ratio	16.4%	14.1%	13.0%	-1.1%p	-3.4%p
Common Equity Tier 1 ('CET1') capital ratio	16.4%	14.1%	13.0%	-1.1%p	-3.4%p
Regulatory capital (consolidated)	1,385,576	1,201,874	1,110,492	-8%	-20%
o/w Tier1 Capital	1,125,012	969,935	895,949	-8%	-20%
o/w Common Equity Tier 1 capital	1,125,012	969,935	895,949	-8%	-20%
Tier2 Capital	260,564	231,939	214,542	-8%	-18%
o/w Hybrid Tier2	98,477	96,019	94,559	-2%	-4%
Consolidated risk weighted assets (RWA) (Credit&Market&Operational risk)	6,842,412	6,859,439	6,894,550	1%	1%
o/w RWA (Credit risk)	5,613,234	5,625,902	5,506,573	-2%	-2%
RWA (Market & Operational risk)	1,229,178	1,233,537	1,387,977	13%	13%
Closing exchange rate of the HUF (in forint)	**1Q 2014**	**4Q 2014**	**1Q 2015**	**Q-o-Q**	**Y-o-Y**
HUF/EUR	307	315	299	-5%	-3%
HUF/CHF	252	262	286	9%	14%
HUF/USD	223	259	279	8%	25%
HUF/100JPY	217	217	232	7%	7%

[1] As of 31 March 2015 on consolidated level out of HUF 119 billion exposure to municipalities the exposure to the Hungarian State amounted to HUF 27 billion.

OTP BANK'S HUNGARIAN CORE BUSINESS

OTP Core Statement of recognized income:

Main components of the Statement of recognised income in HUF million	1Q 2014	4Q 2014	1Q 2015	Q-o-Q	Y-o-Y
After tax profit without the effect of adjustments	33,946	35,464	29,388	-17%	-13%
Corporate income tax	-6,126	-2,843	-5,932	109%	-3%
Pre-tax profit	40,072	38,307	35,319	-8%	-12%
Operating profit	46,667	39,374	39,667	1%	-15%
Total income	94,364	90,557	86,691	-4%	-8%
Net interest income	66,358	66,483	63,776	-4%	-4%
Net fees and commissions	23,965	23,432	21,344	-9%	-11%
Other net non-interest income	4,040	641	1,571	145%	-61%
Operating expenses	-47,696	-51,183	-47,025	-8%	-1%
Total risk costs	-6,362	-2,032	-4,019	98%	-37%
Provisions for possible loan losses	-6,487	-2,569	-1,007	-61%	-84%
Other provisions	124	536	-3,012	-662%	
Total one-off items	-233	965	-328	-134%	41%
Revaluation result of FX swaps	-296	948	-679	-172%	130%
Gain on the repurchase of own Upper and Lower Tier2 Capital	0	0	0	-100%	-100%
Revaluation result of the treasury share swap agreement	63	17	352		458%
Revenues by Business Lines					
RETAIL					
Total income	71,277	68,686	68,033	-1%	-5%
Net interest income	51,301	47,887	48,342	1%	-6%
Net fees and commissions	19,097	20,147	18,912	-6%	-1%
Other net non-interest income	878	651	780	20%	-11%
CORPORATE					
Total income	14,279	11,086	10,940	-1%	-23%
Net interest income	9,279	7,642	7,272	-5%	-22%
Net fees and commissions	4,743	3,253	3,440	6%	-27%
Other net non-interest income	257	190	228	20%	-11%
Treasury ALM					
Total income	8,195	10,824	7,487	-31%	-9%
Net interest income	5,778	10,955	8,163	-25%	41%
Net fees and commissions	124	31	-1,008	-3307%	-910%
Other net non-interest income	2,293	-162	332	-305%	-86%
Indicators (%)	1Q 2014	4Q 2014	1Q 2015	Q-o-Q	Y-o-Y
ROE	11.3%	12.2%	10.2%	-2.0%p	-1.1%p
ROA	2.1%	2.0%	1.7%	-0.3%p	-0.4%p
Operating profit margin (operating profit / avg. total assets)	3.0%	2.2%	2.3%	0.1%p	-0.7%p
Total income margin	5.98%	5.13%	5.01%	-0.11%p	-0.96%p
Net interest margin	4.20%	3.76%	3.69%	-0.08%p	-0.51%p
Net fee and commission margin	1.52%	1.33%	1.23%	-0.09%p	-0.28%p
Net other non-interest income margin	0.26%	0.04%	0.09%	0.05%p	-0.16%p
Operating costs to total assets ratio	3.0%	2.9%	2.7%	-0.2%p	-0.3%p
Cost/income ratio	50.5%	56.5%	54.2%	-2.3%p	3.7%p
Cost of risk/average gross loans	0.87%	0.36%	0.16%	-0.21%p	-0.72%p
Cost of risk/average gross loans (FX adjusted)	0.84%	0.36%	0.16%	-0.20%p	-0.68%p
Effective tax rate	15.3%	7.4%	16.8%	9.4%p	1.5%p

- ***OTP Core posted HUF 29.4 billion adjusted profit in 1Q 2015 (-17% q-o-q and -13% y-o-y)***
- ***The operating income increased by 1% q-o-q; partly due to the FX customer loan settlement and conversion of FX mortgage loans net interest income declined by 4%, however it was off-set by lower operating expenses (-8% q-o-q)***
- ***Risk costs remained moderate as a result of the FX loan settlement and conversion DPD90+ volumes dropped by 32% q-o-q***
- ***The decline of the FX-adjusted gross loan portfolio was mainly due to lower mortgage volumes (as a result of the settlement and conversion)***
- ***Supported by the Funding for Growth Programme the exposure to micro and small enterprises expanded further***

P&L developments

The actual and expected one-off impact of regulatory changes related to consumer contracts was eliminated from OTP Core's P&L. This impact was booked among the adjustment items on consolidated level.

Without the effect of adjustment items[4] OTP Core posted a net profit of HUF 29.4 billion in 1Q 2015, underpinning a 17% q-o-q decrease.

The quarterly dynamics were influenced by the increase in the corporate tax burden (+109% q-o-q) induced by the tax shield effect of the revaluation of subsidiary investments due to HUF volatility (the corporate tax savings in HUF billion: 1Q 2015: 3.0, 4Q 2014: 6.3). The q-o-q lower pre-tax profit (-8%) was due to the q-o-q higher, but overall still moderate risk costs and the drop of one-off items. The operating income remained stable.

On a yearly base the net profit dropped by 13% since the total income erosion of 8% could not be off-set by lower operating expenses (-1%) and substantially lower risk costs (-37%).

Within the total income, the quarterly net interest income dropped by 4% both q-o-q and y-o-y reasoned mainly by the lower performing loan volumes reflecting the impact of the settlement process, but also to lower applicable interest rates due to regulatory changes. On the top of that, funding costs somewhat elevated after the FX loan conversion into HUF; also, the FX mortgage protection scheme being still valid in January and the conversion of FX mortgage loans into HUF at fixed currency rate took their toll, too. The net interest income dropped by HUF 3 billion q-o-q, driven partly by the negative impact of the settlement and conversion. The abolishment of the FX protection scheme had a positive y-o-y impact on NII dynamics, since the whole expected annual effect with HUF 2.8 billion was booked in 1Q 2014, whereas the scheme affected the 2015 NII only in January through HUF 0.2 billion. The y-o-y decline of NII also reflects the erosion of the performing portfolio (DPD0-90 volumes dropped by 12% y-o-y) and the low and even declining yield environment has a negative impact on deposit margins (the quarterly average of the base rate came down by 0.7 ppts y-o-y).

Net fees and commissions declined by 11% y-o-y and by 9% q-o-q. The q-o-q drop is mainly technical: against the practice in previous years from 2015 the financial transaction tax on card transactions is to be paid not after the actual transactions, but rather in a lump-sum based on the cumulative volume of 2014 transactions. Accordingly the whole amount of HUF 1.6 billion had to be paid and booked in 1Q 2015.

Other net non-interest income demonstrated a q-o-q growth due to HUF 3.1 billion gains realised on the available-for-sale government bond portfolio (versus HUF 1.3 billion in 4Q 2014).

The quarterly operating expenses dropped q-o-q and y-o-y (-8% and -1% respectively). Compared to the previous quarter personnel expenses declined by 11% and administrative costs by 4% respectively. The latter reflects a base effect since in 4Q marketing expenses were seasonally higher. Despite higher contribution paid into the National Deposit Insurance Fund (the contribution fee was raised from 2H 2014) and also fees paid into the Resolution Fund established in 4Q operating costs declined on a yearly basis. The quarterly deposit insurance fee grew by HUF 0.2 billion y-o-y, whereas the Resolution Fund contribution amounted to HUF 0.6 billion in 1Q 2015.

1Q risk costs doubled q-o-q from a record low level in 4Q 2014, but still remained moderate (-37% y-o-y). The quarterly increase reflects the increase in other risk costs.

The provisions for possible loan losses remained low with 0.16% in 1Q underpinning a q-o-q 0.2 ppt and y-o-y 0.7%-points decline. Due to the effect of the settlement and conversion the FX-adjusted DPD90+ volumes (without write-offs and sales) dropped by HUF 39 billion in 1Q. Consequently, the DPD90+ ratio melted down to 13.1% (-4.5 ppts q-o-q and -6.2 ppts y-o-y), whereas its coverage jumped by 6.7 ppts q-o-q to 83.1% (+3.3 ppts y-o-y).

[4] Special tax on financial institutions, dividends and net cash transfers, goodwill impairment charges, actual and expected one-off impact of regulatory changes related to consumer contracts.

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

Main components of balance sheet closing balances in HUF mn	1Q 2014	4Q 2014	1Q 2015	Q-o-Q	Y-o-Y
Total Assets	6,353,379	7,127,611	6,895,929	-3%	9%
Net customer loans	2,525,903	2,384,193	2,222,887	-7%	-12%
Net customer loans (FX adjusted)	**2,602,165**	**2,375,272**	**2,222,887**	**-8%**	**-15%**
Gross customer loans	2,985,940	2,753,425	2,494,135	-9%	-16%
Gross customer loans (FX adjusted)	**3,089,168**	**2,746,512**	**2,494,135**	**-11%**	**-19%**
Retail loans	2,114,001	1,940,925	1,727,141	-14%	-18%
Retail mortgage loans (incl. home equity)	1,569,527	1,428,303	1,224,872	-18%	-22%
Retail consumer loans	420,470	383,498	372,437	-3%	-11%
SME loans	124,004	129,124	129,832	1%	5%
Corporate loans	975,167	805,587	766,994	-5%	-21%
Loans to medium and large corporates	829,961	754,709	716,535	-5%	-14%
Municipal loans[1]	145,206	50,878	50,459	-1%	-65%
Provisions	-460,037	-369,232	-271,249	-27%	-41%
Provisions (FX adjusted)	**-487,003**	**-371,241**	**-271,249**	**-29%**	**-44%**
Deposits from customers + retail bonds	3,978,348	4,459,304	4,377,783	-2%	10%
Deposits from customers + retail bonds (FX adjusted)	**4,012,017**	**4,450,057**	**4,377,783**	**-2%**	**9%**
Retail deposits + retail bonds	2,325,590	2,529,486	2,567,034	1%	10%
Household deposits + retail bonds	1,976,111	2,119,518	2,145,696	1%	9%
o/w: Retail bonds	65,179	60,815	56,285	-7%	-14%
SME deposits	349,479	409,969	421,338	3%	21%
Corporate deposits	1,686,427	1,920,570	1,810,748	-6%	7%
Deposits to medium and large corporates	1,273,158	1,575,561	1,363,378	-13%	7%
Municipal deposits	413,269	345,009	447,370	30%	8%
Liabilities to credit institutions	422,319	503,468	525,058	4%	24%
Issued securities without retail bonds	266,778	196,902	194,577	-1%	-27%
Total shareholders' equity	1,196,184	1,195,162	1,147,163	-4%	-4%
Loan Quality	1Q 2014	4Q 2014	1Q 2015	Q-o-Q	Y-o-Y
90+ days past due loan volume (in HUF million)	576,572	482,770	326,269	-32.4%p	-43.4%p
90+ days past due loans/gross customer loans (%)	19.3%	17.5%	13.1%	-4.5%p	-6.2%p
Total provisions/90+ days past due loans (%)	79.8%	76.5%	83.1%	6.7%p	3.3%p
Market Share (%)	1Q 2014	4Q 2014	1Q 2015	Q-o-Q	Y-o-Y
Loans	18.6%	18.6%	18.8%	0.2%p	0.2%p
Deposits	24.8%	26.1%	26.5%	0.4%p	1.6%p
Total Assets	26.6%	27.9%	27.2%	-0.7%p	0.6%p
Performance Indicators (%)	1Q 2014	4Q 2014	1Q 2015	Q-o-Q	Y-o-Y
Gross loans to deposits	76%	63%	58%	-5%p	-19%p
Net loans to (deposits + retail bonds)	63%	53%	51%	-3%p	-13%p
Net loans to (deposits + retail bonds) (FX adjusted)	65%	53%	51%	-3%p	-14%p
Leverage (Total Assets/Shareholder's Equity)	18.8%	16.8%	16.6%	-0.1%p	-2.2%p
Leverage (Total Assets/Shareholder's Equity)	5.3x	6.0x	6.0x		
Capital adequacy ratio (OTP Bank, non-consolidated, Basel3, HAS)	25.0%	19.0%	18.8%	-0.2%p	-6.2%p
Common Equity Tier 1 ratio (OTP Bank, non-consolidated, Basel3, HAS)	20.9%	14.8%	15.3%	0.4%p	-5.6%p

[1] As of 31 December 2014 out of HUF 51 billion exposure to municipalities the exposure to the Hungarian State amounted to HUF 27 billion.

Balance sheet trends

In 1Q 2015 the FX-adjusted loan portfolio shrank by 11% q-o-q and by 19% y-o-y mainly as a result of the settlement and conversion effect. Accordingly, mortgage volumes decreased by HUF 78 billion, consumer loans by another HUF 8 billion respectively, thus in total the process induced a decline of HUF 86 billion. The FX loan conversion at OTP Factoring (the work-out unit) caused a HUF 90 billion volume decline in gross volumes through the provision netting.

The FX-adjusted performing book (DPD0-90) decreased by 4.2% q-o-q, of which the settlement explains 1.5%. Furthermore, in 1Q there was a one-off significant loan prepayment by a corporate client (around HUF 30 billion), as a result, the corporate book shrank by 5% q-o-q. The yearly drop of 12% in the total loan portfolio was mainly due to the consolidation of municipality loans by the Hungarian Government followed by their prepayment, but mortgages also kept eroding.

On a yearly base partly as a result of the Funding for Growth Scheme initiated by the National Bank (and without the effect of partial write offs at the bank in 2H 2014) OTP Bank's exposure to local corporate clients[5] decreased slightly (-1% y-o-y). During the same period of time the portfolio of Hungarian financial institutions excluding OTP dropped by 5% y-o-y. Consequently, the market share[6] of OTP

[5] The calculation is based on the supervisory balance sheet of the Hungarian National Bank: estimated FX adjusted change of the portfolio of „Loans to enterprises – Non-financial and other financial enterprises". Adjusted for the impact of partial write off in 2014 at OTP Core.

[6] Based on the balance sheet data provision to the Hungarian National Bank (MNB), calculated from the aggregated financials for the „Loans to non-financial companies, other-financial companies and non-profit organisations supporting households" line of OTP Bank, OTP Mortgage Bank, OTP Building Society and Merkantil Bank.

Group in loans to Hungarian companies further increased and reached 13.1%. (+0.6 ppt y-o-y).

In the first phase of the Funding for Growth Scheme OTP Group managed to conclude contracts with a principal value of HUF 91 billion. The second phase of the Programme is available for clients from early October 2013 until end of 2015. (Recently the drawdown deadline has been extended till the end of 2016.) The initial size of funding was set at HUF 500 billion, later increased to HUF 1,000 billion (and can be broadened with another HUF 1,000 billion), however the funding is not allocated to banks, but banks can withdraw funding in line with approved client applications. Under the second phase of the Programme OTP Group already contracted in the amount of more than HUF 138 billion by the end of March, moreover loan applications in the pipeline exceeded HUF 55 billion. According to the NBH by 3rd April 2015 the total amount of contracts in the second phase reached HUF 660 billion.

On 16 March 2015 the National Bank of Hungary announced the launch of Funding for Growth Scheme+ (FGS+) accordingly NBH will improve access to credit for small and medium sized enterprises that have not been able to participate in FGS so far. Under the scheme the central bank takes over 50% of credit losses from the credit institutions for maximum 5 years and also to 2.5% of the outstanding exposure of banks under that particular scheme. The NBH carved out HUF 500 billion for FGS+ and the amount will be allocated to participating banks according to their take-up ratio under the second phase of the Scheme by the end of 2014. In case of OTP Bank its ratio exceeds 20%.

The erosion of the mortgage book continued even without the effect of the settlement and conversion (causing HUF 169.2 billion one-off reduction in the total mortgage portfolio and HUF 26.8 within the performing book). The volume of mortgage loan applications q-o-q shrank by 1/3. Parallel to the seasonal low 1Q figures the base was high in 4Q 2014: the stricter lending rules imposed by the central bank from 1st January 2015 (lower payment-to-income and LTV thresholds) resulted in a frontloaded application activity. On a y-o-y base tendencies are still promising with applications advancing by 18% and disbursements surging by 50%. Within 1Q 2015 applications HUF 7.5 billion was related to State subsidized housing loans. At OTP Bank applications for subsidized housing loans represented 39% of total housing loan applications and 33% of total mortgage loan applications. OTP's market share in mortgage loan origination somewhat eroded, but remained high (2015 1Q: 28.3%).

Regarding OTP's market share in consumer loan origination it improved and reached 34.7% (+0.5%-point q-o-q). OTP Bank market share in the cash loan disbursement shows a declining trend (2015 1Q: 35%, -4 ppts q-o-q, and -9 ppts y-o-y). As a result, the whole FX-adjusted consumer portfolio eroded (-3% q-o-q and -11% y-o-y), of which the settlement explained 2% both q-o-q and y-o-y.

