OTP Bank Plc.

Summary of the full-year 2012 results

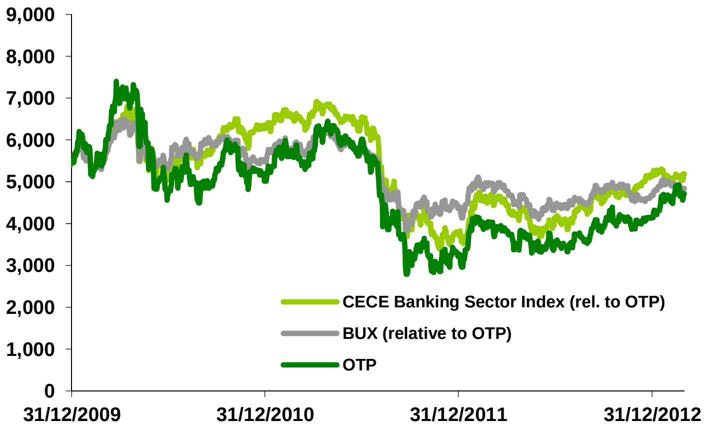
(English translation of the original report submitted
to the Budapest Stock Exchange)

Budapest, 8 March 2013

CONSOLIDATED FINANCIAL HIGHLIGHTS[1] AND SHARE DATA

Main components of the Statement of recognised income in HUF million	2011	2012	Y-o-Y	4Q 2011	3Q 2012	4Q 2012	Q-o-Q	Y-o-Y
Consolidated after tax profit	**83,800**	**122,586**	**46%**	**-25,840**	**42,539**	**26,145**	**-39%**	**-201%**
Adjustments (total)	**-77,605**	**-27,363**	**-65%**	**-56,031**	**-414**	**-95**	**-77%**	**-100%**
Consolidated adjusted after tax profit without the effect of adjustments	**161,405**	**149,949**	**-7%**	**30,191**	**42,953**	**26,239**	**-39%**	**-13%**
Pre-tax profit	221,086	192,192	-13%	50,268	55,494	39,392	-29%	-22%
Operating profit	435,579	449,664	3%	107,859	115,526	109,640	-5%	2%
Total income	811,592	844,553	4%	218,299	212,392	214,865	1%	-2%
Net interest income	630,892	650,319	3%	168,961	161,278	165,988	3%	-2%
Net fees and commissions	143,280	151,570	6%	38,597	39,013	40,550	4%	5%
Other net non-interest income	37,419	42,664	14%	10,741	12,101	8,327	-31%	-22%
Operating expenses	-376,013	-394,890	5%	-110,440	-96,866	-105,225	9%	-5%
Total risk costs	-234,039	-253,692	8%	-67,534	-60,574	-70,279	16%	4%
One off items	19,546	-3,779	-119%	9,944	542	30	-94%	-100%
Corporate taxes	-59,682	-42,243	-29%	-20,077	-12,541	-13,152	5%	-34%
Main components of balance sheet closing balances in HUF million	2011	2012	Y-o-Y	4Q 2011	3Q 2012	4Q 2012	Q-o-Q	Y-o-Y
Total assets	10,200,527	10,113,466	-1%	10,200,527	9,827,507	10,113,466	3%	-1%
Total customer loans (net, FX adjusted)	**6,718,225**	**6,464,192**	**-4%**	**6,718,225**	**6,473,210**	**6,464,192**	**0%**	**-4%**
Total customer loans (gross, FX adjusted)	**7,724,416**	**7,618,368**	**-1%**	**7,724,416**	**7,585,668**	**7,618,368**	**0%**	**-1%**
Allowances for possible loan losses (FX adjusted)	-1,006,190	-1,154,176	15%	-1,006,190	-1,112,459	-1,154,176	4%	15%
Total customer deposits (FX adjusted)	**6,186,842**	**6,550,708**	**6%**	**6,186,842**	**6,345,809**	**6,550,708**	**3%**	**6%**
Issued securities	812,863	643,123	-21%	812,863	721,368	643,123	-11%	-21%
Subordinated loans	316,447	291,495	-8%	316,447	286,140	291,495	2%	-8%
Total shareholders' equity	1,418,310	1,514,553	7%	1,418,310	1,460,310	1,514,553	4%	7%
Indicators based on one-off adjusted earnings %	2011	2012	Y-o-Y	4Q 2011	3Q 2012	4Q 2012	Q-o-Q	Y-o-Y
ROE	11.8%	10.2%	-1.6%	8.5%	11.9%	7.0%	-4.8%	-1.5%
ROA	1.6%	1.5%	-0.1%	1.2%	1.7%	1.0%	-0.7%	-0.1%
Operating profit margin	4.36%	4.43%	0.07%	4.26%	4.65%	4.37%	-0.28%	0.12%
Total income margin	8.12%	8.31%	0.19%	8.62%	8.55%	8.57%	0.02%	-0.04%
Net interest margin	6.31%	6.40%	0.09%	6.67%	6.49%	6.62%	0.13%	-0.05%
Cost-to-asset ratio	3.76%	3.89%	0.12%	4.36%	3.90%	4.20%	0.30%	-0.16%
Cost/income ratio	46.3%	46.8%	0.4%	50.6%	45.6%	49.0%	3.4%	-1.6%
Risk cost to average gross loans	2.95%	3.11%	0.16%	3.12%	3.13%	3.43%	0.30%	0.31%
Total risk cost-to-asset ratio	2.34%	2.50%	0.16%	2.67%	2.44%	2.80%	0.37%	0.14%
Effective tax rate	27.0%	22.0%	-5.0%	39.9%	22.6%	33.4%	10.8%	-6.6%
Net loan/(deposit+retail bond) ratio (FX adjusted)	102%	95%	-8%	102%	97%	95%	-2%	-8%
Capital adequacy ratio (consolidated, IFRS) - Basel2	17.3%	19.7%	2.4%	17.3%	18.2%	19.7%	1.5%	2.4%
Core Tier1 ratio - Basel2	12.0%	14.7%	2.7%	12.0%	13.9%	14.7%	0.8%	2.7%
Share Data	2011	2012	Y-o-Y	4Q 2011	3Q 2012	4Q 2012	Q-o-Q	Y-o-Y
EPS diluted (HUF) (from unadjusted net earnings)	312	457	46%	-98	159	97	-39%	-199%
EPS diluted (HUF) (from adjusted net earnings)	606	563	-7%	114	161	98	-39%	-13%
Closing price (HUF)	3,218	4,150	29%	3,218	3,895	4,150	7%	29%
Highest closing price (HUF)	6,450	4,391	-32%	3,650	4,091	4,391	7%	20%
Lowest closing price (HUF)	2,798	2,960	6%	2,835	3,330	3,870	16%	37%
Market Capitalization (EUR billion)	2.9	4.0	38%	2.9	3.8	4.0	4%	38%
Book Value Per Share (HUF)	5,065	5,409	7%	5,065	5,215	5,409	4%	7%
Tangible Book Value Per Share (HUF)	4,173	4,561	9%	4,173	4,383	4,561	4%	9%
Price/Book Value	0.6	0.8	21%	0.6	0.7	0.8	3%	21%
Price/Tangible Book Value	0.8	0.9	18%	0.8	0.9	0.9	2%	18%
P/E (trailing, from accounting net earnings)	10.8	9.5	-12%	10.8	15.4	9.5	-39%	-12%
P/E (trailing, from adjusted net earnings)	5.6	7.7	39%	5.6	7.1	7.7	9%	39%
Average daily turnover (EUR million)	34	22	-36%	30	17	19	15%	-36%
Average daily turnover (million share)	2.1	1.7	-20%	2.9	1.3	1.3	4%	-54%

SHARE PRICE PERFORMANCE



MOODY'S RATINGS

OTP Bank	
Foreign currency senior debt	Ba1
Financial strength	D
OTP Mortgage Bank	
Covered mortgage bond	Baa3
DSK Bank	
Foreign currency long term deposits	Ba1
Financial strength	D
OTP Bank Russia	
Foreign currency long term deposits	Ba2
Financial strength	D-
Long term national rating	Aa2.ru

STANDARD & POOR'S RATING

OTP Bank and OTP Mortgage Bank	
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.

SUMMARY OF THE FULL-YEAR 2012 RESULTS

The Summary of the full-year 2012 results of OTP Bank Plc. has been prepared on the basis of its separate condensed and consolidated IFRS financial statements for 31 December 2012 or derived from that. At presentation of full year 2012 report of OTP Bank we applied International Financial Reporting Standards adopted by the European Union.

SUMMARY OF THE FULL-YEAR 2012 AND THE FOURTH QUARTER 2012

Below 3% budget deficit, successful public debt refinancing, negative GDP dynamics in Hungary; fiscal consolidation and moderating loan demand in other group member economies

Apart from January, the rest of 2012 turned to be more supportive for Hungary from capital markets perspectives compared to 2011. The significant turnaround in market sentiment on one hand was fuelled by the major central banks' further liquidity enhancing measures, but the firm commitment of the Hungarian government to keep the fiscal deficit below 3% and some of the adjustment measures introduced for achieving this target also improved the generally positive attitude towards Hungarian assets. The Hungarian forint was one of the best-performing currencies, similar to Hungarian government bonds and foreign investors' holding in local government papers reached all-time highs with over HUF 5 trillion. The State safely financed its maturing debts without turning to external markets. At the same time, the preliminary GDP-statistics published on 14 February 2013 painted a dire picture about the Hungarian economy: with the GDP dropping 1.7% y-o-y this performance was one of the weakest in the region. It is quite alarming that the investment ratio was the lowest in the European Union, whereas household consumption was fairly benign.

The consecutive rate cuts of the Central Bank resumed from August 2012 may have a positive impact on the cost of debt financing in medium term, however for the time being it could not revitalize the economic growth. The total gross loan volume of the credit institution sector (excluding Hungarian Development Bank, Eximbank and KELER) contracted by 15% in 2012, and according to Hungarian Accounting Standards the sector posted HUF 151 billion total loss, whereas in 2011 the sector recognized HUF 241 billion negative earnings (adjusted for the dividend income the losses were HUF 204 billion and HUF 331 billion, respectively).

While the fiscal consolidation in the countries of OTP Group has taken its toll through lower GDP growth, in most of the countries but Hungary, Croatia and Serbia economic activity remained in the positive territory. As a result of adjustments external positions (current account) in general improved, unemployment however stagnated at high levels which may halt back loan demand.

Consolidated earnings: HUF 150 billion adjusted net results in 2012 with y-o-y improving margins, moderating portfolio deterioration from 2H 2012, substantial DPD90+ coverage pick up

In 2012 OTP Group posted HUF 122.6 billion accounting profit versus HUF 83.8 billion a year earlier. The main reason behind the significant y-o-y improvement was the drop in the amount of adjustments: there were no goodwill impairment charges in 2012; bulk of the net impact of early repayment of FX mortgages was booked in 2011, whereas the yearly net amount of special tax on financial institutions basically remained the same. The adjusted profit was at HUF 150 billion versus HUF 161.4 billion a year earlier. The y-o-y 7% drop was mainly related to the weaker performance at OTP Core in Hungary. The Hungarian profit contracted by 17%. At the same time the profit contribution of foreign subsidiaries advanced from HUF 51.3 billion (32% of consolidated profits) in 2011 to HUF 61.0 billion (41%) in 2012. 4Q profit dropped by 39% as a result of seasonally increase in operating expenses (+9% q-o-q), higher tax burden and advancing risk costs (+16% q-o-q).

As a positive development, the total income without one-off items further increased, its amount at HUF 845 billion underpins a 4% growth y-o-y. Out of core revenues, net interest income advanced by 3% supported by the growth of high margin consumer lending in Russia and the Ukraine. On the opposite, the net interest income at OTP Core contracted by 11% due to lower net interest margin and smaller interest earning assets. The consolidated net fee income grew by 6% y-o-y.

Group-level operating expenses shaped according to the original expectations of the management. Out of the 5% y-o-y nominal growth around 2% is reasoned by the weaker average rate of the forint. Expenses advanced mainly at subsidiaries (in Russia and in the Ukraine) where growing business activity required additional sales channels. The 9% q-o-q growth of expenses in 4Q was a result of seasonality, but in Serbia the bank booked a one-timer expense in relation to litigations pertaining to loans originated prior to the acquisition of the subsidiary.

FX-adjusted consolidated loan volumes declined by 1% y-o-y and grew slightly in 4Q (+0.4% q-o-q). The yearly drop is mainly related to the 7% decline of Hungarian loans. The Ukrainian and Montenegrin portfolio also suffered meaningful contraction (-7% and -5%, respectively). On the positive side, consumer loans advanced nicely in Russia and the Ukraine (+31% and 282%, respectively) and in line with the management's aspiration this product segment grew substantially in Romania, Slovakia and Serbia, too. As a result, the consolidated consumer loan book grew by 14% y-o-y.

Deposit volumes increased by 6% y-o-y (+3% q-o-q) with Romania, Russia, Slovakia and Serbia achieving double digit growth, and only CKB suffered a deposit decline. Given their big absolute volumes, the 3% deposit volume growth both in Hungary and Bulgaria was meaningful. As a result, the consolidated net loan-to-deposit ratio dropped by 8 ppts y-o-y (2012: 95%).

The strong liquidity positions of the Group did not require foreign currency denominated wholesale funding, on the contrary, through the excess liquidity generated by on-going FX loan repayments the Bank managed to reduce its outstanding net swap position. By the end of 2012 the gross liquidity reserves of the Group reached almost EUR 6 billion equivalent and by the end of the year OTP had already managed to renew all its 2013 swap roll-over needs.

One of the positive momentums of 2012 was that while the DPD90+ ratio further increased – partly due to the decline of overall loan volumes – from the second half of the year there was a definite deceleration in portfolio deterioration (DPD90+ ratio growth in %-points: 1Q 2012: 0.8, 2Q: 1.4, 3Q: 0.2, 4Q: 0.1). By end-2012 the DPD90+ ratio reached 19.1%. Since the beginning of the crisis the 4Q deterioration was the smallest: the ratio stagnated at OTP Core and grew by only 0.2 ppt at DSK.

The FX adjusted DPD90+ volume formation further decelerated in 4Q, as a result the overall declining trend – but in 2Q 2012 – continued. (in HUF billions, 1Q: 51, 2Q: 80, 3Q: 47, 4Q: 44). The yearly volume of risk costs grew by roughly HUF 20 billion and represented HUF 254 billion. The provision coverage of non-performing loans advanced significantly by 3.3 ppts to 80.0% y-o-y.

The consolidated capital adequacy ratio of OTP Group under IFRS increased to 19.7% in December (+1.5 ppts q-o-q) with the Tier1 ratio climbing to 16.1% and Core Tier1 to 14.7%. The significant quarterly growth was due to several reasons: on one hand OTP introduced the Advanced Measurement Approach for the calculation of the capital requirement of operational risk. This method reflects more properly the Group's operational risks and resulted in a HUF 35 billion savings in capital needs for operational risk q-o-q. Furthermore, the regulatory capital was boosted by quarterly earnings and also by the higher revaluation reserves stemming from forint weakening in December. In addition the lower yield environment resulted in a gain on the AFS security portfolio booked through the equity. The stand-alone capital adequacy ratio of OTP Bank stood at 20.5% (+2.4 ppts q-o-q). During 4Q there two capital injections were implemented: OTP Bank Serbia received EUR 40 million and OTP Bank Romania RON 50 million.

OTP Core: the net result dropped by 17% y-o-y, margins and loan volumes contracted, lower annual risk costs, moderating portfolio deterioration

The adjusted after tax profit of **OTP Core** (basic activity in Hungary) in 2012 represented HUF 94.6 billion, in 4Q the operation posted HUF 20.5 billion profit. The y-o-y 17% decline was mainly due to weaker operating profit. Risk costs fell short of 2011 by HUF 5 billion. Total income contracted by 6% y-o-y as a result of an 11% decline in net interest income. The net interest margin moderated by 44 basis points and interest earning assets also dropped in the wake of the early FX mortgage repayment. The weaker net interest income was partially offset by a modest increase in net fees, doubling other net non-interest income and cost management. The portfolio deterioration, however further slowed down getting support from the stabilizing forint and the growing participation of clients in FX mortgage fixing scheme during the second half of the year. Given the stable DPD90+ ratio at 16.1%, despite q-o-q lower risk costs the provision coverage of non-performing loans advanced significantly.

Loan volumes dropped by 7% y-o-y (FX-adjusted), within that retail mortgages contracted by 9%, while the corporate book decreased by 6%, latter partly due to non-performing portfolio write-offs and sale. The volume of consumer loans stagnated. Municipal loans contracted, too, however the 13% drop was mainly due to the debt consolidation of municipalities with less than 5,000 inhabitants. Loans to micro and small enterprises were the only ones realizing growth, +8% y-o-y. Amid the weak loan demand across the whole sector, OTP managed to improve its market position: out of newly disbursed mortgages OTP grabbed 34% in 4Q, whereas in case of cash loans its share represented 52%.

Deposits and retail bonds stagnated y-o-y, but grew by 2% q-o-q. Retail deposit and bonds contracted by 7% y-o-y as a result of the crowding out effect of household targeted government bond sales. The drop was off-set however, by the increase in corporate and municipality deposits (+16% and +21% respectively). The net loan-to-deposit ratio declined to 73% (-7 ppts y-o-y).

Without banking tax **Merkantil Group** (the Hungarian car financing and leasing business) posted HUF 501 million net profit in 2012 which was one fourth of the net earnings pocketed a year ago. The key reason behind was the y-o-y 20% decline in operating profit. On a yearly base DPD90+ ratio remained flat at 19.2%, as well as its provision coverage. The FX-adjusted loan book further shrank (-9% y-o-y), but new loan disbursement showed an improving trend.

OTP Fund Management posted more than HUF 2 billion after tax profit in 2012 (without banking tax). This result fell short of 2011 earnings by 39%. Annual net fee income dropped by 11%. The volume of total assets under management reached HUF 1,077 billion underpinning an increase of 8% y-o-y. The company retained its dominant position in the investment fund market; its market share represented 25.9%.

Performance of the non-Hungarian business

In 2012 the trend of growing profit contribution by foreign subsidiaries continued, they posted altogether HUF 61 billion versus HUF 51.3 billion a year ago. Bulk of the net result was produced by the Russian and Bulgarian subsidiaries, HUF 71 billion in total, while the Ukrainian unit posted HUF 0.5 billion profit. The Croatian operation not only remained profitable, but managed to substantially improve its result without one-offs. Losses in Serbia and Montenegro moderated a lot, while the Slovakian bank remained in red. The substantial loss at the Romanian entity is partly related to the 54% increase of risk costs, but the operating profit also suffered a setback.

Similar to the previous year **OTP Bank Russia** posted strong earnings in 2012. Out of the annual net profit of HUF 47.2 billion HUF 14.2 billion was made in 4Q. The key driver of the 15% y-o-y profit growth was the strong operating profit underpinning a 48% improvement. Net interest income grew nicely (+37%). The annual net interest margin almost reached 18% (+1.75 ppts y-o-y) supported by the good dynamism of high margin consumer lending (+31% y-o-y, +15% q-o-q). Parallel with the lending growth operational expenses advanced by 18%, while risk costs doubled. The portfolio quality did not change materially in 4Q; the DPD90+ ratio reached 16.6% by the end of 2012. As a result of higher risk costs, provision coverage improved by 2.7 ppts y-o-y to 92.3%.

The **Bulgarian DSK Group** realized HUF 24.2 after tax profit in 2012, almost twice as much as in 2011. Since the operational profit remained practically flat, the key reason behind the improving profitability was the lower risk costs. The lower net interest income was due to lower net interest margins (-16 bps y-o-y), interest earning assets stagnated. The 4Q increase of operating expenses was induced mainly by seasonality, but a few bigger projects also generated higher advisory costs. As a result the cost-to-income ratio increased by 2.8 ppts y-o-y. It was highly positive that the portfolio deterioration showed strong signals of further moderation from 2H. Despite the lower annual risk costs, the bank managed to improve its DPD90+ coverage by 5.6 ppts y-o-y.

While the annual HUF 0.5 billion net profit of **OTP Bank Ukraine** is only fraction of the net earning a year ago, in 4Q the bank posted a remarkable result of HUF 2.7 billion. The significant y-o-y drop was due to doubling risk costs. At the same time operating profit advanced by 25%. Out of core earnings both net interest income and net fees had a decent growth (+19% and +39% respectively), whereas the annual net interest margin reached almost 7% (4Q 2012: 8.89%). The dynamic expansion of consumer loans kept its momentum throughout the whole year. The meaningful growth of retail deposits (+21%) was the key funding source of such spectacular increase. Corporate loans, on the other hand, representing around half of the total loan book, contracted by 9%. The DPD90+ ratio grew substantially (+6.4 ppts y-o-y) and reached 36.4%, provision coverage was at 79% by end-2012.

OTP Bank Romania posted a significant loss of HUF 5.5 billion versus a profit of HUF 763 million in 2011. Such a turn-around was due to a 28% decline in operating profit, but risk costs also advanced by 54%. Within core earnings the net interest income dropped by 15% as a result of on-going deposit campaigns aimed at improving the net loan-to-deposit ratio of the bank (the ratio decreased by 80 ppts). Higher risk costs aimed at increasing the provision coverage on DPD90+ volumes. As for balance sheet dynamism, consumer loans grew by 74% (FX-adjusted), while the y-o-y increase of deposits was the highest across the group (+40%).

OTP banka Hrvatska (Croatia) continued its profitable operation posting HUF 3.7 billion after tax earnings in 2012. Despite risk costs declining by more than half, the provision coverage of non-performing loans improved further (61%). Amid the moderate increase of mortgages and the consumer portfolio, the loan book shrank by 1% y-o-y. At the same time deposits increased by 4%, thus the net loan-to-deposit ratio dropped to 80%.

The **Slovakian subsidiary** at the end failed to turn into profit making and similar to 2011 it had another loss making year (-HUF 1.1 billion). The negative result was due to higher risk costs in 4Q aimed at improving the provision coverage. The operating profit of the bank improved, its net interest income grew by 10% y-o-y with stringent cost management in place. The consumer loan portfolio advanced by 78%, whereas the mortgage book grew by 8%.

The **Serbian subsidiary** posted HUF 4.9 billion loss underpinning a 21% decrease y-o-y. On the back of improving net interest margin and the resumed growth of FX-adjusted loan book, the net interest income more than doubled. Still, the operating profit remained in red. The portfolio quality kept improving; the DPD90+ ratio dropped by 8 ppts y-o-y and provision coverage grew by 8.2 ppts.

The operating profit of **CKB Montenegro** improved significantly, by 42% y-o-y. Out of total income the net interest income advanced by 30% as a result of better margins. Cost management performed nicely, too. While the high risk costs still pushed the bank into red, its annual loss of HUF 3.9 billion fell short of 2011 loss by 14%. The DPD90+ ratio increased by 4.4 ppts y-o-y and reached 40.8%, its coverage was 77%, similar to that of a year ago.

Credit ratings, shareholder structure

In the previous few months ratings at OTP Group changed as follows: following the downgrade of the Republic of Hungary, on 23 November 2012 Standard & Poor's also lowered the ratings of OTP Bank and OTP Mortgage Bank; both ratings were changed from 'BB+' onto 'BB' with *stable outlook*. On 14 February 2013 Moody's Investors Services completed the rating review process started in December 2012. As a result while it confirmed the rating of OTP Bank and OTP Mortgage Bank at 'Ba1' with *negative outlook,* it downgraded both entities' BFSR rating from 'D+/ba1' into 'D/ba2'. Following that rating action on 15 February 2013 Moody's downgraded DSK Bank from 'Baa3' into 'Ba1' (*negative outlook*), whereas it left unchanged OTP Bank Russia's 'Ba2' rating (*negative outlook*).

As for the ownership structure of the Bank, there were no major changes: by the end of December 2012 four investors had more than 5% influence (beneficial ownership) in the Company, namely the Rahimkulov family (9.02%), MOL (The Hungarian Oil and Gas Company) (8.70%), Groupama Group (8.43%), and the Lazard Group (5.73%).

POST BALANCE SHEET EVENTS

Hungary

- On 9 January 2013 Fitch Ratings has affirmed OTP Bank Plc's Support Rating at '3' following the upgrade of the outlook from negative to stable on the Hungarian sovereign on 20 December 2012.
- On 28 January 2013 IMF released an assessment after its Article IV review, and the European Commission published a report, too. They emphasized that the Hungarian government had to keep the budget deficit under 3% by implementing sustainable measures.
- On 29 January 2013 the National Bank of Hungary lowered the base rate by 25 basis points to 5.5%. According to the unanimous opinion of the members of the Monetary Council, "the monetary policy instruments currently available allow enough manoeuvring room to maintain a monetary policy consistent with the current outlook for inflation and the real economy, expanding the range of unconventional policy tools may provide effective support only during times of acute financial market stress." On 26 February the base rate was cut by another 25 basis points to 5.25%.
- On 8 February 2013 Moody's Investors Service affirmed Hungary's 'Ba1' government bond rating and maintained the negative outlook.
- On 12 February 2013 Hungary successfully returned to the international bond market by issuing USD bonds. The Government Debt Management Agency sold USD 1.25 billion with five year tenor at a spread of 335 basis points above Treasuries and USD 2 billion of 10-year bonds with 345 basis points premium above benchmark.
- According to preliminary data published by the Central Statistical Office on 14 February 2013 the Hungarian GDP contracted by 1.7% in 2012. In the fourth quarter the economic output declined by 2.7% compared to a year ago and 0.9% compared to the previous quarter.
- On 14 February 2013, Moody's Investors Service concluded the review for downgrade of the standalone credit assessments and the debt and deposit ratings of OTP Bank Plc and OTP Mortgage Bank. According to Moody's decision both banks' local and foreign currency long term deposit rating was confirmed at 'Ba1' and 'Ba2' respectively. OTP Bank's foreign currency long-term senior unsecured debt rating was confirmed at 'Ba1'. The foreign currency long-term subordinated debt rating (Lower Tier2) was downgraded to 'Ba3' from 'Ba2' and the foreign currency long-term junior subordinated debt rating (Upper Tier2) was downgraded to 'B1(hyb)' from 'Ba3(hyb)'. Both banks' BFSR was downgraded to 'D/ba2' from 'D+/ba1'. All the ratings are on negative outlook.
- On 15 February Moody's Investors Service concluded the review process of covered bonds issued by OTP Mortgage Bank and confirmed their rating at 'Baa3'.
- On 17 February 2013 Mr. Gyula Pleschinger, state secretary at the Economy Ministry stated that the government had informal talks with commercial banks on how to stimulate lending in Hungary. As part of the deal, the government may offer banks a tax refund from the special tax on financial institutions or to write off bank tax in case commercial banks will boost their lending activity. Mr. Pleschinger

claimed that the agreement is likely to be struck by the end of this spring and may provide more aggressive incentives than the ones offered earlier.

- On 3 March 2013 the mandate of Mr. Andras Simor, central bank governor has expired. His office was taken over by Mr. György Matolcsy on 4 March 2013. The Prime Minister also nominated Mr. Mihály Varga for Minister of the National Economy.

Russia

- On 9 January 2013 Fitch Ratings simultaneously with the affirmation of OTP Bank Plc's Support rating at '3' has affirmed its Russian subsidiary OJSC OTP Bank's (OTPR) Long-term Issuer Default Ratings (IDRs) at 'BB' and National Rating at 'AA-(rus)' and revised the Outlooks to Stable from Negative. The agency has also upgraded OTPR's Viability Rating to 'bb-' from 'b+'.
- On 15 February 2012 Moody's Investors Service confirmed the long-term local- and foreign-currency deposit ratings of OTP Bank (Russia) OJSC (OTP Russia) at 'Ba2' with a negative outlook. National Scale Rating of the Bank has also been confirmed at 'Aa2.ru'.

Ukraine

- On 12 February 2013 the IMF said that after a two-week visit in Ukraine, the representatives of IMF will resume talks with Ukraine in March, as important policy issues (mainly state subsidies on gas and heating for households) remained on the agenda. The IMF credit line approved in July 2010 has expired in December 2012.

Bulgaria

- On 31 January 2013 the Parliament approved the Public Finances Law, which will take effect with the 2014 budget. The law includes a budget deficit cap of 2% of the GDP. On 1 February 2013 the Finance Ministry announced that the 2012 budget shortfall reached 0.45%, below the 1.3% deficit target.
- On 15 February 15 Moody's Investors Service downgraded the local and foreign currency deposit ratings of DSK Bank EAD to 'Ba1/NP' from 'Baa3+/Prime-3'. All the ratings are on negative outlook.
- On 20 February 2013 the Bulgarian government led by Mr. Boiko Borisov resigned.

Croatia

- On 1 February 2013 Moody's Investors Service downgraded Croatia's government bond rating to 'Ba1' from 'Baa3'. Simultaneously the outlook has been changed from negative to stable.

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

in HUF million	2011	2012	Y-o-Y	4Q 2011	3Q 2012	4Q 2012	Q-o-Q	Y-o-Y
Consolidated after tax profit	**83,800**	**122,586**	**46%**	**-25,840**	**42,539**	**26,145**	**-39%**	**-201%**
Adjustments (total)	**-77,605**	**-27,363**	**-65%**	**-56,031**	**-414**	**-95**	**-77%**	**-100%**
Dividend and total net cash transfers (consolidated)	663	-391	-159%	82	-235	-199	-15%	-343%
Goodwill/investment impairment charges (after tax)	-17,701	3,977	-122%	-17,701	0	0		-100%
Special tax on financial institutions (after corporate income tax)	-28,965	-29,174	1%	-7,241	-179	105	-159%	-101%
Impact of early repayment of FX mortgage loans in Hungary (after corporate income tax)	-31,601	-1,775	-94%	-31,171	0	0		
Consolidated adjusted after tax profit without the effect of adjustments	**161,405**	**149,949**	**-7%**	**30,191**	**42,953**	**26,239**	**-39%**	**-13%**
Banks total without one-off items[1]	155,864	147,694	-5%	32,147	44,641	26,628	-40%	-17%
OTP CORE (Hungary)[2]	114,056	94,587	-17%	22,793	27,027	20,501	-24%	-10%
Corporate Centre (after tax)[3]	-6,727	-7,089	5%	-1,320	-1,722	-1,372	-20%	4%
OTP Bank Russia	41,042	47,158	15%	15,042	10,621	14,162	33%	-6%
CJSC OTP Bank (Ukraine)[4]	5,091	528	-90%	-2,736	1,906	2,696	41%	-199%
DSK Bank (Bulgaria)[5]	12,744	24,214	90%	4,026	8,019	588	-93%	-85%
OBR adj. (Romania)[6]	763	-5,530	-824%	-701	-1,724	-3,564	107%	408%
OTP Banka Srbija (Serbia)[7]	-6,283	-4,934	-21%	-2,726	-1,299	-2,343	80%	-14%
OBH (Croatia)	3,552	3,714	5%	-624	1,630	1,053	-35%	-269%
OBH, adj.	112	3,714		-624	1,630	1,053	-35%	-269%
OBH one-off items[8]	3,440	-	0%	-	-	-	0%	0%
OBS (Slovakia)[9]	-409	-1,082	165%	-561	250	-1,643	-757%	193%
CKB (Montenegro)	-4,525	-3,872	-14%	-1,046	-68	-3,449		230%
Leasing	1,890	2,051	8%	-129	565	-821	-245%	538%
Merkantil Bank + Car, adj. (Hungary)[10]	2,206	501	-77%	395	28	-974		-347%
Foreign leasing companies (Slovakia, Croatia, Bulgaria, Romania)[11]	-316	1,549	-590%	-523	537	153	-72%	-129%
Asset Management	3,265	2,042	-37%	593	426	1,148	170%	94%
OTP Asset Management (Hungary)	3,321	2,041	-39%	614	414	1,150	178%	87%
Foreign Asset Management Companies (Ukraine, Romania)[12]	-56	2	-103%	-21	12	-2	-113%	-93%
Other Hungarian Subsidiaries	-4,268	-934	-78%	-3,813	-1,836	-753	-59%	-80%
Other Foreign Subsidiaries (Slovakia, United Kingdom, Cyprus, Romania, Belize)[13]	-305	-756	148%	-651	-392	-112	-71%	-83%
Eliminations	1,520	-144	-109%	2,045	-447	148	-133%	-93%
Total after tax profit of HUNGARIAN subsidiaries[14]	110,107	88,962	-19%	20,714	23,465	18,700	-20%	-10%
Total after tax profit of FOREIGN subsidiaries[15]	51,298	60,991	19%	9,479	19,491	7,539	-61%	-20%
Share of foreign profit contribution, %	*32%*	*41%*	*9%*	*31%*	*45%*	*29%*	*-17%*	*-3%*

[2] Belonging 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	2011	2012	Y-o-Y	4Q 2011	3Q 2012	4Q 2012	Q-o-Q	Y-o-Y
Consolidated after tax profit	**83,800**	**122,586**	**46%**	**-25,840**	**42,539**	**26,145**	**-39%**	**-201%**
Adjustments (total)	**-77,605**	**-27,363**	**-65%**	**-56,031**	**-414**	**-95**	**-77%**	**-100%**
Dividends and net cash transfers (after tax)	663	-391	-159%	82	-235	-199	-15%	-342%
Goodwill/investment impairment charges (after tax)	-17,701	3,977	-122%	-17,701	0	0		-100%
Special tax on financial institutions (after corporate income tax)	-28,965	-29,174	1%	-7,241	-179	105	-159%	-101%
Impact of early repayment of FX mortgage loans in Hungary (after corporate income tax)	-31,601	-1,775	-94%	-31,171	0	0		-100%
Total impact of early repayment of FX mortgage loans in Hungary (after corporate income tax), final fact, recognized from 3Q 2011 to 1Q 2012		*-33,376*						
o/w Loss from early repayment of FX mortgage loans in Hungary (before corporate income tax)		*-65,053*						
Corporate income taxes due to losses from early repayments		*12,360*						
Special banking tax refund (after corporate income tax)		*16,048*						
Revaluation result on FX purchased from the National Bank of Hungary to cover the FX need of early repayments (after corporate income tax)		*3,269*						
Consolidated adjusted after tax profit without the effect of adjustments	**161,405**	**149,949**	**-7%**	**30,191**	**42,953**	**26,239**	**-39%**	**-13%**
Before tax profit	**221,086**	**192,192**	**-13%**	**50,268**	**55,494**	**39,392**	**-29%**	**-22%**
Operating profit	**435,579**	**449,664**	**3%**	**107,859**	**115,526**	**109,640**	**-5%**	**2%**
Total income	**811,592**	**844,553**	**4%**	**218,299**	**212,392**	**214,865**	**1%**	**-2%**
Net interest income	**630,892**	**650,319**	**3%**	**168,961**	**161,278**	**165,988**	**3%**	**-2%**
Net fees and commissions	**143,280**	**151,570**	**6%**	**38,597**	**39,013**	**40,550**	**4%**	**5%**
Other net non-interest income	**37,419**	**42,664**	**14%**	**10,741**	**12,101**	**8,327**	**-31%**	**-22%**
Foreign exchange result, net	19,042	19,863	4%	5,085	5,704	3,402	-40%	-33%
Gain/loss on securities, net	3,419	4,696	37%	1,176	2,834	521	-82%	-56%
Net other non-interest result	14,959	18,105	21%	4,480	3,564	4,403	24%	-2%
Operating expenses	**-376,013**	**-394,890**	**5%**	**-110,440**	**-96,866**	**-105,225**	**9%**	**-5%**
Personnel expenses	-169,097	-188,953	12%	-48,464	-46,750	-48,684	4%	0%
Depreciation	-49,454	-47,420	-4%	-12,948	-11,864	-12,583	6%	-3%
Other expenses	-157,462	-158,517	1%	-49,028	-38,252	-43,958	15%	-10%
Total risk costs	**-234,039**	**-253,692**	**8%**	**-67,534**	**-60,574**	**-70,279**	**16%**	**4%**
Provision for loan losses	-228,432	-242,695	6%	-61,773	-58,366	-64,296	10%	4%
Other provision	-5,607	-10,997	96%	-5,761	-2,208	-5,982	171%	4%
Total one-off items	**19,546**	**-3,779**	**-119%**	**9,944**	**542**	**30**	**-94%**	**-100%**
Revaluation result of FX swaps at OTP Core	3,169	-2,528	-180%	-361	29	0	-101%	-100%
Gain on the repurchase of own Upper and Lower Tier2 Capital at OTP Core	2,580	1,415	-45%	807	291	0	-100%	-100%
Gain on Croatian government bonds at OTP Croatia	4,300	0	-100%	0	0	0		
Result of the treasury share swap at OTP Core	5,572	-2,667	-148%	5,572	223	31	-86%	-99%
Corporate taxes	**-59,682**	**-42,243**	**-29%**	**-20,077**	**-12,541**	**-13,152**	**5%**	**-34%**
INDICATORS (%)	2011	2012	Y-o-Y	4Q 2011	3Q 2012	4Q 2012	Q-o-Q	Y-o-Y
ROE (adjusted)	11.8%	10.2%	-1.6%	8.5%	11.9%	7.0%	-4.8%	-1.5%
ROA (adjusted)	1.6%	1.5%	-0.1%	1.2%	1.7%	1.0%	-0.7%	-0.1%
Operating profit margin	4.36%	4.43%	0.07%	4.26%	4.65%	4.37%	-0.28%	0.12%
Total income margin	8.12%	8.31%	0.19%	8.62%	8.55%	8.57%	0.02%	-0.04%
Net interest margin	6.31%	6.40%	0.09%	6.67%	6.49%	6.62%	0.13%	-0.05%
Net fee and commission margin	1.43%	1.49%	0.06%	1.52%	1.57%	1.62%	0.05%	0.09%
Net other non-interest income margin	0.37%	0.42%	0.05%	0.42%	0.49%	0.33%	-0.15%	-0.09%
Cost-to-asset ratio	3.76%	3.89%	0.12%	4.36%	3.90%	4.20%	0.30%	-0.16%
Cost/income ratio	46.3%	46.8%	0.4%	50.6%	45.6%	49.0%	3.4%	-1.6%
Risk cost for loan losses-to-average gross loans	2.95%	3.11%	0.16%	3.12%	3.13%	3.43%	0.30%	0.31%
Risk cost for loan losses-to-average FX adjusted gross loans	2.96%	3.19%	0.23%	3.19%	3.09%	3.40%	0.31%	0.21%
Total risk cost-to-asset ratio	2.34%	2.50%	0.16%	2.67%	2.44%	2.80%	0.37%	0.14%
Effective tax rate	27.0%	22.0%	-5.0%	39.9%	22.6%	33.4%	10.8%	-6.6%
Non-interest income/total income	22%	23%	1%	23%	24%	23%	-1%	0%
EPS base (HUF) (from unadjusted net earnings)	312	457	46%	-98	159	97	-39%	-199%
EPS diluted (HUF) (from unadjusted net earnings)	312	457	46%	-98	159	97	-39%	-199%
EPS base (HUF) (from adjusted net earnings)	606	563	-7%	114	161	98	-39%	-13%
EPS diluted (HUF) (from adjusted net earnings)	606	563	-7%	114	161	98	-39%	-13%

Comprehensive Income Statement	2011	2012	Y-o-Y	4Q 2011	3Q 2012	4Q 2012	Q-o-Q	Y-o-Y
Net comprehensive income	**131,768**	**121,990**	**-7%**	**13,930**	**39,817**	**54,152**	**36%**	**289%**
Net profit attributable to equity holders	**83,147**	**121,690**	**46%**	**-26,027**	**42,343**	**25,896**	**-39%**	**-199%**
Consolidated after tax profit	83,800	122,586	46%	-25,840	42,539	26,145	-39%	-201%
(-) Net profit attributable to non-controlling interest	653	896	37%	187	196	249	27%	33%
Other net comprehensive income elements	**48,621**	**300**	**-99%**	**39,957**	**-2,526**	**28,256**		**-29%**
Fair value adjustment of securities available-for-sale (recognised directly through equity)	-22,732	48,180	-312%	-18,610	9,890	9,903	0%	-153%
Fair value adjustment of derivative financial instruments designated as cash-flow hedge	378	532	41%	21	134	134	0%	538%
Fair value adjustment of strategic open FX position hedging net investment in foreign operations	-7,993	4,978	-162%	-4,729	1,082	-1,824	-269%	-61%
Foreign currency translation difference	78,968	-53,390	-168%	63,275	-13,632	20,043	-247%	-68%
Average exchange rate of the HUF (in forint)	2011	2012	Y-o-Y	4Q 2011	3Q 2012	4Q 2012	Q-o-Q	Y-o-Y
EUR/HUF	279	289	4%	304	283	283	0%	-7%
CHF/HUF	227	240	6%	247	235	234	0%	-5%
USD/HUF	201	225	12%	225	226	219	-3%	-3%
JPY/100HUF	253	283	12%	292	288	270	-6%	-8%

- ***HUF 150 billion adjusted net earnings underpins a y-o-y 7% decline as a result of improving operating profit and higher risk costs***
- ***The 3% improvement in operating profit y-o-y to a large extent was a result of higher Russian and Ukrainian operating profits (+HUF 40 billion, +48% and +HUF 7 billion, +25% respectively)***
- ***4Q adjusted profit decreased due to seasonally higher operational costs, elevated risk costs aimed at improving provision coverage and higher tax burden***
- ***Stronger quarterly net interest income (4Q 2012: HUF 166 billion, +3% q-o-q), improving net interest margin (6.62%, +13 bps q-o-q)***

In 2012 **OTP Group** posted HUF 150 billion adjusted after tax profit (excluding the special banking levy, the impact of early repayment of FX mortgages, dividends and positive tax shield of investment impairment charges) underpinning a 7% decline y-o-y. The accounting profit including all the adjustments represented HUF 122.6 billion, which is by 46% higher than in 2011. The key reason behind the improvement was due to the base effect of the early FX prepayment and goodwill impairment.

The 4Q consolidated adjusted profit after tax was HUF 26.2 billion, down by 39% and 13% q-o-q and y-o-y, respectively. On the other hand in the absence of significant adjustment items the accounting profit fell very close to the adjusted one (HUF 26.1 billion, -39% q-o-q, +201% y-o-y). The material y-o-y improvement of accounting profit was reasoned by the base effect of the early FX prepayment and goodwill impairment. Furthermore, in 4Q 2012 no banking tax was booked after Hungarian group members, since the whole amount had been already recognised in 1Q 2012 according to the guidance by the IFRS Interpretation Committee ('IFRIC') in March 2012. Whereas in 2010 and 2011 the Hungarian banking tax was recognised in quarterly accruals.

The 7% y-o-y decline in the annual adjusted profit was partly caused by one-off items (revaluation of FX swaps and the result of the treasury share swap), but also by the 6% increase in provisioning for loan losses – mostly related to the loan books of OTP Russia, OTP Ukraine and OTP Romania.

The operating profit of the Group improved, however, by 3% y-o-y due to the rapid growth of the Russian net interest income (+37%, +HUF 46 billion) which offset the weaker Hungarian net interest result (-35 HUF billion y-o-y). Operating expenses expanded by 5% y-o-y (+HUF 19 billion), of which HUF 8 billion increase was due to the weaker forint y-o-y. The FX-adjusted cost increase was only 3% (+HUF 11 billion). Bulk of the FX-adjusted change was related to the Russian and Ukrainian subsidiaries (+HUF 7.2 and HUF 1.5 billion y-o-y respectively), where higher costs were triggered by enhanced business activity. Furthermore, Serbian operational expenses increased substantially, too (+HUF 2 billion FX-adjusted, +33% y-o-y) (further details in the section of OTP banka Srbija).

The effective tax burden decreased in 2012: the stronger forint generated a positive tax shield of HUF 5.7 billion on the investments in foreign subsidiaries at OTP Core. In 2011, on the contrary, the weaker forint generated an additional tax burden of HUF 8.4 billion.

The three key factors behind the decline in adjusted net earnings (HUF 26.3 billion) in 4Q (-39% q-o-q) were as follows: risk costs grew by 16% q-o-q mainly due to the management's aspiration to increase provision coverage. Since the FX-adjusted DPD90+ formation slowed down q-o-q at all group members but in the Ukraine and Montenegro, the DPD90+ provisioning coverage grew in most cases. The consolidated coverage level reached 80.0%, up by 2.1 ppts q-o-q.

Secondly, consolidated FX-adjusted operating expenses grew by 9% q-o-q. In most cases the increase was caused by seasonality, however in Serbia a one-timer expense in the amount of HUF 1.3 billion pushed up expenses.

And finally, the higher corporate tax burden had a negative impact on bottom line earnings in 4Q: the effective tax rate jumped from 23% to 33%. In case of OTP Core the effective tax rate grew from 24% to 30% as a result of a negative tax shield effect in 4Q in the wake of the revaluation of subsidiary investments. OTP Core had an additional tax burden of HUF 2.0 billion in 4Q versus HUF 1.2 billion tax savings in 3Q 2012. Furthermore, the Ukrainian tax burden also increased q-o-q: under IFRS tax accrual for the first half of 2012 was partially reversed in 3Q (HUF 0.6 billion) since full year profit forecast was changed, resulting a positive tax burden in that quarter. In 4Q, however a tax burden of HUF 1.2 billion was recognised.

The net interest income improved by 3% q-o-q (+HUF 4.7 billion). This revenue line was supported by higher net interest income in Russia (+HUF 4.4 billion q-o-q) where net interest margin advanced by 58 bps to 18.3% and interest earning assets grew, too. Besides, the Ukrainian net interest income also had a substantial increase (+HUF 1.2 billion q-o-q) fuelled by the strengthening of the high margin consumer lending activity. Lower interest expenditures on interbank and corporate deposits also had a positive impact on net interest margins, which reached 8.89% in 4Q (+114 bps q-o-q).

CONSOLIDATED BALANCE SHEET

Main components of balance sheet in HUF million	4Q 2011	3Q 2012	4Q 2012	Q-o-Q	Y-o-Y
TOTAL ASSETS	**10,200,527**	**9,827,507**	**10,113,466**	**3%**	**-1%**
Cash and amount due from banks	595,986	508,184	602,521	19%	1%
Placements with other banks	422,777	443,002	356,866	-19%	-16%
Financial assets at fair value	241,282	245,068	222,874	-9%	-8%
Securities available-for-sale	1,125,855	1,529,690	1,411,177	-8%	25%
Net customer loans	7,047,179	6,357,433	6,464,191	2%	-8%
Net customer loans (FX adjusted)	**6,718,225**	**6,473,210**	**6,464,191**	**0%**	**-4%**
Gross customer loans	8,108,631	7,449,696	7,618,367	2%	-6%
Gross customer loans (FX adjusted)	**7,724,416**	**7,585,668**	**7,618,367**	**0%**	**-1%**
o/w Retail loans	5,033,552	5,017,237	5,086,233	1%	1%
Retail mortgage loans (incl. home equity)	2,988,786	2,838,839	2,797,094	-1%	-6%
Retail consumer loans	1,600,909	1,725,781	1,831,297	6%	14%
SME loans	443,907	452,617	457,841	1%	3%
Corporate loans	2,281,663	2,193,729	2,168,134	-1%	-5%
Loans to medium and large corporates	1,939,505	1,869,494	1,863,469	0%	-4%
Municipal loans	342,153	324,247	304,666	-6%	-11%
Car financing loans	346,309	302,480	289,655	-4%	-16%
Bills and accrued interest receivables related to loans	62,865	72,225	74,346	3%	18%
Allowances for loan losses	-1,061,452	-1,092,263	-1,154,176	6%	9%
Allowances for loan losses (FX adjusted)	-1,006,190	-1,112,459	-1,154,176	4%	15%
Equity investments	10,342	6,777	7,936	17%	-23%
Securities held-to-maturity	124,887	120,158	429,303	257%	244%
Premises, equipment and intangible assets, net	491,666	475,810	489,142	3%	-1%
o/w Goodwill, net	198,896	186,931	189,619	1%	-5%
Premises, equipment and other intangible assets, net	292,770	288,879	299,523	4%	2%
Other assets	140,553	141,385	129,456	-8%	-8%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**10,200,527**	**9,827,507**	**10,113,466**	**3%**	**-1%**
Liabilities to credit institutions and governments	646,968	548,402	534,324	-3%	-17%
Customer deposits	6,398,853	6,264,936	6,550,708	5%	2%
Customer deposits (FX adjusted)	**6,186,842**	**6,345,809**	**6,550,708**	**3%**	**6%**
o/w Retail deposits	4,629,164	4,616,839	4,755,210	3%	3%
Household deposits	4,064,029	4,024,002	4,141,305	3%	2%
SME deposits	565,070	592,837	613,905	4%	9%
Corporate deposits	1,523,249	1,677,119	1,754,489	5%	15%
Deposits to medium and large corporates	1,272,216	1,376,308	1,464,702	6%	15%
Municipal deposits	251,039	300,808	289,786	-4%	15%
Accrued interest payable related to customer deposits	34,403	51,863	41,009	-21%	19%
Issued securities	812,863	721,368	643,123	-11%	-21%
o/w Retail bonds	344,510	288,050	230,626	-20%	-33%
Issued securities without retail bonds	468,353	433,318	412,497	-5%	-12%
Other liabilities	607,086	546,351	579,263	6%	-5%
Subordinated bonds and loans	316,447	286,140	291,495	2%	-8%
Total shareholders' equity	**1,418,310**	**1,460,310**	**1,514,553**	**4%**	**7%**

Indicators	4Q 2011	3Q 2012	4Q 2012	Q-o-Q	Y-o-Y
Loan/deposit ratio (FX adjusted)	125%	119%	116%	-3%	-9%
Net loan/(deposit + retail bond) ratio (FX adjusted)	102%	97%	95%	-2%	-8%
90+ days past due loan volume	1,335,917	1,402,379	1,442,646	3%	8%
90+ days past due loans/gross customer loans	16.6%	19.0%	19.1%	0.1%	2.5%
Total provisions/90+ days past due loans[1]	76.7%	77.9%	80.0%	2.1%	3.3%
Consolidated capital adequacy - Basel2	4Q 2011	3Q 2012	4Q 2012	Q-o-Q	Y-o-Y
Capital adequacy ratio (consolidated, IFRS)	17.3%	18.2%	19.7%	1.5%	2.4%
Tier1 ratio	13.3%	15.2%	16.1%	0.9%	2.7%
Core Tier1 ratio	12.0%	13.9%	14.7%	0.8%	2.7%
Leverage (Total Assets/Shareholder's Equity)	7.2x	6.7x	6.7x		
Regulatory capital (consolidated)	1,433,085	1,430,412	1,473,525	3%	3%
o/w Tier1 Capital	1,105,876	1,191,328	1,203,019	1%	9%
o/w Core Tier1 Capital	997,583	1,087,310	1,098,882		
Hybrid Tier1 Capital	108,293	104,017	104,136	0%	-4%
Tier2 Capital	327,587	239,457	270,849	13%	-17%
Deductions from the regulatory capital	-377	-372	-343	-8%	-9%
Consolidated risk weighted assets (RWA) (Credit&Market&Operational risk)	8,297,547	7,846,495	7,485,293	-5%	-10%
o/w RWA (Credit risk)	6,397,182	5,943,779	6,004,147	1%	-6%
RWA (Market & Operational risk)	1,900,365	1,902,716	1,481,146	-22%	-22%
Closing exchange rate of the HUF (in forint)	4Q 2011	3Q 2012	4Q 2012	Q-o-Q	Y-o-Y
EUR/HUF	311	284	291	3%	-6%
CHF/HUF	256	235	241	3%	-6%
USD/HUF	241	219	221	1%	-8%
JPY/100HUF	311	282	257	-9%	-17%

[1] Excluding provisions related to the early repayment of FX mortgage loans.