Deposits (and retail bonds) moderated somewhat q-o-q (-2%), but increased sharply y-o-y (+9% adjusted for the FX-effect). Retail deposit inflow continued similar to the previous quarters, on a yearly base it showed a strong performance advancing by 10% y-o-y. As a result of the settlement OTP clients received HUF 23 billion on their accounts, but there was also a certain shift of savings from mutual funds into bank deposits following the bankruptcy of a few local brokerage firms. The erosion of deposit rates was the key driver behind the quarterly withdrawals by some medium and large size corporate clients, furthermore deposits from fund management companies (which increased in 2H 2014) also eroded (HUF -59 billion). Still, the yearly increase of corporate volumes was significant (+7%). Municipality savings surged by HUF 100 billion q-o-q (+30%) reasoned by the seasonality of local and communal tax revenues. The y-o-y municipality deposit growth was supported by the debt consolidation by the state which exerted a positive impact on the financial position of local governments.

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 2014	4Q 2014	1Q 2015	Q-o-Q	Y-o-Y
After tax profit w/o dividends, net cash transfer and banking tax	1,126	2,825	1,337	-53%	19%
Income tax	-209	-472	-243	-49%	16%
Profit before income tax	1,334	3,297	1,580	-52%	18%
Operating profit	1,334	3,254	1,580	-51%	18%
Total income	1,685	3,935	1,912	-51%	13%
Net interest income	0	0	0	-147%	-11%
Net fees and commissions	1,681	4,090	1,909	-53%	14%
Other net non-interest income	4	-156	3	-102%	-13%
Operating expenses	-351	-681	-332	-51%	-5%
Other provisions	0	43	0	-100%	-100%
Main components of balance sheet closing balances in HUF mn	**1Q 2014**	**4Q 2014**	**1Q 2015**	**Q-o-Q**	**Y-o-Y**
Total assets	10,243	12,187	12,390	2%	21%
Total shareholders' equity	4,459	9,395	5,008	-47%	12%
Asset under management in HUF bn	**1Q 2014**	**4Q 2014**	**1Q 2015**	**Q-o-Q**	**Y-o-Y**
Assets under management, total (w/o duplicates)	**1,473**	**1,659**	**1,643**	**-1%**	**12%**
Retail investment funds (closing, w/o duplicates)	1,079	1,201	1,167	-3%	8%
Volume of managed assets (closing, w/o duplicates)	394	458	476	4%	21%
Volume of investment funds (with duplicates)	1,178	1,318	1,294	-2%	10%
money market	431	416	403	-3%	-7%
bond	383	476	491	3%	28%
mixed	17	20	19	-3%	15%
security	84	97	108	11%	28%
guaranteed	105	111	113	1%	7%
other	158	197	161	-18%	2%

[1]According to section 4/D of Act No. LIX of 2014 amended in November 2014, instead of special tax on financial institutions levied on asset management companies from 2015 a special tax will be introduced to be paid by investment funds with a tax rate of 0.05% p.a. based on the investment funds' assets.

In 1Q 2015 **OTP Fund Management** posted a y-o-y 19% higher, HUF 1.3 billion after tax profit. The improvement was induced by favourable dynamics in net fee income (+14% y-o-y) in line with the expanding volume of assets under management, while operating expenses remained moderated, too (-5%y-o-y). At the same time the net fee incomes dropped by 53% q-o-q, reasoned by the base effect of the success fee linked to the good performance in 4Q 2014.

As a consequence of low deposit rates due to the monetary easing interest towards investment funds remained high, the assets under management on the market significantly increased on yearly base. Within the total portfolio fixed income, mixed and derivative funds enjoyed the strongest capital inflow.

The volume of investment funds under management of OTP Fund Management decreased slightly q-o-q, the drop of the money market fund volumes was offset by the increase of equity fund volume. The asset under management of the company moderated q-o-q, as a result the market share (without duplication) declined q-o-q by 0.8 ppt to 26.7%

The other three consolidated foreign fund management companies within the Group (in Ukraine, Romania and Bulgaria) posted HUF 100 million profits in 1Q 2015.

MERKANTIL GROUP (HUNGARY)

Performance of Merkantil Bank and Car:

Main components of P&L account in HUF mn	1Q 2014	4Q 2014	1Q 2015	Q-o-Q	Y-o-Y
After tax profit without the effect of adjustments	-26	-1,056	242	-123%	
Income tax	178	-59	178	-400%	0%
Profit before income tax	-203	-996	65	-106%	-132%
Operating profit	1,491	1,572	1,218	-23%	-18%
Total income	3,041	3,097	2,742	-11%	-10%
Net interest income	3,873	3,983	4,262	7%	10%
Net fees and commissions	-701	-775	-705	-9%	1%
Other net non-interest income	-131	-111	-815	637%	521%
Operating expenses	-1,550	-1,525	-1,524	0%	-2%
Total provisions	-1,694	-2,568	-1,153	-55%	-32%
Provision for possible loan losses	-1,621	-2,470	-1,129	-54%	-30%
Other provision	-73	-98	-25	-75%	-66%
Main components of balance sheet closing balances in HUF mn	**1Q 2014**	**4Q 2014**	**1Q 2015**	**Q-o-Q**	**Y-o-Y**
Total assets	271,798	313,033	305,923	-2%	13%
Gross customer loans	252,002	264,313	272,916	3%	8%
Gross customer loans (FX-adjusted)	267,306	272,800	272,916	0%	2%
Retail loans	7,594	17,287	16,683	-3%	120%
Corporate loans	54,047	64,050	67,113	5%	24%
Car financing loans	205,665	191,464	189,121	-1%	-8%
Allowances for possible loan losses	-36,385	-31,770	-33,497	5%	-8%
Allowances for possible loan losses (FX-adjusted)	-37,198	-32,346	-33,497	4%	-10%
Deposits from customers	5,694	8,188	6,239	-24%	10%
Deposits from customer (FX-adjusted)	5,694	8,188	6,239	-24%	10%
Retail deposits	2,281	2,766	2,533	-8%	11%
Corporate deposits	3,414	5,422	3,706	-32%	9%
Liabilities to credit institutions	198,866	220,321	213,966	-3%	8%
Issued securities	35,129	33,888	34,398	2%	-2%
Subordinated debt	1,108	0	0		-100%
Total shareholders' equity	26,744	19,729	19,359	-2%	-28%
Loan Quality	**1Q 2014**	**4Q 2014**	**1Q 2015**	**Q-o-Q**	**Y-o-Y**
90+ days past due loan volume (in HUF million)	38,779	35,496	37,887	7%	-2%
90+ days past due loans/gross customer loans (%)	15.4%	13.4%	13.9%	0.5%p	-1.5%p
Cost of risk/average gross loans (%)	2.58%	3.75%	1.70%	-2.04%p	-0.88%p
Cost of risk/average (FX-adjusted) gross loans	2.40%	3.61%	1.68%	-1.94%p	-0.73%p
Total provisions/90+ days past due loans (%)	93.8%	89.5%	88.4%	-1.1%p	-5.4%p
Performance Indicators (%)	**1Q 2014**	**4Q 2014**	**1Q 2015**	**Q-o-Q**	**Y-o-Y**
ROA	0.0%	-1.3%	0.3%	1.7%p	0.4%p
ROE	-0.4%	-20.2%	5.0%	25.2%p	5.4%p
Total income margin	4.45%	3.95%	3.59%	-0.35%p	-0.85%p
Net interest margin	5.66%	5.07%	5.59%	0.51%p	-0.08%p
Cost/income ratio	51.0%	49.2%	55.6%	6.3%p	4.6%p

Merkantil Bank and Car posted HUF 242 million aggregated after tax profit in 1Q 2015 against HUF 26 million loss in the base period. The y-o-y and q-o-q improving result is mainly reasoned by lower risk costs. The results exclude the special tax on financial institutions and the expected one-off impact of regulatory changes related to consumer contracts (these items are shown on consolidated level, among adjustments).

In case of Merkantil the settlement of customer loans has not been completed in 1Q, it will take place in 2Q.

The 1Q operating result decreased by 18% compared to the base period, due to a drop in other income in relation to negative result realized on securities and FX. The core revenues of the Bank indicate an improvement, the net interest income increased by 10% y-o-y as a result of declining funding costs. The quarterly net interest margin increased to 5.6% (+0.5 ppt q-o-q).

The ratio of DPD90+ loans changed to 13.9% (-1.5 ppts y-o-y, +0.5 ppt q-o-q). The risk cost shrank by 32% y-o-y, thus the provision coverage ratio moderated to 88.4%.

The FX-adjusted car financing loan book stagnated q-o-q and decreased by 8% y-o-y. In 1Q 2015 new car financing loan disbursements kept on growing (+44% y-o-y).

IFRS REPORTS OF THE MAIN SUBSIDIARIES

In the following parts of the Report the after tax profit of the subsidiaries are presented without any received dividends and net cash transfers. The structural adjustments on the lines of subsidiaries' Statements of recognised income as well as description of calculation methods of performance indices are to be found in Supplementary data annex.

DSK GROUP (BULGARIA)

Performance of DSK Group[7]:

Main components of P&L account in HUF mn	1Q 2014	4Q 2014	1Q 2015	Q-o-Q	Y-o-Y
After tax profit w/o dividends and net cash transfer	11,286	5,728	17,605	207%	56%
Income tax	-1,227	-723	-1,987	175%	62%
Profit before income tax	12,513	6,451	19,592	204%	57%
Operating profit	15,400	14,823	19,487	31%	27%
Total income	24,737	26,129	28,807	10%	16%
Net interest income	19,469	20,216	22,330	10%	15%
Net fees and commissions	4,493	5,298	5,350	1%	19%
Other net non-interest income	774	615	1,128	83%	46%
Operating expenses	-9,337	-11,307	-9,321	-18%	0%
Total provisions	-2,887	-8,372	105	-101%	-104%
Provision for possible loan losses	-2,888	-7,184	198	-103%	-107%
Other provision	1	-1,188	-93	-92%	
Main components of balance sheet closing balances in HUF mn	**1Q 2014**	**4Q 2014**	**1Q 2015**	**Q-o-Q**	**Y-o-Y**
Total assets	1,402,033	1,603,812	1,551,329	-3%	11%
Gross customer loans	1,171,357	1,158,516	1,096,020	-5%	-6%
Gross customer loans (FX-adjusted)	1,141,541	1,100,776	1,096,020	0%	-4%
Retail loans	901,340	828,479	822,528	-1%	-9%
Corporate loans	240,201	272,297	273,492	0%	14%
Allowances for possible loan losses	-210,791	-159,015	-150,489	-5%	-29%
Allowances for possible loan losses (FX-adjusted)	-205,686	-151,234	-150,489	0%	-27%
Deposits from customers	1,111,946	1,285,044	1,240,457	-3%	12%
Deposits from customer (FX-adjusted)	1,099,038	1,227,576	1,240,457	1%	13%
Retail deposits	954,764	1,075,703	1,097,316	2%	15%
Corporate deposits	144,274	151,873	143,141	-6%	-1%
Liabilities to credit institutions	25,490	47,284	30,265	-36%	19%
Total shareholders' equity	238,851	247,993	207,897	-16%	-13%
Loan Quality	**1Q 2014**	**4Q 2014**	**1Q 2015**	**Q-o-Q**	**Y-o-Y**
90+ days past due loan volume (in HUF million)	238,177	173,716	171,628	-1%	-28%
90+ days past due loans/gross customer loans (%)	20.3%	15.0%	15.7%	0.7%p	-4.7%p
Cost of risk/average gross loans (%)	1.01%	2.42%	-0.07%	-2.49%p	-1.09%p
Cost of risk/average (FX-adjusted) gross loans (%)	1.02%	2.53%	-0.07%	-2.60%p	-1.10%p
Total provisions/90+ days past due loans (%)	88.5%	91.5%	87.7%	-3.9%p	-0.8%p
Performance Indicators (%)	**1Q 2014**	**4Q 2014**	**1Q 2015**	**Q-o-Q**	**Y-o-Y**
ROA	3.3%	1.5%	4.5%	3.1%p	1.2%p
ROE	19.9%	9.3%	31.3%	22.0%p	11.4%p
Total income margin	7.31%	6.70%	7.41%	0.70%p	0.10%p
Net interest margin	5.75%	5.18%	5.74%	0.56%p	-0.01%p
Cost/income ratio	37.7%	43.3%	32.4%	-10.9%p	-5.4%p
Net loans to deposits (FX-adjusted)	85%	77%	76%	-1%p	-9%p
FX rates (in HUF)	**1Q 2014**	**4Q 2014**	**1Q 2015**	**Q-o-Q**	**Y-o-Y**
HUF/BGN (closing)	157.0	161.0	153.0	-5%	-3%
HUF/BGN (average)	157.3	157.7	157.9	0%	0%

7 In case of foreign subsidiaries the presented Liabilities to credit institutions, Issued securities and Subordinated debt balance sheet lines exclude the accrued interests from 1Q 2015.

- ***1Q profit after tax jumped to record level (HUF 17.6 billion) supported by favourable income dynamics and risk costs release***
- ***Asset quality trends remained favourable despite the DPD90+ ratio somewhat increased q-o-q and the coverage ratio declined***
- ***The 1Q new loan disbursements grew y-o-y whereas the FX-adjusted portfolio remained stable; deposit volumes kept increasing***

In 1Q 2015 **DSK Group** posted a record level of quarterly profit of HUF 17.6 billion which represents a 56% improvement over the base period.

The operating profit showed an excellent picture with a y-o-y 27% and q-o-q 31% improvement. The net interest income advanced by 15% y-o-y mainly due to lower funding costs: on a yearly base interest expenses on deposits almost halved despite volumes kept increasing. The q-o-q higher net interest income was also supported by higher interest income realized on the effective placement of excess liquidity. The net interest margin remained stable y-o-y as the increasing net interest income was off-set by higher total assets (through its diluting effect on net interest margin) as a result of liquidity inflow experienced from 2H 2014.

The quarterly net fee and commission income advanced by 19% y-o-y; the growth was driven mainly by higher deposit-related fees, though the y-o-y improving loan origination activity generated higher fees, too.

In 1Q 2015 operating expenses moderated by 18% q-o-q from a seasonally higher 4Q levels and remained flat y-o-y. The cost-to-income ratio of 32.4% underpins a highly efficient operation, the level is the lowest since 4Q 2007.

Asset quality developments remained favourable even though in 1Q 2015 the FX-adjusted DPD90+ loan volumes increased again after the 4Q decrease (quarterly FX-adjusted change of DPD90+ loan volumes adjusted for sales and write-offs in HUF billion: 1Q 2014: 2, 2Q: 2, 3Q: 1, 4Q: -2, 1Q 2015: 6) which was driven by that a few single corporate clients became delinquent over 90 days. On the risk cost line there was actually a provision release, also linked to some corporate exposures. In other segments both the new DPD90+ inflow trends and risk cost rate developments remained similar to previous quarters. By the end of March DPD90+ ratio was 15.7%; the q-o-q increase was induced by new DPD90+ inflows in 1Q, y-o-y however there was a notable 4.7% improvement mainly due to partial write-offs in 2014 4Q.

The provision coverage of DPD90+ loans changed to 87.7% which is considered to be conservative despite of the quarterly drop of almost 4 ppts.

FX-adjusted loan volumes q-o-q remained stable, the y-o-y 4% decrease was related to a great extent of write-offs executed in 4Q 2014. The FX-adjusted DPD0-90 loan volumes showed a 2% growth in a yearly comparison. Due to ongoing campaigns new disbursements were strong both in the consumer and mortgage segments; the latter witnessed y-o-y doubling new volumes, whereas the consumer loan origination improved by 17% y-o-y. The FX-adjusted DPD0-90 mortgage loan portfolio declined by 1% q-o-q and 6% y-o-y; increased early repayments played a role, too (pursuant to a new legislation early repayment fees were abolished from July 2014). The DPD0-90 consumer loan portfolio remained stable both q-o-q and y-o-y.

The Bank managed to maintain its leading position in the retail segments, but the more efficient utilization of the corporate lending potential also came into focus. From 2013 DSK launched a business development project targeting corporate clients, as a result new disbursements demonstrated favourable trends in 1Q 2015 (+67% y-o-y). The FX-adjusted DPD0-90 corporate loan volumes grew by 16% y-o-y. As a result, at the end of March 2015 the Bank's market share in this segment reached 6.8%.

The FX-adjusted deposit base – with persistently lower interest rates under the market rates – grew by 1% q-o-q and advanced by 13% y-o-y. The steady retail inflow remained strong, q-o-q lower corporate deposit volumes reflected pricing measures related to the strong liquidity position. Consequently, the Bank's net loan-to-deposit ratio dropped to multi-year low level of 76% (-9ppts y-o-y FX-adjusted).

The q-o-q lower own equity in HUF terms reflects FX-rate changes and the effect of HUF 44 billion dividend paid to the mother company in 2Q, which was booked as short term liability in 1Q. The capital adequacy ratio of DSK Bank stood at 18.5% at the end of March 2015 (+0.5 ppt q-o-q).

OTP BANK RUSSIA

Performance of OTP Bank Russia:

Main components of P&L account in HUF mn	1Q 2014	4Q 2014	1Q 2015	Q-o-Q	Y-o-Y
After tax profit w/o dividends and net cash transfer	-4,747	-1,807	-11,452	534%	141%
Income tax	1,378	380	2,735	620%	98%
Profit before income tax	-6,125	-2,187	-14,187	549%	132%
Operating profit	25,115	22,224	13,005	-41%	-48%
Total income	45,729	39,827	26,941	-32%	-41%
Net interest income	41,820	34,474	23,875	-31%	-43%
Net fees and commissions	5,572	4,460	3,131	-30%	-44%
Other net non-interest income	-1,663	893	-66	-107%	-96%
Operating expenses	-20,614	-17,603	-13,936	-21%	-32%
Total provisions	-31,240	-24,411	-27,192	11%	-13%
Provision for possible loan losses	-31,116	-24,242	-27,068	12%	-13%
Other provision	-124	-168	-123	-27%	-1%
Main components of balance sheet closing balances in HUF mn	**1Q 2014**	**4Q 2014**	**1Q 2015**	**Q-o-Q**	**Y-o-Y**
Total assets	791,968	750,747	673,426	-10%	-15%
Gross customer loans	801,331	568,709	570,361	0%	-29%
Gross customer loans (FX-adjusted)	634,161	615,946	570,361	-7%	-10%
Retail loans	596,099	577,933	533,347	-8%	-11%
Corporate loans	35,192	35,863	34,940	-3%	-1%
Car financing loans	2,870	2,150	2,074	-4%	-28%
Gross DPD0-90 customer loans (FX-adjusted)	499,493	525,043	460,457	-12%	-8%
Retail loans	464,187	490,040	426,821	-13%	-8%
Allowances for possible loan losses	-185,132	-98,436	-130,128	32%	-30%
Allowances for possible loan losses (FX-adjusted)	-144,034	-106,784	-130,128	22%	-10%
Deposits from customers	484,204	402,729	426,972	6%	-12%
Deposits from customer (FX-adjusted)	402,084	434,048	426,972	-2%	6%
Retail deposits	314,046	339,197	332,504	-2%	6%
Corporate deposits	88,038	94,851	94,469	0%	7%
Liabilities to credit institutions	44,311	107,492	36,506	-66%	-18%
Issued securities	44,256	4,600	3,111	-30%	-93%
Subordinated debt	16,104	23,884	24,676	4%	55%
Total shareholders' equity	166,242	111,779	108,761	-3%	-35%
Loan Quality	**1Q 2014**	**4Q 2014**	**1Q 2015**	**Q-o-Q**	**Y-o-Y**
90+ days past due loan volume (in HUF million)	171,801	83,779	109,904	31%	-36%
90+ days past due loans/gross customer loans (%)	21.4%	14.7%	19.3%	4.5%p	-2.2%p
Cost of risk/average gross loans (%)	15.44%	13.44%	19.27%	5.83%p	3.83%p
Cost of risk/average (FX-adjusted) gross loans	19.89%	14.83%	18.51%	3.67%p	-1.39%p
Total provisions/90+ days past due loans (%)	107.8%	117.5%	118.4%	0.9%p	10.6%p
Performance Indicators (%)	**1Q 2014**	**4Q 2014**	**1Q 2015**	**Q-o-Q**	**Y-o-Y**
ROA	-2.2%	-0.9%	-6.5%	-5.6%p	-4.3%p
ROE	-11.2%	-5.3%	-42.1%	-36.8%p	-30.9%p
Total income margin	21.41%	19.90%	15.34%	-4.56%p	-6.07%p
Net interest margin	19.58%	17.23%	13.60%	-3.63%p	-5.98%p
Cost/income ratio	45.1%	44.2%	51.7%	7.5%p	6.7%p
Net loans to deposits (FX-adjusted)	122%	117%	103%	-14%p	-19%p
FX rates (in HUF)	**1Q 2014**	**4Q 2014**	**1Q 2015**	**Q-o-Q**	**Y-o-Y**
HUF/RUB (closing)	6.3	4.5	4.8	9%	-23%
HUF/RUB (average)	6.4	5.3	4.4	-17%	-32%

- ***HUF 11.4 billion loss in 1Q 2015 due to significantly decreasing operating profit and still high risk costs***
- ***Further portfolio quality deterioration with a DPD90+ ratio at 19.3%, its coverage further improved (118%)***
- ***Shrinking DPD0-90 loan portfolio and growing deposit base y-o-y (FX-adjusted); net loan-to-deposit ratio declined to 103%***
- ***Deteriorating cost-to-income ratio (1Q 2015: 51.7%, +7.5 ppts q-o-q); the operating costs moderated by 5% q-o-q and by 1% y-o-y in RUB terms***

The HUF denominated financial figures of OTP Bank Russia are distorted by the HUF/RUB moves: in 1Q 2015 the closing rate showed a q-o-q 9% appreciation and y-o-y 23% devaluation of RUB against HUF; whereas the average 1Q rate depreciated by 17% q-o-q and by 32% y-o-y. Therefore local currency P&L and balance sheet dynamics can be materially different from those in HUF terms.

After tax loss of **OTP Bank Russia** for 1Q 2015 amounted to HUF 11.4 billion reasoned by moderate lending activity owing to the unfavourable operating environment, increasing funding cost and higher risk cost due to worsening portfolio quality. The negative result in 1Q also contains the operating costs related to the operation of the new online bank (Touch Bank), which amounted to HUF 731 million (after tax) in 1Q. The bank's operation was launched in the countryside in April 2015 and the nationwide coverage is expected to be reached by autumn.

The operating profit dropped by 48% y-o-y, given the 41% erosion of total income and 32% decline of operating expenses. The core trends are better represented in RUB terms, due to the significant RUB devaluation against HUF: accordingly, 1Q 2015 operating profit declined by 24% y-o-y, as a result of a 14% decrease in total income and 1% lower operating expenses. The major component of total income is net interest income, which also declined by 16% y-o-y in rouble terms. On one hand deposit interest rates significantly increased after the rate hike by the Central Bank of Russia at the end of 2014. The base rate jumped by 900 bps to 17% during 4Q 2014, although it fell back to14% by the end of 1Q and further declined to 12.5% after 5 May. On the other hand, disbursed loans mostly with fix interest rate can follow only moderately the changes in funding cost, which puts pressure on net interest margin. Besides, the net interest income was also affected by the y-o-y 8% drop of the FX-adjusted DPD0-90 portfolio. The net F&C income decreased by 18% y-o-y in RUB terms, mainly related to weak cash loan disbursement and lower incomes from credit card sales stopped at the end of 2014. On the flipside lower commissions were paid to POS agents due to restricted POS disbursements. Other net non-interest income improved y-o-y, which was mainly caused by the base effect of losses related to the securities portfolio and FX-revaluation amid capital market volatility and RUB devaluation during 1Q 2014. 1Q 2015 operating expenses decreased by 1% y-o-y in RUB terms (without the cost of Touch Bank it was -6%), mainly due to cost rationalisation induced by the scaled back lending activity in connection with tough market environment coupled with high inflation. In the twelve months 43 branches were closed down, out of which 39 unit were closed in 1Q 2015, thus at the end of March the network consisted of 159 branches. The number of the Bank's employee decreased both y-o-y and q-o-q by 11% to 5,322. The number of active points of sales dropped by 17% q-o-q (-7% y-o-y), thus the overall network consisted of about 28 thousand sales points at the end of 1Q.

Operating profit in 1Q 2015 decreased by 30% q-o-q in RUB terms. Net interest income shrank by 17% q-o-q in RUB terms, reasoned by the q-o-q lower DPD0-90 loans (-12% FX-adjusted) and higher funding costs. Net fees and commission income went down by 16% q-o-q in rouble terms. As a result of the weak consumer lending activity loans-related income fell back almost by one-third, which was partly compensated by lower fees paid to POS agents. In 1Q operating expenses decreased by 5% q-o-q in RUB terms (without the cost of Touch Bank it was -4%), mainly caused by lower personnel costs (lower agent bonuses and smaller headcount) and moderate administrative expenses. Against this backdrop cost/income ratio increased by 7.5 ppts q-o-q due to deteriorating income dynamics.

Due to the unfavourable economic environment deterioration of the loan portfolio accelerated. FX-adjusted DPD90+ volume growth excluding the impact of sold/written-off non-performing loans totalled to HUF 32 billion in 1Q 2015, exceeding the previous periods' amounts (in HUF billion: 1Q 2014: 26, 2Q: 28, 3Q 29, 4Q 27). In the course of 1Q 2015 the Bank sold or wrote-off from its loan book non-performing loans in the gross amount of RUB 1.5 billion (about HUF 7.4 billion). The profit on loan sale (about RUB 111 million) improved 1Q risk cost figures. DPD90+ ratio increased by 4.5 ppts q-o-q to 19.3% (the y-o-y 2.2 ppts decrease is reasoned by portfolio cleaning in the last one year in the amount of RUB 24.1 billion). Coverage of DPD90+ loans improved by 0.9 ppt q-o-q to 118.4%, while risk cost on average FX-adjusted gross loans increased by 3.7 ppts q-o-q to 18.5%.

The Bank's reaction to the deteriorating market environment in 4Q 2014 was to limit the disbursements and make changes in the pricing policy – these restrictions were loosed only partially in 1Q 2015. The FX-adjusted DPD0-90 loan book declined by 8% y-o-y and by 12% q-o-q due to portfolio deterioration, but also to lending restrictions and lower demand stemming from the normal seasonality of POS market. Accordingly, the FX-adjusted DPD0-90 POS loans decreased by 17% q-o-q (-5% y-o-y). The bank kept its number two position in the league table, its market share even slightly increased q-o-q. With regards to credit card business, the FX-adjusted DPD0-90 portfolio decreased in 1Q (-7% q-o-q, -5% y-o-y) since October 2014 no new credit cards have been sent out and the restriction wasn't cancelled in 1Q 2015 either. Similarly to the previous quarter, the bank was the seventh largest player in this segment at the end of 1Q 2015. Due to the market turbulences, from the middle of December cash loan disbursement was suspended and restarted only in the middle of February with stricter conditions and lower approval rate. So, the FX-adjusted DPD0-90 cash loan portfolio decreased by almost 15% q-o-q and by 11% y-o-y. The large corporate loan portfolio slightly decreased in 1Q with regards to the FX-adjusted DPD0-90 loans (-4% q-o-q, +3% y-o-y).

FX-adjusted deposits decreased by 2% q-o-q (+6% y-o-y), due to lower retail sight and SME deposits. At the end of December the Bank increased the interest rates on retail term deposits in line with market trends. Although the rates declined during 1Q in several steps, the retail term deposit book kept on increasing (+4% q-o-q). FX-adjusted net loan-to-deposit ratio stood at 103% at the end of 1Q 2015 (-14% ppts q-o-q, -19 ppts y-o-y).

In 1Q 2015 the volume of issued securities continued to decrease: one bond was redeemed with an outstanding volume of RUB 300 million at maturity. The increased funding need at the end of last year – on top of the deposit collection – was supported by intragroup funding, which was repaid in January 2015, thus the volume of liabilities to credit institutions normalised (+6% y-o-y in RUB terms). The Russian subsidiary's capital adequacy ratio stood at 12.3% at the end of 1Q 2015.

OTP BANK UKRAINE

Performance of OTP Bank Ukraine:

Main components of P&L account in HUF mn	1Q 2014	4Q 2014	1Q 2015	Q-o-Q	Y-o-Y
After tax profit without the effect of adjustments	-7,458	-21,134	-10,184	-52%	37%
Income tax	2,861	2,648	3,337	26%	17%
Profit before income tax	-10,319	-23,782	-13,521	-43%	31%
Operating profit	11,406	1,703	13,013	664%	14%
Total income	18,335	8,254	17,043	106%	-7%
Net interest income	15,419	10,463	10,005	-4%	-35%
Net fees and commissions	3,586	2,378	1,831	-23%	-49%
Other net non-interest income	-671	-4,587	5,207	-214%	-876%
Operating expenses	-6,929	-6,551	-4,030	-38%	-42%
Total provisions	-21,725	-25,485	-26,534	4%	22%
Provision for possible loan losses	-21,020	-24,365	-26,223	8%	25%
Other provision	-705	-1,120	-311	-72%	-56%
Main components of balance sheet closing balances in HUF mn	**1Q 2014**	**4Q 2014**	**1Q 2015**	**Q-o-Q**	**Y-o-Y**
Total assets	538,383	422,286	347,418	-18%	-35%
Gross customer loans	612,851	568,214	535,244	-6%	-13%
Gross customer loans (FX-adjusted)	658,695	557,673	535,244	-4%	-19%
Retail loans	314,682	297,040	292,433	-2%	-7%
Corporate loans	302,828	225,704	211,329	-6%	-30%
Car financing loans	41,186	34,928	31,481	-10%	-24%
Gross DPD0-90 customer loans (FX-adjusted)	386,224	288,574	263,162	-9%	-32%
Retail loans	129,025	87,105	74,256	-15%	-42%
Corporate loans	233,544	187,204	175,876	-6%	-25%
Car financing loans	23,655	14,265	13,030	-9%	-45%
Allowances for possible loan losses	-198,711	-254,881	-279,170	10%	40%
Allowances for possible loan losses (FX-adjusted)	-229,011	-258,098	-279,170	8%	22%
Deposits from customers	196,721	228,803	186,505	-18%	-5%
Deposits from customer (FX-adjusted)	180,156	203,352	186,505	-8%	4%
Retail deposits	125,856	125,717	112,194	-11%	-11%
Corporate deposits	54,300	77,635	74,311	-4%	37%
Liabilities to credit institutions	205,611	143,171	133,690	-7%	-35%
Subordinated debt	42,993	37,735	40,147	6%	-7%
Total shareholders' equity	68,432	4,383	-31,405	-816%	-146%
Loan Quality	**1Q 2014**	**4Q 2014**	**1Q 2015**	**Q-o-Q**	**Y-o-Y**
90+ days past due loan volume (in HUF million)	231,053	262,187	272,081	4%	18%
90+ days past due loans/gross customer loans (%)	37.7%	46.1%	50.8%	4.7%p	13.1%p
Cost of risk/average gross loans (%)	13.33%	16.17%	19.28%	3.11%p	5.95%p
Cost of risk/average (FX-adjusted) gross loans (%)	12.98%	16.44%	19.46%	3.02%p	6.48%p
Total provisions/90+ days past due loans (%)	86.0%	97.2%	102.6%	5.4%p	16.6%p
Performance Indicators (%)	**1Q 2014**	**4Q 2014**	**1Q 2015**	**Q-o-Q**	**Y-o-Y**
ROA	-5.2%	-17.5%	-10.7%	6.7%p	-5.5%p
ROE	-33.3%	-327.5%	n/a		
Total income margin	12.86%	6.82%	17.96%	11.14%p	5.10%p
Net interest margin	10.82%	8.64%	10.54%	1.90%p	-0.28%p
Cost/income ratio	37.8%	79.4%	23.6%	-55.7%p	-14.1%p
Net loans to deposits (FX-adjusted)	239%	147%	137%	-10%p	-101%p
FX rates (in HUF)	**1Q 2014**	**4Q 2014**	**1Q 2015**	**Q-o-Q**	**Y-o-Y**
HUF/UAH (closing)	19.9	16.4	11.9	-27%	-40%
HUF/UAH (average)	24.8	17.2	13.6	-21%	-45%

- ***Q-o-q lower quarterly loss of over HUF 10 billion in 1Q mainly due to UAH depreciation***
- ***Lending activity remained moderate; the FX-adjusted DPD0-90 portfolio melted down by 9% q-o-q. Cash lending was suspended temporarily in March, performing POS volumes kept eroding***
- ***FX-adjusted deposits decreased by 8% in 1Q; the intra-group funding provided to the Ukrainian operation further declined in 1Q***
- ***During the quarter 25 branches were closed down***

The financial performance and indicators of OTP Bank Ukraine in HUF terms were significantly distorted by the HUF/UAH exchange rate moves: in 1Q 2015 the closing rate of UAH showed a q-o-q 27% and y-o-y 40% depreciation against HUF, whereas the average quarterly FX rate weakened by 21% q-o-q and 27% y-o-y. Therefore local currency P&L and balance sheet dynamics can be materially different from those in HUF terms.

Methodological note: as one-off elements not related to the normal course of business activity, the risk costs created in relation to the Crimean exposures from 2Q, as well as risk costs made for exposures to the Donetsk and Luhansk counties from 3Q 2014 were eliminated from the Ukrainian P&L and shown amongst the adjustment items on consolidated level. Balance sheet items were not adjusted.

In 1Q 2015 the operation and performance of **OTP Bank Ukraine** was affected in several ways by the developments of the internal and external situation and the deterioration of the operating environment most notably through the depreciation of hryvna.

During 1Q out of the regions in special situation in Donetsk and Luhansk counties further provisions were set aside, as a result the provision coverage of the total exposure (gross loans and accrued interest) reached 95%. The remaining net loan exposure with accrued interest to these counties and the Crimean exposure amounted to HUF 2.8 billion at the end of March 2015. In in the Donetsk-Luhansk region currently there is no corporate and retail lending activity. In these two counties there were no further branch close down, thus in the Donetsk-Luhansk region the Bank had altogether 2 branches by at the end of 1Q 2015. At the same time, during the quarter 25 branches were shut down in Ukraine.

With regards to lending activity for the rest of the country, new disbursements in corporate and cash lending were suspended. After endorsing a new lending strategy, cautious lending with stricter underwriting criteria was resumed in 2Q in these two segments.

Within consumer lending new cash loan origination dropped to 1/10 of volumes disbursed in the base period. The FX-adjusted DPD0-90 cash loan volumes dropped by 15% q-o-q and 53% y-o-y, respectively. From 2Q 2014 the cross-sale of credit cards declined to practically zero, therefore by the end of 1Q 2015 DPD0-90 volumes contracted by 28% y-o-y. In 1Q the POS loan sales grew by 6% y-o-y due to the low base effect, but DPD0-90 POS loan volumes moderated by 22% y-o-y. In the absence of new disbursements the outstanding volume of mortgage loans further eroded. The DPD0-90 corporate loan book shrank by 6% q-o-q and by 25% y-o-y. The total FX-adjusted DPD0-90 portfolio fell by 9% q-o-q and 32% y-o-y.

The Bank initiated a debtor protection scheme, under which it has been converting FX-based mortgages into UAH at a market rate; by the end of March the amount of conversion reached HUF 8 billion equivalent. There are two available alternatives within that scheme: in case the client is servicing his obligation in a timely manner the Bank offers a 30% debt reduction (for the hair cut the Bank makes 100% provision) and a discount in interest rate or the Bank offers a lower interest rate for a grace period.

Total deposits decreased by 8% q-o-q (adjusted for the FX-effect) amid volatile market developments in 1Q, mainly retail deposits shrank. However, on a yearly base FX-adjusted deposit volumes demonstrated a 4% improvement. Despite the deposit book contraction in 1Q the net loan-to-deposit ratio continued declining, its 137% level at the end of March 2015 marks multi-year low (-10ppts q-o-q FX-adjusted).

The intragroup funding (including the subordinated debt) declined by USD 120 million in 1Q and altogether decreased by USD 514 million y-o-y to HUF 154 billion equivalent by the end of March 2015.

The Ukrainian operation posted a pre-tax adjusted loss of HUF 13.5 billion in 1Q 2015. The after-tax loss more than halved q-o-q reaching HUF 10.2 billion; it was partially mitigated by the deferred tax asset of HUF 3.3 billion.

The operating profit in HUF terms improved by 14% y-o-y (+108% y-o-y in UAH trems), while on a quarterly base the improvement is even more material, true from a low base.

The underlying business performance is better described in UAH terms: within total income the net interest income advanced by 21% q-o-q and 18% y-o-y as a result of higher loan volumes in UAH terms. The quarterly net interest income was supported by higher UAH-based corporate loan interest rates and also by a technical one-off revenue related to interest rate settlement of restructured mortgage loans. The q-o-q dynamism of net interest income was also affected by a base effect: in 4Q the quarterly increase of net interest income was mainly due to the reclassification of leasing revenues from other net non-interest income line into net interest income line (in the amount of HUF 1.8 billion equivalent).