- ***Further increase in consumer loan volumes in Russia (+15%), the Ukraine (+23), Slovakia (+28%), and Romania (+15%) q-o-q***
- ***In the mortgage segment only the Slovakian book increased (+2% q-o-q, +8% y-o-y), the Hungarian one further contracted (-2% q-o-q, -9% y-o-y)***
- ***Significant q-o-q growth of the Hungarian corporate deposit portfolio and the Russian retail- and corporate deposits, successful deposit collection in Romania***
- ***Consolidated net loan-to-deposit ratio melted to 95% (-2 ppts q-o-q, -8 ppts y-o-y, FX-adjusted)***

Methodological note: in 4Q 2012 at OTP Bank Romania large- and medium sized corporate portfolio elements were reclassified into the SME segment – in case of loans and deposits in the amount of HUF 15.5 billion and HUF 12.3 billion, respectively.

The consolidated FX-adjusted loan portfolio increased by 0.4% q-o-q and contracted by 1% y-o-y. In 2012 on Group-level only the consumer segment could grow (+6% q-o-q, thus +14% y-o-y) with the Russian and Ukrainian portfolio remaining the engines of growth. From the beginning of 2012 the sales of Slovakian, Romanian and Serbian cash loans also gained spectacular strength.

As for consumer lending, due to seasonality the Russian growth accelerated in the last quarter (+15% q-o-q) and the annual dynamism remained strong (+31%). The increase of the Ukrainian consumer lending remained steady with a q-o-q 23% growth. 4Q closing volumes represented HUF 41 billion, up by HUF 8 billion and HUF 30 billion q-o-q and y-o-y, respectively. As for POS loans, the dynamic expansion of the selling network continued, by the end of December the bank used almost 2,600 agents. The expansion of the agent- and partner retail chain network is continuous (end-2012 POS loan portfolio: HUF 25 billion). In order to capitalize on cross sale potentials starting from the end of 2011 the Bank entered the market with new credit card products and cash loan sale was intensified through branches. At the end of December credit card loan volumes represented HUF 9 billion with cash loans standing at HUF 7 billion.

Regarding other consolidated loan segments the Group-level portfolio decreased y-o-y (this would had been the situation in the SME segment also adjusting the figures for the effect of the Romanian corporate reclassification). The quarterly decline of the consolidated mortgage portfolio moderated meaningfully as the Hungarian FX-mortgage prepayment came to end in February 2012[3]. Beside Hungary mortgage loans declined continuously in the Ukraine and in Russia, too (-9%, -12% and -22% y-o-y, respectively). On the positive side the Slovakian mortgage volumes could increase in 2012 (q-o-q +2%, y-o-y +8%). The Bulgarian, Romanian, Croatian and Serbian mortgage book practically remained stable during the year (-2%, +2%, +1% and +0.3% respectively).

[3] The early repayment of Hungarian mortgage loans resulted altogether a HUF 217 billion decrease of the gross loan portfolio (in 2011 approx. HUF 110 billion, while in 1Q 2012 another HUF 107 billion). The negative effect of the declining FX-loan portfolio was partially offset by the HUF 64 billion HUF-denominated mortgage loan disbursed by OTP Bank to the early repayment of its own and other banks' customers. (From this amount a HUF 41 billion was disbursed to own customers.)

The decline in municipal loans (-6% q-o-q and -11% y-o-y) is primarily due to the debt consolidation of Hungarian municipalities with less than 5 thousand inhabitants in December 2012 (for more details please see section OTP Core).

FX-adjusted deposit volumes increased by 3% q-o-q and 6% y-o-y, respectively. Significant quarterly growth was registered in Hungary, Russia, Romania and Serbia (4%, 13%, 4% and 7%, respectively). In Hungary mainly corporate deposits expanded (+12% q-o-q), whereas retail deposit and bond volumes together were down by 1% primarily due to the intensified competition triggered by the sales of government bonds. In Russia both retail and corporate segment produced a strong quarter in deposit collection (+13% and +12% q-o-q), while in Romania and in Serbia the retail sector was stronger (+10% and +6%, respectively).

The volume of issued securities dropped by 11% q-o-q and by 21% y-o-y. The quarterly drop was related to the volume decline of Hungarian retail bonds (-20%), furthermore most of the investors executed the put option related to a RUB 4 billion (about HUF 28 billion) bonds series of the Russian subsidiary. Mortgage bonds of the Slovakian subsidiary matured in the amount of about HUF 7 billion. The yearly decline is mostly related the volume drop of Hungarian retail bonds (down by HUF 114 billion y-o-y), partly due to maturing HUF denominated mortgage bonds (in the amount of HUF 59 billion) and the aforementioned maturing of Slovakian bonds and the redemption of the Russian bonds. Furthermore, senior bonds issued by OTP Bank with face value of CHF 100 million matured on 24 February 2012. The volume decrease was partly offset by the issuance of HUF denominated bonds to Hungarian institutional investors (their volume increased by HUF 22 billion to HUF 125 billion y-o-y), and the Russian subsidiary issued another senior bond in order to finance consumer lending (in 1Q 2012, in the amount of HUF 44 billion equivalent).

The FX-adjusted volume of Lower and Upper Tier2 capital ("LT2", "UT2") shrank a bit q-o-q and y-o-y. The yearly change is partly resulted from the repurchase of EUR 14.1 million from the LT2 maturing on 4 March 2015 (in 1Q 2012) and EUR 2.4 million from the perpetual UT2 bonds (in 3Q 2012). Since the beginning of the crisis OTP Group accumulated a significant liquidity buffer[4]. By end-December 2012, the volume of liquid reserves reached EUR 5.9 billion equivalent, which is by EUR 4.4 billion higher than all the external FX obligations of the Group.

CONSOLIDATED CAPITAL ADEQUACY RATIO (IN ACCORDANCE WITH BASEL II)

At the end of 2012 the regulatory capital of OTP Group represented HUF 1,474 billion, while the risk-weighted-assets, taking into account the capital needs for credit-, market- and operational risks, stood at HUF 7,485 billion. The capital adequacy ratio stood at 19.7% with the Tier1 ratio (after deducting goodwill and intangible assets) at 16.1% and the Core Tier1 ratio (further deducting hybrid instruments) at 14.7%.

The improvement of the consolidated capital adequacy ratio is supported by the continuous profit generation of the Group, while the regulatory capital was boosted by the quarterly earnings and also by the higher revaluation reserves stemming from the weakening forint in December. In addition the lower yield environment resulted in a revaluation gain on the AFS portfolio recognised against the equity. Furthermore, from end-2012 the Group calculates its capital requirement for operational risk according to the Advanced Measurement Approach, which allows the Group determine the capital requirement with the use of mathematical-statistical models based on empirical data and expert assessment, rather than with the use of gross income and volume data. Due to the methodology change the capital requirement related to operational risk decreased by HUF 35 billion q-o-q, which resulted in a HUF 435 billion decrease in operational risk related risk weighted assets. The methodology change approved by the Hungarian Financial Supervisory Authority reduced the capital requirement for 2012, but also means that capital requirement for operational risk might get more volatile in the future.

[4] The Group's operating liquidity reserve consists of bonds of the National Bank of Hungary, government bonds, liquid asset surplus within one month and repoable covered bonds and municipal bonds.

OTP BANK'S HUNGARIAN CORE BUSINESS

OTP Core Statement of recognized income:

Main components of the Statement of recognised income in HUF million	2011	2012	Y-o-Y	4Q 2011	3Q 2012	4Q 2012	Q-o-Q	Y-o-Y
After-tax profit without the banking levy, dividends and net cash transfer	114,056	94,587	-17%	22,793	27,027	20,501	-24%	-10%
Corporate income tax	-40,682	-22,933	-44%	-11,738	-8,404	-8,608	2%	-27%
Pre-tax profit	154,738	117,520	-24%	34,531	35,432	29,109	-18%	-16%
Operating profit	235,000	211,355	-10%	50,788	54,896	48,219	-12%	-5%
Total income	419,401	394,243	-6%	106,231	100,435	96,167	-4%	-9%
Net interest income	327,081	292,570	-11%	81,997	73,429	71,754	-2%	-12%
Net fees and commissions	84,687	85,820	1%	21,096	21,344	21,865	2%	4%
Other net non-interest income	7,633	15,853	108%	3,138	5,662	2,547	-55%	-19%
Operating expenses	-184,401	-182,888	-1%	-55,443	-45,539	-47,948	5%	-14%
Total risk costs	-95,508	-90,056	-6%	-26,201	-20,007	-19,140	-4%	-27%
Provisions for possible loan losses	-99,209	-86,986	-12%	-26,502	-21,186	-16,165	-24%	-39%
Other provisions	3,701	-3,070	-183%	301	1,179	-2,975	-352%	
Total one-off items	15,246	-3,779	-125%	9,944	542	30	-94%	-100%
Revaluation result of FX swaps	3,169	-2,528	-180%	-361	29	0	-101%	-100%
Gain on the repurchase of own Upper and Lower Tier2 Capital	2,580	1,415	-45%	807	291	0	-100%	-100%
Revaluation result of the treasury share swap agreement	5,572	-2,667	-148%	5,572	223	31	-86%	-99%
Revenues by Business Lines								
RETAIL								
Total income	320,229	307,118	-4%	79,842	76,350	74,900	-2%	-6%
Net interest income	242,576	229,237	-5%	60,132	57,064	55,078	-3%	-8%
Net fees and commissions	73,427	74,692	2%	18,250	18,317	18,992	4%	4%
Other net non-interest income	4,225	3,189	-25%	1,459	969	830	-14%	-43%
CORPORATE								
Total income	37,466	33,182	-11%	9,342	7,801	9,661	24%	3%
Net interest income	25,794	21,527	-17%	6,228	4,792	6,289	31%	1%
Net fees and commissions	10,437	10,723	3%	2,688	2,726	3,130	15%	16%
Other net non-interest income	1,235	932	-25%	427	283	243	-14%	-43%
Treasury ALM								
Total income	58,984	49,061	-17%	14,553	14,792	10,709	-28%	-26%
Net interest income	58,710	41,806	-29%	15,638	11,574	10,387	-10%	-34%
Net fees and commissions	714	-63	-109%	133	-189	-172	-9%	-229%
Other net non-interest income	-440	7,317	-1763%	-1,218	3,407	493	-86%	-141%
Indicators (%)	2011	2012	Y-o-Y	4Q 2011	3Q 2012	4Q 2012	Q-o-Q	Y-o-Y
ROE	9.5%	7.1%	-2.4%	7.0%	7.9%	5.9%	-2.0%	-1.2%
ROA	1.7%	1.5%	-0.3%	1.4%	1.7%	1.3%	-0.4%	-0.1%
Operating profit margin (operating profit / avg. total assets)	3.6%	3.3%	-0.3%	3.1%	3.5%	3.1%	-0.4%	0.0%
Total income margin	6.43%	6.17%	-0.26%	6.44%	6.47%	6.21%	-0.26%	-0.22%
Net interest margin	5.01%	4.58%	-0.44%	4.97%	4.73%	4.64%	-0.10%	-0.33%
Net fee and commission margin	1.3%	1.3%	0.0%	1.3%	1.4%	1.4%	0.0%	0.1%
Net other non-interest income margin	0.1%	0.2%	0.1%	0.2%	0.4%	0.2%	-0.2%	0.0%
Operating costs to total assets ratio	2.8%	2.9%	0.0%	3.4%	2.9%	3.1%	0.2%	-0.3%
Cost/income ratio	44.0%	46.4%	2.4%	52.2%	45.3%	49.9%	4.5%	-2.3%
Cost of risk/average gross loans	2.77%	2.55%	-0.22%	2.93%	2.55%	1.97%	-0.57%	-0.96%
Cost of risk/average gross loans (FX adjusted)	2.76%	2.60%	-0.17%	2.97%	2.53%	1.96%	-0.57%	-1.01%
Effective tax rate	26.3%	19.5%	-6.8%	34.0%	23.7%	29.6%	5.9%	-4.4%

- ***After tax profit declined by 17% y-o-y as a result of diminishing operating income and negative one-off effects***
- ***24% drop of quarterly profit is due to declining total income and seasonally higher operating expenses***
- ***Further decelerating portfolio deterioration, stable non-performing loan ratio q-o-q (16.1%), improving corporate loans, continuously moderate FX mortgage loan deterioration***
- ***Decreasing loans (-3%) and increasing deposits (+2%) q-o-q, further lowering loan-to-deposit ratio (4Q 2012: 73%).***

P&L developments

Without the effect of banking tax and FX mortgage loan prepayments **OTP Core** posted a net profit of HUF 94.6 billion in 2012, by 17% lower than a year ago. 2012 profit decreased by HUF 3.8 billion due to one-off items such as the revaluation of FX swaps and the profit impact of the treasury share-swap transaction. Furthermore, operating income also declined by 10% primarily driven by the 6% drop of total income. Net interest income generation was by 11% lower y-o-y, on one hand due to narrowing deposit margins and the shrinking portfolio on the other, partially as a result of early repayment of FX mortgage loans. The fixed exchange rate scheme available for FX mortgage borrowers had an additional negative impact (approx. HUF 0.4 billion less interest income in 4Q 2012)[5]. Annual operating expenses declined by 1%. The latter is the result of several factors: personnel expenses grew fundamentally due to higher number of employees aimed at strengthening the collection processes, moreover technical effects emerged from bringing the management compensation system in line with regulatory requirements of CRD III in 2010. Administrative expenses shrank significantly (-8% y-o-y), partially due to declining marketing and advisory costs as a result of stringent cost management. Furthermore, the changed recognition of tax deductible transfers caused a technical effect[6].

Risk cost lagged behind its 2011 level by 6%. Portfolio deterioration decelerated somewhat y-o-y (FX-adjusted non-performing loan formation in HUF billion 2011: 83, 2012: 75). Simultaneously, while the provision coverage increased by 0.9 ppt in 2011, the Bank managed to improve it at a more significant pace in 2012, by 2.8 ppts to 81.9%.

The annual tax burden declined significantly (effective tax rate dropped from 26% to 20% y-o-y). The main reason was the HUF 5.7 billion positive tax shield stemming from the revaluation of subsidiary investments in 2012 thanks to the appreciation of the forint. In 2011 on the contrary, HUF 8.4 billion additional tax was generated because of forint depreciation.

After tax profit in 4Q 2012 represented HUF 20.5 billion underpinning a 24% drop q-o-q. Profit decline was partially due to decreasing total income (-4% q-o-q). Net interest income shrank by 2% as a result of narrowing interest margin (4Q 2012: 4.64%, -10 bps q-o-q) and decreasing loan portfolio. In 4Q the fixed exchange rate scheme for FX mortgage borrowers resulted a HUF 0.4 billion interest income loss. By end-2012 almost 32 thousand clients, representing 26.5% of eligible borrowers applied for the facility. Other net non-interest income decreased too, mainly due to the drop of the results on securities, but the FX result diminished q-o-q as well. Operating costs grew by 5% q-o-q, which is basically due to seasonality of marketing and advisory expenses.

The quarterly risk cost shrank further by 4% q-o-q. During 4Q 2012 the non-performing loan formation decelerated to its lowest quarterly level since the onset of the crisis. (FX-adjusted DPD90+ loan formation in HUF billion: 2012 1Q: 20, 2Q: 34, 3Q: 12, 4Q: 10). The ratio of non-performing loans stagnated at 16.1%. The loan to large companies improved q-o-q (DPD90+ ratio 4Q 2011: 15.4%, 2012 1Q: 14.7%, 2Q: 16.1%, 3Q: 15.4%, 4Q: 13.1%) – partly due to write-offs and sale of receivables. Besides, the mortgage loan portfolio weakening was relatively moderate (DPD90+ ratio of mortgages 4Q 2011: 12.6%, 2012 1Q: 14.5%, 2Q: 16.2%, 3Q: 16.9%, 4Q: 17.6%). The consumer loan book deteriorated steadily (DPD90+ 4Q 2011: 22.7% 2012 1Q: 23.1%, 2Q: 23.6%, 3Q: 24.2%, 4Q: 24.8%), while the municipality portfolio remained good (DPD90+ ratio 4Q 2011: 0.4%, 2012 1Q: 0.2%, 2Q: 0.2%, 3Q: 0.3%, 4Q: 0.6%). As a result of the above developments, the coverage ratio of DPD90+ loans increased from 80.6% to 81.9% over the quarter.

The tax burden grew q-o-q with the effective tax rate increasing from 24% to 30%. The main reason being the higher tax burden generated by the revaluation of subsidiary investments in 4Q (3Q 2012: HUF 1.2 billion tax savings, 4Q: HUF 2.0 billion additional tax payment).

[5] The 2012 annual estimated after tax profit effect of the fixed exchange rate scheme was recognised in OTP Core's P&L as other risk cost in 2Q 2012. From 2Q 2012 credit institutions' contribution tax started to be recognised in the P&L of OTP Core as OTP Core's burden share in the fixed exchange rate scheme. Simultaneously the formerly set aside other provisions were released. In the adjusted financial statements of this report the tax is reclassified from other expenses (administrative expenses) to net interest income. Since only the 4Q's tax payment was material in its amount (cca. HUF 0.4 billion) financials for previous quarters were not adjusted retrospectively.

[6] Tax deductible transfers paid by Hungarian group members in 2H 2012 were reclassified from other expenses to corporate income tax. Thus the paid transfer and the amount of related corporate tax allowance were recognised jointly on the corporate income tax line of the adjusted P&L (in a net way). In 2011 HUF 4.7 billion paid transfer was booked among other administrative expenses at OTP Core.

The conversion of non-performing FX mortgage loans and the subsequent 25% debt forgiveness did not have a material P&L impact in 2012, since the effect of the debt forgiveness was mainly off-set by release of previously accumulated provisions. Altogether HUF 2.2 billion of loans was forgiven (together with exposures of OTP Flat Lease Ltd) resulting banking tax re-fund in the amount of HUF 0.6 billion. The latter was recognised as an adjustment item in the consolidated P&L mainly in 4Q 2012, its total after tax effect was at +HUF 0.5 billion.

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

Main components of the balance sheet (closing balances, in HUF million)	4Q 2011	3Q 2012	4Q 2012	Q-o-Q	Y-o-Y
Total Assets	6,548,167	6,082,183	6,229,359	2%	-5%
Net customer loans	3,194,835	2,859,317	2,807,565	-2%	-12%
Net customer loans (FX adjusted)	**3,095,396**	**2,894,052**	**2,807,565**	**-3%**	**-9%**
Gross customer loans	3,581,382	3,285,067	3,234,343	-2%	-10%
Gross customer loans (FX adjusted)	**3,468,346**	**3,326,503**	**3,234,343**	**-3%**	**-7%**
Retail loans	2,328,619	2,216,626	2,180,188	-2%	-6%
Retail mortgage loans (incl. home equity)	1,779,009	1,648,834	1,620,985	-2%	-9%
Retail consumer loans	437,415	444,970	438,497	-1%	0%
SME loans	112,195	122,821	120,707	-2%	8%
Corporate loans	1,139,727	1,109,877	1,054,155	-5%	-8%
Loans to medium and large corporates	833,523	820,566	786,761	-4%	-6%
Municipal loans	306,204	289,312	267,394	-8%	-13%
Provisions[1]	-386,547	-425,749	-426,779	0%	10%
Provisions (FX adjusted)[1]	**-372,951**	**-432,451**	**-426,779**	**-1%**	**14%**
Deposits from customers + retail bonds	3,913,977	3,755,616	3,863,322	3%	-1%
Deposits from customers + retail bonds (FX adjusted)	**3,875,003**	**3,769,548**	**3,863,322**	**2%**	**0%**
Retail deposits + retail bonds	2,768,090	2,578,225	2,567,595	0%	-7%
Household deposits + retail bonds	2,466,088	2,271,622	2,257,203	-1%	-8%
o/w: Retail bonds	344,510	288,050	230,626	-20%	-33%
SME deposits	302,002	306,603	310,392	1%	3%
Corporate deposits	1,106,913	1,191,322	1,295,727	9%	17%
Deposits of medium and large corporates	909,456	942,502	1,056,244	12%	16%
Municipal deposits	197,457	248,820	239,483	-4%	21%
Liabilities to credit institutions	572,721	419,456	403,947	-4%	-29%
Issued securities	628,704	517,786	479,637	-7%	-24%
o/w retail bonds	*344,510*	*288,050*	*230,626*	*-20%*	*-33%*
Issued securities without retail bonds	284,194	229,736	249,012	8%	-12%
Total shareholders' equity	1,278,409	1,379,776	1,396,132	1%	9%
Loan Quality (%)	4Q 2011	3Q 2012	4Q 2012	Q-o-Q	Y-o-Y
90+ days past due loan volume	488,668	528,157	521,062	-1%	7%
90+ days past due loans/gross customer loans	13.6%	16.1%	16.1%	0.0%	2.5%
Total provisions/90+ days past due loans[1]	79.1%	80.6%	81.9%	1.3%	2.8%
Market Share (%)	4Q 2011	3Q 2012	4Q 2012	Q-o-Q	Y-o-Y
Loans	18.2%	19.0%	19.0%	0.0%	0.8%
Deposits	22.7%	22.6%	23.0%	0.4%	0.3%
Total Assets	25.4%	26.2%	26.6%	0.4%	1.2%
Indicators (%)	4Q 2011	3Q 2012	4Q 2012	Q-o-Q	Y-o-Y
Net loans to (deposits + retail bonds) (FX adjusted)	80%	77%	73%	-4%	-7%
Leverage (Shareholder's Equity/Total Assets)	19.5%	22.7%	22.4%	-0.3%	2.9%
Leverage (Total Assets/Shareholder's Equity)	5.1x	4.4x	4.5x		
Capital adequacy ratio (OTP Bank, non-consolidated, HAS)	17.9%	18.2%	20.5%	2.4%	2.6%
Core Tier1 ratio (OTP Bank, non-consolidated, HAS)	15.8%	17.0%	19.4%	2.3%	3.6%

[1] End-2011 statistics do not include provisions related to the early repayment of FX mortgage loans.

Balance sheet trends

In 2012 FX-adjusted gross loan portfolio decreased by 7% as a result of a 6% contraction of retail volumes and an 8% decline in the corporate segment. The deposit book together with retail bonds stagnated. As a result, the "net loan-to-deposit+retail bond" ratio declined (4Q 2012: 73%, in FX-adjusted terms -4 ppts q-o-q, -7 ppts y-o-y).

Loan demand in the retail segment is still missing momentum. The FX-adjusted decrease of the mortgage portfolio continued after closing the early repayment scheme, though at more moderate pace (4Q 2012: -2% q-o-q, -9% y-o-y). After the closure of early repayments OTP's market share in mortgage loan sales exceeded 30% again (4Q 2012: 34%, thus in 3-12M: 32%). However, the overall loan disbursement dropped during the year as temporary demand for refinancing forint loans boosted by the early repayments run out of steam (4Q 2012 disbursement: HUF 13 billion, -9% q-o-q, -54% y-o-y, 2012 annual disbursement: HUF 87 billion, -6% y-o-y). Going forward the interest subsidy scheme on forint mortgages launched by the Government may result in a stronger customer demand. OTP was the first bank offering this product from early August 2012. Thanks to the regulatory modifications, from January 2013 the conditions of the subsidised loans became more favourable for clients. Accordingly, instead of the decreasing amount of subsidy under the old scheme it will remain flat for 5 years period and the available loan amount was also increased (in case of building or purchase a new flat from HUF 10 million to HUF 15 million, in case of purchase or renovation of a used flat from HUF 6 million to HUF 10 million). The value limit of the used real estate to be purchased was raised from HUF 15 million to HUF 20 million. Under the scheme the mortgage borrower can enjoy a forint interest rate of around 6-7% in the first 5 years provided all relevant requirements are met.

Apart from outstanding market share in new sales (2011: 50%, 2012: 57%) no material expansion was experienced in cash loans: due to sluggish demand the newly disbursed personal loan portfolio lagged behind that of the previous year (in HUF billion: 2011: 48, 2012: 46) and the loan book decreased. However the portfolio of overdrafts increased in 2012, thus the total consumer loan book stagnated (-1% q-o-q and 0% y-o-y).

Loan volumes to middle and large companies decreased both in 4Q and during the last 12 months (-4% and -6%, respectively). Thus only loans to micro and small enterprises kept expanding (+8% y-o-y).