The net fee and commission income dropped by 7% y-o-y in UAH terms as a result of lower fees on disbursed loans; this was partially off-set by better fees related to deposits and cash settlement.

The significant q-o-q increase of other non-interest revenues can be partially attributable to the base effect of negative results realized on this line in 4Q 2014, but also to a material FX gain as a result of volatile cross currency rates in 1Q.

Operating expenses went up by 6% y-o-y in UAH terms.

The quarterly risk costs grew by 30% q-o-q despite the already high base in 4Q 2014 and more than doubled y-o-y in UAH terms. It was partly due to the UAH further depreciation against USD in 1Q which required higher provision coverage due to the FX loan revaluation. The new DPD90+ formation reflecting an accelerating deterioration from 2Q 2014 was fairly moderate in 1Q 2015 (FX-adjusted DPD90+ volume growth excluding the impact of loan sales and write-offs in HUF billion in 1Q 2014: 3, 2Q: 18, 3Q:14, 4Q: 26, 1Q 2015: 6). The DPD90+ ratio increased to 50.8% within that the DPD90+ ratio of mortgage loans reached 75.7%. The provision coverage ratio increased to 102.6% marking 5.4 ppts quarterly and 16.6 ppts yearly surge.

The shareholders' equity of the Ukrainian banking group under IFRS was HUF -31.4 billion at the end of 1Q 2015. Compared to 2014 year-end the shareholders' equity of the Ukrainian banking group in HUF terms under IFRS dropped partly as a result of losses realized in the last twelve months and weakening UAH against USD had a negative impact through items' direct settlement against equity. The Ukrainian shareholders' equity includes that of 3 entities: the Bank, the Leasing and Factoring companies' equity. The standalone equity of the Bank under IFRS reached HUF 9.1 billion. The standalone capital adequacy ratio of the Bank under local regulation stood at 8.6% at the end of March 2015. Based on a new NBU regulation (effective from 1 March 2015) the non-fulfilment of the min 10% CAR is not sanctioned (and some restrictions connected to capital/equity movement are coming into effect), but CAR has to be higher than 5%. The regulation is valid till 1 January 2019. However local banks have to submit action plans which is verified by NBU regularly in order to reach gradually the 10% min level of CAR by 2019. The standalone CAR under local standards at the end of 1Q already incorporate the impact of an USD 50 million debt conversion into equity booked in 4Q 2014. The shareholder equity of the Leasing company was -HUF 5.5 billion by the end of March, whereas the Factoring company also had a negative equity of HUF 34.9 billion. The Leasing and Factoring companies are exempt from banks' capital adequacy rules.

OTP BANK ROMANIA

Performance of OTP Bank Romania:

Main components of P&L account in HUF mn	1Q 2014	4Q 2014	1Q 2015	Q-o-Q	Y-o-Y
After tax profit w/o dividends and net cash transfer	1,022	-1,643	402	-124%	-61%
Income tax	0	0	0		-100%
Profit before income tax	1,022	-1,643	402	-124%	-61%
Operating profit	2,501	2,179	2,123	-3%	-15%
Total income	5,709	6,007	7,369	23%	29%
Net interest income	4,748	4,886	5,367	10%	13%
Net fees and commissions	595	657	975	49%	64%
Other net non-interest income	365	464	1,027	121%	181%
Operating expenses	-3,208	-3,828	-5,246	37%	64%
Total provisions	-1,479	-3,823	-1,721	-55%	16%
Provision for possible loan losses	-1,456	-3,734	-1,694	-55%	16%
Other provision	-23	-88	-27	-69%	20%
Main components of balance sheet closing balances in HUF mn	**1Q 2014**	**4Q 2014**	**1Q 2015**	**Q-o-Q**	**Y-o-Y**
Total assets	447,671	476,352	618,131	30%	38%
Gross customer loans	419,585	428,995	542,221	26%	29%
Gross customer loans (FX-adjusted)	438,338	433,647	542,221	25%	24%
Retail loans	344,456	329,605	398,038	21%	16%
Corporate loans	93,882	104,042	144,183	39%	54%
Allowances for possible loan losses	-58,373	-61,538	-64,498	5%	10%
Allowances for possible loan losses (FX-adjusted)	-61,608	-62,922	-64,498	3%	5%
Deposits from customers	180,479	222,126	307,766	39%	71%
Deposits from customer (FX-adjusted)	179,959	214,996	307,766	43%	71%
Retail deposits	156,271	174,857	236,855	35%	52%
Corporate deposits	23,688	40,139	70,911	77%	199%
Liabilities to credit institutions	224,319	209,315	250,924	20%	12%
Total shareholders' equity	31,029	34,980	47,807	37%	54%

Loan Quality	1Q 2014	4Q 2014	1Q 2015	Q-o-Q	Y-o-Y
90+ days past due loan volume (in HUF million)	76,628	76,564	84,158	10%	10%
90+ days past due loans/gross customer loans (%)	18.3%	17.8%	15.5%	-2.3%p	-2.7%p
Cost of risk/average gross loans (%)	1.43%	3.45%	1.41%	-2.03%p	-0.01%p
Cost of risk/average (FX-adjusted) gross loans (%)	1.34%	3.39%	1.41%	-1.98%p	0.07%p
Total provisions/90+ days past due loans (%)	76.2%	80.4%	76.6%	-3.7%p	0.5%p
Performance Indicators (%)	1Q 2014	4Q 2014	1Q 2015	Q-o-Q	Y-o-Y
ROA	0.9%	-1.4%	0.3%	1.7%p	-0.6%p
ROE	13.8%	-18.2%	3.9%	22.1%p	-9.8%p
Total income margin	5.16%	5.09%	5.46%	0.37%p	0.30%p
Net interest margin	4.29%	4.14%	3.98%	-0.17%p	-0.31%p
Cost/income ratio	56.2%	63.7%	71.2%	7.5%p	15.0%p
Net loans to deposits (FX-adjusted)	209%	172%	155%	-17%p	-54%p
FX rates (in HUF)	1Q 2014	4Q 2014	1Q 2015	Q-o-Q	Y-o-Y
HUF/RON (closing)	68.9	70.2	67.9	-3%	-1%
HUF/RON (average)	68.4	69.6	69.4	0%	1%

- ***In 1Q the integration of Banca Millennium has been completed***
- ***Profitable operation in 1Q: improving revenue stream off-set the negative impact of higher OPEX; risk costs moderated from the high 4Q level***
- ***Credit quality developments remained favourable; the consolidation of Banca Millennium had a positive impact on DPD90+ ratio and coverage level***
- ***Double-digit expansion of FX-adjusted cash loans and corporate volumes continued in 1Q;.on the back of the deposit growth the net loan-to-deposit ratio came down further***

On 30 July 2014 OTP Bank Romania agreed on purchasing 100% stake of Banca Millenium S.A. for EUR 39 million. The transaction was completed on 8 January 2015 and through the financial settlement OTP Bank Romania acquired 100% ownership in Banca Millennium. The Romanian P&L was adjusted for the items directly related to the acquisition; these corrections are shown on consolidated level among adjustment items.

In 1Q 2015 HUF 421 million loss of Banca Millennium was consolidated into OTP Bank Romania's results. Out of HUF 618 billion total assets at the end of 1Q HUF 151 billion was the contribution of Banca Millennium, whereas its share from the gross loan portfolio of HUF 542 billion represented HUF 107 billion.

OTP Bank Romania delivered HUF 402 million profit after tax in 1Q 2015 (including the consolidated loss of HUF 421 million at Banca Millennium). Comparison of performance to previous periods is somewhat difficult due to the consolidated performance of Banca Millennium and the acquisition-related costs.

The 1Q operating profit declined by 3% q-o-q and 15% y-o-y as a joint result of better revenues on one hand and surging operational expenses on the other induced by the Banca Millennium consolidation. The net interest income was negatively influenced by the lower interest level offered for clients having floating rate CHF mortgage loans, which reduced the net interest income by HUF 160 million in 1Q (for details see the Executive summary). At the same time interest revenues on the FX loans were positively affected by the appreciating CHF against RON. Furthermore, FX swaps had a negative revaluation effect within net interest income (-HUF 0.7 billion q-o-q), but it was off-set in other non-interest income which explains the q-o-q growth of other incomes. The increase in net fees and commissions was due to the contribution from Banca Millennium.

Operating expenses surged by 64% y-o-y as a result of the acquisition related costs (HUF 0.2 billion in 1Q) and the consolidation of Banca Millennium (HUF 1.7 billion in 1Q). The transaction increased the total number of branches by 56 units and the number of employees by 401 people q-o-q. Alongside with the integration progress cost synergies are expected to strengthen.

The portfolio quality demonstrates favourable developments: the increase of DPD90+ loan volumes (adjusted for FX rate changes and sold and written off volumes) represents HUF 4.8 billion whereas the last four quarter's average was HUF 1.5 billion. The volume increase was mainly due to Banca Millennium, which amounted HUF 2.5 billion FX-adjusted DPD90+ inflow in 1Q. The DPD90+ ratio improved by 2.3 ppts q-o-q to 15.5%, partly due to the lower DPD90+ ratio of Banca Millennium. After the 4Q improvement on the coverage of the non-performing portfolio, in 1Q it declined q-o-q as a result of the dilution effect related to the consolidation of Banca Millennium's DPD90+ portfolio on net value. The q-o-q 55% drop in risk costs is reasoned by the high base effect.

The FX-adjusted gross loan portfolio advanced by around a quarter both in quarterly and yearly comparison. Without the Banca Millennium the volumes remained flat both q-o-q and y-o-y. Quarterly cash loan disbursements – still being in the focus of lending activity – grew by 3% y-o-y, without Banca Millennium volumes increased by 10%. The slow erosion of the mortgage portfolio without Banca Millennium continued. Corporate loans advanced by 14% y-o-y without Banca Millennium (with Banca Millennium by 54% respectively), due to improving corporate disbursements.

Total deposit volumes expanded further in 1Q: it grew by 43% q-o-q FX-adjusted, while without Banca Millennium by 3% respectively, due to the good performance in corporate deposit collection. Retail deposit interest rates eroded in line with overall market trends. The net loan-to-deposit ratio kept declining (155%).

The capital increase of RON 175.3 million from OTP Bank was registered by the Romanian Court of Registration in January 2015. As a result, the Bank's capital adequacy ratio increased to 13.0% by the end of March from 12.6% at the end of 2014.

OTP BANKA HRVATSKA (CROATIA)

Performance of OTP banka Hrvatska:

Main components of P&L account in HUF mn	1Q 2014	4Q 2014	1Q 2015	Q-o-Q	Y-o-Y
After tax profit without the effect of adjustments	297	-360	75	-121%	-75%
Income tax	-87	-28	24	-187%	-128%
Profit before income tax	384	-332	51	-115%	-87%
Operating profit	1,597	2,442	1,732	-29%	8%
Total income	5,475	6,432	6,199	-4%	13%
Net interest income	3,970	4,821	4,946	3%	25%
Net fees and commissions	1,108	1,403	1,194	-15%	8%
Other net non-interest income	397	208	59	-72%	-85%
Operating expenses	-3,878	-3,989	-4,466	12%	15%
Total provisions	-1,213	-2,774	-1,681	-39%	39%
Provision for possible loan losses	-1,094	-1,943	-1,832	-6%	67%
Other provision	-119	-831	151	-118%	-227%
Main components of balance sheet closing balances in HUF mn	1Q 2014	4Q 2014	1Q 2015	Q-o-Q	Y-o-Y
Total assets	552,379	654,793	614,859	-6%	11%
Gross customer loans	393,742	467,749	448,921	-4%	14%
Gross customer loans (FX-adjusted)	388,144	448,262	448,921	0%	16%
Retail loans	240,670	287,096	288,006	0%	20%
Corporate loans	147,135	160,905	160,680	0%	9%
Car financing loans	338	262	235	-10%	-31%
Allowances for possible loan losses	-31,254	-38,725	-38,679	0%	24%
Allowances for possible loan losses (FX-adjusted)	-30,759	-37,068	-38,679	4%	26%
Deposits from customers	430,969	518,313	483,019	-7%	12%
Deposits from customer (FX-adjusted)	433,401	499,914	483,019	-3%	11%
Retail deposits	389,344	447,869	434,172	-3%	12%
Corporate deposits	44,056	52,045	48,847	-6%	11%
Liabilities to credit institutions	43,150	51,453	50,624	-2%	17%
Subordinated debt	1,573	0	0		-100%
Total shareholders' equity	65,095	71,156	67,771	-5%	4%
Loan Quality	1Q 2014	4Q 2014	1Q 2015	Q-o-Q	Y-o-Y
90+ days past due loan volume (in HUF million)	49,788	62,222	58,664	-6%	18%
90+ days past due loans/gross customer loans (%)	12.6%	13.3%	13.1%	-0.2%p	0.4%p
Cost of risk/average gross loans (%)	1.15%	1.70%	1.62%	-0.08%p	0.47%p
Cost of risk/average (FX-adjusted) gross loans	1.15%	1.76%	1.66%	-0.10%p	0.51%p
Total provisions/90+ days past due loans (%)	62.8%	62.2%	65.9%	3.7%p	3.2%p
Performance Indicators (%)	1Q 2014	4Q 2014	1Q 2015	Q-o-Q	Y-o-Y
ROA	0.2%	-0.2%	0.0%	0.3%p	-0.2%p
ROE	1.9%	-2.0%	0.4%	2.5%p	-1.4%p
Total income margin	4.07%	3.86%	3.96%	0.10%p	-0.11%p
Net interest margin	2.95%	2.90%	3.16%	0.26%p	0.21%p
Cost/income ratio	70.8%	62.0%	72.1%	10.0%p	1.2%p
Net loans to deposits (FX-adjusted)	82%	82%	85%	3%p	2%p
FX rates (in HUF)	1Q 2014	4Q 2014	1Q 2015	Q-o-Q	Y-o-Y
HUF/HRK (closing)	40.2	41.1	39.1	-5%	-3%
HUF/HRK (average)	40.2	40.2	40.2	0%	0%

- ***The quarterly after tax profit improved q-o-q due to moderating risk costs***
- ***The net interest margin increased to 3.16%***
- ***Gross consumer loans advanced by 39% y-o-y due to the acquisition and strong cash loan disbursement***
- ***The ratio of DPD90+ improved q-o-q, the coverage ratio increased***

OTP banka Hrvatska posted HUF 75 million after tax profit in 1Q 2015 (together with Banco Popolare Croatia) which indicates a y-o-y decrease, but underpinning a notable improvement compared to the previous quarter. The y-o-y dynamics of P&L and balance sheet lines were affected by the BPC acquisition.

The operating profit declined q-o-q due to base effect, while improved by 8% y-o-y. The net interest income advanced by 3% q-o-q as a result of shrinking funding costs and the reclassification of rental income from other income into net interest income from 4Q 2014, thus net interest margin improved to 3.16% (+0.26 ppt q-o-q, +0.21 ppt y-o-y). The q-o-q deterioration of operating result was reasoned by lower other income and higher operating costs. In 1Q the fixed CHF/HRK FX rate decreased other income line by HUF 360 million, which reflects the impact of lower principal repayments related to the FX rate fixing. Without this effect the other income line was higher both q-o-q and y-o-y.

The q-o-q increase in operating expenses is related to base effect: in 4Q 2014 accounting changes were adopted therefore the depreciation of real estate revaluation in amount of HUF 1.1 billion was reclassified to other risk costs from operating costs. The personnel and administrative costs decreased q-o-q. The y-o-y surge in operational expenses was due to the consolidation of BPC's costs.

The DPD90+ ratio indicates a q-o-q 0.2 ppt improvement (13.1%). In total provisions the risk costs for loan losses went down by 6% q-o-q, which is explained by the improving portfolio (FX-adjusted DPD90+ volume decrease excluding the impact of sold/written-off non-performing loans was HUF 0.5 billion in 1Q 2015). The coverage ratio of DPD90+ loans (65.9%) improved by 3.7 ppts q-o-q and 3.2 ppts y-o-y respectively.

The FX-adjusted DPD0-90 loan book advanced by 15% y-o-y as a result of the BPC acquisition, while q-o-q the portfolio stagnated. BPC loan portfolio contributed mainly to the retail book; this and the success of cash loan lending were reflected in the 39% y-o-y growth in consumer loans. In 1Q the retail and corporate segment stagnated, too. Apart from consumer loans only SME and municipal loan portfolio expanded q-o-q.

The FX-adjusted deposit book surged by 11% y-o-y, while decreased by 3% q-o-q. The net loan-to-deposit ratio stood at 85% at the end of 1Q 2015 (+3 ppts q-o-q, +2 ppts y-o-y).

The capital adequacy ratio reached 16.9% at the end of March.

OTP BANKA SLOVENSKO (SLOVAKIA)

Performance of OTP Banka Slovensko*:

Main components of P&L account in HUF mn	1Q 2014	4Q 2014	1Q 2015	Q-o-Q	Y-o-Y
After tax profit w/o dividends and net cash transfer	388	-716	439	-161%	13%
Income tax	-132	27	-149	-657%	13%
Profit before income tax	519	-743	588	-179%	13%
Operating profit	1,395	1,418	1,608	13%	15%
Total income	4,084	4,321	4,365	1%	7%
Net interest income	3,420	3,620	3,613	0%	6%
Net fees and commissions	698	753	847	13%	21%
Other net non-interest income	-34	-51	-95	86%	181%
Operating expenses	-2,690	-2,903	-2,757	-5%	3%
Total provisions	-875	-2,161	-1,019	-53%	16%
Provision for possible loan losses	-880	-1,922	-1,038	-46%	18%
Other provision	5	-239	18	-108%	308%
Main components of balance sheet closing balances in HUF mn	**1Q 2014**	**4Q 2014**	**1Q 2015**	**Q-o-Q**	**Y-o-Y**
Total assets	445,311	464,296	456,758	-2%	3%
Gross customer loans	355,704	369,624	349,044	-6%	-2%
Gross customer loans (FX-adjusted)	346,643	351,142	349,044	-1%	1%
Retail loans	273,840	283,203	284,498	0%	4%
Corporate loans	72,426	67,672	64,304	-5%	-11%
Car financing loans	377	267	243	-9%	-36%
Allowances for possible loan losses	-24,235	-22,785	-21,716	-5%	-10%
Allowances for possible loan losses (FX-adjusted)	-23,611	-21,646	-21,716	0%	-8%
Deposits from customers	336,464	375,687	378,198	1%	12%
Deposits from customer (FX-adjusted)	328,911	357,763	378,198	6%	15%
Retail deposits	311,913	341,804	342,513	0%	10%
Corporate deposits	16,999	15,958	35,684	124%	110%
Liabilities to credit institutions	41,946	18,135	17,362	-4%	-59%
Issued securities	21,244	18,609	12,732	-31%	-40%
Subordinated debt	8,922	14,818	10,769	-27%	21%
Total shareholders' equity	27,319	29,787	28,698	-4%	5%
Loan Quality	**1Q 2014**	**4Q 2014**	**1Q 2015**	**Q-o-Q**	**Y-o-Y**
90+ days past due loan volume (in HUF million)	39,800	38,211	36,234	-5%	-9%
90+ days past due loans/gross customer loans (%)	11.2%	10.3%	10.4%	0.0%p	-0.8%p
Cost of risk/average gross loans (%)	1.03%	2.09%	1.17%	-0.92%p	0.14%p
Cost of risk/average (FX-adjusted) gross loans	1.04%	2.18%	1.20%	-0.98%p	0.17%p
Total provisions/90+ days past due loans (%)	60.9%	59.6%	59.9%	0.3%p	-1.0%p
Performance Indicators (%)	**1Q 2014**	**4Q 2014**	**1Q 2015**	**Q-o-Q**	**Y-o-Y**
ROA	0.4%	-0.6%	0.4%	1.0%p	0.0%p
ROE	5.8%	-10.0%	6.1%	16.1%p	0.3%p
Total income margin	3.81%	3.69%	3.84%	0.15%p	0.04%p
Net interest margin	3.19%	3.09%	3.18%	0.09%p	0.00%p
Cost/income ratio	65.9%	67.2%	63.2%	-4.0%p	-2.7%p
Net loans to deposits (FX-adjusted)	98%	92%	87%	-6%p	-12%p
FX rates (in HUF)	**1Q 2014**	**4Q 2014**	**1Q 2015**	**Q-o-Q**	**Y-o-Y**
HUF/EUR (closing)	307.1	314.9	299.1	-5%	-3%
HUF/EUR (average)	307.7	308.5	308.8	0%	0%

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

- ***HUF 439 million adjusted after tax profit in 1Q 2015, with q-o-q improving operating performance and decreasing risk cost***
- ***Improving cost efficiency: 1Q 2015 CIR at 63.2%, -2.7 ppts y-o-y***
- ***FX-adjusted gross loans increased by 1% y-o-y, diminishing mortgage, expanding consumer loan portfolio***
- ***Net loan-to-deposit ratio was 87% by the end of 1Q 2015 (-12 ppts y-o-y), with growing retail deposit base (+15% y-o-y)***

In 1Q 2015 **OTP Banka Slovensko** posted HUF 439 million adjusted[8] after tax profit, which is 13% higher than in the base period. As for a q-o-q development the banking tax obligation occurred again, however the rate of the tax burden halved compared to 1Q 2014.

In 1Q 2015 the operating profit grew by 15% y-o-y, due to the increasing total income and stringent cost control. Total income advanced by 7% y-o-y supported by the higher loan portfolio and stable

[8] Adjustments include the elimination of banking tax and DPF contribution paid by OBS (HUF 180 million in 1Q 2015 after tax); these are treated as an adjustment in the consolidated results.

total income margin. The net interest income went up by 6% y-o-y. Net fee and commission income increased by 21% y-o-y, mainly reasoned by the higher amount of early repayment in retail and corporate segments. Due to the stringent cost control operating expenses grew by 2% y-o-y in local currency terms. As a result of those developments the cost-to-income ratio improved in 1Q 2015 by 2.7 ppts to 63.2% y-o-y.

The operating profit indicates 13% improvement q-o-q. The total income grew by 1% q-o-q. The interest income was stable because the lower interest income on mortgage loans was offset by moderating term deposit interest expenses. Net fee and commission income increased in 1Q by 13% q-o-q, mostly related to the higher fee income of early repayments. The 5% q-o-q decrease of operating expenses (mainly marketing related) also supported the q-o-q improvement in operating result.

DPD90+ portfolio decreased q-o-q by 5% (-9% y-o-y), partly because of NPL sale/write-off in the amount of HUF 1.1 billion. The 10.4% DPD90+ ratio remained stable q-o-q (adjusted for the effect of sales and write-offs it increased by 0.4 ppt). The risk cost in 1Q 2015 decreased by 53% q-o-q compared to the high provisioning in 4Q 2014. The provision coverage of DPD90+ loans increased q-o-q by 0.3 ppt to 59.9%.

FX-adjusted DPD0-90 loans expanded by 2% y-o-y, mainly due to the dynamic growth of consumer loans. Due to the lower yield environment and the fierce pricing competition mortgage loan disbursements in 1Q 2015 fell back y-o-y, and the FX-adjusted gross portfolio shrank by 1% q-o-q (-4% y-o-y). Retail consumer loans kept growing in 1Q (+9% q-o-q), so the yearly growth was 71%. The corporate loan segment suffered a setback (-5% q-o-q. -11% y-o-y); SME loans shrank as well (-1% q-o-q, -2% y-o-y).

In 1Q FX-adjusted deposits grew by 15% on yearly basis and by 6% q-o-q. Bulk of the annual growth was generated by the retail and SME segments (+10% y-o-y), while on the quarterly basis this portfolio was stable due to lowered deposit interest rates. The deposit inflow of a large client caused sizeable y-o-y and q-o-q increase in corporate deposits. FX-adjusted net loan-to-deposit ratio stood at 87% by the end of 1Q 2015 (-12 ppts y-o-y, -6 ppts q-o-q).

In 1Q 2015 EUR 11 million subordinated debt was paid back resulting a 27% q-o-q drop in subordinated debt volume; the capital adequacy ratio decreased by 0.3 ppt q-o-q to 13.4%.

OTP BANKA SRBIJA (SERBIA)

Performance of OTP banka Srbija:

Main components of P&L account in HUF mn	1Q 2014	4Q 2014	1Q 2015	Q-o-Q	Y-o-Y
After tax profit w/o dividends and net cash transfer	136	-8	5	-161%	-96%
Income tax	0	4	0	-100%	-100%
Profit before income tax	136	-12	5	-141%	-96%
Operating profit	337	540	197	-63%	-41%
Total income	2,176	2,137	1,931	-10%	-11%
Net interest income	1,248	2,718	1,616	-41%	29%
Net fees and commissions	433	496	417	-16%	-4%
Other net non-interest income	494	-1,077	-101	-91%	-120%
Operating expenses	-1,839	-1,597	-1,734	9%	-6%
Total provisions	-201	-552	-192	-65%	-4%
Provision for possible loan losses	-212	-373	-173	-54%	-18%
Other provision	11	-179	-19	-89%	-271%
Main components of balance sheet closing balances in HUF mn	**1Q 2014**	**4Q 2014**	**1Q 2015**	**Q-o-Q**	**Y-o-Y**
Total assets	91,153	109,509	98,315	-10%	8%
Gross customer loans	93,855	99,011	97,388	-2%	4%
Gross customer loans (FX-adjusted)	90,655	95,699	97,388	2%	7%
Retail loans	43,702	43,440	43,437	0%	-1%
Corporate loans	46,953	52,259	53,951	3%	15%
Allowances for possible loan losses	-37,948	-33,010	-31,898	-3%	-16%
Allowances for possible loan losses (FX-adjusted)	-36,191	-31,703	-31,898	1%	-12%
Deposits from customers	46,014	66,934	54,813	-18%	19%
Deposits from customer (FX-adjusted)	44,715	64,020	54,813	-14%	23%
Retail deposits	37,195	41,887	40,635	-3%	9%
Corporate deposits	7,520	22,132	14,178	-36%	89%
Liabilities to credit institutions	8,012	6,206	8,545	38%	7%
Subordinated debt	2,481	2,542	2,416	-5%	-3%
Total shareholders' equity	30,986	30,197	28,918	-4%	-7%

Loan Quality	1Q 2014	4Q 2014	1Q 2015	Q-o-Q	Y-o-Y
90+ days past due loan volume (in HUF million)	49,100	43,355	42,473	-2%	-13%
90+ days past due loans/gross customer loans (%)	52.3%	43.8%	43.6%	-0.2%p	-8.7%p
Cost of risk/average gross loans (%)	0.93%	1.52%	0.72%	-0.80%p	-0.21%p
Cost of risk/average (FX-adjusted) gross loans	0.95%	1.57%	0.73%	-0.84%p	-0.22%p
Total provisions/90+ days past due loans (%)	77.3%	76.1%	75.1%	-1.0%p	-2.2%p
Performance Indicators (%)	1Q 2014	4Q 2014	1Q 2015	Q-o-Q	Y-o-Y
ROA	0.6%	0.0%	0.0%	0.1%p	-0.6%p
ROE	2.0%	-0.1%	0.1%	0.2%p	-1.9%p
Total income margin	9.95%	8.23%	7.54%	-0.69%p	-2.42%p
Net interest margin	5.71%	10.47%	6.31%	-4.16%p	0.60%p
Cost/income ratio	84.5%	74.7%	89.8%	15.1%p	5.3%p
Net loans to deposits (FX-adjusted)	122%	100%	119%	20%p	-2%p
FX rates (in HUF)	1Q 2014	4Q 2014	1Q 2015	Q-o-Q	Y-o-Y
HUF/RSD (closing)	2.7	2.6	2.5	-4%	-6%
HUF/RSD (average)	2.7	2.6	2.5	-1%	-4%

- ***Profitable operation in 1Q 2015, supported mainly by lower risk costs***
- ***The DPD90+ ratio decreased to 43.6%***
- ***DPD0-90 loans advanced by 26% y-o-y, gross consumer loan portfolio grew by 8% y-o-y and large corporate loans by 15%, respectively***
- ***Deposit book expanded by 23% y-o-y resulting a decrease in net loan-to-deposit ratio (119%)***

OTP banka Srbija posted HUF 5 million profit after tax in 1Q 2015, against the HUF 136 million profit in the base period. The quarterly total income decreased by 11% y-o-y, which was affected by the loss of HUF 100 million in relation to changes in FX loan regulation (for details see the Executive summary).

The y-o-y 29% improvement of net interest income was fuelled by the rise of DPD0-90 loan volumes and decreasing funding costs. The material q-o-q change in net interest income and other income is explained by base effect: due to changes in accounting methodology the suspended interest income of 2014 (HUF 1.1 billion) was transferred from other income line to net interest income line in 4Q 2014. Excluding the effect of this methodological change the previous and the current quarter's net interest income was on the same level. The other income line's dynamics was affected by this reclassification from 4Q 2014 and by the decision of National Bank of Serbia which caused one-off loss in amount of HUF 100 million on FX loans.

The operating expanses moderated by 6% y-o-y, the q-o-q dynamics was affected by the opening of a new branch in Belgrade.

The DPD90+ ratio improved to 43.6% (-8.7 ppts y-o-y), due to increasing gross loan portfolio and loan write-offs in 2014. The risk costs development was favourable. The coverage ratio of DPD90+ loans changed to 75.1% (-2.2 ppts y-o-y, -1.0 ppt q-o-q).

The FX-adjusted DPD0-90 loan book expanded by 2% q-o-q and by 26% y-o-y. Mainly the rise of large corporate loan book (+15% y-o-y, +3% q-o-q) caused this expansion. The retail volumes stagnated, but consumer loans being in the focus of the Bank's lending activity grew by 8% y-o-y (FX-adjusted). The cash loan portfolio stagnated q-o-q due to the high amount of early repayment, however the Bank could further increase its market share in this segment (3.4%).

FX-adjusted deposits increased by 23% y-o-y, but declined by 14% q-o-q mainly as a result of corporate deposit outflow (-36% q-o-q). The net loan-to-deposit ratio changed to 119%.

The capital adequacy ratio of the Bank reached 31.3% at the end of March.

CRNOGORSKA KOMERCIJALNA BANKA (MONTENEGRO)

Performance of CKB:

Main components of P&L account in HUF mn	1Q 2014	4Q 2014	1Q 2015	Q-o-Q	Y-o-Y
After tax profit w/o dividends and net cash transfer	595	-854	63	-107%	-89%
Income tax	11	8	0	-100%	-100%
Profit before income tax	584	-862	63	-107%	-89%
Operating profit	919	705	732	4%	-20%
Total income	2,738	2,842	2,461	-13%	-10%
Net interest income	2,090	2,005	1,875	-6%	-10%
Net fees and commissions	607	747	555	-26%	-9%
Other net non-interest income	41	91	32	-65%	-23%
Operating expenses	-1,818	-2,137	-1,730	-19%	-5%
Total provisions	-335	-1,567	-669	-57%	99%
Provision for possible loan losses	-355	-1,442	-731	-49%	106%
Other provision	20	-124	63	-150%	215%
Main components of balance sheet closing balances in HUF mn	**1Q 2014**	**4Q 2014**	**1Q 2015**	**Q-o-Q**	**Y-o-Y**
Total assets	196,760	195,770	182,723	-7%	-7%
Gross customer loans	168,809	158,297	147,542	-7%	-13%
Gross customer loans (FX-adjusted)	164,455	150,379	147,542	-2%	-10%
Retail loans	69,779	67,406	67,935	1%	-3%
Corporate loans	94,676	82,973	79,607	-4%	-16%
Allowances for possible loan losses	-51,410	-50,981	-48,788	-4%	-5%
Allowances for possible loan losses (FX-adjusted)	-50,084	-48,431	-48,788	1%	-3%
Deposits from customers	146,056	142,593	133,650	-6%	-8%
Deposits from customer (FX-adjusted)	144,298	136,227	133,650	-2%	-7%
Retail deposits	115,722	109,363	106,897	-2%	-8%
Corporate deposits	28,576	26,864	26,752	0%	-6%
Liabilities to credit institutions	17,437	19,990	18,690	-7%	7%
Subordinated debt	4,315	2,219	2,094	-5%	-51%
Total shareholders' equity	22,468	22,840	21,742	-5%	-3%
Loan Quality	**1Q 2014**	**4Q 2014**	**1Q 2015**	**Q-o-Q**	**Y-o-Y**
90+ days past due loan volume (in HUF million)	62,991	62,808	58,407	-7%	-7%
90+ days past due loans/gross customer loans (%)	37.3%	39.7%	39.6%	-0.1%p	2.3%p
Cost of risk/average gross loans (%)	0.87%	3.57%	1.94%	-1.63%p	1.07%p
Cost of risk/average (FX-adjusted) gross loans	0.87%	3.73%	1.99%	-1.74%p	1.12%p
Total provisions/90+ days past due loans (%)	81.6%	81.2%	83.5%	2.4%p	1.9%p
Performance Indicators (%)	**1Q 2014**	**4Q 2014**	**1Q 2015**	**Q-o-Q**	**Y-o-Y**
ROA	1.2%	-1.7%	0.1%	1.8%p	-1.1%p
ROE	11.1%	-14.7%	1.1%	15.8%p	-9.9%p
Total income margin	5.65%	5.68%	5.27%	-0.40%p	-0.38%p
Net interest margin	4.31%	4.00%	4.02%	0.01%p	-0.30%p
Cost/income ratio	66.4%	75.2%	70.3%	-4.9%p	3.9%p
Net loans to deposits (FX-adjusted)	79%	75%	74%	-1%p	-5%p
FX rates (in HUF)	**1Q 2014**	**4Q 2014**	**1Q 2015**	**Q-o-Q**	**Y-o-Y**
HUF/EUR (closing)	307.1	314.9	299.1	-5%	-3%
HUF/EUR (average)	307.7	308.5	308.8	0%	0%

- ***HUF 63 million after-tax profit in 1Q 2015, with q-o-q stable operating profit and 57% lower risk cost***
- ***FX-adjusted gross loans decreased by 10% y-o-y; DPD90+ ratio remained flat q-o-q with improving coverage ratio***
- ***FX-adjusted customer deposits shrank by 7% y-o-y, net loan-to-deposit ratio decreased by 5 ppts to 74% y-o-y***

The Montenegrin **CKB Bank** posted HUF 63 million after tax profit in 1Q 2015 after the loss in 4Q 2014. The y-o-y 89% fall in profit was driven by 20% lower operating profit and doubled risk cost. In quarterly comparison the operating expenses declined (-19% q-o-q) more than the total income (-13% q-o-q), thus operating profit improved by 4%.

Net interest income as well as net fees and commissions income declined by around 10% y-o-y in 1Q 2015. The y-o-y 10% decrease of net interest income was related to shrinking loan portfolio and y-o-y 30 bps lower interest margin. The y-o-y diminishing net fees and commissions income was affected mainly by a fall in commission income in relation to deposits, mainly seasonal effects caused the q-o-q 26% drop. In 1Q operating expenses declined by 5% y-o-y in connection with the lower personnel costs: in the last 12 months number of employees decreased by 28 to 417. 1Q operating cost moderated by 19% q-o-q.

The volume of DPD90+ loans decreased by 7% both q-o-q and y-o-y in 1Q 2015. The DPD90+ ratio (39.6%) slightly improved q-o-q, but deteriorated by 2.3 ppts y-o-y. Provision coverage of DPD90+ loans is still high at 83.5% (+2.4 ppts q-o-q, +1.9 ppts y-o-y). In 1Q EUR 1.2 million non-performing loans were written off.

The FX-adjusted DPD0-90 portfolio decreased by 14% y-o-y (-2% q-o-q), mainly due to loan repayments by the Montenegrin state and large corporates. FX-adjusted gross retail loans decreased by 3% y-o-y and grew by 1% q-o-q. Only consumer and MSE loans could demonstrate single digit growth y-o-y and q-o-q. The mortgage loan book kept shrinking (-9% y-o-y and -1% q-o-q), and the decreasing corporate segment contributed to moderating loan book (-16% y-o-y and -4% q-o-q).

The FX-adjusted deposit base decreased by 7% y-o-y mainly as a result of cut-back of deposit volumes due to the Bank's strong liquidity position: the Bank continued to lower the term deposit interest rates in 1Q 2015. Deposit volumes shrank by 2% q-o-q. Net loan-to-deposit ratio stood at 74% at the end of 1Q 2015 (-5 ppts y-o-y, -1 ppt q-o-q).