Decline of municipal loan portfolio (-8% q-o-q, -13% y-o-y) is due to the debt consolidation of municipalities with less than 5 thousands inhabitants taking place in December 2012. In the consolidation process the State gave a non-refundable subsidy to the relevant municipalities for the total repayment of their outstanding obligations (loans, bonds, bills of exchange) as at 12 December 2012. In case of OTP Bank HUF 28,8 billion total debt of 957 municipalities has been repaid (calculated with 27 December 2012 exchange rate the FX-composition of the debt in HUF equivalent was the following: HUF-denominated: HUF 24.1 billion, CHF-denominated: HUF 4.4 billion and EUR-denominated: HUF 0.1 billion). Simultaneously the Bank transferred a HUF 75.5 million bail-deposit, related to the loan accounts, to the state treasury.

Take-over of the debts of municipalities with more than 5 thousands inhabitants by the State is expected in 1H 2013. The measure of the debt take-over will be 40%, 50%, 60% or 70%, based on the income generating capacity of the municipality compared to the average income generating capacity of the municipality's settlement category. However, the central administration has the opportunity to deviate from these rates upwards, based on individual agreement with local governments. At OTP Bank total loan amount of municipal debt to the 192 municipalities with more than 5 thousands inhabitants represented HUF 245 billion at the end of 2012. Accordingly, part of this loan amount becomes receivables from the State during 2Q 2013 in the balance sheet of OTP Bank.

The deposit base of OTP Core (together with retail bonds) increased by 2% q-o-q primarily supported by corporate flows, within that by deposits of large companies. The drop in municipal volumes (-4% q-o-q) reflects seasonality: in second and fourth quarters local tax collection has a portfolio decreasing effect. As for retail deposits, y-o-y volume development was determined by the fact that clients could use their savings for early repayment of FX mortgage loans. Furthermore, since the beginning of 2012 the state offers attractive interest rates on the government bonds and conducts intensive promotional campaign. As a result, the structure of retail savings realigned at the expense of term deposits and bank bonds in favour of government bonds.

The portfolio of issued securities (without retail bonds) declined by 12% y-o-y, but increased by 8% q-o-q. The y-o-y decline was caused by repayments of forint denominated mortgage bonds (in the amount of HUF 59 billion). There was no bond issuance on the international capital markets in the last 12 months[7]. Thus, the decline of the outstanding portfolio due to maturities was offset only by the HUF denominated senior unsecured notes issued for the Hungarian institutional investors (4Q 2012 closing amount: HUF 125 billion, +22 billion y-o-y, +11 billion q-o-q).

[7] Major part of the EUR 510 million mortgage bond issued by OTP Mortgage Bank on 6 September 2012 was purchased by OTP Bank, while third party investors bought EUR 5 million notional of the tranche.

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	2011	2012	Y-o-Y	4Q 2011	3Q 2012	4Q 2012	Q-o-Q	Y-o-Y
After tax profit w/o dividends, net cash transfer and banking tax	3,321	2,040	-39%	614	414	1,150	178%	87%
Corporate income tax	-745	-257	-66%	-110	-67	-136	104%	24%
Profit before income tax	4,066	2,297	-44%	724	481	1,286	167%	78%
Total income	5,913	4,633	-22%	1,587	1,464	1,907	30%	20%
Net interest income	65	55	-16%	0	6	22	283%	
Net fee and commission income	5,047	4,516	-11%	1,414	1,551	1,684	9%	19%
Other net non-interest income	801	62	-92%	174	-93	200	-316%	15%
Operating expenses	-1,744	-2,371	36%	-760	-1,001	-638	-36%	-16%
Personnel expenses	-745	-870	17%	-387	-173	-343	98%	-11%
Operating expenses	-982	-1,462	49%	-368	-819	-285	-65%	-23%
Depreciation	-17	-38	122%	-6	-9	-11	15%	71%
Other provisions	-103	35	-134%	-103	18	18	1%	-117%
Main components of balance sheet closing balances in HUF mn	2011	2012	Y-o-Y	4Q 2011	3Q 2012	4Q 2012	Q-o-Q	Y-o-Y
Total assets	8,633	6,617	-23%	8,633	7,572	6,617	-13%	-23%
Total shareholders' equity	7,115	5,092	-28%	7,115	4,111	5,092	24%	-28%
Asset under management in HUF bn	2011	2012	Y-o-Y	4Q 2011	3Q 2012	4Q 2012	Q-o-Q	Y-o-Y
Assets under management, total (w/o duplicates)	**993**	**1,077**	**8%**	**993**	**1,023**	**1,077**	**5%**	**8%**
Retail investment funds (closing, w/o duplicates)	594	672	13%	594	632	672	6%	13%
Volume of managed assets (closing, w/o duplicates)	400	405	1%	400	390	405	4%	1%
Volume of investment funds (with duplicates)	**796**	**771**	**-3%**	**796**	**726**	**771**	**6%**	**-3%**
money market	375	388	3%	375	384	388	1%	3%
bond	112	139	24%	112	114	139	22%	24%
mixed	11	11	-4%	11	11	11	2%	-4%
security	196	94	-52%	196	89	94	5%	-52%
guaranteed	81	89	11%	81	91	89	-2%	11%
other	21	50	141%	21	38	50	33%	141%

OTP Fund Management posted HUF 2 billion after tax profit in 2012 excluding the special banking tax on financial institutions.

The series of rate cuts started by the central bank from August 2012 channelled savings from deposits into investment funds. Assets under management gradually grew from the second half of the year, as well as the fee income after asset management. The wealth management fee income however dropped significantly on the back of the redemption of investment fund units held in the portfolios of private pension funds. Consequently, total fees declined by 11% y-o-y.

Operating costs expanded by 40% y-o-y due to a one-off item: the Hungarian Financial Supervisory Authority ('HFSA') reviewed the practice of the local fund managers as to how much fees they charged directly and indirectly for handling private pension investments. As a result the HFSA obliged OTP Fund Management to refund HUF 597 million to OTP Private Pension Fund. This one-off item was recognised as administrative cost in 3Q 2012.

The 17% increase in personnel expenses y-o-y was partly related to success fees booked in 4Q under the remuneration scheme.

Assets under management without duplication represented HUF 1,077 billion underpinning a y-o-y 84 billion increase. Investment funds in general had a good performance in 2012, especially in 4Q. Within that bond funds and derivative funds enjoyed the strongest inflows, whereas money market funds suffered capital outflow.

As a result the securities portfolio funds increased by 13% y-o-y, the company's market share shrank to 25.9% (-25 bps y-o-y).

The other two consolidated fund management companies within the Group (in the Ukraine and in Romania) posted HUF 2 billion profits in 2012 versus a HUF 56 million loss in the previous year.

MERKANTIL GROUP (HUNGARY)

Performance of Merkantil Bank and Car:

Main components of P&L account in HUF mn	2011	2012	Y-o-Y	4Q 2011	3Q 2012	4Q 2012	Q-o-Q	Y-o-Y
After tax profit w/o dividends, net cash transfers and one-offs	2,206	501	-77%	395	28	-974		-347%
Income tax	0	-11		0	-63	-34	-47%	
Profit before income tax	2,206	512	-77%	395	91	-940		-338%
Operating profit	9,956	7,956	-20%	2,230	2,045	1,506	-26%	-32%
Total income	15,497	13,994	-10%	3,414	3,477	3,012	-13%	-12%
Net interest income	15,527	15,346	-1%	3,611	3,716	3,745	1%	4%
Net fees and commissions	-3,369	-3,106	-8%	-820	-786	-849	8%	3%
Other net non-interest income without the effect of revaluation of FX provisions	3,338	1,755	-47%	623	547	115	-79%	-82%
Operating expenses	-5,542	-6,038	9%	-1,185	-1,432	-1,506	5%	27%
Total risk costs	-7,749	-7,444	-4%	-1,835	-1,954	-2,446	25%	33%
Provision for possible loan losses without the effect of revaluation of FX provisions	-7,497	-7,710	3%	-1,836	-1,920	-2,835	48%	54%
Other provision	-253	267	-206%	1	-34	388		
Main components of balance sheet closing balances in HUF mn	**2011**	**2012**	**Y-o-Y**	**4Q 2011**	**3Q 2012**	**4Q 2012**	**Q-o-Q**	**Y-o-Y**
Total assets	270,894	242,982	-10%	270,894	248,402	242,982	-2%	-10%
Gross customer loans	305,445	267,744	-12%	305,445	270,547	267,744	-1%	-12%
Gross customer loans (FX-adjusted)	292,788	267,744	-9%	292,788	275,196	267,744	-3%	-9%
Retail loans	2,293	4,038	76%	2,293	3,659	4,038	10%	76%
Corporate loans	30,352	39,755	31%	30,352	37,129	39,755	7%	31%
Car financing loans	260,143	223,951	-14%	260,143	234,408	223,951	-4%	-14%
Allowances for possible loan losses	-54,563	-47,891	-12%	-54,563	-50,229	-47,891	-5%	-12%
Allowances for possible loan losses (FX-adjusted)	-54,038	-47,891	-11%	-54,038	-50,428	-47,891	-5%	-11%
Deposits from customers	4,673	4,276	-8%	4,673	4,098	4,276	4%	-8%
Deposits from customers (FX-adjusted)	4,672	4,276	-8%	4,672	4,097	4,276	4%	-8%
Retail deposits	1,673	1,321	-21%	1,673	1,438	1,321	-8%	-21%
Corporate deposits	2,998	2,955	-1%	2,998	2,659	2,955	11%	-1%
Liabilities to credit institutions	211,429	172,987	-18%	211,429	173,495	172,987	0%	-18%
Total shareholders' equity	25,332	26,293	4%	25,332	26,369	26,293	0%	4%
Loan Quality	**2011**	**2012**	**Y-o-Y**	**4Q 2011**	**3Q 2012**	**4Q 2012**	**Q-o-Q**	**Y-o-Y**
90+ days past due loan volume (in HUF million)	58,509	51,414	-12.1%	58,509	54,509	51,414	-5.7%	-12.1%
90+ days past due loans/gross customer loans (%)	19.2%	19.2%	0.0%	19.2%	20.1%	19.2%	-0.9%	0.0%
Cost of risk/average gross loans (%)	2.44%	2.69%	0.25%	2.41%	2.75%	4.19%	1.44%	1.78%
Cost of risk/average gross loans (FX-adjusted) (%)	2.42%	2.75%	0.33%	2.45%	2.72%	4.15%	1.43%	1.70%
Total provisions/90+ days past due loans (%)	93.3%	93.1%	-0.1%	93.3%	92.1%	93.1%	1.0%	-0.1%
Performance Indicators (%)	**2011**	**2012**	**Y-o-Y**	**4Q 2011**	**3Q 2012**	**4Q 2012**	**Q-o-Q**	**Y-o-Y**
ROA	0.8%	0.2%	-0.6%	0.6%	0.0%	-1.6%	-1.6%	-2.2%
ROE	9.3%	1.9%	-7.3%	6.4%	0.4%	-14.7%	-15.1%	-21.1%
Net interest margin	5.58%	5.97%	0.39%	5.35%	5.90%	6.06%	0.16%	0.72%
Cost/income ratio	35.8%	43.2%	7.4%	34.7%	41.2%	50.0%	8.8%	15.3%

- ***In 2012 Merkantil realized HUF 501 million profit after tax***
- ***Loan quality went on deteriorating, but slowed down; the quarterly decline in DPD90+ ratio is due to a loan transfer to OTP Factoring. The provision coverage ratio improved further***
- ***Despite the continuously improving sales performance, the loan portfolio further contracted***

Merkantil Bank and Car's aggregated 2012 after tax result totalled to HUF 501 million, representing a 77% decline compared to the previous year.

The annual operating result declined by 20% y-o-y, owing to the 10% drop in total income, while operating costs rose by 9%. At the same time, the quality of the income structure improved as core banking revenues remained stable. The 47% decline in other net non-interest income was mainly attributable to a base effect. Merkantil realized significant FX gain in the base period: in 2011 open FX positions were gradually closed at stronger HUF levels. These positions had been fully closed in the meantime and did not influence the result in 2012.

The annual net interest income declined by 1%. Intragroup funding spreads widened, however, this was somewhat offset by the weakening average exchange rate of HUF against CHF (+6% y-o-y). In 2012 net fee and commission expenses melted down further, but in 4Q 2012 the trend-like shrinkage of net fee and commission expenses seen in previous quarters has been broken because of the higher fee expenses in relation to the leap in newly disbursed loan volumes.

The ratio of loans with more than 90 days of delay declined q-o-q by 0.9 ppt to 19.2%. The reason is that in the fourth quarter non-performing loans in the gross amount of HUF 4.8 billion, 100% covered by provisions were sold to OTP Factoring (after HUF 7.4 billion in 3Q). Since the 4Q 2012 risk cost was the highest in 8 quarters, despite the composition effect coming from the above mentioned loan sale, the provision coverage ratio improved further and stood at a satisfactorily high level of 93.1% (+1 ppt q-o-q).

The FX-adjusted car financing loan book continued eroding: it contracted by 14% y-o-y and 4% q-o-q. The relatively fast pace of the quarterly decline is explained by the sale of loans to Factoring. In 2012 new car loan sales developed favourably, they jumped by 44% y-o-y. The corporate loan portfolio which makes up the smaller part of the total loans expanded dynamically both in quarterly and yearly comparison, because new big ticket leasing sales volumes doubled in 2012.

IFRS REPORTS OF THE MAIN SUBSIDIARIES

In the following parts of the Summary the after tax profit w/o dividends and net cash transfers of subsidiaries are presented. The structural adjustments on the lines of subsidiaries' Statements of recognized income as well as description of calculation methods of performance indices are to be found in Supplementary data annex.

OTP BANK RUSSIA

Performance of OTP Bank Russia:

Main components of P&L account in HUF mn	2011	2012	Y-o-Y	4Q 2011	3Q 2012	4Q 2012	Q-o-Q	Y-o-Y
After tax profit w/o dividends, net cash transfers and one-offs	41,042	47,158	15%	15,042	10,621	14,162	33%	-6%
Income tax	-12,064	-13,690	13%	-3,806	-3,083	-4,111	33%	8%
Profit before income tax	53,107	60,849	15%	18,848	13,705	18,274	33%	-3%
Operating profit	82,007	121,541	48%	25,764	29,603	33,165	12%	29%
Total income	142,796	193,273	35%	42,304	46,777	52,782	13%	25%
Net interest income	123,990	170,001	37%	36,975	41,461	45,836	11%	24%
Net fees and commissions	17,610	20,998	19%	5,328	5,595	6,144	10%	15%
Other net non-interest income	1,196	2,273	90%	1	-279	802	-387%	
Operating expenses	-60,789	-71,732	18%	-16,541	-17,174	-19,617	14%	19%
Total risk costs	-28,900	-60,692	110%	-6,916	-15,898	-14,892	-6%	115%
Provision for possible loan losses	-28,714	-59,567	107%	-7,304	-15,919	-14,277	-10%	95%
Other provision	-186	-1,126	506%	389	21	-614		-258%
Main components of balance sheet closing balances in HUF mn	2011	2012	Y-o-Y	4Q 2011	3Q 2012	4Q 2012	Q-o-Q	Y-o-Y
Total assets	868,231	1,027,763	18%	868,231	962,833	1,027,763	7%	18%
Gross customer loans	729,910	843,424	16%	729,910	731,563	843,424	15%	16%
Gross customer loans (FX-adjusted)	706,163	843,424	19%	706,163	748,705	843,424	13%	19%
Retail and SME loans	640,875	806,805	26%	640,875	709,562	806,805	14%	26%
Corporate loans	52,761	30,013	-43%	52,761	31,318	30,013	-4%	-43%
Car financing loans	12,526	6,606	-47%	12,526	7,825	6,606	-16%	-47%
Allowances for possible loan losses	-72,332	-129,491	79%	-72,332	-112,051	-129,491	16%	79%
Allowances for possible loan losses (FX-adjusted)	-70,109	-129,491	85%	-70,109	-114,702	-129,491	13%	85%
Deposits from customers	488,582	590,958	21%	488,582	513,049	590,958	15%	21%
Deposits from customer (FX-adjusted)	470,961	590,958	25%	470,961	524,404	590,958	13%	25%
Retail and SME deposits	387,059	471,325	22%	387,059	417,274	471,325	13%	22%
Corporate deposits	83,902	119,633	43%	83,902	107,131	119,633	12%	43%
Liabilities to credit institutions	91,738	75,112	-18%	91,738	95,895	75,112	-22%	-18%
Issued securities	105,490	118,063	12%	105,490	135,013	118,063	-13%	12%
Subordinated debt	17,567	16,399	-7%	17,567	16,124	16,399	2%	-7%
Total shareholders' equity	144,838	191,883	32%	144,838	172,237	191,883	11%	32%
Loan Quality	2011	2012	Y-o-Y	4Q 2011	3Q 2012	4Q 2012	Q-o-Q	Y-o-Y
90+ days past due loan volume (in HUF million)	80,705	140,239	73.8%	80,705	120,168	140,239	16.7%	73.8%
90+ days past due loans/gross customer loans (%)	11.1%	16.6%	5.6%	11.1%	16.4%	16.6%	0.2%	5.6%
Cost of risk/average gross loans (%)	4.64%	7.57%	2.93%	4.37%	9.03%	7.21%	-1.81%	2.85%
Cost of risk/average (FX-adjusted) gross loans (%)	4.61%	7.69%	3.08%	4.30%	8.76%	7.14%	-1.63%	2.83%
Total provisions/90+ days past due loans (%)	89.6%	92.3%	2.7%	89.6%	93.2%	92.3%	-0.9%	2.7%
Performance Indicators (%)	2011	2012	Y-o-Y	4Q 2011	3Q 2012	4Q 2012	Q-o-Q	Y-o-Y
ROA	5.4%	5.0%	-0.4%	7.6%	4.5%	5.7%	1.1%	-1.9%
ROE	33.8%	28.0%	-5.8%	45.1%	25.7%	30.9%	5.2%	-14.1%
Total income margin	18.63%	20.39%	1.75%	21.31%	20.01%	21.10%	1.08%	-0.22%
Net interest margin	16.18%	17.93%	1.75%	18.63%	17.74%	18.32%	0.58%	-0.31%
Cost/income ratio	42.6%	37.1%	-5.5%	39.1%	36.7%	37.2%	0.5%	-1.9%
Net loans to deposits (FX-adjusted)	135%	121%	-14%	135%	121%	121%	0%	-14%
FX rates	2011	2012	Y-o-Y	4Q 2011	3Q 2012	4Q 2012	Q-o-Q	Y-o-Y
HUF/RUB (closing)	7.47	7.26	-3%	7.47	7.09	7.26	2%	-3%
HUF/RUB (average)	6.83	7.25	6%	7.22	7.08	7.03	-1%	-3%

- ***HUF 47 billion profit for 2012 exceeded 2011 results by about 15%, 4Q profit grew by one third q-o-q***
- ***Operating profit surged by 48% y-o-y***
- ***Leaping risk cost, y-o-y improving provision coverage (2012: 92.3%)***
- ***Still robust consumer loan disbursement***
- ***Cost efficiency is further improving (2012 cost/income ratio at 37.1%, -5.5 ppts y-o-y)***

After tax profit of **OTP Bank Russia** for 2012 amounted to HUF 47.2 billion, by 15% above the net profit for the base period; the HUF 14.2 billion 4Q profit is by 33% more than in the previous quarter, due to the strong seasonality in POS lending.

Total income in 2012 showed dynamic increase, net interest income grew by 37%, net fees increased by 19% y-o-y. Besides swelling loan volumes (FX-adjusted 19% increase) higher interest margin (2012: 17.9%, +1.8 ppts y-o-y) also fuelled the increase of income. Although net fee margin was stable y-o-y in 2012, net fee income increased by 19% y-o-y, mainly driven by the still outstandingly strong dynamics of the credit card business and the growing amount of loans sold with insurance. In 2012 about HUF 2.3 billion other net non-interest income beefed up the results, mainly owing to the FX gains due to revaluation of open positions in 2Q and 4Q.

Operating expenses grew 18% y-o-y due to the stronger business activity: cost areas linked to business volumes like material cost (+28%) and personnel expenses (+18%) grew, while depreciation decreased by 17% y-o-y. Despite higher operating costs 2012 operating profit showed an outstanding performance and surged by 48% y-o-y. As a result, cost/income ratio of the bank improved significantly (2012: 37.1%, -5.5 ppts y-o-y).

Risk cost grew substantially in 2012, by 110% y-o-y. The increase in risk cost is due to the loan portfolio quality deterioration, DPD90+ portfolio grew by 16.7% q-o-q and 73.8% y-o-y. As a result of the total loan book growth, increase of DPD90+ ratio was milder, grew to 16.6% by the end of the year (+5.6 ppts y-o-y and +0.2 ppt q-o-q). Owing to the high provisioning, the provision coverage of DPD90+ loans further improved (2012: 92.3%, +2.7 ppts y-o-y). On the quarterly basis provision coverage rate decreased by 90 bps, which is partly due to changes in the provisioning methodology; altogether this is still the highest coverage rates across the Group.

4Q 2012 profit after tax grew by 33% q-o-q, which is a combined effect of the 12% increase of operating profit and the 6% decline of risk cost.

4Q operating profit dynamics (+12% q-o-q) was mainly driven by the surging incomes owing to the strong seasonality in POS lending, the positive other net non-interest income and the 14% growth of operating expenses. On the quarterly basis net interest margin improved (18.32%, +58 bps) while net fee and commission margin was stable (2.46%, +6 bps). Thanks to these and the swelling POS loan disbursements net interest income and net fee and commission income both grew by about 10% q-o-q. In relation to net fee and commission income it is to be noted, that credit card related fee and commission income as well as POS loans related insurance fee income grew. Operating expenses increased by 14% q-o-q due to the seasonally higher banking activity (marketing costs, higher costs related to POS sales force); however, the bank's cost/income ratio is still outstanding (4Q: 37.2%).

The Russian bank remained very successful in selling consumer loans; in 2012 the gross FX-adjusted consumer loan portfolio increased by 31% y-o-y. In case of the flagship POS-loan product, due to the high season q-o-q growth was significant (+22%), furthermore, with record disbursement in 4Q 2012 the y-o-y portfolio expansion reached 29%. This achievement was supported by a larger agent network but also average loan volume grew by about 9% compared to the previous year, and the average term of POS loans lengthened by about 1 month to 13 months. The bank kept its No. 2 position in this market segment.

Notwithstanding the strengthening market competition, the credit card segment showed robust growth in 4Q 2012 (+61% y-o-y, +11% q-o-q). Currently the bank is the seventh largest player in this segment.

Personal loans disbursement, which excelled in 2011 with high growth, was scaled back according to a management decision in the first half of 2012 as more emphasis was put on products with higher profitability. From 3Q 2012 on this segment showed growth again (4Q 2012: +7% q-o-q, +3% y-o-y), despite the higher pricing.

Other retail lending products (car loans -47% y-o-y, mortgage loans -22% y-o-y) as well as corporate loans portfolio continued to contract in 2012: the latter shrank by 43% y-o-y and 4% q-o-q (FX-adjusted). This typically low margin segment is dominated by state owned banks; OTP Bank Russia has rather started to improve the letter of credit and corporate treasury business from 2Q 2012 on.

In 2012 total deposits grew by 25% y-o-y and in 4Q by 13% q-o-q, FX-adjusted. Due to the slightly higher interest rates the retail portfolio volume (especially term deposits) grew by 24% y-o-y and by 10% q-o-q. SME deposits also increased (+14% y-o-y, +27% q-o-q), and corporate deposit base grew back to levels seen in the beginning of 2011 (+43% y-o-y, +12% q-o-q). Both retail and corporate deposit growth are slightly biased by seasonal elements. As a result of the increasing deposit base, FX-adjusted net loan-to-deposit ratio decreased to 121% in 2012, -14 ppts y-o-y, while the quarterly change was negligible.

With the aim of diversifying the funding base, the Bank already tapped 4 times the rouble bond market in 2011 and 2012, issuing a total of RUB 17.5 billion bonds. Out of which RUB 6 billion was printed in 1Q 2012. In November 2012 put option on RUB 4 billion bonds was executed by 97% of the investors, thus the outstanding obligation decreased.

The number of employees increased q-o-q by 2% to 5,177 by the end of 4Q 2012, at the same time the number of branches decreased by one to 147 after closing a branch in the Omsk region. The number of active point of sale grew by 4% q-o-q in 4Q 2012 (+18% y-o-y) and almost reached 29 thousand.