STAFF LEVEL AND OTHER INFORMATION

The closing staff number of OTP Group (including the number of employed selling agents) was 33,099 as of 31 March 2015. In the first quarter of 2015 the headcount decreased in Russia and the Ukraine, while increased in Romania due to the acquisition.

OTP Group provides services through 1,408 branches and close to 4,000 ATMs in 9 countries of the CEE-region. In Hungary, OTP Bank has an extensive distribution network, which includes 379 branches and 1,959 ATM terminals. The bank (Hungary) has around 53 thousands POS terminals. The branch network significantly decreased in Russia and the Ukraine (-39 and -25 units q/q).

	31/03/2015				31/12/2014			
	Branches	ATM	POS	Headcount (closing)	Branches	ATM	POS	Headcount (closing)
OTP Core	379	1,959	53,386	8,264	380	1,976	52,336	8,244
DSK Group	385	883	4,989	4,469	385	883	4,936	4,527
OTP Bank Russia (w/o employed agents)	159	217	1,203	5,322	198	228	1,203	5,992
OTP Bank Ukraine (W/o employed agents)	91	109	319	2,765	116	133	317	3,004
OTP Bank Romania[1]	140	181	1,434	1,317	84	122	1,471	918
OTP banka Hrvatska	113	243	2,004	1,074	117	242	1,967	1,201
OTP Banka Slovenko	60	141	207	660	61	139	196	668
OTP banka Srbija	52	121	2,240	659	51	121	2,305	642
CKB	29	80	4,845	417	29	80	4,821	427
Foreign subsidiaries, total	**1,029**	**1,975**	**17,241**	**16,681**	**1,041**	**1,948**	**17,216**	**17,377**
Other Hungarian and foreign subsidiaries				882				818
OTP Group (w/o employed agents)				**25,827**				**26,439**
OTP Bank Russia - employed agents				*6,495*				*7,722*
OTP Bank Ukraine - employed agents				*777*				*1,077*
OTP Group (aggregated)	**1,408**	**3,934**	**70,627**	**33,099**	**1,421**	**3,924**	**69,552**	**35,238**

1 In Romania the expansion of sales network is explained by the acquisition of Banca Millennium.

PERSONAL AND ORGANIZATIONAL CHANGES

In the first quarter 2015 there was no change in the composition of the Board of Directors, Supervisory Board, Audit Committee and the Auditor of the Bank.

FINANCIAL DATA

SEPARATE AND CONSOLIDATED IFRS STATEMENT OF FINANCIAL POSITION

in HUF million	OTP Bank			Consolidated		
	31/03/2015	31/03/2014	change	31/03/2015	31/03/2014	change
Cash, amounts due from banks and balances with the National Bank of Hungary	1,947,490	171,275		2,305,973	495,275	366%
Placements with other banks, net of allowance for placement losses	550,728	679,743	-19%	214,115	283,415	-24%
Financial assets at fair value through profit or loss	337,395	344,404	-2%	307,340	339,423	-9%
Securities available-for-sale	1,174,297	1,872,086	-37%	936,231	1,518,498	-38%
Loans, net of allowance for loan losses	1,835,991	2,079,574	-12%	5,600,815	6,125,613	-9%
Investments in subsidiaries, associates and other investments	618,631	677,575	-9%	25,402	24,627	3%
Securities held-to-maturity	607,181	614,993	-1%	660,948	698,388	-5%
Property, equipments and intangible assets	0	0		0	0	
Other assets	0	0		0	0	
TOTAL ASSETS	**7,339,079**	**6,640,827**	**11%**	**10,714,446**	**10,139,919**	**6%**
Amounts due to banks and Hungarian Government, deposits from the National Bank of Hungary and other banks	1,033,913	725,355	43%	736,086	588,848	25%
Deposits from customers	4,150,900	3,753,542	11%	7,567,531	6,881,568	10%
Liabilities from issued securities	155,018	165,584	-6%	253,763	376,128	-33%
Financial liabilities at fair value through profit or loss	356,534	216,849	64%	267,284	87,834	204%
Other liabilities	281,450	273,384	3%	449,640	484,601	-7%
Subordinated bonds and loans	254,498	292,435	-13%	244,017	280,278	-13%
TOTAL LIABILITIES	**6,232,314**	**5,427,149**	**15%**	**9,518,321**	**8,699,257**	**9%**
Share capital	28,000	28,000	0%	28,000	28,000	0%
Retained earnings and reserves	1,020,676	1,143,609	-11%	1,219,156	1,459,235	-16%
Net earnings for the year	65,652	50,282	31%	2,154	5,962	-64%
Treasury shares	-7,563	-8,214	-8%	-56,431	-57,081	-1%
Non-controlling interest	0	0		3,245	4,547	-29%
TOTAL SHAREHOLDERS' EQUITY	**1,106,765**	**1,213,678**	**-9%**	**1,196,125**	**1,440,662**	**-17%**
TOTAL LIABILTITIES AND SHAREHOLDERS' EQUITY	**7,339,079**	**6,640,827**	**11%**	**10,714,446**	**10,139,919**	**6%**

SEPARATE AND CONSOLIDATED IFRS STATEMENT OF RECOGNIZED INCOME

in HUF million	OTP Bank 1Q 2015	OTP Bank 1Q 2014	OTP Bank change	Consolidated 1Q 2015	Consolidated 1Q 2014	Consolidated change
Loans	36,517	43,276	-16%	156,043	184,965	-16%
Placements with other banks	63,794	43,179	48%	47,532	36,627	30%
Amounts due from banks and balances with the National Banks	9,608	556		9,857	798	
Securities held for trading	0	0		3	0	
Securities available-for-sale	14,488	20,460	-29%	6,917	14,215	-51%
Securities held-to-maturity	9,308	8,192	14%	10,190	8,886	15%
Other interest income	0	0		0	0	
Interest income	*133,715*	*115,664*	*16%*	*232,260*	*246,498*	*-6%*
Amounts due to banks, the Hungarian Government, deposits from the National Banks and other banks	-68,470	-42,593	61%	-52,257	-36,531	43%
Deposits from customers	-10,960	-14,071	-22%	-31,940	-35,661	-10%
Liabilities from issued securities	-465	-1,375	-66%	-1,323	-5,158	-74%
Subordinated bonds and loans	-4,168	-4,040	3%	-3,395	-3,343	2%
Other interest expense	0	0		0	0	
Interest expense	*-84,064*	*-62,078*	*35%*	*-90,519*	*-82,077*	*10%*
Net interest income	**49,651**	**53,585**	**-7%**	**141,741**	**164,421**	**-14%**
Provision for impairment on loans	-8,075	-5,906	37%	-151,147	-133,337	13%
Provision for impairment on placement losses	-2	-1	71%	-6	-22	-74%
Provision for impairment on loans and placement losses	-8,077	-5,907	37%	-151,153	-133,359	13%
NET INRETEST INCOME AFTER PROVISION FOR IMPAIRMENT ON LOAN AND PLACEMENT LOSSES	41,574	47,678	-13%	-9,413	31,062	-130%
Income from fees and commissions	40,586	40,575	0%	59,999	63,726	-6%
Expense from fees and commissions	-6,358	-4,954	28%	-10,857	-11,225	-3%
NET PROFIT FROM FEES AND COMMISSIONS	34,228	35,622	-4%	49,142	52,501	-6%
Foreign exchange gains, net (-)/(+)	10,727	4,874	120%	93,329	65,732	42%
Gains / (losses) on securities, net	13,169	-123	-10837%	4,059	851	377%
Gains on real estate transactions	30	17	70%	484	449	8%
Dividend income	56,368	39,588	42%	241	8	
Other operating income	183	862	-79%	4,191	4,133	1%
Other operating expense	-16,647	-1,648	910%	-9,433	-3,972	137%
NET OPERATING RESULT	63,828	43,571	46%	92,872	67,202	38%
Personnel expenses	-20,704	-21,323	-3%	-46,135	-52,147	-12%
Depreciation and amortization	-5,067	-5,348	-5%	-9,953	-10,379	-4%
Other administrative expenses	-51,712	-50,559	2%	-81,927	-85,632	-4%
OTHER ADMINISTRATIVE EXPENSES	-77,484	-77,230	0%	-138,015	-148,158	-7%
PROFIT BEFORE INCOME TAX	**62,147**	**49,641**	**25%**	**-5,414**	**2,606**	**-308%**
Income tax	3,505	641	447%	7,328	3,258	125%
NET PROFIT FOR THE PERIODS	**65,652**	**50,282**	**31%**	**1,913**	**5,864**	**-67%**
From this, attributable to non-controlling interest	0	0		0	0	
NET PROFIT FOR THE PERIODS ATTRIBUTABLE OWNERS OF THE COMPANY	**65,652**	**50,282**	**31%**	**2,154**	**5,962**	**-64%**

SEPARATE AND CONSOLIDATED IFRS STATEMENT OF CASH FLOWS

in HUF million	OTP Bank			Consolidated		
	31/03/2015	31/03/2014	change	31/03/2015	31/03/2014	change
OPERATING ACTIVITIES						
Profit before income tax	62,147	49,641	25%	-5,415	2,606	-308%
Adjustments to reconcile income before income taxes to net cash provided by operating activities						
Income tax paid	-1,647	0	0%	-8,073	-3,576	126%
Depreciation and amortization	5,067	5,348	-5%	9,953	10,380	-4%
Provision for impairment / Release of provision	-14,838	5,606	0%	7,748	133,682	-94%
Share-based payment	953	1,279	-25%	953	1,279	-25%
Unrealized (losses) / gains on fair value adjustment of securities held for trading	-6,788	-150	0%	-6,788	-150	0%
Unrealized losses on fair value adjustment of derivative financial instruments	-13,047	3,532	-469%	-4,641	4,855	-196%
Changes in operating assets and liabilities	-74,523	149,894	0%	42,501	146,341	-71%
Net cash provided by operating activities	**-42,676**	**215,150**	**-120%**	**36,238**	**295,417**	**-88%**
INVESTING ACTIVITIES						
Net cash used in investing activities	**286,594**	**26,778**	**970%**	**10,210**	**7,693**	**33%**
FINANCING ACTIVITIES						
Net cash used in financing activities	**-201,133**	**-212,211**	**-5%**	**-100,589**	**-326,241**	**-69%**
Net increase in cash and cash equivalents	**42,785**	**29,717**	**44%**	**-54,141**	**-23,131**	**134%**
Cash and cash equivalents at the beginning of the period	1,762,727	62,835	0%	2,003,324	275,947	626%
Cash and cash equivalents at the end of the period	**1,805,512**	**92,552**	**0%**	**1,949,183**	**252,816**	**671%**
Analysis of cash and cash equivalents						
Cash, amounts due from banks and balances with the National Banks	1,897,778	140,521	0%	2,307,632	539,125	328%
Compulsory reserve established by the National Banks	-135,051	-77,686	74%	-304,308	-263,178	16%
Cash and cash equivalents at the beginning of the period	**1,762,727**	**62,835**	**0%**	**2,003,324**	**275,947**	**626%**
Cash, amounts due from banks and balances with the National Banks	1,947,490	171,275	0%	2,305,973	495,275	366%
Compulsory reserve established by the National Banks	-141,978	-78,723	80%	-356,790	-242,459	47%
Cash and cash equivalents at the end of the period	**1,805,512**	**92,552**	**0%**	**1,949,183**	**252,816**	**671%**

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 2014	**28,000**	**52**	**16,504**	**1,571,076**	**-55,468**	**-55,599**	**4,767**	**1,509,332**
Net profit for the year	--	--	--	5,962		--	-98	5,864
Other comprehensive income				-32,235			-123	-32,358
Share-based payment	--	--	1,279			--	--	1,279
Treasury shares								
Dividend for the year 2013	--	--	--	-40,600		--	--	-40,600
Put option								
Treasury shares								
– sale						6,749		6,749
– loss on sale				-12				-12
– volume change						-8,231		-8,231
Payment to ICES holders				-1,361				-1,361
Non-controlling interest buy-out								
Balance as at 31 March 2014	**28,000**	**52**	**17,783**	**1,502,830**	**-55,468**	**-57,081**	**4,546**	**1,440,662**

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 2015	**28,000**	**52**	**20,897**	**1,323,277**	**-55,468**	**-55,941**	**3,349**	**1,264,166**
Net profit for the year	--	--	--	2,154		--	-241	1,913
Other comprehensive income				-28,221			138	-28,083
Share-based payment	--	--	953			--	--	953
Treasury shares								
Dividend for the year 2012	--	--	--	-40,600		--	--	-40,600
Put option								
Treasury shares								
– sale						4,310		4,310
– loss on sale				-622				-622
– volume change						-4,800		-4,800
Payment to ICES holders				-1,112				-1,112
Balance as at 31 March 2015	**28,000**	**52**	**21,850**	**1,254,876**	**-55,468**	**-56,431**	**3,246**	**1,196,125**

Ownership structure of OTP Bank Plc.

as at 31 March 2015

Description of owner	Total equity					
	1 January 2015			31 March 2015		
	%[1]	%[2]	Qty	%[1]	%[2]	Qty
Domestic institution/company	21.00%	21.28%	58,793,762	20.39%	20.66%	57,081,702
Foreign institution/company	57.41%	58.18%	160,738,598	59.76%	60.57%	167,317,472
Domestic individual	9.69%	9.82%	27,132,701	5.84%	5.92%	16,351,147
Foreign individual	0.59%	0.59%	1,639,105	0.30%	0.31%	848,946
Employees, senior officers	1.30%	1.32%	3,635,140	1.24%	1.26%	3,472,470
Treasury shares	1.32%	0.00%	3,699,724	1.34%	0.00%	3,760,805
Government held owner[3]	5.12%	5.19%	14,329,759	5.12%	5.19%	14,329,759
International Development Institutions[4]	0.00%	0.00%	0	0.00%	0.00%	0
Other[5]	3.58%	3.63%	10,031,221	6.01%	6.10%	16,837,709
TOTAL	**100.00%**	**100.00%**	**280,000,010**	**100.00%**	**100.00%**	**280,000,010**

[1] Voting rights
[2] Beneficial ownership
[3] E.g.: State Privatization Holding Co. Ltd., Social Security, Municipality, 100% state-owned companies, Pension Reform and Debt Reduction Fund etc.
[4] E.g.: EBRD, EIB, etc.
[5] Non-identified shareholders according to the shareholders' registry.

Number of treasury shares held in the year under review (2015)

	1 January	31 March	30 June	30 September	31 December
Company	1,626,164	1,687,245			
Subsidiaries	2,073,560	2,073,560			
TOTAL	3,699,724	3,760,805			

Shareholders with over/around 5% stake as at 31 March 2015

Name	Number of shares	Voting rights	Beneficial ownership
Megdet, Timur and Ruszlan Rahimkulov	24,855,495	8.88%	9.00%
MOL (Hungarian Oil and Gas Company Plc.)	24,000,000	8.57%	8.69%
Groupama Group	23,211,741	8.29%	8.40%
Lazard Group	14,289,194	5.10%	5.17%
Hungarian National Asset Management Inc.	14,091,903	5.03%	5.10%

Senior officers, strategic employees and their shareholding of OTP shares as at 31 March 2015

Type[1]	Name	Position	No. of shares held
IT	Dr. Sándor Csányi [2]	Chairman and CEO	108,866
IT	Mihály Baumstark	member	25,600
IT	Dr. Tibor Bíró	member	38,956
IT	Péter Braun	member	298,505
IT	Tamás Erdei	member	16,039
IT	Dr. István Gresa	member	45,752
IT	Zsolt Hernádi[3]	member	25,600
IT	Dr. István Kocsis[4]	member	3,635
IT	Dr. Antal Pongrácz	Deputy Chairman, Deputy CEO	25,427
IT	Dr. László Utassy	member	300,915
IT	Dr. József Vörös	member	140,914
FB	Tibor Tolnay	Chairman	54
FB	Dr. Gábor Horváth	member	0
FB	Antal Kovács	member, Deputy CEO	27,074
FB	András Michnai	member	5,743
FB	Dominique Uzel	member	0
FB	Dr. Márton Gellért Vági	member	0
SP	László Bencsik	Chief Financial and Strategic Officer, Deputy CEO	16,411
SP	Miroslav Stanimirov Vichev	Deputy CEO	0
SP	László Wolf	Deputy CEO	542,895
TOTAL No. of shares held by management:			**1,622,386**

[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: 608,866
[3] Membership under suspended since 4 April 2014
[4] Membership under suspended since 3 October 2012

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

a) Contingent liabilities

	31/03/2015	31/03/2014
Commitments to extend credit	966,571	1,263,536
Guarantees arising from banking activities	364,571	330,494
Confirmed letters of credit	23,825	23,348
Legal disputes (disputed value)	69,479	70,693
Contingent liabilities related to OTP Mortgage Bank	-	-
Other	364,068	148,153
Total:	**1,788,514**	**1,836,224**

[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.)

Changes in the headcount (number of persons) employed by the Bank and the subsidiaries

	End of reference period	Current period opening	Current period closing
Bank	7,896	7,706	7,727
Consolidated	36,600	35,238	33,099

SECURITY ISSUANCES ON GROUP LEVEL BETWEEN 01/04/2014 AND 31/03/2015

Issuer	Type of security	Security name	Date of issue	Date of maturity	Ccy	Outstanding consolidated debt (in original currency or HUF million) 31/03/2015	Outstanding consolidated debt (in HUF million) 31/03/2015
OTP Bank Plc.	Corporate bond	OTP 2020/Ex	18/06/2014	22/06/2020	HUF	4,100	4,100
OTP Bank Plc.	Corporate bond	OTP 2020/Fx	10/10/2014	16/10/2020	HUF	3,500	3,500
OTP Bank Plc.	Corporate bond	OTP 2020/Gx	15/12/2014	21/12/2020	HUF	3,250	3,250
OTP Bank Plc.	Corporate bond	OTP 2024/Bx	10/10/2014	16/10/2024	HUF	400	400
OTP Bank Plc.	Corporate bond	OTP 2024/Cx	15/12/2014	20/12/2024	HUF	320	320
OTP Bank Plc.	Corporate bond	OTP 2024/Ax	18/06/2014	21/06/2024	HUF	270	270
OTP Bank Plc.	Retail bond	OTP EUR 1 2015/XX	03/10/2014	17/10/2015	EUR	13,153,300	3,935
OTP Bank Plc.	Retail bond	OTP EUR 1 2016/III	20/03/2015	03/04/2016	EUR	13,128,100	3,927
OTP Bank Plc.	Retail bond	OTP EUR 1 2015/XVIII	29/08/2014	12/09/2015	EUR	10,466,700	3,131
OTP Bank Plc.	Retail bond	OTP EUR 1 2016/I	30/01/2015	13/02/2016	EUR	10,221,700	3,058
OTP Bank Plc.	Retail bond	OTP EUR 1 2015/XXV	19/12/2014	02/01/2016	EUR	9,377,200	2,805
OTP Bank Plc.	Retail bond	OTP EUR 1 2016/II	20/02/2015	06/03/2016	EUR	8,408,200	2,515
OTP Bank Plc.	Retail bond	OTP EUR 1 2015/XXI	22/10/2014	05/11/2015	EUR	8,357,600	2,500
OTP Bank Plc.	Retail bond	OTP_VK_USD_2_2016/1	28/11/2014	28/11/2016	USD	6,829,600	1,905
OTP Bank Plc.	Retail bond	OTP EUR 1 2015/XXIII	14/11/2014	28/11/2015	EUR	5,464,900	1,635
OTP Bank Plc.	Retail bond	OTP EUR 1 2015/XIX	12/09/2014	26/09/2015	EUR	5,350,700	1,601
OTP Bank Plc.	Retail bond	OTP EUR 1 2015/XXIV	28/11/2014	12/12/2015	EUR	5,133,000	1,535
OTP Bank Plc.	Retail bond	OTP EUR 1 2015/XI	23/05/2014	06/06/2015	EUR	4,529,600	1,355
OTP Bank Plc.	Retail bond	OTP EUR 1 2015/XXVI	09/01/2015	23/01/2016	EUR	4,412,900	1,320
OTP Bank Plc.	Retail bond	OTP EUR 1 2015/VIII	11/04/2014	25/04/2015	EUR	4,283,000	1,281
OTP Bank Plc.	Retail bond	OTP EUR 1 2015/X	09/05/2014	23/05/2015	EUR	3,832,200	1,146
OTP Bank Plc.	Retail bond	OTP EUR 1 2015/XVI	30/07/2014	13/08/2015	EUR	3,748,900	1,121
OTP Bank Plc.	Retail bond	OTP EUR 1 2015/XVII	08/08/2014	22/08/2015	EUR	3,235,100	968
OTP Bank Plc.	Retail bond	OTP EUR 1 2015/XXII	31/10/2014	14/11/2015	EUR	3,120,700	934
OTP Bank Plc.	Retail bond	OTP EUR 1 2015/XII	06/06/2014	20/06/2015	EUR	2,728,700	816
OTP Bank Plc.	Retail bond	OTP EUR 1 2015/XIV	04/07/2014	18/07/2015	EUR	2,636,600	789
OTP Bank Plc.	Retail bond	OTP EUR 1 2015/XIII	20/06/2014	04/07/2015	EUR	2,283,300	683
OTP Bank Plc.	Retail bond	OTP EUR 2 2016/XIX	03/10/2014	03/10/2016	EUR	1,920,100	574
OTP Bank Plc.	Retail bond	OTP EUR 1 2015/XV	18/07/2014	01/08/2015	EUR	1,750,100	524
OTP Bank Plc.	Retail bond	OTP EUR 2 2016/XV	30/07/2014	30/07/2016	EUR	1,581,000	473
OTP Bank Plc.	Retail bond	OTP EUR 2 2016/XVII	29/08/2014	29/08/2016	EUR	1,315,700	394
OTP Bank Plc.	Retail bond	OTP EUR 2 2016/XVIII	12/09/2014	12/09/2016	EUR	1,013,100	303
OTP Bank Plc.	Retail bond	OTP EUR 1 2015/IX	18/04/2014	02/05/2015	EUR	990,100	296
OTP Bank Plc.	Retail bond	OTP EUR 2 2016/VII	11/04/2014	11/04/2016	EUR	725,200	217
OTP Bank Plc.	Retail bond	OTP EUR 2 2016/IX	09/05/2014	09/05/2016	EUR	656,000	196
OTP Bank Plc.	Retail bond	OTP EUR 2 2016/XI	06/06/2014	06/06/2016	EUR	639,500	191
OTP Bank Plc.	Retail bond	OTP EUR 2 2016/XII	20/06/2014	20/06/2016	EUR	636,700	190
OTP Bank Plc.	Retail bond	OTP EUR 2 2016/X	23/05/2014	23/05/2016	EUR	600,800	180
OTP Bank Plc.	Retail bond	OTP EUR 2 2016/XIII	04/07/2014	04/07/2016	EUR	462,000	138
OTP Bank Plc.	Retail bond	OTP EUR 2 2016/XVI	08/08/2014	08/08/2016	EUR	367,300	110
OTP Bank Plc.	Retail bond	OTP EUR 2 2016/XIV	18/07/2014	18/07/2016	EUR	313,300	94
OTP Bank Plc.	Retail bond	OTP EUR 2 2016/VIII	18/04/2014	18/04/2016	EUR	200,700	60
OTP Mortgage Bank	Mortgage bond	OMB2017_I	29/01/2015	28/07/2017	EUR	0	0
OTP Banka Slovensko	Mortgage bond	OTP XXVI.	30/03/2015	29/03/2016	EUR	0	0

SECURITY REDEMPTIONS ON GROUP LEVEL BETWEEN 01/04/2014 AND 31/03/2015

Issuer	Type of security	Security name	Date of issue	Date of maturity	Ccy	Outstanding consolidated debt (in original currency or HUF million) 31/03/2014	Outstanding consolidated debt (in HUF million) 31/03/2014
OTP Bank Plc.	Retail bond	OTP EK 2015/I	29/07/2013	29/01/2015	HUF	5,596	5,596
OTP Bank Plc.	Corporate bond	OTP 2015/Bx	28/06/2010	30/03/2015	HUF	4,220	4,220
OTP Bank Plc.	Corporate bond	OTP 2014/Bx	05/10/2009	13/10/2014	HUF	3,462	3,462
OTP Bank Plc.	Corporate bond	OTP 2014/Cx	14/12/2009	19/12/2014	HUF	3,361	3,361
OTP Bank Plc.	Corporate bond	OTP 2014/Ax	25/06/2009	30/06/2014	HUF	2,597	2,597
OTP Bank Plc.	Retail bond	OTP TBSZ2014/I	14/01/2011	15/12/2014	HUF	1,904	1,904
OTP Bank Plc.	Retail bond	OTP 2014/IV	05/04/2013	05/04/2014	HUF	1,517	1,517
OTP Bank Plc.	Retail bond	OTP 2014/VI	24/05/2013	24/05/2014	HUF	1,275	1,275
OTP Bank Plc.	Retail bond	OTP 2014/V	26/04/2013	26/04/2014	HUF	1,145	1,145
OTP Bank Plc.	Retail bond	OTP 2014/RA/Bx	16/09/2011	15/09/2014	HUF	1,126	1,126
OTP Bank Plc.	Corporate bond	OTP 2014/Ex	17/06/2011	20/06/2014	HUF	1,091	1,091
OTP Bank Plc.	Retail bond	OTP 2014/VII	14/06/2013	14/06/2014	HUF	759	759
OTP Bank Plc.	Retail bond	OTP TBSZ2014/II	26/08/2011	15/12/2014	HUF	725	725
OTP Bank Plc.	Retail bond	OTP 2014/VIII	16/08/2013	16/08/2014	HUF	620	620
OTP Bank Plc.	Retail bond	OTP 2014/IX	13/09/2013	13/09/2014	HUF	534	534
OTP Bank Plc.	Corporate bond	OTP 2015/Dx	19/03/2012	23/03/2015	HUF	427	427
OTP Bank Plc.	Corporate bond	OTP 2014/Dx	01/04/2011	03/04/2014	HUF	421	421
OTP Bank Plc.	Corporate bond	OTP 2014/Fx	20/10/2011	21/10/2014	HUF	346	346
OTP Bank Plc.	Corporate bond	OTP 2014/Gx	21/12/2011	30/12/2014	HUF	320	320
OTP Bank Plc.	Retail bond	OTP 2014/X	11/10/2013	11/10/2014	HUF	292	292
OTP Bank Plc.	Retail bond	OTP EUR 1 2014/XVI	16/08/2013	16/08/2014	EUR	10,289,400	3,159
OTP Bank Plc.	Retail bond	OTP_DC_USD_140512	10/02/2014	12/05/2014	USD	8,365,100	1,869
OTP Bank Plc.	Retail bond	OTP EUR 1 2014/XIX	27/09/2013	27/09/2014	EUR	8,262,600	2,537
OTP Bank Plc.	Retail bond	OTP_DC_EUR_140512	10/02/2014	12/05/2014	EUR	8,134,200	2,498
OTP Bank Plc.	Retail bond	OTP EUR 1 2014/XXI	31/10/2013	31/10/2014	EUR	8,088,700	2,484
OTP Bank Plc.	Retail bond	OTP EUR 1 2014/XVIII	13/09/2013	13/09/2014	EUR	7,853,200	2,411
OTP Bank Plc.	Retail bond	OTP EUR 1 2015/I	20/12/2013	10/01/2015	EUR	7,074,000	2,172
OTP Bank Plc.	Retail bond	OTP EUR 1 2014/XVII	30/08/2013	30/08/2014	EUR	6,845,600	2,102
OTP Bank Plc.	Retail bond	OTP EUR 1 2014/XX	11/10/2013	11/10/2014	EUR	6,678,600	2,051
OTP Bank Plc.	Retail bond	OTP EUR 1 2014/XXIII	29/11/2013	13/12/2014	EUR	5,893,200	1,810
OTP Bank Plc.	Retail bond	OTP EUR 1 2014/IX	10/05/2013	10/05/2014	EUR	5,749,700	1,766
OTP Bank Plc.	Retail bond	OTP EUR 1 2014/XV	26/07/2013	26/07/2014	EUR	5,065,400	1,555
OTP Bank Plc.	Retail bond	OTP_EUR_1_2015_II	17/01/2014	31/01/2015	EUR	4,989,600	1,532
OTP Bank Plc.	Retail bond	OTP_EUR_1_2015_III	31/01/2014	14/02/2015	EUR	4,585,000	1,408
OTP Bank Plc.	Retail bond	OTP EUR 1 2014/XXII	15/11/2013	15/11/2014	EUR	4,579,500	1,406
OTP Bank Plc.	Retail bond	OTP_EUR_1_2015_IV	14/02/2014	28/02/2015	EUR	4,160,100	1,277
OTP Bank Plc.	Retail bond	OTP_EUR_2_2015_VI	14/03/2014	28/03/2015	EUR	3,992,200	1,226
OTP Bank Plc.	Retail bond	OTP_EUR_1_2015_V	28/02/2014	14/03/2015	EUR	3,435,100	1,055
OTP Bank Plc.	Retail bond	OTP EUR 1 2014/VIII	19/04/2013	19/04/2014	EUR	3,009,400	924
OTP Bank Plc.	Retail bond	OTP EUR 1 2014/XIV	12/07/2013	12/07/2014	EUR	2,727,400	837
OTP Bank Plc.	Retail bond	OTP EUR 1 2014/XI	07/06/2013	07/06/2014	EUR	2,573,300	790
OTP Bank Plc.	Retail bond	OTP EUR 1 2014/X	24/05/2013	24/05/2014	EUR	2,369,300	728
OTP Bank Plc.	Retail bond	OTP EUR 1 2014/XII	21/06/2013	21/06/2014	EUR	2,190,900	673
OTP Bank Plc.	Retail bond	OTP EUR 1 2014/VII	05/04/2013	05/04/2014	EUR	1,364,300	419
OTP Bank Plc.	Retail bond	OTP EUR 1 2014/XIII	28/06/2013	28/06/2014	EUR	1,362,700	418
OTP Bank Plc.	Retail bond	OTP EUR 2 2014/XVII	31/08/2012	31/08/2014	EUR	456,100	140
OTP Bank Plc.	Retail bond	OTP EUR 2 2014/XXIV	07/12/2012	07/12/2014	EUR	410,000	126
OTP Bank Plc.	Retail bond	OTP EUR 2 2014/XXIII	23/11/2012	23/11/2014	EUR	373,300	115
OTP Bank Plc.	Retail bond	OTP EUR 2 2014/XXV	21/12/2012	21/12/2014	EUR	364,100	112
OTP Bank Plc.	Retail bond	OTP EUR 2 2014/XXI	26/10/2012	26/10/2014	EUR	357,100	110
OTP Bank Plc.	Retail bond	OTP EUR 2 2014/IX	04/05/2012	04/05/2014	EUR	319,600	98
OTP Bank Plc.	Retail bond	OTP EUR 2 2014/XVIII	14/09/2012	31/08/2014	EUR	306,100	94
OTP Bank Plc.	Retail bond	OTP EUR 2 2015/V	01/03/2013	01/03/2015	EUR	263,100	81
OTP Bank Plc.	Retail bond	OTP EUR 2 2014/VIII	20/04/2012	20/04/2014	EUR	249,500	77
OTP Bank Plc.	Retail bond	OTP EUR 2 2014/XIX	28/09/2012	28/09/2014	EUR	249,300	77
OTP Bank Plc.	Retail bond	OTP EUR 2 2014/XV	03/08/2012	03/08/2014	EUR	216,800	67
OTP Bank Plc.	Retail bond	OTP EUR 2 2014/XX	12/10/2012	12/10/2014	EUR	216,100	66
OTP Bank Plc.	Retail bond	OTP EUR 2 2014/XXII	09/11/2012	09/11/2014	EUR	204,400	63
OTP Bank Plc.	Retail bond	OTP EUR 2 2014/XIII	22/06/2012	22/06/2014	EUR	198,900	61
OTP Bank Plc.	Retail bond	OTP EUR 2 2015/VI	22/03/2013	22/03/2015	EUR	197,600	61
OTP Bank Plc.	Retail bond	OTP EUR 2 2014/XVI	17/08/2012	17/08/2014	EUR	169,000	52
OTP Bank Plc.	Retail bond	OTP EUR 2 2014/XIV	13/07/2012	13/07/2014	EUR	168,500	52
OTP Bank Plc.	Retail bond	OTP EUR 2 2015/II	25/01/2013	25/01/2015	EUR	165,200	51
OTP Bank Plc.	Retail bond	OTP EUR 2 2015/I	11/01/2013	11/01/2015	EUR	161,200	49
OTP Bank Plc.	Retail bond	OTP EUR 2 2015/III	01/02/2013	01/02/2015	EUR	158,100	49
OTP Bank Plc.	Retail bond	OTP EUR 2 2014/VII	06/04/2012	06/04/2014	EUR	148,000	45
OTP Bank Plc.	Retail bond	OTP EUR 2 2015/IV	15/02/2013	15/02/2015	EUR	146,600	45
OTP Bank Plc.	Retail bond	OTP EUR 2 2014/XII	08/06/2012	08/06/2014	EUR	128,600	39
OTP Bank Plc.	Retail bond	OTP EUR 2 2014/XI	25/05/2012	25/05/2014	EUR	95,000	29
OTP Bank Plc.	Corporate bond	OTP EUR 2 2014/X	11/05/2012	11/05/2014	EUR	50,200	15
OTP Mortgage Bank	Mortgage bond	OJB2014_J	17/09/2004	17/09/2014	HUF	69	69
OTP Mortgage Bank	Mortgage bond	OJB2015_J	28/01/2005	28/01/2015	HUF	63	63
OTP Mortgage Bank	Mortgage bond	OMB2014_I	15/12/2004	15/12/2014	EUR	198,240,000	60,872
OTP Mortgage Bank	Mortgage bond	OMB2014_II	02/08/2011	10/08/2014	EUR	15,500,000	4,759

Issuer	Type of security	Security name	Date of issue	Date of maturity	Ccy	Outstanding consolidated debt (in original currency or HUF million) 31/03/2014	Outstanding consolidated debt (in HUF million) 31/03/2014
OTP Mortgage Bank	Mortgage bond	OMB2015_I	30/08/2012	06/03/2015	EUR	5,000,000	1,535
OTP Banka Slovensko	Mortgage bond	OTP XX.	30/03/2010	30/03/2015	EUR	0	0
OTP Banka Slovensko	Mortgage bond	OTP XXIII.	29/09/2010	29/09/2014	EUR	0	0
OTP Bank Russia	Corporate bond	OTPRU 14/07	02/08/2011	29/07/2014	RUR	5,000,000,000	31,350
OTP Bank Russia	Corporate bond	OTPRU 14/10	03/11/2011	30/10/2014	RUR	118,819,000	745
OTP Bank Russia	Corporate bond	OTPRU 15/03	06/03/2012	03/03/2015	RUR	259,706,000	1,628

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.

	1Q 2014	4Q 2014	1Q 2015	Q-o-Q	Y-o-Y
Total	**2,366**	**3,696**	**2,384**	**-35%**	**1%**
Short-term employee benefits	1,391	2,534	1,684	-34%	21%
Share-based payment	725	878	569	-35%	-22%
Other long-term employee benefits	190	254	110	-57%	-42%
Termination benefits	60	30	21	-30%	-65%
Redundancy payments					
Loans provided to companies owned by the management[1] (normal course of business)	41,701	-27,455	12,435	-145%	-70%
Credit lines of the members of Board of Directors and the Supervisory Board and their close family members (at normal market conditions)	516	-108	349	-423%	-32%
Commitments to extend credit and guarantees	1,412	15,005	15,758	5%	
Loans provided to unconsolidated subsidiaries	1,065	-228	1,330	-683%	25%

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

SUPPLEMENTARY DATA

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. 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 the companies engaged in OTP Group's underlying banking 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. 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 plus 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 Real Estate Leasing Ltd, OTP Fund Management Ltd, OTP Real Estate Fund Management Ltd, OTP Life Annuity Ltd; foreigners: banks, leasing companies, factoring companies.

(4) The profit impact of the repurchase from the perpetual EUR 500 million subordinated Notes series executed in 4Q 2013 was eliminated from the performance of both parties, OTP Bank (Hungary) and OTP Bank Russia, since the transaction had no direct impact on consolidated earnings. The pre-tax gain realised on the perpetual EUR 500 million subordinated Notes transaction within the Group in 3Q 2014 was eliminated from the performance of OTP Bank Russia.

(5) 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, while in 4Q 2010 the statement of recognised income and balance sheet of LLC OTP Credit was also added.

(6) From 3Q 2010, statements are based on the aggregated financials of DSK Group and the newly established Bulgarian collection company, OTP Factoring Bulgaria LLC. DSK Group balance sheet contains the loans sold to the factoring company at before sale gross value and the related provisions as well.