DSK GROUP (BULGARIA)

Performance of DSK Group:

Main components of P&L account in HUF mn	2011	2012	Y-o-Y	4Q 2011	3Q 2012	4Q 2012	Q-o-Q	Y-o-Y
After tax profit w/o dividends, net cash transfers and one-offs	12,744	24,214	90%	4,026	8,019	588	-93%	-85%
Income tax	-1,587	-3,329	110%	-617	-1,175	-269	-77%	-56%
Profit before income tax	14,331	27,543	92%	4,643	9,195	857	-91%	-82%
Operating profit	59,878	58,927	-2%	15,500	16,030	11,779	-27%	-24%
Total income	93,104	95,732	3%	25,119	24,697	22,520	-9%	-10%
Net interest income	74,731	74,671	0%	20,000	18,606	17,493	-6%	-13%
Net fees and commissions	15,867	16,875	6%	4,549	4,254	4,342	2%	-5%
Other net non-interest income	2,505	4,186	67%	569	1,838	684	-63%	20%
Operating expenses	-33,226	-36,804	11%	-9,619	-8,668	-10,741	24%	12%
Total provisions	-45,547	-31,384	-31%	-10,857	-6,835	-10,922	60%	1%
Provision for possible loan losses	-45,713	-31,153	-32%	-10,942	-6,807	-10,718	57%	-2%
Other provision	166	-230	-239%	85	-28	-204	640%	-341%
Main components of balance sheet closing balances in HUF mn	**2011**	**2012**	**Y-o-Y**	**4Q 2011**	**3Q 2012**	**4Q 2012**	**Q-o-Q**	**Y-o-Y**
Total assets	1,360,510	1,292,031	-5%	1,360,510	1,309,487	1,292,031	-1%	-5%
Gross customer loans	1,221,517	1,143,861	-6%	1,221,517	1,115,791	1,143,861	3%	-6%
Gross customer loans (FX-adjusted)	1,143,653	1,143,861	0%	1,143,653	1,145,551	1,143,861	0%	0%
Retail loans	903,468	891,331	-1%	903,468	900,216	891,331	-1%	-1%
Corporate loans	240,185	252,530	5%	240,185	245,335	252,530	3%	5%
Allowances for possible loan losses	-158,490	-178,538	13%	-158,490	-163,205	-178,538	9%	13%
Allowances for possible loan losses (FX-adjusted)	-148,390	-178,538	20%	-148,390	-167,557	-178,538	7%	20%
Deposits from customers	1,013,310	979,054	-3%	1,013,310	956,677	979,054	2%	-3%
Deposits from customer (FX-adjusted)	948,140	979,054	3%	948,140	981,405	979,054	0%	3%
Retail deposits	834,837	861,722	3%	834,837	849,868	861,722	1%	3%
Corporate deposits	113,303	117,332	4%	113,303	131,537	117,332	-11%	4%
Liabilities to credit institutions	12,223	36,356	197%	12,223	30,005	36,356	21%	197%
Subordinated debt	109,262	43,901	-60%	109,262	99,825	43,901	-56%	-60%
Total shareholders' equity	209,484	209,187	0%	209,484	203,223	209,187	3%	0%
Loan Quality	**2011**	**2012**	**Y-o-Y**	**4Q 2011**	**3Q 2012**	**4Q 2012**	**Q-o-Q**	**Y-o-Y**
90+ days past due loan volume (in HUF million)	200,154	210,664	5.3%	200,154	202,729	210,664	3.9%	5.3%
90+ days past due loans/gross customer loans (%)	16.4%	18.4%	2.03%	16.4%	18.2%	18.4%	0.25%	2.03%
Cost of risk/average gross loans (%)	3.99%	2.63%	-1.35%	3.67%	2.41%	3.77%	1.36%	0.11%
Cost of risk/average (FX-adjusted) gross loans	4.04%	2.72%	-1.31%	3.80%	2.37%	3.72%	1.36%	-0.07%
Total provisions/90+ days past due loans (%)	79.2%	84.8%	5.6%	79.2%	80.5%	84.8%	4.2%	5.6%
Performance Indicators (%)	**2011**	**2012**	**Y-o-Y**	**4Q 2011**	**3Q 2012**	**4Q 2012**	**Q-o-Q**	**Y-o-Y**
ROA	1.0%	1.8%	0.8%	1.2%	2.4%	0.2%	-2.2%	-1.0%
ROE	6.0%	11.6%	5.6%	7.9%	15.5%	1.1%	-14.3%	-6.8%
Total income margin	7.22%	7.22%	0.00%	7.62%	7.47%	6.89%	-0.58%	-0.73%
Net interest margin	5.80%	5.63%	-0.16%	6.07%	5.63%	5.35%	-0.28%	-0.72%
Cost/income ratio	35.7%	38.4%	2.8%	38.3%	35.1%	47.7%	12.6%	9.4%
Net loan to deposit ratio (FX-adjusted)	105%	99%	-6%	105%	100%	99%	-1%	-6%
FX rates	**2011**	**2012**	**Y-o-Y**	**4Q 2011**	**3Q 2012**	**4Q 2012**	**Q-o-Q**	**Y-o-Y**
HUF/BGN (closing)	159.1	148.9	-6%	159.1	145.1	148.9	3%	-6%
HUF/BGN (average)	142.8	148.0	4%	155.2	144.7	144.7	0%	-7%

- ***2012 after tax profit almost doubled mainly as a result of significantly moderating risk costs (-31% y-o-y)***
- ***Declining FX-adjusted net loan and increasing deposit book resulted declining net-loan-to-deposit ratio (99%, -6 ppts y-o-y)***
- ***Slightly narrowing net interest margin (5.63%, -16 bps y-o-y) due to change of methodology and moderating lending rates***
- ***Decelerating loan portfolio deterioration, significantly improving coverage ratio (84.8%, +5.6 ppts y-o-y)***

The **DSK Group** reached HUF 24.2 billion after tax profit in 2012, almost twice as high as in 2011 (+90% y-o-y). The performance of the Bulgarian bank in 2012 proved its henceforward robust income generating capability and efficient cost control. Beside the practically stagnating operating income (-2% y-o-y) the outstanding profit growth is basically due to y-o-y 31% lower provisioning.

Total income increased by 3% y-o-y due to exchange rate movements (in local currency it stagnated). This is primarily the result of increasing net fee income (+6% y-o-y) and the outstanding increase (+67% y-o-y) of other net interest income exchange rate gain, realized on government securities and on FX transactions; net interest income remained flat in HUF terms. Income dynamics in 4Q showed a 9% drop, primarily due to lower net interest income (-6% q-o-q) and to q-o-q 62% decline (basis effect) of other net non-interest income. The q-o-q 2% growth of fee income could not balance the effect of aforementioned factors on total income.

In 2012 net interest income formation was primarily driven by two factors. On one hand the modified interest accrual methodology in 4Q significantly contributed to a q-o-q 6% drop of net interest income. Accordingly, from the middle of October the Bank does not accrue interest on DPD180+ loans and also terminated the related provisioning. On the other hand the basically stagnating portfolio together with the slightly eroding interest margin (2012: 5.63/%, -16 bps; 4Q 2012: 5.35%, -28 bps) also had a negative effect on the interest income. Net interest margin squeeze in the retail segment is primarily due to competition, while in the corporate portfolio it is the result of declining loan interest base (Euribor, Sofibor). Adjusted by the effects of modified methodology, the declining deposit rates could only partially off-set the effect of lower lending rates.

Growth of operating expenses was driven by advisory costs related to some bigger projects and seasonal effects (+11% y-o-y, +24% q-o-q). Consequently, the cost/income ratio increased both y-o-y and q-o-q (2011: 35.7%, 2012: 38.4%, 3Q 2012: 35.1%, 4Q 2012: 47.4%). Thus significant y-o-y improvement of net profit is due to moderate risk provisioning. HUF 31.4 billion amount underpins a y-o-y 31% drop. As a result of elevated risk costs in 4Q (q-o-q +60%) and the moderating portfolio deterioration, the coverage ratio of DPD90+ portfolio grew to 84.8% (y-o-y +5.6 ppts, q-o-q +4.3 ppts).

In 2012 portfolio deterioration slowed down quarter by quarter (DPD90+ ratio: 1Q: 17.4%, 2Q: 18.0%, 3Q: 18.2%, 4Q: 18%). Regarding the composition of portfolio deterioration: by the end of 4Q the DPD90+ ratio of mortgage and consumer loans increased to 21.7% and 15.7%, respectively. The ratio of SME and corporate loans went up to 41.2% and 11.1%, respectively.

The FX-adjusted loan portfolio remained flat both q-o-q and y-o-y, only the corporate loan book increased (+5% y-o-y, +3% q-o-q). Retail loan market share was 29% and decreased slightly (-1.2 ppts y-o-y, -0.4 ppt q-o-q) as a result of loan transfer to OTP Faktoring Bulgaria, while corporate loan market share was stable with 6%. End of 2012 loan market share of DSK was 12.8% (y-o-y -1.3 ppts, q-o-q -0.7 ppt).

In spite of the continuously below-market deposit interest rates the FX-adjusted deposit base increased by 3% y-o-y, while in 4Q stagnated. Regarding the segments: the retail portfolio advanced by 3% y-o-y (+2% q-o-q), while the SME sector grew by 2% (q-o-q -6%). Y-o-y 4% (q-o-q -18%) decline of large corporate deposit book was partially balanced by the y-o-y 40% (q-o-q +27%) increase of municipal deposit portfolio. As a result of that DSK's overall deposit market share shrank to 11.4% (q-o-q -0.3 ppt), within that the retail segment decreased to 16.1% (y-o-y -1.3 ppts) while the corporate segment was a stable 5.1%.

Due to stagnating gross loan portfolio, higher provisioning and y-o-y slightly increasing deposit base the net-loan-to-deposit ratio declined to 99% (y-o-y -6 ppts, q-o-q -1 ppt).

Capital position of DSK remained very strong, though in 4Q 2012 the Bank repaid a EUR 200 million subordinated debt to the mother company. The capital adequacy ratio is more than 1.5 times higher than the regulatory minimum (2012: 18.9% vs. 12%; Tier1 ratio: 15.8% vs. 10%).

OTP BANK UKRAINE

Performance of OTP Bank Ukraine:

Main components of P&L Account in HUF mn	2011	2012	Y-o-Y	4Q 2011	3Q 2012	4Q 2012	Q-o-Q	Y-o-Y
After tax profit w/o dividends and net cash transfer	5,091	528	-90%	-2,736	1,906	2,696	41%	-199%
Corporate income tax	-6,120	-2,180		-5,947	607	-1,153		
Profit before income tax	11,211	2,708	-76%	3,211	1,299	3,848	196%	20%
Operating profit	26,829	33,511	25%	7,851	9,293	11,061	19%	41%
Total income	53,585	64,510	20%	16,099	17,056	19,315	13%	20%
Net interest income	41,784	49,586	19%	12,616	13,326	14,541	9%	15%
Net fees and commissions	9,063	12,634	39%	2,947	3,654	3,685	1%	25%
Other net non-interest income	2,738	2,289	-16%	536	77	1,089		103%
Operating expenses	-26,756	-30,998	16%	-8,248	-7,763	-8,254	6%	0%
Total risk costs	-15,618	-30,804	97%	-4,641	-7,994	-7,212	-10%	55%
Provision for possible loan losses	-15,209	-30,597	101%	-4,288	-8,008	-6,753	-16%	57%
Other provision	-409	-207	-49%	-353	14	-460		30%
Main components of balance sheet closing balances in HUF mn	2011	2012	Y-o-Y	4Q 2011	3Q 2012	4Q 2012	Q-o-Q	Y-o-Y
Total assets	778,198	653,603	-16%	778,198	647,700	653,603	1%	-16%
Gross customer loans	799,117	683,478	-14%	799,117	660,812	683,478	3%	-14%
Gross customer loans (FX-adjusted)	734,051	683,478	-7%	734,051	668,613	683,478	2%	-7%
Retail loans	316,950	309,441	-2%	316,950	308,739	309,441	0%	-2%
Corporate loans	372,726	337,595	-9%	372,726	324,899	337,595	4%	-9%
Car financing loans	44,375	36,441	-18%	44,375	34,974	36,441	4%	-18%
Allowances for possible loan losses	-193,587	-196,132	1%	-193,587	-183,852	-196,132	7%	1%
Allowances for possible loan losses (FX-adjusted)	-177,923	-196,132	10%	-177,923	-185,864	-196,132	6%	10%
Deposits from customers	251,176	243,132	-3%	251,176	241,872	243,132	1%	-3%
Deposits from customer (FX-adjusted)	230,963	243,132	5%	230,963	245,596	243,132	-1%	5%
Retail and SME deposits	138,441	167,488	21%	138,441	161,950	167,488	3%	21%
Corporate deposits	92,522	75,644	-18%	92,522	83,645	75,644	-10%	-18%
Liabilities to credit institutions	350,556	242,571	-31%	350,556	234,751	242,571	3%	-31%
Subordinated debt	47,971	42,925	-11%	47,971	42,109	42,925	2%	-11%
Total shareholders' equity	120,149	112,464	-6%	120,149	108,772	112,464	3%	-6%
Loan Quality	2011	2012	Y-o-Y	4Q 2011	3Q 2012	4Q 2012	Q-o-Q	Y-o-Y
90+ days past due loan volume (in HUF million)	239,893	248,671	4%	239,893	234,138	248,671	6%	4%
90+ days past due loans/gross customer loans (%)	30.0%	36.4%	6.4%	30.0%	35.4%	36.4%	1.0%	6.4%
Cost of risk/average gross loans (%)	2.04%	4.13%	2.09%	2.27%	4.59%	4.00%	-0.59%	1.73%
Cost of risk/average (FX-adjusted) gross loans (%)	2.07%	4.32%	2.24%	2.34%	4.64%	3.97%	-0.67%	1.63%
Total provisions/90+ days past due loans (%)	80.7%	78.9%	-1.8%	80.7%	78.5%	78.9%	0.3%	-1.8%
Performance Indicators (%)	2011	2012	Y-o-Y	4Q 2011	3Q 2012	4Q 2012	Q-o-Q	Y-o-Y
ROA	0.7%	0.1%	-0.6%	-1.5%	1.1%	1.6%	0.5%	3.1%
ROE	4.4%	0.5%	-4.0%	-9.5%	6.9%	9.7%	2.8%	19.2%
Total income margin	7.17%	9.01%	1.84%	8.56%	9.92%	11.81%	1.89%	3.25%
Net interest margin	5.59%	6.93%	1.33%	6.71%	7.75%	8.89%	1.14%	2.18%
Cost/income ratio	49.9%	48.1%	-1.9%	51.2%	45.5%	42.7%	-2.8%	-8.5%
Net loans to deposits (FX-adjusted)	241%	200%	-40%	241%	197%	200%	4%	-40%
FX rates	2011	2012	Y-o-Y	4Q 2011	3Q 2012	4Q 2012	Q-o-Q	Y-o-Y
HUF/UAH (closing)	29.92	27.38	-8%	29.92	26.90	27.38	2%	-8%
HUF/UAH (average)	25.16	27.85	11%	28.10	27.92	26.79	-4%	-5%

- ***HUF 528 million after tax profit in 2012 as a result of operating profit improving by 25% and doubling risk costs***
- ***Strong POS loan origination with cross sale of credit cards catching up***
- ***Retail deposits advanced by 21% y-o-y providing hryvnia liquidity for consumer lending***
- ***With the further erosion of gross loans the DPD90+ ratio grew to 36.4%, the cash coverage remained stable at 78.9% (-1.8 ppts y-o-y)***

In 2012 **OTP Bank Ukraine** posted HUF 528 million of profits which significantly fell short of 2011 net earnings at HUF 5 billion; however the decent 4Q result of HUF 2.7 billion underpins a q-o-q 41% increase.

The overall result is somewhat distorted by a technical factor: the corporate income tax was not accrued proportionally through 2012, in fact there was a quarterly volatility in tax burdens. Under IFRS tax accrual for the first half of 2012 was partially reversed in 3Q since full year profit forecast was changed, resulting a positive tax burden in that quarter. The substantial annual tax burden (effective tax rate for the full year at 81%) is reasoned by the fact that the P&L of OTP Bank Ukraine incorporates the result of three more local subsidiaries (OTP Factoring Ukraine, OTP Leasing Ukraine and OTP Credit Ukraine), out of them two were loss makers in 2012. There were no deferred tax accruals recognised for those losses. In case of the profitable companies the effective tax rate exceeded the official corporate tax rate (21%) as under local regulations certain costs could not be deducted from the tax base.

The annual operating profit (in hryvnia terms) increased by 14% supported by 9% growth in total income: the net interest income advanced by 8% as a result of a successful consumer lending activity and higher net interest margin (2012: 6.93%, +1.33 ppts). Net fees in hryvnia terms grew by 28%: not only deposit and transaction fees performed nicely, but revenues also from payment protection policies sold with consumer loans increased, too.

Operating expenses grew moderately (+5% y-o-y, FX-adjusted) driven mainly by the 8% increase in personnel expenses on the back of stronger POS and cash loan sales. In that segment agent-related selling activity gained ground against the traditional branch-based business. The agency network showed a dynamic expansion and grew to 2,591 by year end, whereas 3 branches were closed.

Yearly cost dynamics reflected both strong cost management and relatively low inflation environment. As a result, FX-adjusted administrative expenses moderated by 0.3% y-o-y. The cost-to-income ratio declined by a further 1.9 ppts to 48.1%.

Risk costs doubled y-o-y, while 4Q provisioning dropped by 16% q-o-q. In case of consumer loans a new scoring system has been implemented together with a new verification system, as a result the quality of newly disbursed loans is better compared to that of in summer, true, in the overall portfolio those results are not yet meaningful. Despite growing risk costs the DPD90+ coverage slightly declined (-1.8 ppts y-o-y) since DPD90+ loan volumes in hryvnia terms increased by 14% y-o-y, thus the coverage level reached 78.9% by end-2012.

Since the launch of consumer lending in March 2011 newly disbursed volumes have been growing. The outstanding POS loan portfolio doubled y-o-y, and the Bank entered federal retail chains with its products.

The cross sale of credit cards continued to be successful, too, in 4Q volumes advanced by 61%. Personal loan disbursement, however was scaled back somewhat in 2H due to more stringent scoring and volumes dropped by 6% q-o-q.

Similar to the meltdown of retail mortgage portfolio (-12% y-o-y, FX-adjusted), corporate volumes contracted, too as a result of repayments and sell-offs (-9%). Corporate loans showed a slight recovery in 4Q as part of the loans being written off earlier was brought back into the balance sheet again as the management expects resumed payment service. Pick up in leasing also supported corporate volumes on a quarterly basis.

In order to provide enough hryvnia liquidity for the growing need of consumer lending, the bank launched deposit campaigns focusing on household clients. As a result of attractive offered rates, retail term deposits advanced by 21% y-o-y (FX-adjusted) and part of the existing deposits was repriced, too (the share of lower yielding deposits shrank). Despite rate cuts in the FX deposit segment, volumes remained stable q-o-q reflecting the population's growing concern for potential devaluation of the local currency. As a result, the net loan-to-deposit ratio decreased further (2012: 212%, -29 ppts y-o-y).

According to the former regulation of the Ukrainian National Bank, the capital position of the bank was lowered from 20.3% in September to 13.8% (regulatory minimum: 10%). However from 1 January new regulation was introduced according to which the end-2012 capital adequacy ratio would have exceeded 18%.

OTP BANK ROMANIA

Performance of OTP Bank Romania:

Main components of P&L account in HUF mn	2011	2012	Y-o-Y	4Q 2011	3Q 2012	4Q 2012	Q-o-Q	Y-o-Y
After tax profit w/o dividends, net cash transfers and one-offs	763	-5,530	-824%	-701	-1,724	-3,564	107%	408%
Income tax	7	579		119	0	579		387%
Profit before income tax	757	-6,109	-907%	-820	-1,724	-4,143	140%	405%
Operating profit	8,961	6,495	-28%	2,468	1,363	1,461	7%	-41%
Total income	22,207	19,811	-11%	6,142	4,522	4,787	6%	-22%
Net interest income	18,658	15,916	-15%	5,103	3,233	4,103	27%	-20%
Net fees and commissions	2,428	1,677	-31%	660	324	507	56%	-23%
Other net non-interest income without the effect of revaluation of FX provisions	1,121	2,218	98%	379	965	177	-82%	-53%
Operating expenses	-13,246	-13,317	1%	-3,674	-3,159	-3,327	5%	-9%
Total risk costs	-8,204	-12,604	54%	-3,288	-3,088	-5,604	81%	70%
Provision for possible loan losses without the effect of revaluation of FX provisions	-8,187	-12,440	52%	-3,327	-3,077	-5,471	78%	64%
Other provision	-17	-164	874%	39	-11	-133		-439%
Main components of balance sheet closing balances in HUF mn	**2011**	**2012**	**Y-o-Y**	**4Q 2011**	**3Q 2012**	**4Q 2012**	**Q-o-Q**	**Y-o-Y**
Total assets	460,623	461,458	0%	460,623	448,383	461,458	3%	0%
Gross customer loans	394,188	392,608	0%	394,188	375,171	392,608	5%	0%
Gross customer loans (FX-adjusted)	369,032	392,608	6%	369,032	386,686	392,608	2%	6%
Retail loans	275,167	306,019	11%	275,167	290,627	306,019	5%	11%
Corporate loans	93,865	86,589	-8%	93,865	96,059	86,589	-10%	-8%
Allowances for possible loan losses	-33,266	-45,583	37%	-33,266	-39,168	-45,583	16%	37%
Allowances for possible loan losses (FX-adjusted)	-31,082	-45,583	47%	-31,082	-40,394	-45,583	13%	47%
Deposits from customers	120,822	155,348	29%	120,822	143,422	155,348	8%	29%
Deposits from customers (FX-adjusted)	111,271	155,348	40%	111,271	149,313	155,348	4%	40%
Retail deposits	89,181	128,704	44%	89,181	113,470	128,704	13%	44%
Corporate deposits	22,090	26,644	21%	22,090	35,843	26,644	-26%	21%
Liabilities to credit institutions	280,966	239,464	-15%	280,966	237,915	239,464	1%	-15%
Total shareholders' equity	28,353	32,581	15%	28,353	31,449	32,581	4%	15%
Loan Quality	**2011**	**2012**	**Y-o-Y**	**4Q 2011**	**3Q 2012**	**4Q 2012**	**Q-o-Q**	**Y-o-Y**
90+ days past due loan volume (in HUF million)	47,584	62,388	31%	47,584	59,522	62,388	5%	31%
90+ days past due loans/gross customer loans (%)	12.1%	15.9%	3.8%	12.1%	15.9%	15.9%	0.0%	3.8%
Cost of risk/average gross loans (%)	2.26%	3.16%	0.90%	3.46%	3.24%	5.67%	2.43%	2.21%
Cost of risk/average gross loans (FX-adjusted) (%)	2.28%	3.27%	0.99%	3.58%	3.18%	5.59%	2.40%	2.00%
Total provisions/90+ days past due loans (%)	69.9%	73.1%	3.2%	69.9%	65.8%	73.1%	7.3%	3.2%
Performance Indicators (%)	**2011**	**2012**	**Y-o-Y**	**4Q 2011**	**3Q 2012**	**4Q 2012**	**Q-o-Q**	**Y-o-Y**
ROA	0.2%	-1.2%	-1.4%	-0.6%	-1.5%	-3.1%	-1.6%	-2.5%
ROE	2.9%	-18.2%	-21.0%	-10.0%	-20.9%	-44.3%	-23.4%	-34.3%
Total income margin	5.02%	4.30%	-0.72%	5.33%	3.99%	4.19%	0.20%	-1.14%
Net interest margin	4.22%	3.45%	-0.76%	4.43%	2.85%	3.59%	0.73%	-0.84%
Cost/income ratio	59.6%	67.2%	7.6%	59.8%	69.8%	69.5%	-0.4%	9.7%
Net loans to deposits (FX-adjusted)	304%	223%	-80%	304%	232%	223%	-9%	-80%
FX rates	**2011**	**2012**	**Y-o-Y**	**4Q 2011**	**3Q 2012**	**4Q 2012**	**Q-o-Q**	**Y-o-Y**
HUF/RON (closing)	72	66	-9%	72	63	66	5%	-9%
HUF/RON (average)	66	65	-1%	70	63	62	0%	-11%

- ***HUF 5.5 billion loss in 2012 as revenues dropped and risk costs grew***
- ***Significant loan quality deterioration in 2012, but in 4Q the DPD90+ ratio did not deteriorate and the coverage advanced nicely***
- ***In 2012 the RON consumer lending was the engine of 6% FX-adjusted y-o-y loan growth***
- ***The trend-like fall of the net loan to deposit ratio was driven by the successful deposit collection***

Methodological note: in 4Q 2012 corporate volumes have been reclassified into the micro- and small enterprises segment (in case of loans: HUF 15.5 billion, deposits: HUF 12.3 billion equivalent).

OTP Bank Romania realized HUF 5.5 billion loss in 2012, while in 2011 HUF 763 million profit was reached. The elevated negative result in 4Q was due to higher risk costs, partly offset by a deferred tax item.

The annual operating result declined by 28%, reflecting mainly the diminishing revenues.

The net interest margin narrowed by 76 basis points y-o-y, entailing a 15% drop in net interest income. The setback can be partially explained by the elevated interest expenses due to the successful deposit collection in a competitive market. Moreover, the risk cost set aside in relation to non-realized interest income of DPD90+ loans was reclassified from provision for possible loan losses into net interest income line.

The 31% y-o-y decline of the annual net fee and commission income was attributable to the reclassification of some items from fees into net interest income from 2012 onwards. In 4Q 2012 net fee income jumped by 56% q-o-q, explained mainly by the one-off reclassification of some fee expenses into the net interest income line retrospectively.

The other net non-interest income increased almost 2-fold in 2012. The q-o-q drop was due mainly to the volatile FX result.

In 2012 operating expenses went up by 1% which reflects solid cost control, bearing in mind the inflationary environment. The 5% quarterly rise in operating expenses in 4Q was driven by higher marketing and training expenses as well as taxes.

After the significant loan quality deterioration seen in previous quarters, the DPD90+ ratio remained q-o-q flat at 15.9%. In 4Q 2012 the FX-adjusted DPD90+ formation declined to its lowest level since 1Q 2011. In the last several quarters bulk of portfolio quality deterioration came from the mortgage loan segment, whereas the DPD90+ ratio in the micro- and small enterprises and corporate loan segments declined in 4Q 2012.

In 4Q risk cost went up by 81% q-o-q, the main reason is the change in the provisioning methodology in case of household loans transferred to OTP Factoring. Due to the elevated risk cost the provision coverage ratio went up remarkably in 4Q and exceeded the end-2011 level.

At the end of December 9.6% of the households' loan portfolio was involved in the debtor protection program (4Q 2011: 14%).