(7) 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.

(8) Including the financial performance of OTP Factoring Serbia d.o.o from 4Q 2010. Banca Millennium was consolidated into OBR's results from 1Q 2015.

(9) Banco Popolare Crotia was consolidated into OBH's results from 2Q 2014. From 1Q 2015 including the financial result and volumes of OTP Faktoring d.o.o.

(10) From 2011 on the balance sheet contains consolidated data of OTP Banka Slovensko and OTP Faktor Slovensko s.r.o., adjusted for loans sold to OTP Bank Plc. and OTP Factoring Ltd., and the related interbank financing in the net amount of the sold loans. The recoveries of sold loans to OTP Faktoring are recognised in the P&L accounts as risk cost decreasing elements since 2011. 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.

(11) Including the financial performance of OTP Factoring Montenegro d.o.o.

(12) Aggregated after tax profit of Merkantil Bank and Merkantil Car without dividends, net cash transfer and provisioning for investments in subsidiaries.

(13) From 4Q 2009: OTP Leasing Romania IFN S.A. (Romania), Z plus d.o.o. (Croatia) (until 3Q 2011), OTP Leasing d.d. (Croatia), DSK Leasing AD (Bulgaria).

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

(15) HIF Ltd. (United Kingdom), OTP Faktoring Slovensko (Slovakia) (until 1Q 2011), OTP Buildings (Slovakia), OTP Real Slovensko (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).

(16) Total Hungarian subsidiaries: sum of the adjusted after tax results of Hungarian group members, Corporate Centre and related eliminations.

(17) 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 Interim Management Report, the presented consolidated and separate profit and loss statements of the 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 of the Report.

Adjustments:

- As non-recurring results, the after tax effect of the following items are shown separately on the Statement of Recognised Income: received dividends, received and paid cash transfers, goodwill write-offs, the tax shield effect of investment write-offs, special tax on financial institutions, the one-timer payment compensating the underperformance of the financial transaction tax in 2013, the fine imposed by the Hungarian Competition Authority in 4Q 2013, the corporate tax impact of the transfer of general risk reserves to retained earnings, the effect of acquisitions, the actual and expected one-off impact of regulatory changes related to consumer contracts in Hungary, the risk cost created toward Crimean exposures from 2Q 2014, the risk cost related toward exposure to Donetsk and Luhansk from 3Q 2014, the revaluation of reverse mortgage portfolio of OTP Life Annuity Ltd. simultaneous with regulatory changes, and the net loss from early repayment of FX mortgage loans in Hungary. Beside the Slovakian banking levy, from 1Q 2014 the total amount of the special banking tax includes and the Slovakian Deposit Protection Fund contributions being introduced again in 2014.
- 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.
- 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.
- 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.
- 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 non-interest expenses stemming from non-financial activities, Special tax on financial institutions and the one-timer payment compensating the underperformance of the financial transaction tax.
- From 4Q 2010 onwards, the fee expenses paid by Merkantil Group to car dealers ('dealer fees') were registered as interest expense in the accounting income statement. Earlier this item had been booked as fee expense. In order to create a comparable time series, since 4Q 2010 dealer fees have been reclassified from net interest income to net fees and commissions – both on the consolidated and on a standalone level.
- Within the aggregated income statement of Merkantil Bank and Car, other risk cost related to leasing companies – as investments of the Merkantil Group – is eliminated. The reason behind is that this provisioning is eliminated in the consolidated income statement of OTP Group, and only the net result of the leasing companies is making part of OTP Group's consolidated net earnings.
- Performing indicators such as cost/income ratio, net interest margin, risk cost to average gross loans as well as ROA and ROE ratios are calculated on the basis of the adjusted profit and loss statement, excluding adjustment items such as received dividends and net cash transfers, goodwill write-offs, the tax shield effect of investment write-offs, special tax on financial institutions, the one-timer payment compensating the underperformance of the financial transaction tax in 2013, the fine imposed by the Hungarian Competition Authority in 4Q 2013, the corporate tax impact of the transfer of general risk reserves to retained earnings, the effect of Banco Popolare Croatia acquisitions, the actual and expected one-off impact of regulatory changes related to consumer contracts in Hungary, the risk cost created toward Crimean exposures from 2Q 2014, the risk cost related toward exposure to Donetsk and Luhansk from 3Q 2014, the revaluation of reverse mortgage portfolio of OTP Life Annuity Ltd. simultaneous with regulatory changes, and the net loss from early repayment of FX mortgage loans in Hungary.
- OTP Group is hedging the revaluation result of the FX provisions on its FX loans 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”) and Other provisions, 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.

- In 3Q 2012 and in 2Q 2013, seven subsidiaries of OTP Real Estate Ltd. were for the first time consolidated into OTP Group. The cumulated loss of the companies’ previous operation was recognised as Other expenses in the accounting P&L, while loan loss and other provisioning earlier made by OTP Bank and OTP Real Estate in relation to these companies were released. By influencing only the structure of the income statement, the net effect of these two entries was neutral to consolidated net earnings. As an adjustment to the accounting statement of income, these items are eliminated from the adjusted P&L.
- Tax deductible transfers 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 the transfers (i.e. the paid transfer less the related tax allowances) is recognised in the corporate income tax line of the adjusted P&L.
- From 2012 credit institutions’ contribution tax was recognised in the accounting P&L of OTP Group and OTP Core as OTP Core’s burden share in the fixed exchange rate scheme provided to Hungarian FX mortgage debtors. The paid contribution tax equals 50% of the forgiveness provided on the interest payments of the clients. In the adjusted P&L the contribution tax is reclassified from other (administrative) expenses and to a lesser extent from other risk cost to net interest income.
- 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.
- Due to regulatory changes related to consumer contracts in Hungary the financial settlement with FX borrowers and the effect of the conversion of FX mortgage loans was recognized within the 1Q 2015 P&L affecting the net interest income, net other non-interest result, other non-interest expenses and other risk cost lines. These items booked in 1Q 2015 were eliminated from the affected lines and were shown separately among the adjustment items on consolidated level, as opposed to the estimate on the one-off impact of regulatory changes related to consumer contracts which was booked on the other risk cost line in the accounting P&L.
- The revaluation result booked on Other provisions line due to regulatory changes related to FX mortgage loans in Hungary were moved to the Foreign exchange result line in 4Q 2014.
- 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. In Hungary in case of FX mortgage loans converted into HUF in 1Q 2015 pursuant to the Act No. LXXVII of 2014 the fixed FX rates stipulated by the law were used for the FX adjustment. Thus the FX adjusted volumes will be different from those published earlier.

ADJUSTMENTS OF CONSOLIDATED IFRS P&L LINES

in HUF million	1Q 14	2Q 14	3Q 14	4Q 14 Audited	2014 Audited	1Q 15
Net interest income	**164,421**	**157,506**	**158,148**	**156,024**	**636,099**	**141,741**
(-) Agent fees paid to car dealers by Merkantil Group	-568	-514	-468	-496	-2,047	-454
(+) Credit institutions' contribution tax paid in relation to the fixed exchange rate scheme	-2,819	-227	23	224	-2,798	-232
(+) Other risk costs recognised in relation to the fixed exchange rate scheme	-14	9	4	1	0	0
(-) One-off impact of regulatory changes related to consumer contracts in Hungary						-85
Net interest income (adj) with one-offs	**162,157**	**157,802**	**158,643**	**156,746**	**635,348**	**142,048**
(-) Revaluation result of FX swaps at OTP Core (booked within net interest income)	-296	-454	-1,023	948	-824	-679
Net interest income (adj) without one-offs	**162,453**	**158,255**	**159,666**	**155,798**	**636,172**	**142,727**
Net fees and commissions	**52,501**	**52,910**	**53,253**	**56,992**	**215,656**	**49,142**
(+) Agent fees paid to car dealers by Merkantil Group	-568	-514	-468	-496	-2,047	-454
(+) Financial Transaction Tax	-9,892	-10,913	-11,207	-12,016	-44,029	-11,395
Net fees and commissions (adj.)	**42,040**	**41,482**	**41,577**	**44,479**	**169,579**	**37,293**
Foreign exchange result	**65,732**	**21,942**	**23,783**	**45,462**	**156,918**	**93,329**
(-) Revaluation result of FX positions hedging the revaluation of FX provisions	64,576	16,045	18,112	45,470	144,203	89,413
(+) Revaluation result booked on Other risk cost line due to regulatory changes related to FX mortgage loans in Hungary				-1,428	-1,428	
Foreign exchange result (adj.) with one-offs	**1,155**	**5,897**	**5,670**	**-1,436**	**11,287**	**3,917**
Foreign exchange result (adj.) without one-offs	**1,155**	**5,897**	**5,670**	**-1,436**	**11,287**	**3,917**
Gain/loss on securities, net	**851**	**4,851**	**771**	**438**	**6,911**	**4,059**
Gain/loss on securities, net (adj.) with one-offs	**851**	**4,851**	**771**	**438**	**6,911**	**4,059**
(-) Revaluation result of the treasury share swap agreement (booked as Gain on securities, net (adj) at OTP Core)	63	345	-2	17	423	352
Gain/loss on securities, net (adj.) without one-offs	**788**	**4,507**	**773**	**421**	**6,489**	**3,707**
Gains and losses on real estate transactions	**449**	**343**	**-20**	**-37**	**734**	**484**
(+) Other non-interest income	**4,133**	**6,379**	**3,466**	**-332**	**13,645**	**4,191**
(-) Received cash transfers	0	34	-32	2	5	0
(-) Non-interest income from the release of pre-acquisition provisions	24	274	398	563	1,260	368
(+) Other other non-interest expenses	-811	-1,650	-1,278	-3,928	-7,666	-137,729
(+) Change in shareholders' equity of companies consolidated with equity method		683	255	710	1,648	237
(-) Badwill booked in relation to acquisitions		4,508	55	0	4,563	1,845
(-) One-off impact of regulatory changes related to consumer contracts in Hungary						-136,832
Net other non-interest result (adj) with one-offs	**3,747**	**938**	**2,002**	**-4,153**	**2,534**	**1,802**
(-) 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	**3,747**	**938**	**2,002**	**-4,153**	**2,534**	**1,802**
Provision for loan losses	**-133,359**	**-86,725**	**-91,113**	**-135,632**	**-446,830**	**-151,153**
(+) Non-interest income from the release of pre-acquisition provisions	24	274	398	563	1,260	368
(-) Revaluation result of FX provisions	-64,576	-16,045	-18,112	-45,470	-144,203	-88,402
(-) Risk cost created toward Crimean exposures from 2Q 2014		-9,267	-80	394	-8,953	68
(-) Risk cost created toward exposures to Donetsk and Luhansk from 3Q 2014			-7,816	-21,087	-28,903	-1,307
Provision for loan losses (adj)	**-68,759**	**-61,140**	**-64,706**	**-68,907**	**-263,511**	**-61,145**
After tax dividends and net cash transfers	**-1,218**	**-1,911**	**130**	**-4,483**	**-7,481**	**-4,406**
(-) Sponsorships, subsidies and cash transfers to public benefit organisations	-1,163	-5,665	-156	-5,293	-12,277	-4,645
(-) Dividend income of swap counterparty shares kept under the treasury share swap agreement		2,957	0	0	2,957	0
(-) Change in shareholders' equity of companies consolidated with equity method		683	255	710	1,648	237
After tax dividends and net cash transfers	**-55**	**114**	**31**	**101**	**191**	**2**

in HUF million	1Q 14	2Q 14	3Q 14	4Q 14 Audited	2014 Audited	1Q 15
Depreciation	**-10,379**	**-32,660**	**-11,709**	**-11,198**	**-65,946**	**-9,953**
(-) Goodwill impairment charges (OTP banka Srbija (Serbia), OTP Bank JSC (Ukraine), OTP banka Hrvatska (Croatia), CKB (Montenegro))	0	-22,225	0	0	-22,225	0
Depreciation (adj)	**-10,379**	**-10,435**	**-11,709**	**-11,198**	**-43,721**	**-9,953**
Income taxes	**3,258**	**47,425**	**-13,581**	**14,283**	**51,385**	**7,328**
(-) Corporate tax impact of goodwill/investment impairment charges	0	10,628	0	6,582	17,210	0
(-) Corporate tax impact of the special tax on financial institutions	6,593	121	98	7	6,818	6,429
(+) Tax deductible transfers	-336	-4,797	3	-4,605	-9,734	-2,938
(-) Corporate tax impact of the badwill booked in relation to acquisitions		-902	-11	0	-913	-295
(-) Corporate tax shield on previous losses of acquired banks		902	11	0	913	0
(-) Corporate tax impact of provision on potential merger expenses		108	0	0	108	0
(-) Corporate tax impact of the actual and expected one-off impact of regulatory changes related to consumer contracts in Hungary		40,467	-5,911	2,908	37,464	-931
(-) Corporate tax impact of risk cost created toward Crimean exposures from 2Q 2014		1,096	-16	-69	1,010	3
(-) Corporate tax impact of risk cost created toward exposures to Donetsk and Luhansk from 3Q 2014			1,020	2,347	3,367	134
(-) Corporate tax impact of revaluation of reverse mortgage portfolio of OTP Life Annuity Ltd. simultaneous with regulatory changes						1,299
Corporate income tax (adj)	**-3,671**	**-9,791**	**-8,768**	**-2,097**	**-24,327**	**-2,249**
Other operating expense, net	**-3,972**	**-227,890**	**10,727**	**-11,771**	**-232,906**	**-9,433**
(-) Other costs and expenses	-1,735	-1,248	-1,002	-2,369	-6,354	-10,461
(-) Other non-interest expenses	-2,037	-7,326	-1,474	-9,139	-19,976	-142,376
(-) Other risk costs recognised in relation to the fixed exchange rate scheme	-14	9	4	1	0	0
(-) Provision on potential merger expenses		-539	0	0	-539	0
(-) Actual and expected one-off impact of regulatory changes related to consumer contracts in Hungary	0	-216,564	13,646	9,547	-193,371	154,576
(-) Revaluation result booked on Other risk cost line due to regulatory changes related to FX mortgage loans in Hungary				-1,428	-1,428	
(-) Revaluation of reverse mortgage portfolio of OTP Life Annuity Ltd. simultaneous with regulatory changes (booked within other risk cost)						-6,838
(-) Revaluation result of FX other provisions						-1,010
Other provisions	**-187**	**-2,222**	**-446**	**-8,383**	**-11,237**	**-3,323**
Other administrative expenses	**-85,631**	**-49,395**	**-49,360**	**-52,025**	**-236,411**	**-81,927**
(+) Other costs and expenses	-1,735	-1,248	-1,002	-2,369	-6,354	-10,461
(+) Other non-interest expenses	-2,037	-7,326	-1,474	-9,139	-19,976	-142,376
(-) Paid cash transfers	-1,226	-5,676	-196	-5,212	-12,309	-4,647
(+) Film subsidies and cash transfers to public benefit organisations	-1,163	-5,665	-156	-5,293	-12,277	-4,645
(-) Other other non-interest expenses	-811	-1,650	-1,278	-3,928	-7,666	-137,729
(-) Special tax on financial institutions (recognised as other administrative expenses)	-35,986	-548	-445	-31	-37,011	-35,173
(-) Tax deductible transfers	-336	-4,797	3	-4,605	-9,734	-2,938
(-) Credit institutions' contribution tax paid in relation to the fixed exchange rate scheme	-2,819	-227	23	224	-2,798	-232
(-) Financial Transaction Tax	-9,892	-10,913	-11,207	-12,016	-44,029	-11,395
(-) One-off impact of regulatory changes related to consumer contracts in Hungary						-9,312
Other non-interest expenses	**-39,496**	**-39,821**	**-38,892**	**-43,259**	**-161,470**	**-37,983**

SUMMARY ON THE MODIFICATION OF SHAREHOLDERS' EQUITY OF OTP BANKA SLOVENSKO

The shareholders' equity of OTP Banka Slovensko presented in the report has been modified retroactively from 1Q 2014 due to the elimination of two adjustment items affecting the presented shareholders' equity. Accordingly, modified balance sheet lines include Shareholders' equity and Liabilities to credit institutions, and Return on equity (ROE) indicator among performance indicators.

Changes are presented in the table below:

in HUF million	1Q 2014	2Q 2014	3Q 2014	4Q 2014	1Q 2015
Shareholders' equity - old	29,557	29,783	29,443	30,501	
Shareholders' equity - new	27,319	27,489	27,117	29,787	28,698
Liabilities to credit institutions - old	41,550	37,571	21,952	17,729	
Liabilities to credit institutions - new	41,946	37,971	22,352	18,135	17,362
%	1Q 2014	2Q 2014	3Q 2014	4Q 2014	1Q 2015
ROE - old	5.6%	2.7%	2.2%	-9.5%	
ROE - new	5.8%	2.9%	2.4%	-10.0%	6.1%

TABLE OF CONTENTS

CONSOLIDATED FINANCIAL HIGHLIGHTS AND SHARE DATA **2**
INTERIM MANAGEMENT REPORT – OTP BANK'S RESULTS FOR FIRST QUARTER 2015 . 3
SUMMARY OF 1Q 2015 3
POST BALANCE SHEET EVENTS 10
CONSOLIDATED AFTER TAX PROFIT BREAKDOWN BY SUBSIDIARIES (IFRS) **11**
CONSOLIDATED AND SEPARATE, UNAUDITED IFRS REPORTS OF OTP BANK PLC. **12**
CONSOLIDATED STATEMENT OF RECOGNIZED INCOME 12
CONSOLIDATED BALANCE SHEET 13
OTP BANK'S HUNGARIAN CORE BUSINESS **15**
OTP FUND MANAGEMENT (HUNGARY) 19
MERKANTIL GROUP (HUNGARY) 20
IFRS REPORTS OF THE MAIN SUBSIDIARIES **21**
DSK GROUP (BULGARIA) 21
OTP BANK RUSSIA 23
OTP BANK UKRAINE 25
OTP BANK ROMANIA 27
OTP BANKA HRVATSKA (CROATIA) 29
OTP BANKA SLOVENSKO (SLOVAKIA) 31
OTP BANKA SRBIJA (SERBIA) 32
CRNOGORSKA KOMERCIJALNA BANKA (MONTENEGRO) 34
STAFF LEVEL AND OTHER INFORMATION 35
PERSONAL AND ORGANIZATIONAL CHANGES 35
FINANCIAL DATA **36**
SUPPLEMENTARY DATA **45**

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