Regarding the lending activity, in 2012 the launch and upswing of RON consumer lending was the key milestone. Due to continuous lending campaigns consumer loan production strengthened further in 4Q, even after interest rate hikes in 3Q. Consumer loan volumes leaped by 15% q-o-q and 74% y-o-y, consequently. The market share in this market segment rose from 3.4% to 4.0% in 2012. Along with the shift of focus, new mortgage loan disbursements declined further (volumes declined by 1% q-o-q). The aggregated volume of loans to micro- and small companies and corporate loans expanded by 5% over the quarter and 8% in 2012 (due to the reclassifications made in 4Q 2012 only the aggregated loan volume development should be analysed). Local currency lending to companies gained momentum, too. The total gross loans grew by 2% q-o-q and 6% y-o-y adjusted for the FX-effect.

The success of the deposit collection was marked by the increasing market share in 2012 (up from 0.9% to 1.2%), supported by the 40% volume expansion. Household deposits showed a 10% growth in the fourth quarter due to deposit collection and retention campaigns. The FX-adjusted net loan to deposit ratio fall by 80 ppts to 223%.

In 4Q 2012 the mother company increased the registered capital of OTP Bank Romania by RON 50 million, giving a boost to the capital adequacy ratio that reached 15.6%.

In 2012 the number of branches declined by 11 units to 89 within the frame of network rationalization.

OTP BANKA HRVATSKA (CROATIA)

Performance of OTP banka Hrvatska:

Main components of P&L account in HUF mn	2011	2012	Y-o-Y	4Q 2011	3Q 2012	4Q 2012	Q-o-Q	Y-o-Y
After tax profit w/o dividends and net cash transfer	3,552	3,714	5%	-624	1,630	1,053	-35%	-269%
One-off items, after-tax	3,440	0	-100%	0	0	0		
After tax profit w/o dividends, net cash transfers and one-offs	112	3,714		-624	1,630	1,053	-35%	-269%
Income tax	-50	-1,039		133	-414	-367	-11%	-375%
Profit before income tax	162	4,754		-757	2,043	1,419	-31%	-287%
Operating profit	8,222	8,497	3%	2,275	2,297	2,134	-7%	-6%
Total income	21,784	22,550	4%	5,946	5,861	5,332	-9%	-10%
Net interest income	15,383	16,220	5%	4,124	4,078	3,856	-5%	-6%
Net fees and commissions	4,094	4,660	14%	1,191	1,212	1,213	0%	2%
Other net non-interest income	2,307	1,670	-28%	631	571	263	-54%	-58%
Operating expenses	-13,563	-14,052	4%	-3,671	-3,564	-3,198	-10%	-13%
Total risk costs	-8,059	-3,744	-54%	-3,033	-253	-715	182%	-76%
Provision for possible loan losses	-6,694	-2,988	-55%	-2,291	-157	-468	197%	-80%
Other provision	-1,365	-756	-45%	-741	-96	-247	158%	-67%
Main components of balance sheet closing balances in HUF mn	**2011**	**2012**	**Y-o-Y**	**4Q 2011**	**3Q 2012**	**4Q 2012**	**Q-o-Q**	**Y-o-Y**
Total assets	529,853	519,570	-2%	529,853	517,082	519,570	0%	-2%
Gross customer loans	377,592	351,410	-7%	377,592	342,790	351,410	3%	-7%
Gross customer loans (FX-adjusted)	353,538	351,410	-1%	353,538	350,396	351,410	0%	-1%
Retail loans	221,746	225,851	2%	221,746	223,568	225,851	1%	2%
Corporate loans	130,466	124,757	-4%	130,466	125,905	124,757	-1%	-4%
Car financing loans	1,327	802	-40%	1,327	924	802	-13%	-40%
Allowances for possible loan losses	-22,013	-23,740	8%	-22,013	-22,888	-23,740	4%	8%
Allowances for possible loan losses (FX-adjusted)	-20,592	-23,740	15%	-20,592	-23,218	-23,740	2%	15%
Deposits from customers	421,618	407,754	-3%	421,618	406,566	407,754	0%	-3%
Deposits from customer (FX-adjusted)	393,807	407,754	4%	393,807	414,997	407,754	-2%	4%
Retail deposits	351,240	361,426	3%	351,240	362,325	361,426	0%	3%
Corporate deposits	42,566	46,329	9%	42,566	52,672	46,329	-12%	9%
Liabilities to credit institutions	36,041	37,832	5%	36,041	37,728	37,832	0%	5%
Subordinated debt	1,589	1,489	-6%	1,589	1,454	1,489	2%	-6%
Total shareholders' equity	58,485	59,813	2%	58,485	58,234	59,813	3%	2%
Loan Quality	**2011**	**2012**	**Y-o-Y**	**4Q 2011**	**3Q 2012**	**4Q 2012**	**Q-o-Q**	**Y-o-Y**
90+ days past due loan volume (in HUF million)	38,260	38,892	1.7%	38,260	35,953	38,892	8.2%	1.7%
90+ days past due loans/gross customer loans (%)	10.1%	11.1%	0.9%	10.1%	10.5%	11.1%	0.6%	0.9%
Cost of risk/average gross loans	1.88%	0.82%	-1.06%	2.51%	0.18%	0.54%	0.36%	-1.97%
Cost of risk/average (FX-adjusted) gross loans	1.90%	0.85%	-1.05%	2.60%	0.18%	0.53%	0.35%	-2.07%
Total provisions/90+ days past due loans (%)	57.5%	61.0%	3.5%	57.5%	63.7%	61.0%	-2.6%	3.5%
Performance Indicators (%)	**2011**	**2012**	**Y-o-Y**	**4Q 2011**	**3Q 2012**	**4Q 2012**	**Q-o-Q**	**Y-o-Y**
ROA	0.0%	0.7%	0.7%	-0.5%	1.3%	0.8%	-0.5%	1.3%
ROE	0.2%	6.3%	6.1%	-4.2%	11.3%	7.1%	-4.2%	11.3%
Total income margin	4.29%	4.30%	0.00%	4.54%	4.63%	4.09%	-0.54%	-0.45%
Net interest margin	3.03%	3.09%	0.06%	3.15%	3.22%	2.96%	-0.27%	-0.19%
Cost/income ratio	62.3%	62.3%	0.1%	61.7%	60.8%	60.0%	-0.8%	-1.8%
Net loans to deposits (FX-adjusted)	85%	80%	-4%	85%	79%	80%	2%	-4%
FX rates	**2011**	**2012**	**Y-o-Y**	**4Q 2011**	**3Q 2012**	**4Q 2012**	**Q-o-Q**	**Y-o-Y**
HUF/HRK (closing)	41.27	38.59	-6%	41.27	38.16	38.59	1%	-6%
HUF/HRK (average)	37.53	38.48	3%	40.50	37.88	37.62	-1%	-7%

- ***HUF 3.7 billion after tax profit in 2012 as a result of stable operating income and significant risk cost moderation***
- ***Diminishing portfolio deterioration (DPD90+ ratio: 11.1%, +0.9ppts y-o-y), despite lower risk costs the DPD90+ coverage improved (2012: 61%, +3.5 ppts y-o-y)***
- ***Declining net loan-to-deposit ratio due to increasing deposit and declining loan volumes (2012: 80%, -4 ppts y-o-y)***
- ***Y-o-y stable net interest margin 3% and cost/income ratio: 62.3%***

OTP banka Hrvatska (OBH) Group posted HUF 3.7 billion after tax profit in 2012 (+5% y-o-y). Apart from stable operating income the annual profit formation mainly reflected the 54% y-o-y drop of risk costs.

Total income of the Croatian subsidiary was stable in 2012, due to exchange rate movements in HUF it has advanced by 4% y-o-y. Net interest income grew by 5% y-o-y as a result of stable net interest margin (2012: 3.09%, +0.06 ppt y-o-y) and portfolio formation. 14% y-o-y increase of net fee income was driven by the significantly improving card and POS-terminal revenues of the summer tourist season and loan prepayment fees, while other net non-interest income dropped by 28%.

In 4Q, following the tourist season, the net fee income stagnated. Net interest income declined by 5% q-o-q, basically as a result of narrowing interest margin induced by higher retail deposit rates. Thus despite of 10% q-o-q improvement of operating costs, the seasonally shrinking total income (-9% q-o-q) resulted a 7% drop in total income. Operating cost declined partially as a result of continuously stringent cost control and on the other hand due to the decreased depreciation rate of a real estate, acquired by OBH Group as collateral behind a defaulted corporate loan. The HUF 1 billion after tax profit in 4Q (-35% q-o-q) is fundamentally due to increasing risk costs.

Cost/income ratio of OBH in 2012 improved continuously (1Q 2012: 65.6%, 2Q: 62.9%, 3Q: 60.8%; 4Q: 60.0%).

After an improvement in the first half of the year, in 2H the portfolio quality deterioration accelerated, thus the DPD90+ ratio grew by 0.9 ppt to 11.1%. With regards to different segments, portfolio of consumer loans stagnated at 10.1%, while DPD90+ ratio of mortgage loans elevated to 8% (+0.2 ppt q-o-q). DPD90+ ratio of SME loans improved to 19% (-1.7 ppts q-o-q), while the ratio of car and corporate loans went up to 15.2% and 17.2%, respectively (+2.2 ppts and +2.5 ppts, respectively). Coverage ratio of DPD90+ loan portfolio at year-end 2012 was 61% (+3.5 ppts y-o-y; -2.6 ppts q-o-q).

Due to shrinking economy and high level of unemployment the loan demand remained benign. In 2012 the FX-adjusted loan portfolio declined by 1% due to 2% increase of retail and 4% y-o-y decline of corporate loan portfolio. Within the retail book mortgage and consumer loans grew by 1% and 3%, respectively. As the contraction in loan portfolio is typical on the Croatian market as a whole, market share of OBH in overall loans is a stable 3.2%.

In 2012 the FX-adjusted deposit book of OBH expanded in all segments, altogether by 4% y-o-y. The annual growth of retail and SME portfolio total is 3%, while the corporate book developed by 9%. Q-o-q 2% decline of the deposit book is due to seasonal effects.

As a result, market share of OBH practically remained unchanged at 4.3%. On the back of decreasing loan and increasing deposit portfolio, in 2012 net-loan-to-deposit rate dropped by 4 ppts to 80%.

Capital adequacy ratio of the Bank increased by 1.4 ppts y-o-y to 14.9% (regulatory minimum: 12%).

OTP BANKA SLOVENSKO (SLOVAKIA)

Performance of OTP Banka Slovensko:

Main components of P&L account in HUF mn	2011	2012	Y-o-Y	4Q 2011	3Q 2012	4Q 2012	Q-o-Q	Y-o-Y
After tax profit w/o dividends, net cash transfers and one-offs	-409	-1,082	165%	-561	250	-1,643	-757%	193%
Income tax	-72	-182	153%	-21	-43	-70	63%	238%
Profit before income tax	-336	-900	168%	-540	293	-1,573	-637%	191%
Operating profit	3,328	3,519	6%	646	983	871	-11%	35%
Total income	13,640	14,011	3%	3,643	3,419	3,450	1%	-5%
Net interest income	10,968	12,018	10%	2,914	3,139	2,927	-7%	0%
Net fees and commissions	2,499	2,930	17%	703	701	763	9%	9%
Other net non-interest income	172	-938	-645%	27	-421	-239	-43%	-999%
Operating expenses	-10,311	-10,491	2%	-2,997	-2,437	-2,579	6%	-14%
Total risk costs	-3,665	-4,420	21%	-1,186	-690	-2,444	254%	106%
Provision for possible loan losses	-3,624	-4,420	22%	-1,158	-691	-2,401	248%	107%
Other provision	-40	1	-102%	-28	1	-43		54%

Main components of balance sheet closing balances in HUF mn	2011	2012	Y-o-Y	4Q 2011	3Q 2012	4Q 2012	Q-o-Q	Y-o-Y
Total assets	386,313	374,305	-3%	386,313	381,266	374,305	-2%	-3%
Gross customer loans	300,970	292,072	-3%	300,970	285,863	292,072	2%	-3%
Gross customer loans (FX-adjusted)	281,754	292,072	4%	281,754	293,486	292,072	0%	4%
Retail and SME loans	205,486	222,326	8%	205,486	221,807	222,326	0%	8%
Corporate loans	75,725	69,225	-9%	75,725	71,129	69,225	-3%	-9%
Car financing loans	543	520	-4%	543	550	520	-5%	-4%
Allowances for possible loan losses	-18,992	-21,042	11%	-18,992	-18,249	-21,042	15%	11%
Allowances for possible loan losses (FX-adjusted)	-17,781	-21,042	18%	-17,781	-18,737	-21,042	12%	18%
Deposits from customers	290,157	299,014	3%	290,157	289,534	299,014	3%	3%
Deposits from customer (FX-adjusted)	271,599	299,014	10%	271,599	297,204	299,014	1%	10%
Retail and SME deposits	250,186	274,855	10%	250,186	266,799	274,855	3%	10%
Corporate deposits	21,412	24,159	13%	21,412	30,405	24,159	-21%	13%
Liabilities to credit institutions	7,596	6,155	-19%	7,596	5,907	6,155	4%	-19%
Issued securities	42,250	28,296	-33%	42,250	41,366	28,296	-32%	-33%
Subordinated debt	9,057	8,464	-7%	9,057	8,246	8,464	3%	-7%
Total shareholders' equity	30,421	27,074	-11%	30,421	28,085	27,074	-4%	-11%
Loan Quality	2011	2012	Y-o-Y	4Q 2011	3Q 2012	4Q 2012	Q-o-Q	Y-o-Y
90+ days past due loan volume (in HUF million)	34,650	34,823	0.5%	34,650	33,284	34,823	4.6%	0.5%
90+ days past due loans/gross customer loans (%)	11.5%	11.9%	0.4%	11.5%	11.6%	11.9%	0.3%	0.4%
Cost of risk/average gross loans (%)	1.26%	1.49%	0.23%	1.55%	0.96%	3.31%	2.35%	1.76%
Cost of risk/average (FX-adjusted) gross loans (%)	1.28%	1.54%	0.26%	1.61%	0.94%	3.26%	2.32%	1.66%
Total provisions/90+ days past due loans (%)	54.8%	60.4%	5.6%	54.8%	54.8%	60.4%	5.6%	5.6%
Performance Indicators (%)	2011	2012	Y-o-Y	4Q 2011	3Q 2012	4Q 2012	Q-o-Q	Y-o-Y
ROA	-0.1%	-0.3%	-0.2%	-0.6%	0.3%	-1.7%	-2.0%	-1.1%
ROE	-1.5%	-3.8%	-2.3%	-7.8%	3.5%	-23.7%	-27.2%	-15.9%
Total income margin	3.71%	3.68%	-0.02%	3.82%	3.55%	3.63%	0.08%	-0.19%
Net interest margin	2.98%	3.16%	0.18%	3.06%	3.26%	3.08%	-0.18%	0.03%
Cost/income ratio	75.6%	74.9%	-0.7%	82.3%	71.3%	74.8%	3.5%	-7.5%
Net loans to deposits	97%	91%	-7%	97%	92%	91%	-2%	-7%
Net loans to deposits (FX-adjusted)	97%	91%	-7%	97%	92%	91%	-2%	-7%
FX rates	2011	2012	Y-o-Y	4Q 2011	3Q 2012	4Q 2012	Q-o-Q	Y-o-Y
HUF/EUR (closing)	311	291	-6%	311	284	291	3%	-6%
HUF/EUR (average)	279	289	4%	304	283	283	0%	-7%

* P&L account lines and indicators beginning from 2012 are adjusted for banking tax

- ***HUF 1.1 billion after tax loss in 2012, adjusted for banking tax***
- ***Stable loan portfolio quality y-o-y, meaningful improvement of provision coverage (2012: 60.4%)***
- ***Further strengthening retail focus: home equity and consumer loans kept growing***
- ***Growing deposit base, FX-adjusted net loan-to-deposit ratio improved to 91% (-1 ppt y-o-y)***

In 2012 **OTP Banka Slovensko** posted HUF 1,082 million after tax loss without the banking tax, compared to the HUF 409 million loss in 2011, mainly as a result of growing risk cost. The total burden of banking tax in 2012 was HUF 951 million for the Slovakian bank. According to the decision of the Slovakian parliament the base of the banking tax broadened from 2H 2012, and there is an extraordinary banking tax due since October 2012. The total burden of banking taxes is expected to reach EUR 5.1 million in 2013 for the Slovakian subsidiary.

Due to the FX-adjusted total loan growth and the stable margins (2012 total income margin: 3.68%, -2 bps y-o-y) total income shaped well in 2012. Y-o-y net interest income grew by 10% and net fees by 17%, respectively. The strong income generation was somewhat off-set by the HUF 938 million other net non-interest income loss, mainly stemming from swap revaluation. Operating expenses grew by 2% y-o-y, which, taking into consideration the higher average HUF/EUR exchange rate (+4% y-o-y), demonstrates a stringent cost control. In 2H 2012 operating expenses (within that the administrative expenses) declined as the contribution to the deposit protection fund (DPF) was abolished with respect to the higher banking tax payable. The total effect was HUF 217 million before tax in 2H. Cost/income ratio improved a bit in HUF terms to 74.9% in 2012, although in local currency it showed a slight increase.

For 4Q 2012 operating profit decreased by 11% q-o-q, (4Q 2012: HUF 871 million), due to the steady total income flow (+1%) and the 6% growth in operating expenses. Within that personnel expenses and material cost increased. Net interest income decreased by 7% q-o-q, owing to the lower interest margin (4Q 2012: 3.08%, -18 bps q-o-q) caused by lower interest on loans and higher interest paid on deposits. Net fees and commissions grew by 9%, mainly due to loans related fee income growth, beefed by the higher than usual proportion of early repaid loans.

In 2012 OBS put HUF 4.4 billion aside as provisions (+21% y-o-y) out of which more than half was made in 4Q (HUF 2.4 billion). The outstandingly high risk cost was made in order to improve provision coverage of problem loans (4Q 2012: 60.4%, +5.6 ppts both y-o-y and q-o-q). Mainly mature uncovered fast loans in the SME segment was affected by the coverage enhancement, in line with the auditor's recommendation. By the end of 2012 the volume of 90 days past due loans increased by only half of a percentage point, while DPD90+ ratio increased by only 40 bps y-o-y (2012: 11.9%).

The yearly development of loan and deposit volumes was in line with the intention of the management to strengthen the retail focus of the Bank. In yearly comparison FX-adjusted total loans grew by 4%, within that retail and SME loan growth was +8%, while corporate and municipal loans portfolio dropped by 9% Within the retail portfolio mortgage loans increase was meaningful (+8%), while the consumer loan portfolio surged by 78% y-o-y. On the quarterly basis total loan portfolio was stable, however personal loans portfolio grew compellingly (+35% q-o-q) as a result of the September marketing campaign, but also mortgage loans portfolio grew by 2% owing to favourable interest rates and the lack of administration fee.

FX-adjusted deposit base surged by 10% y-o-y. Beside the fierce competition on the retail deposit market, a slight increase in paid interest was seen in 4Q, so OBS managed to further broaden its deposit base (+1% q-o-q). Corporate and municipal deposits decreased by 21% q-o-q in the last quarter of the year. Net loans-to-deposits ratio stood at 91% at the end of 2012 (-8 ppts y-o-y and -2 ppts q-o-q).

Number of employees and branches did not change in 4Q 2012; in 2012 altogether 4 branches were closed so OBS ended the year with 70 branches.

OTP BANKA SRBIJA (SERBIA)

Performance of OTP banka Srbija:

Main components of P&L account in HUF mn	2011	2012	Y-o-Y	4Q 2011	3Q 2012	4Q 2012	Q-o-Q	Y-o-Y
After tax profit w/o dividends, net cash transfers and one-offs	-6,283	-4,934	-21%	-2,726	-1,299	-2,343	80%	-14%
Income tax	-134	3	-102%	-134	0	3		-102%
Profit before income tax	-6,149	-4,937	-20%	-2,592	-1,299	-2,346	81%	-9%
Operating profit	-1,316	-1,708	30%	-949	-371	-1,253	237%	32%
Total income	5,220	6,322	21%	1,314	1,243	1,727	39%	31%
Net interest income	1,460	3,071	110%	546	777	949	22%	74%
Net fees and commissions	1,872	1,604	-14%	491	391	401	3%	-18%
Other net non-interest income without the effect of revaluation of FX provisions	1,888	1,648	-13%	277	76	377	398%	36%
Operating expenses	-6,536	-8,030	23%	-2,264	-1,615	-2,980	85%	32%
Total risk costs	-4,833	-3,228	-33%	-1,643	-928	-1,093	18%	-33%
Provision for possible loan losses without the effect of revaluation of FX provisions	-4,960	-3,159	-36%	-1,700	-958	-953	-1%	-44%
Other provision	127	-69	-154%	57	30	-140	-559%	-346%
Main components of balance sheet closing balances in HUF mn	**2011**	**2012**	**Y-o-Y**	**4Q 2011**	**3Q 2012**	**4Q 2012**	**Q-o-Q**	**Y-o-Y**
Total assets	121,475	122,994	1%	121,475	110,458	122,994	11%	1%
Gross customer loans	90,523	90,026	-1%	90,523	83,692	90,026	8%	-1%
Gross customer loans (FX-adjusted)	82,313	90,026	9%	82,313	86,312	90,026	4%	9%
Retail loans	34,999	38,397	10%	34,999	38,171	38,397	1%	10%
Corporate loans	47,313	51,629	9%	47,313	48,142	51,629	7%	9%
Allowances for possible loan losses	-26,078	-26,404	1%	-26,078	-24,967	-26,404	6%	1%
Allowances for possible loan losses (FX-adjusted)	-23,373	-26,404	13%	-23,373	-25,782	-26,404	2%	13%
Deposits from customers	36,476	38,268	5%	36,476	34,849	38,268	10%	5%
Deposits from customers (FX-adjusted)	33,309	38,268	15%	33,309	35,879	38,268	7%	15%
Retail deposits	27,069	29,692	10%	27,069	27,469	29,692	8%	10%
Corporate deposits	6,239	8,575	37%	6,239	8,410	8,575	2%	37%
Liabilities to credit institutions	6,602	17,088	159%	6,602	9,657	17,088	77%	159%
Subordinated debt	45,967	37,561	-18%	45,967	36,650	37,561	2%	-18%
Total shareholders' equity	27,706	25,171	-9%	27,706	26,089	25,171	-4%	-9%
Loan Quality	**2011**	**2012**	**Y-o-Y**	**4Q 2011**	**3Q 2012**	**4Q 2012**	**Q-o-Q**	**Y-o-Y**
90+ days past due loan volume (in HUF million)	54,836	47,329	-13.7%	54,836	47,894	47,329	-1.2%	-13.7%
90+ days past due loans/gross customer loans (%)	60.6%	52.6%	-8.0%	60.6%	57.2%	52.6%	-4.7%	-8.0%
Cost of risk/average gross loans (%)	5.53%	3.50%	-2.03%	7.66%	4.61%	4.37%	-0.24%	-3.29%
Cost of risk/average gross loans (FX-adjusted) (%)	5.72%	3.67%	-2.05%	8.23%	4.50%	4.30%	-0.20%	-3.92%
Total provisions/90+ days past due loans (%)	47.6%	55.8%	8.2%	47.6%	52.1%	55.8%	3.7%	8.2%

Performance Indicators (%)	2011	2012	Y-o-Y	4Q 2011	3Q 2012	4Q 2012	Q-o-Q	Y-o-Y
ROA	-5.3%	-4.0%	1.3%	-9.4%	-4.7%	-8.0%	-3.3%	1.4%
ROE	-27.5%	-18.7%	8.8%	-46.9%	-19.3%	-36.4%	-17.1%	10.6%
Total income margin	4.42%	5.17%	0.75%	4.51%	4.46%	5.89%	1.43%	1.38%
Net interest margin	1.24%	2.51%	1.28%	1.87%	2.78%	3.23%	0.45%	1.36%
Cost/income ratio	125.2%	127.0%	1.8%	172.2%	129.9%	172.5%	42.6%	0.3%
Net loans to deposits (FX-adjusted)	177%	166%	-11%	177%	169%	166%	-2%	-11%
FX rates	2011	2012	Y-o-Y	4Q 2011	3Q 2012	4Q 2012	Q-o-Q	Y-o-Y
HUF/RSD (closing)	3.0	2.6	-14%	3.0	2.5	2.6	4%	-14%
HUF/RSD (average)	2.7	2.6	-6%	3.0	2.4	2.5	3%	-16%

- ***The loss realized in 2012 dropped by 21% y-o-y due to lower risk cost, while operating result remained in red***
- ***HUF 1.3 billion one-off expense booked within operating costs in 4Q 2012 due to litigations***
- ***The diminishing DPD90+ ratio was coupled with further improving provision coverage ratio in 4Q***
- ***The expansion of the loan portfolio was supported by strong consumer and corporate loan disbursements, similarly to the previous quarter***

OTP banka Srbija posted HUF 4.9 billion net loss in 2012 against the negative result of HUF 6.3 billion in the previous year.

The operating result did not break even yet, partially due to one-off expenses in relation to litigations; without these costs the operating loss would have shown a significant decline (-HUF 0.4 billion in 2012 against -HUF 1.3 billion in 2011).

Total revenues grew by 21% y-o-y, within that net interest income jumped more than two-fold. This is partly attributable to a base effect: in 2011 both rapid portfolio deterioration and high interest expenses on deposits were a drag on net interest income. The changes in the loan portfolio structure (higher share of performing and consumer loans) are positive, too. The remarkable q-o-q growth of the 4Q net interest income was supported by the recovery of suspended interest in case of loans that became performing again.

Apart from the 14% erosion of net fee income y-o-y, other net non-interest revenues that were volatile in each quarters declined by 13%.

In the fourth quarter one-off expenses were recognised in the amount of HUF 1.3 billion, which emerged due to litigations in relation to loans disbursed by Zepter banka before the acquisition in 2006. The annual operating costs jumped by 23% due to this one-off expense, excluding this item operating costs would have increased by a mere 3%. A tax payable for previous years together with the related penalty interest booked in 2Q accounts, as well as higher marketing costs were further reasons for operating cost increase in 2012.

The total risk cost declined by 33% y-o-y. Overall portfolio quality developed favourably during 2012, the downtrend of the DPD90+ ratio started from end-2011 continued in 2012. The Bank is deliberately lifting the provision coverage ratio (up by 8.2 ppts and 3.7 ppts y-o-y and q-o-q respectively).

Adjusted for the FX-effect, total gross loan portfolio expanded by 9% y-o-y and by 4% q-o-q. The Bank focused its lending activity on dinar denominated personal loans; the continuously improving sales performance resulted in remarkable volume growth in this segment (+50% y-o-y, +5% q-o-q FX-adjusted). In the second half of the year corporate lending gained momentum, too and strong new disbursements underpinned a remarkable 9% volume growth in the course of 2012. In 4Q non-performing loans in the amount of HUF 1.1 billion equivalent were partly sold to non-Group members and the smaller part was written off. This, however had no influence on bottom-line earnings as these loans were 100% covered by provisions.

Deposit volumes showed a 15% expansion y-o-y FX-adjusted, the volume growth reached 7% in 4Q. The net loan-to-deposit ratio kept on declining (-11 ppts y-o-y).

OTP Bank Plc. increased the capital of the Serbian bank by RSD 4.5 billion in December 2012. The transaction was registered on 17 January 2013 by the Serbian Court of Registration.

CRNOGORSKA KOMERCIJALNA BANKA (MONTENEGRO)

Performance of CKB:

Main components of P&L account in HUF mn	2011	2012	Y-o-Y	4Q 2011	3Q 2012	4Q 2012	Q-o-Q	Y-o-Y
After tax profit w/o dividends and net cash transfer	-4,525	-3,872	-14%	-1,046	-68	-3,449		230%
Corporate income tax	0	7		0	0	-6		
Pre-tax profit	-4,525	-3,865	-15%	-1,046	-68	-3,455		230%
Operating profit	1,998	2,830	42%	531	905	589	-35%	11%
Total income	8,339	10,047	20%	2,385	2,640	2,456	-7%	3%
Net interest income	5,587	7,238	30%	1,611	1,811	1,767	-2%	10%
Net fees and commissions	2,692	2,489	-8%	733	730	600	-18%	-18%
Other net non-interest income	61	319	422%	41	99	89	-9%	118%
Operating expenses	-6,341	-7,217	14%	-1,854	-1,735	-1,867	8%	1%
Total risk costs	-6,524	-6,695	3%	-1,577	-973	-4,044	316%	156%
Provision for possible loan losses	-4,020	-2,655	-34%	-176	361	-1,622	-549%	819%
Other provision	-2,503	-4,039	61%	-1,400	-1,334	-2,422	82%	73%
Main components of balance sheet closing balances in HUF mn	**2011**	**2012**	**Y-o-Y**	**4Q 2011**	**3Q 2012**	**4Q 2012**	**Q-o-Q**	**Y-o-Y**
Total assets	232,750	208,633	-10%	232,750	213,997	208,633	-3%	-10%
Gross customer loans	165,708	147,244	-11%	165,708	144,629	147,244	2%	-11%
Gross customer loans (FX-adjusted)	155,142	147,244	-5%	155,142	148,493	147,244	-1%	-5%
Retail loans	68,042	65,277	-4%	68,042	65,861	65,277	-1%	-4%
Corporate loans	87,099	81,966	-6%	87,099	82,632	81,966	-1%	-6%
Car financing loans	0	0		0	0	0		
Allowances for possible loan losses	-46,536	-46,252	-1%	-46,536	-43,351	-46,252	7%	-1%
Allowances for possible loan losses (FX-adjusted)	-43,526	-46,252	6%	-43,526	-44,509	-46,252	4%	6%
Deposits from customers	171,982	157,924	-8%	171,982	159,388	157,924	-1%	-8%
Deposits from customers (FX-adjusted)	160,912	157,924	-2%	160,912	163,551	157,924	-3%	-2%
Retail deposits	125,896	121,708	-3%	125,896	126,070	121,708	-3%	-3%
Corporate deposits	35,016	36,217	3%	35,016	37,481	36,217	-3%	3%
Liabilities to credit institutions	22,287	21,671	-3%	22,287	22,743	21,671	-5%	-3%
Subordinated debt	8,408	2,041	-76%	8,408	1,987	2,041	3%	-76%
Total shareholders' equity	16,231	17,048	5%	16,231	20,059	17,048	-15%	5%
Loan Quality	**2011**	**2012**	**Y-o-Y**	**4Q 2011**	**3Q 2012**	**4Q 2012**	**Q-o-Q**	**Y-o-Y**
90+ days past due loan volume (in HUF million)	60,296	60,034	-0.4%	60,296	56,941	60,034	5.4%	-0.4%
90+ days past due loans/gross customer loans (%)	36.4%	40.8%	4.4%	36.4%	39.4%	40.8%	1.4%	4.4%
Cost of risk/average gross loans (%)	2.48%	1.70%	-0.78%	0.44%	-0.97%	4.42%	5.39%	3.98%
Cost of risk/average (FX-adjusted) gross loans (%)	2.51%	1.76%	-0.75%	0.46%	-0.95%	4.36%	5.31%	3.90%
Total provisions/90+ days past due loans (%)	77.2%	77.0%	-0.1%	77.2%	76.1%	77.0%	0.9%	-0.1%
Performance Indicators (%)	**2011**	**2012**	**Y-o-Y**	**4Q 2011**	**3Q 2012**	**4Q 2012**	**Q-o-Q**	**Y-o-Y**
ROA	-2.0%	-1.8%	0.3%	-1.8%	-0.1%	-6.5%	-6.4%	-4.7%
ROE	-27.9%	-23.3%	4.6%	-25.6%	-1.4%	-73.9%	-72.5%	-48.3%
Total income margin	3.75%	4.55%	0.80%	4.15%	4.95%	4.62%	-0.32%	0.47%
Net interest margin	2.51%	3.28%	0.77%	2.80%	3.39%	3.33%	-0.07%	0.52%
Cost/income ratio	76.0%	71.8%	-4.2%	77.7%	65.7%	76.0%	10.3%	-1.7%
Net loans to deposits (FX-adjusted)	69%	64%	-5%	69%	64%	64%	0%	-5%
FX rates	**2011**	**2012**	**Y-o-Y**	**4Q 2011**	**3Q 2012**	**4Q 2012**	**Q-o-Q**	**Y-o-Y**
HUF/EUR (closing)	311.1	291.3	-6%	311.1	283.7	291.3	3%	-6%
HUF/EUR (average)	279.3	289.3	4%	303.6	283.0	283.3	0%	-7%

- ***Despite significant risk costs (HUF 6.7 billion) the annual loss further decreased***
- ***FX-adjusted DPD90+ loan formation decelerated with stable provision coverage at 77.0% in place***
- ***Improving operating profit and cost efficiency y-o-y***

In 2012 the **Montenegrin CKB** bank posted HUF 3.9 billion loss against the negative result of HUF 4.5 billion a year before. The operating profit improved substantially (+42% y-o-y), mainly as a result of higher total income (+20%). Net interest income improved by 30% y-o-y. The good performance on one hand was supported by the favourable liquidity position which enabled the Bank to increase its interbank loan portfolio and realize higher interest income on those assets. At the same time interest rates on retail term deposits were lowered, too. Furthermore, in 3Q 2012 a subordinated loan provided by OTP Bank was converted into share capital, as a result the net interest margin further improved (2012: 3.28%, +77 bps y-o-y).

The 14% increase of operating expenses y-o-y (FX-adjusted) was mainly reasoned by higher personnel expenses. The number of employees (2012: 422 people) decreased by 28 people in 2012, both in the network and the headquarters. According to the in-house social programs the Bank had to pay compensation after those being dismissed. Administrative expenses grew by 2.9% (FX-adjusted) y-o-y reflecting stronger marketing activities and higher advisory fees. In 4Q administrative expenses advanced by 21% q-o-q partly due to an additional tax payment that was booked after the 2010-2011 periods.

Risk costs for possible loan losses decreased by 34% y-o-y with the portfolio deterioration slowing down (DPD90+ loan formation in 2011: HUF 5 billion, in 2012: HUF 3 billion). The provision coverage remained stable at 77%. The y-o-y 6% increase in DPD90+ volumes in local currency was due to corporate exposure that had been restructured earlier, but became non-performing. The 4.4 ppts increase in the DPD90+ ratio (40.8%) y-o-y was partly reasoned by the 5% contraction of gross loan book, too.

The Bank's 2012 profitability to a large extent was affected by the hefty amount of other risk costs related to malpractices before 2009. Those costs were booked in December 2012.

The demand for retail loans remained sluggish: the FX-adjusted retail book decreased by 4%, the lower mortgage disbursement was partly off-set by a pickup in consumer lending.

As a result of active promotional campaigns the FX-adjusted volume of cash loans advanced by 4%. Also, as a result of the recently introduced new scoring system the quality of loans disbursed in 4Q improved. Apart from 3Q, the whole-year SME lending was successful, too, their volumes remained flat y-o-y. The corporate book started decreasing from April 2012 however in 4Q a slight pickup was experienced, but closing volumes dropped by 6% y-o-y.

As a result of lower deposit rates, retail deposits shrank by 3%, while corporate deposits grew in the same magnitude. The trend-like decrease of the net loan-to-deposit ratio continued (end-2012: 64%, -5 ppts y-o-y).

At the end of 2012 CKB's capital adequacy ratio stood at 12.4% (the regulatory minimum is 10%) as a result of a partial conversion of subordinated loans of the mother company into share capital.

STAFF LEVEL AND OTHER INFORMATION

The closing staff number of OTP Group (including the number of employed selling agents) was 36,431 as at 31 December 2012 (+2,605 people y-o-y). During 2012 there was a staff increase in Russia and Ukraine the headcount of people employed in consumer lending increased further in the wake of partnering up with new retail chains. OTP Group provides services through more than 1,400 branches in 9 countries of the CEE-region. In Hungary, OTP Bank has an extensive distribution network, which includes around 380 branches and 1,956 ATM terminals. The Bank has more than 49,000 POS-units at the same time.

	31/12/2012				31/12/2011			
	Branches	ATM	POS	Headcount (closing)	Branches	ATM	POS	Headcount (closing)
OTP Core	380	1,956	49,385	8,507	377	2,028	42,122	8,470
OTP Bank Russia (w/o employed agents)	146	255	2,697	5,177	148	242	2,697	5,108
DSK Group	381	878	4,196	4,736	386	890	4,178	4,477
OTP Bank Ukraine (w/o employed agents)	150	164	358	3,052	152	165	406	3,003
OTP Bank Romania	89	122	1,323	970	100	136	1,302	957
OTP banka Hrvatska	103	222	1,261	984	103	218	1,139	971
OTP Banka Slovenko	70	113	193	639	74	115	202	609
OTP banka Srbija	51	151	2,959	660	52	162	3,557	649
CKB	31	79	4,272	422	32	84	4,010	450
Foreign subsidiaries, total	**1,021**	**1,984**	**17,259**	**16,639**	**1,047**	**2,012**	**17,491**	**16,223**
Other Hungarian and foreign subsidiaries				840				783
OTP Group total (w/o employed agents)				**25,986**				**25,476**
OTP Bank Russia – employed agents				*8,339*				*6,940*
OTP Bank Ukraine – employed agents				*2,107*				*1,410*
OTP Group total (aggregated)	**1,401**	**3,940**	**66,644**	**36,431**	**1,424**	**4,040**	**59,613**	**33,826**

PERSONAL AND ORGANIZATIONAL CHANGES

The Annual General Meeting of OTP Bank held on 27 April 2012 elected Mr. Tamás Erdei and Dr. István Gresa into the Bank's Board of Directors until the closing AGM of the fiscal year 2015 but the latest until 30 April 2016. Furthermore, Mr. Pierre Lefévre resigned from his title as member of the Supervisory Board effective from 26 September 2012.

In 2012 the Auditor of the Bank did not changed.

FINANCIAL DATA

SEPARATE AND CONSOLIDATED IFRS STATEMENT OF FINANCIAL POSITION

In HUF million	OTP Bank			Consolidated		
	31/12/2012	31/12/2011	change	31/12/2012	31/12/2011	change
Cash, due from banks and balances with the National Bank of Hungary	245,548	226,976	8%	602,521	595,986	1%
Placements with other banks, net of allowance for possible placement losses	665,417	897,980	-26%	356,866	422,777	-16%
Financial assets at fair value through profit and loss	243,015	272,577	-11%	222,874	241,282	-8%
Securities available-for-sale	1,953,871	1,711,418	14%	1,411,177	1,125,855	25%
Loans, net of allowance for loan losses	2,356,291	2,741,827	-14%	6,464,191	7,047,179	-8%
Investments in subsidiaries	661,352	651,709	1%	7,936	10,342	-23%
Securities held-to-maturity	371,992	120,467	209%	429,303	124,887	244%
Premises, equipment and intangible assets, net	109,649	104,332	5%	489,142	491,666	-1%
Other assets	32,686	57,404	-43%	129,456	140,553	-8%
TOTAL ASSETS	**6,639,821**	**6,784,690**	**-2%**	**10,113,466**	**10,200,527**	**-1%**
Due to banks and deposits from the National Bank of Hungary and other banks	826,968	871,770	-5%	534,324	646,968	-17%
Deposits from customers	3,500,790	3,416,221	2%	6,550,708	6,398,853	2%
Liabilities from issued securities	335,963	453,423	-26%	643,123	812,863	-21%
Financial liabilities at fair value through profit or loss	259,211	345,955	-25%	122,032	230,149	-47%
Other liabilities	232,557	267,184	-13%	457,231	376,937	21%
Subordinated bonds and loans	303,750	325,997	-7%	291,495	316,447	-8%
TOTAL LIABILITIES	**5,459,239**	**5,680,550**	**-4%**	**8,598,913**	**8,782,217**	**-2%**
SHARE CAPITAL	28,000	28,000	0%	28,000	28,000	0%
RETAINED EARNINGS AND RESERVES	1,157,516	1,081,659	7%	1,534,572	1,439,095	7%
TREASURY SHARES	-4,934	-5,519	-11%	-53,802	-54,386	-1%
MINORITY INTEREST	0			5,783	5,601	3%
TOTAL SHAREHOLDERS' EQUITY	1,180,582	1,104,140	7%	1,514,553	1,418,310	7%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**6,639,821**	**6,784,690**	**-2%**	**10,113,466**	**10,200,527**	**-1%**

SEPARATE AND CONSOLIDATED IFRS STATEMENT OF RECOGNIZED INCOME

in HUF million	OTP Bank 2012	OTP Bank 2011	OTP Bank change	Consolidated 2012	Consolidated 2011	Consolidated change
Loans	216,154	230,529	-6%	795,475	758,679	5%
Interest income without swaps	208,336	213,455	-2%	787,646	741,605	6%
Results of swaps	7,565	17,074	-56%	7,829	17,074	-54%
Forward interest rate transactions – non-interbank	253					
Placements with other banks	364,039	268,998	35%	341,071	266,870	28%
Interest income without swaps	26,059	19,054	37%	9,457	9,570	-1%
Results of swaps	330,209	249,944	32%	331,614	257,300	29%
Forward interest rate transactions – interbank	7,771					
Due from banks and balances with the National Bank of Hungary	6,523	6,274	4%	6,749	6,504	4%
Securities held-for-trading	1,443	2,076	-30%	1,827	1,725	6%
Securities available-for-sale	117,914	115,841	2%	78,624	73,941	6%
Securities held-to-maturity	19,625	9,637	104%	20,204	7,719	162%
Total Interest Income	*725,698*	*633,355*	*15%*	*1,243,950*	*1,115,438*	*12%*
Due to banks and deposits form the National Bank of Hungary	350,521	214,376	64%	294,631	209,289	41%
Interest expenses without swaps	29,276	22,376	31%	18,814	18,112	4%
Losses of swaps	314,040	192,000	64%	275,817	191,177	44%
Forward interest rate transactions – interbank	7,205					
Deposits from customers	138,808	128,253	8%	234,698	208,909	12%
Interest expenses without swap	131,483	116,531	13%	227,374	197,187	15%
Losses of swaps	7,312	11,722	-38%	7,324	11,722	-38%
Forward interest rate transactions – non-interbank	13					
Liabilities from issued securities	27,330	28,370	-4%	54,033	50,936	6%
Subordinated bonds and loans	16,872	16,538	2%	11,923	11,958	0%
Other entrepreneurs				3,200	3,530	-9%
Total Interest Expense	*533,531*	*387,537*	*38%*	*598,485*	*484,622*	*23%*
NET INTEREST INCOME	**192,167**	**245,818**	**-22%**	**645,465**	**630,816**	**2%**
Provision for possible loan losses	53,446	77,095	-31%	226,939	317,269	-28%
Provision for possible placement losses	-138	-656	79%	41	-596	107%
Provision for possible loan and placement losses	53,308	76,439	-30%	226,980	316,673	-28%
NET INTEREST INCOME AFTER PROVISION FOR POSSIBLE LOAN AND PLACEMENT LOSSES	138,859	169,379	-18%	418,485	314,143	33%
Fees and commissions	117,566	116,969	1%	203,499	184,089	11%
Foreign exchange gains and losses, net	-3,769	36,668	-110%	3,171	50,031	-94%
Gains and losses on securities, net	-6,872	5,331	-229%	-235	13,290	-102%
Gains and losses on real estate transactions, net	64	-21	405%	1,131	1,002	13%
Dividend income and gains and losses of associated companies	43,098	78,831	-45%	2,803	947	196%
Other	5,023	4,962	1%	23,987	27,252	-12%
Total Non-Interest Income	155,110	242,740	-36%	234,356	276,611	-15%
Fees and commissions	22,493	21,613	4%	49,162	37,567	31%
Personnel expenses	80,456	73,555	9%	188,952	169,098	12%
Depreciation and amortization	20,959	23,767	-12%	47,420	73,432	-35%
Other	137,038	167,441	-18%	221,633	187,661	18%
Total Non-Interest Expense	260,946	286,376	-9%	507,167	467,758	8%
INCOME BEFORE INCOME TAXES	**33,023**	**125,743**	**-74%**	**145,674**	**122,996**	**18%**
Income taxes	-5,379	14,995	-136%	23,088	39,196	-41%
INCOME AFTER INCOME TAXES	**38,402**	**110,748**	**-65%**	**122,586**	**83,800**	**46%**
Minority interest				-896	-653	
NET INCOME	**38,402**	**110,748**	**-65%**	**121,690**	**83,147**	**46%**

SEPARATE AND CONSOLIDATED IFRS STATEMENT OF CASH FLOWS

In HUF million	OTP Bank			Consolidated		
	2012	2011	change	2012	2011	change
OPERATING ACTIVITIES						
Income before income taxes	31,773	125,743	-75%	145,674	122,966	18%
Adjustments to reconcile income before income taxes to net cash provided by operating activities						
Income tax paid	-4,391	-11,557	62%	-25,259	-37,368	32%
Depreciation and amortization	20,957	23,767	-12%	47,420	49,452	-4%
Provision for loan and placement losses	89,886	155,915	-42%	236,320	322,281	-27%
Share-based compensation	4,584	6,188	-26%	4,585	6,188	-26%
Unrealised losses on fair value adjustment of securities held of trading	-2,012	1,757	-215%	-1,938	1,655	-217%
Unrealised losses / (gains) on fair value adjustment of derivative financial instruments	47,856	-5,570	959%	-8,829	-105,272	92%
Changes in operating assets and liabilities	268,469	55,058	388%	502,269	67,200	647%
Net cash provided by operating activities	**457,122**	**351,301**	**30%**	**900,241**	**451,057**	**100%**
INVESTING ACTIVITIES						
Net cash used in investing activities	**-211,043**	**-378,209**	**44%**	**-494,090**	**-98,351**	**-402%**
FINANCING ACTIVITIES						
Net cash provided by financing activities	**-227,902**	**84,919**	**-368%**	**-389,399**	**-292,574**	**-33%**
Net (decrease) / increase in cash and cash equivalents	**18,177**	**58,011**	**-69%**	**16,752**	**60,132**	**-72%**
Cash and cash equivalents at the beginning of the period	146,208	88,197	66%	315,177	255,045	24%
Cash and cash equivalents at the end of the period	**164,385**	**146,208**	**12%**	**331,929**	**315,177**	**5%**
DETAILS OF CASH AND CASH EQUIVALENTS						
Cash, due from banks and balances with the National Bank of Hungary	226,976	171,677	32%	595,986	513,038	16%
Compulsory reserve established by the National Bank of Hungary	-80,768	-83,480	3%	-280,809	-257,993	-9%
Cash and equivalents at the beginning of the period	**146,208**	**88,197**	**66%**	**315,177**	**255,045**	**24%**
Cash, due from banks and balances with the National Bank of Hungary	245,548	226,976	8%	602,521	595,986	1%
Compulsory reserve established by the National Bank of Hungary	-81,163	-80,768	0%	-270,592	-280,809	4%
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**164,385**	**146,208**	**12%**	**331,929**	**315,177**	**5%**

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 reserve	Treasury shares	Non-controlling interest	Total
Balance as at 1 January 2011	**28,000**	**52**	**28**	**1,383,026**	**-55,468**	**-52,597**	**5,888**	**1,308,929**
Net income	--	--	--	83,147		--	--	83,147
Net comprehensive income				48,621				48,621
Share-based payment	--	--	6,187			--	--	6,187
Dividend of the year 2010	--	--	--	-20,160		--	--	-20,160
Treasury shares								
– gain on sale						2,963		2,963
– loss on sale				-25				-25
– change of volume						-4,752		-4,752
Payment to ICES holders				-6,313		0		-6,313
Non-controlling interest	--	--	--	--	--	--	-287	-287
Balance as at 31 December 2011	**28,000**	**52**	**6,215**	**1,488,296**	**-55,468**	**-54,386**	**5,601**	**1,418,310**

in HUF million	Share capital	Capital reserve	Share-based payment reserve	Retained earnings and reserves	Put option reserve	Treasury shares	Non-controlling interest	Total
Balance as at 1 January 2012	**28,000**	**52**	**6,215**	**1,488,296**	**-55,468**	**-54,386**	**5,601**	**1,418,310**
Net income	--	--	--	121,690		--	--	121,690
Net comprehensive income				300				300
Share-based payment	--	--	4,584			--	--	4,584
Dividend of the year 2011	--	--	--	-28,000		--	--	-28,000
Treasury shares								
– gain on sale						6,342		6,342
– loss on sale				-155				-155
– change of volume						-5,758		-5,758
Payment to ICES holders				-2,942				-2,942
Non-controlling interest	--	--	--	--	--	--	182	182
Balance as at 31 December 2012	**28,000**	**52**	**10,799**	**1,579,189**	**-55,468**	**-53,802**	**5,783**	**1,514,553**

Ownership structure of OTP Bank Plc.

Description of owner	Total equity					
	1 January 2012			31 December 2012		
	%[1]	%[2]	Qty	%[1]	%[2]	Qty
Domestic institution/company	17.20%	17.50%	48,167,622	10.93%	11.10%	30,612,195
Foreign institution/company	59.86%	60.89%	167,611,237	51.16%	51.94%	143,234,419
Domestic individual	11.09%	11.28%	31,040,428	9.96%	10.11%	27,880,066
Foreign individual	1.14%	1.16%	3,204,215	1.12%	1.14%	3,145,920
Employees, senior officers	1.82%	1.85%	5,103,361	1.84%	1.87%	5,157,202
Treasury shares	1.68%	0.00%	4,716,888	1.50%	0.00%	4,207,443
Government held owner[3]	0.40%	0.41%	1,132,501	4.88%	4.96%	13,675,713
International Development Institutions[4]	1.54%	1.57%	4,320,559	0.00%	0.00%	0
Other[5]	5.25%	5.34%	14,703,199	18.60%	18.89%	52,087,052
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

	1 January	31 March	30 June	30 September	31 December
Company	2,643,328	2,640,987	2,411,014	2,245,104	2,133,883
Subsidiaries	2,073,560	2,073,560	2,073,560	2,073,560	2,073,560
TOTAL	4,716,888	4,714,547	4,484,574	4,318,664	4,207,443

Shareholders with over/around 5% stake

Name	Number of shares	Voting rights	Beneficial ownership
Megdet, Timur and Ruszlan Rahimkulov	24,873,083	8.88%	9.02%
MOL (Hungarian Oil and Gas Company Plc.)	24,000,000	8.57%	8.70%
Groupama Group	23,246,161	8.30%	8.43%
Lazard Group	15,804,554	5.64%	5.73%

Senior officers, strategic employees and their shareholding of OTP shares

Type[1]	Name	Position	No. of shares held
IT	Dr. Sándor Csányi [2]	Chairman and CEO	243,500
IT	Mihály Baumstark	member	6,400
IT	Dr. Tibor Bíró	member	37,240
IT	Péter Braun	member	534,305
IT	Tamás Erdei	member	0
IT	Dr. István Gresa	member	64,564
IT	Zsolt Hernádi	member	6,400
IT	Dr. István Kocsis	member	6,400
IT	Dr. Antal Pongrácz	Deputy Chairman, Deputy CEO	203,600
IT	Dr. László Utassy	member	271,400
IT	Dr. József Vörös	member	123,600
FB	Tibor Tolnay	Chairman	54
FB	Dr. Gábor Horváth	member	10,000
FB	Antal Kovács	member, Deputy CEO	23,000
FB	András Michnai	member	16,000
FB	Dr. Márton Gellért Vági	member	0
SP	László Bencsik	Chief Financial and Strategic Officer, Deputy CEO	2,800
SP	Daniel Gyuris	Deputy CEO	0
SP	Ákos Takáts	Deputy CEO	153,347
SP	László Wolf	Deputy CEO	638,800
TOTAL No. of shares held by management:			**2,341,410**

[1] Employee in strategic position (SP), Board Member (IT), Supervisory Board Member (FB)
[2] Number of OTP shares owned by Mr. Csányi directly or indirectly: 2,743,500

OFF-BALANCE SHEET ITEMS ACCORDING TO IFRS (IN HUF MILLION) [1]

a) Contingent liabilities

	31/12/2012	31/12/2011
Commitments to extend credit	1,159,026	1,000,043
Guarantees arising from banking activities	316,159	287,513
Confirmed letters of credit	13,721	5,483
Legal disputes (disputed value)[2]	49,916	11,067,643
Contingent liabilities related to OTP Mortgage Bank	--	--
Other	115,166	139,500
Total:	**1,653,988**	**12,500,182**

[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.)
[2] With regard to the pending payment obligation the United States Court of Appeals for the Seventh Circuit (Chicago) granted the petition for writs of mandamus submitted by OTP Bank Plc. and ordered the district court to dismiss the plaintiffs' claims against OTP Bank Plc. for lack of personal jurisdiction in the class action

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	7,912	7,912	8,032
Consolidated	33,826	33,826	36,431

Security issuances on Group level between 1 January 2012 and 31 December 2012

Issuer	Type of security	Security name	Date of issue	Date of maturity	Ccy	Outstanding consolidated debt (in original currency or HUF million) 31/12/2012	Outstanding consolidated debt (in HUF million) 31/12/2012
OTP Bank Nyrt.	Corporate bond	2018/Ax	03/01/2012	09/01/2018	HUF	1,200	1,200
OTP Bank Nyrt.	Retail bond	2013/I	06/01/2012	05/01/2013	HUF	8,716	8,716
OTP Bank Nyrt.	Retail bond	TBSZ 4 2015/I	13/01/2012	15/12/2015	HUF	483	483
OTP Bank Nyrt.	Retail bond	TBSZ6 2017/I	13/01/2012	15/12/2017	HUF	236	236
OTP Bank Nyrt.	Retail bond	EUR 1 2013/I	13/01/2012	12/01/2013	EUR	1,105,200	322
OTP Bank Nyrt.	Retail bond	EUR 2 2014/I	13/01/2012	13/01/2014	EUR	60,000	17
OTP Bank Nyrt.	Retail bond	2013/II	20/01/2012	19/01/2013	HUF	21,453	21,453
OTP Bank Nyrt.	Retail bond	OJK 2017/I	27/01/2012	27/01/2017	HUF	41	41
OTP Bank Nyrt.	Retail bond	EUR 1 2013/II	27/01/2012	26/01/2013	EUR	1,816,200	529
OTP Bank Nyrt.	Retail bond	EUR 2 2014/II	27/01/2012	27/01/2014	EUR	193,400	56
OTP Bank Nyrt.	Retail bond	OVK 2014/I	31/01/2012	27/01/2014	HUF	237	237
OTP Bank Nyrt.	Retail bond	2013/III	03/02/2012	02/02/2013	HUF	12,535	12,535
OTP Bank Nyrt.	Retail bond	EUR 1 2013/III	10/02/2012	09/02/2013	EUR	1,018,700	297
OTP Bank Nyrt.	Retail bond	EUR 2 2014/III	10/02/2012	10/02/2014	EUR	244,600	71
OTP Bank Nyrt.	Retail bond	2013/IV	17/02/2012	16/02/2013	HUF	17,134	17,134
OTP Bank Nyrt.	Retail bond	EUR 1 2013/IV	24/02/2012	23/02/2013	EUR	1,081,600	315
OTP Bank Nyrt.	Retail bond	EUR 2 2014/IV	24/02/2012	24/02/2014	EUR	444,400	129
OTP Bank Nyrt.	Retail bond	2013/V	02/03/2012	02/03/2013	HUF	9,001	9,001
OTP Bank Nyrt.	Retail bond	EUR 1 2013/V	09/03/2012	09/03/2013	EUR	815,700	238
OTP Bank Nyrt.	Retail bond	EUR 2 2014/V	09/03/2012	09/03/2014	EUR	95,000	28
OTP Bank Nyrt.	Corporate bond	2015/Dx	19/03/2012	23/03/2015	HUF	470	470
OTP Bank Nyrt.	Corporate bond	2018/Bx	22/03/2012	22/03/2018	HUF	4,490	4,490
OTP Bank Nyrt.	Corporate bond	2022/Ax	22/03/2012	23/03/2022	HUF	280	280
OTP Bank Nyrt.	Corporate bond	2022/RF/A	22/03/2012	23/03/2022	HUF	135	135
OTP Bank Nyrt.	Corporate bond	2022/RF/B	22/03/2012	23/03/2022	HUF	46	46
OTP Bank Nyrt.	Retail bond	2013/VI	23/03/2012	23/03/2013	HUF	8,171	8,171
OTP Bank Nyrt.	Retail bond	EUR 1 2013/VI	23/03/2012	23/03/2013	EUR	755,500	220
OTP Bank Nyrt.	Retail bond	EUR 2 2014/VI	23/03/2012	23/03/2014	EUR	103,100	30
OTP Bank Nyrt.	Retail bond	2013/VII	06/04/2012	06/04/2013	HUF	10,102	10,102
OTP Bank Nyrt.	Retail bond	EUR 1 2013/VII	06/04/2012	06/04/2013	EUR	1,162,600	339
OTP Bank Nyrt.	Retail bond	EUR 2 2014/VII	06/04/2012	06/04/2014	EUR	148,000	43
OTP Bank Nyrt.	Retail bond	EUR 1 2013/VIII	20/04/2012	20/04/2013	EUR	2,309,300	673
OTP Bank Nyrt.	Retail bond	EUR 2 2014/VIII	20/04/2012	20/04/2014	EUR	249,500	73
OTP Bank Nyrt.	Retail bond	2013/VIII	21/04/2012	21/04/2013	HUF	10,605	10,605
OTP Bank Nyrt.	Retail bond	EUR 1 2013/IX	04/05/2012	04/05/2013	EUR	2,838,400	827
OTP Bank Nyrt.	Retail bond	EUR 2 2014/IX	04/05/2012	04/05/2014	EUR	341,100	99
OTP Bank Nyrt.	Retail bond	2013/IX	11/05/2012	11/05/2013	HUF	10,651	10,651
OTP Bank Nyrt.	Retail bond	EUR 1 2013/X	11/05/2012	11/05/2013	EUR	519,400	151
OTP Bank Nyrt.	Retail bond	EUR 2 2014/X	11/05/2012	11/05/2014	EUR	50,200	15
OTP Bank Nyrt.	Retail bond	2013/X	25/05/2012	25/05/2013	HUF	4,997	4,997
OTP Bank Nyrt.	Retail bond	EUR 1 2013/XI	25/05/2012	25/05/2013	EUR	870,500	254
OTP Bank Nyrt.	Retail bond	EUR 2 2014/XI	25/05/2012	25/05/2014	EUR	101,900	30

Issuer	Type of security	Security name	Date of issue	Date of maturity	Ccy	Outstanding consolidated debt (in original currency or HUF million) 31/12/2012	Outstanding consolidated debt (in HUF million) 31/12/2012
OTP Bank Nyrt.	Retail bond	2013/XI	08/06/2012	08/06/2013	HUF	5,547	5,547
OTP Bank Nyrt.	Retail bond	EUR 1 2013/XII	08/06/2012	08/06/2013	EUR	1,066,800	311
OTP Bank Nyrt.	Retail bond	EUR 2 2014/XII	08/06/2012	08/06/2014	EUR	128,600	37
OTP Bank Nyrt.	Corporate bond	2017/Fx	19/06/2012	16/06/2017	EUR	776,800	226
OTP Bank Nyrt.	Retail bond	2013/XII	22/06/2012	22/06/2013	HUF	4,453	4,453
OTP Bank Nyrt.	Retail bond	EUR 1 2013/XIII	22/06/2012	22/06/2013	EUR	2,304,100	671
OTP Bank Nyrt.	Retail bond	EUR 2 2014/XIII	22/06/2012	22/06/2014	EUR	198,900	58
OTP Bank Nyrt.	Corporate bond	2022/RF/D	28/06/2012	28/06/2022	HUF	92	92
OTP Bank Nyrt.	Corporate bond	2022/RF/C	28/06/2012	28/06/2022	HUF	73	73
OTP Bank Nyrt.	Retail bond	2013/XIII	06/07/2012	06/07/2013	HUF	5,747	5,747
OTP Bank Nyrt.	Retail bond	EUR 1 2013/XIV	13/07/2012	13/07/2013	EUR	4,896,500	1,426
OTP Bank Nyrt.	Retail bond	EUR 2 2014/XIV	13/07/2012	13/07/2014	EUR	184,500	54
OTP Bank Nyrt.	Corporate bond	2018/Cx	16/07/2012	18/07/2018	HUF	3,990	3,990
OTP Bank Nyrt.	Corporate bond	2015/Ex	16/07/2012	20/07/2015	HUF	390	390
OTP Bank Nyrt.	Corporate bond	2022/Bx	16/07/2012	18/07/2022	HUF	295	295
OTP Bank Nyrt.	Retail bond	2013/XIV	20/07/2012	20/07/2013	HUF	9,508	9,508
OTP Bank Nyrt.	Retail bond	EUR 1 2013/XV	03/08/2012	03/08/2013	EUR	13,329,900	3,828
OTP Bank Nyrt.	Retail bond	EUR 2 2014/XV	03/08/2012	03/08/2014	EUR	228,600	67
OTP Bank Nyrt.	Retail bond	2013/XV	10/08/2012	10/08/2013	HUF	5,862	5,862
OTP Bank Nyrt.	Retail bond	EUR 1 2013/XVI	17/08/2012	17/08/2013	EUR	7,782,700	2,267
OTP Bank Nyrt.	Retail bond	EUR 2 2014/XVI	17/08/2012	17/08/2014	EUR	218,300	64
OTP Bank Nyrt.	Retail bond	2013/XVI	24/08/2012	24/08/2013	HUF	3,635	3,635
OTP Bank Nyrt.	Retail bond	EUR 1 2013/XVII	31/08/2012	31/08/2013	EUR	9,082,300	2,646
OTP Bank Nyrt.	Retail bond	EUR 2 2014/XVII	31/08/2012	31/08/2014	EUR	463,400	135
OTP Bank Nyrt.	Retail bond	2013/XVII	07/09/2012	07/09/2013	HUF	4,130	4,130
OTP Bank Nyrt.	Retail bond	EUR 1 2013/XVIII	14/09/2012	14/09/2013	EUR	4,673,500	1,361
OTP Bank Nyrt.	Retail bond	EUR 2 2014/XVIII	14/09/2012	14/09/2014	EUR	308,000	90
OTP Bank Nyrt.	Retail bond	2013/XVIII	21/09/2012	21/09/2013	HUF	3,655	3,655
OTP Bank Nyrt.	Retail bond	DNT HUF 2013A	27/09/2012	25/03/2013	HUF	3,753	3,753
OTP Bank Nyrt.	Retail bond	DC EUR 130108 4.5%	27/09/2012	08/01/2013	EUR	10,550,700	3,073
OTP Bank Nyrt.	Retail bond	EUR 1 2013/XIX	28/09/2012	28/09/2013	EUR	8,543,300	2,489
OTP Bank Nyrt.	Retail bond	EUR 2 2014/XIX	28/09/2012	28/09/2014	EUR	285,700	83
OTP Bank Nyrt.	Retail bond	2013/XIX	05/10/2012	05/10/2013	HUF	2,439	2,439
OTP Bank Nyrt.	Retail bond	EUR 1 2013/XX	12/10/2012	12/10/2013	EUR	7,407,900	2,158
OTP Bank Nyrt.	Retail bond	EUR 2 2014/XX	12/10/2012	12/10/2014	EUR	216,100	63
OTP Bank Nyrt.	Retail bond	2013/XX	19/10/2012	19/10/2013	HUF	2,304	2,304
OTP Bank Nyrt.	Retail bond	EUR 1 2013/XXI	26/10/2012	26/10/2013	EUR	5,860,700	1,707
OTP Bank Nyrt.	Retail bond	EUR 2 2014/XXI	26/10/2012	26/10/2014	EUR	472,200	138
OTP Bank Nyrt.	Corporate bond	2018/Dx	29/10/2012	26/10/2018	HUF	3,250	3,250
OTP Bank Nyrt.	Corporate bond	2022/Cx	29/10/2012	28/10/2022	HUF	325	325
OTP Bank Nyrt.	Corporate bond	2022/RF/E	29/10/2012	31/10/2022	HUF	17	17
OTP Bank Nyrt.	Corporate bond	2015/Gx	08/11/2012	16/11/2015	HUF	435	435
OTP Bank Nyrt.	Retail bond	EUR 1 2013/XXII	09/11/2012	09/11/2013	EUR	5,356,800	1,560
OTP Bank Nyrt.	Retail bond	EUR 2 2014/XXII	09/11/2012	09/11/2014	EUR	204,400	60
OTP Bank Nyrt.	Retail bond	2013/XXI	12/11/2012	12/11/2013	HUF	4,147	4,147
OTP Bank Nyrt.	Retail bond	DNT HUF 130508 9%	15/11/2012	08/05/2013	HUF	2,334	2,334
OTP Bank Nyrt.	Retail bond	DC USD 130207 5%	15/11/2012	07/02/2013	USD	13,750,600	3,038
OTP Bank Nyrt.	Retail bond	2013/XXII	23/11/2012	23/11/2013	HUF	3,022	3,022
OTP Bank Nyrt.	Retail bond	EUR 1 2013/XXIII	23/11/2012	23/11/2013	EUR	9,288,000	2,706
OTP Bank Nyrt.	Retail bond	EUR 2 2014/XXIII	23/11/2012	23/11/2014	EUR	373,300	109
OTP Bank Nyrt.	Retail bond	2013/XXIII	07/12/2012	07/12/2013	HUF	1,860	1,860
OTP Bank Nyrt.	Retail bond	EUR 1 2013/XXIV	07/12/2012	07/12/2013	EUR	10,463,100	3,048
OTP Bank Nyrt.	Retail bond	EUR 2 2014/XXIV	07/12/2012	07/12/2014	EUR	410,000	119
OTP Bank Nyrt.	Retail bond	2013/XXIV	21/12/2012	21/12/2013	HUF	1,581	1,581
OTP Bank Nyrt.	Retail bond	TBSZ 4 2015/II	21/12/2012	15/12/2015	HUF	49	49
OTP Bank Nyrt.	Retail bond	EUR 1 2013/XXV	21/12/2012	21/12/2013	EUR	4,280,500	1,247
OTP Bank Nyrt.	Corporate bond	2015/Fx	21/12/2012	23/12/2015	EUR	2,073,900	604
OTP Bank Nyrt.	Retail bond	EUR 2 2014/XXV	21/12/2012	21/12/2014	EUR	370,600	108
OTP Bank Nyrt.	Corporate bond	2018/Ex	28/12/2012	28/12/2018	HUF	3,250	3,250
OTP Bank Nyrt.	Corporate bond	2016/Ex	28/12/2012	27/12/2016	HUF	395	395
OTP Bank Nyrt.	Corporate bond	2022/Dx	28/12/2012	27/12/2022	HUF	350	350
OTP Bank Nyrt.	Corporate bond	2015/Hx	28/12/2012	27/12/2015	HUF	170	170
OTP Bank Nyrt.	Corporate bond	2022/RF/F	28/12/2012	28/12/2022	HUF	14	14
OTP Bank Russia	Corporate bond	OTPRU 13/03	06/03/2012	03/03/2015	RUR	4,940,000,000	35,864
OTP Banka Slovensko	Mortgage bond	OTP XXV.	28/09/2012	28/09/2016	EUR	5,598,000	1,631
OTP Mortgage Bank	Mortgage bond	OJB2015_II	17/05/2012	17/05/2015	HUF	0	0

Issuer	Type of security	Security name	Date of issue	Date of maturity	Ccy	Outstanding consolidated debt (in original currency or HUF million) 31/12/2012	Outstanding consolidated debt (in HUF million) 31/12/2012
OTP Mortgage Bank	Mortgage bond	OMB2015_I	30/08/2012	06/03/2015	EUR	5,000,000	1,456

Security redemptions on Group level in the course of 2012

Issuer	Type of security	Security name	Date of issue	Date of maturity	Ccy	Outstanding consolidated debt (in original currency or HUF million) 31/12/2012	Outstanding consolidated debt (in HUF million) 31/12/2012
OTP Bank Nyrt.	Retail bond	OTP 2012/II	21/01/2011	07/01/2012	HUF	15,077	15,077
OTP Bank Nyrt.	Retail bond	OTP 2012/I	07/01/2011	07/01/2012	HUF	8,436	8,436
OTP Bank Nyrt.	Retail bond	DC_EUR_2012_A	14/10/2011	13/01/2012	EUR	14,575,000	4,535
OTP Bank Nyrt.	Retail bond	DC_USD_120113_8	21/10/2011	13/01/2012	USD	4,858,000	1,169
OTP Bank Nyrt.	Retail bond	OTP 2012/III	04/02/2011	04/02/2012	HUF	9,313	9,313
OTP Bank Nyrt.	Retail bond	OTP 2012/IV	18/02/2011	18/02/2012	HUF	23,160	23,160
OTP Bank Nyrt.	Corporate bond	OTPHB402/12	24/02/2010	24/02/2012	CHF	55,535,000	14,212
OTP Bank Nyrt.	Retail bond	OTP 2012/V	04/03/2011	03/03/2012	HUF	14,881	14,881
OTP Bank Nyrt.	Retail bond	OTP 2012/VI	25/03/2011	24/03/2012	HUF	14,630	14,630
OTP Bank Nyrt.	Corporate bond	OTPX 2012C	25/03/2010	30/03/2012	HUF	629	629
OTP Bank Nyrt.	Retail bond	OTP 2012/VII	08/04/2011	07/04/2012	HUF	18,312	18,312
OTP Bank Nyrt.	Retail bond	DNT_HUF_2012_A	14/10/2011	13/04/2012	HUF	5,385	5,385
OTP Bank Nyrt.	Retail bond	DNT_EUR_2012_A	14/10/2011	13/04/2012	EUR	3,422,000	1,065
OTP Bank Nyrt.	Retail bond	DNT_USD_2012_A	14/10/2011	13/04/2012	USD	1,694,000	408
OTP Bank Nyrt.	Retail bond	OTP 2012/VIII	22/04/2011	21/04/2012	HUF	13,983	13,983
OTP Bank Nyrt.	Retail bond	OTP 2012/IX	06/05/2011	05/05/2012	HUF	15,779	15,779
OTP Bank Nyrt.	Retail bond	OTP 2012/X	20/05/2011	19/05/2012	HUF	10,478	10,478
OTP Bank Nyrt.	Retail bond	OTP 2012/XI	03/06/2011	02/06/2012	HUF	8,520	8,520
OTP Bank Nyrt.	Retail bond	OTP 2012/XII	17/06/2011	16/06/2012	HUF	5,599	5,599
OTP Bank Nyrt.	Retail bond	OTP 2012/XIII	01/07/2011	30/06/2012	HUF	7,979	7,979
OTP Bank Nyrt.	Retail bond	OTP 2012/XIV	15/07/2011	14/07/2012	HUF	8,840	8,840
OTP Bank Nyrt.	Retail bond	OTP 2012/XV	29/07/2011	28/07/2012	HUF	9,835	9,835
OTP Bank Nyrt.	Retail bond	OTP_EUR_2012_I	05/08/2011	04/08/2012	EUR	3,152,000	981
OTP Bank Nyrt.	Retail bond	OTP 2012/XVI	12/08/2011	11/08/2012	HUF	14,169	14,169
OTP Bank Nyrt.	Retail bond	OTP_EUR_2012_II	12/08/2011	11/08/2012	EUR	4,685,000	1,458
OTP Bank Nyrt.	Retail bond	OTP 2012/XVII	26/08/2011	25/08/2012	HUF	6,594	6,594
OTP Bank Nyrt.	Retail bond	OTP_EUR_2012_III	26/08/2011	25/08/2012	EUR	7,767,000	2,417
OTP Bank Nyrt.	Retail bond	OTP 2012/XVIII	09/09/2011	08/09/2012	HUF	13,479	13,479
OTP Bank Nyrt.	Retail bond	OTP_EUR_2012_IV	09/09/2011	08/09/2012	EUR	12,203,000	3,797
OTP Bank Nyrt.	Corporate bond	OTPX 2012A	25/09/2009	11/09/2012	HUF	1,666	1,666
OTP Bank Nyrt.	Retail bond	OTP 2012/XIX	23/09/2011	22/09/2012	HUF	9,635	9,635
OTP Bank Nyrt.	Retail bond	OTP_EUR_2012_V	23/09/2011	22/09/2012	EUR	3,926,000	1,221
OTP Bank Nyrt.	Retail bond	OTP 2012/XX	07/10/2011	06/10/2012	HUF	7,552	7,552
OTP Bank Nyrt.	Retail bond	OTP_EUR_2012_VI	07/10/2011	06/10/2012	EUR	8,320,000	2,589
OTP Bank Nyrt.	Retail bond	OTP 2012/XXI	21/10/2011	20/10/2012	HUF	8,214	8,214
OTP Bank Nyrt.	Retail bond	OTP_EUR_2012_VII	21/10/2011	20/10/2012	EUR	5,992,000	1,864
OTP Bank Nyrt.	Retail bond	OTP 2012/XXII	07/11/2011	06/11/2012	HUF	18,768	18,768
OTP Bank Nyrt.	Retail bond	OTP_EUR_2012_VIII	07/11/2011	06/11/2012	EUR	4,009,000	1,247
OTP Bank Nyrt.	Retail bond	OTP 2012/XXIII	18/11/2011	17/11/2012	HUF	14,553	14,553
OTP Bank Nyrt.	Retail bond	OTP_EUR_2012_IX	18/11/2011	17/11/2012	EUR	8,488,000	2,641
OTP Bank Nyrt.	Retail bond	OTP_EUR_2012_X	25/11/2011	24/11/2012	EUR	4,294,000	1,336
OTP Bank Nyrt.	Retail bond	OTP 2012/XXIV	02/12/2011	01/12/2012	HUF	9,034	9,034
OTP Bank Nyrt.	Retail bond	OTP_EUR_2012_XI	02/12/2011	01/12/2012	EUR	4,064,000	1,265
OTP Bank Nyrt.	Retail bond	OTP 2012/XXV	16/12/2011	15/12/2012	HUF	19,109	19,109
OTP Bank Nyrt.	Retail bond	OTP_EUR_2012_XII	16/12/2011	15/12/2012	EUR	3,042,000	946
OTP Bank Nyrt.	Retail bond	OTP_EUR_2012_XIII	29/12/2011	28/12/2012	EUR	1,009,000	314
OTP Banka Slovensko	Mortgage bond	OTP XVIII.	18/09/2009	18/03/2012	EUR	900,000	280
OTP Banka Slovensko	Mortgage bond	OTP XVII.	08/06/2009	08/06/2012	EUR	3,030,000	943
OTP Banka Slovensko	Mortgage bond	OTP	15/10/2003	15/10/2012	EUR	16,596,960	5,164
OTP Banka Slovensko	Mortgage bond	OTP XIX.	02/11/2009	02/11/2012	EUR	9,764,000	3,038
OTP Mortgage Bank	Mortgage bond	OJB2012/VIII	25/05/2011	31/01/2012	HUF	0	0
OTP Mortgage Bank	Mortgage bond	OJB2012_I	17/03/2004	21/03/2012	HUF	13,870	13,870
OTP Mortgage Bank	Mortgage bond	OJB2012_II	14/04/2004	16/05/2012	HUF	31,375	31,375
OTP Mortgage Bank	Mortgage bond	OJB2012/VI	25/05/2011	16/05/2012	HUF	0	0
OTP Mortgage Bank	Mortgage bond	OJB2012_III	19/11/2004	15/08/2012	HUF	14,353	14,353

Issuer	Type of security	Security name	Date of issue	Date of maturity	Ccy	Outstanding consolidated debt (in original currency or HUF million) 31/12/2012	Outstanding consolidated debt (in HUF million) 31/12/2012
OTP Mortgage Bank	Mortgage bond	OJB2012/VII	25/05/2011	15/08/2012	HUF	0	0

RELATED-PARTY TRANSACTIONS

The compensation of key management personnel, such as the members of the Board of Directors, members of the Supervisory Board, key employees of the Bank and its major subsidiaries involved in the decision-making process in accordance with the compensation categories defined in IAS 24 Related party disclosures, is summarised below.

Compensations in HUF million	2011	2012	Y-o-Y	4Q 2011	3Q 2012	4Q 2012	Q-o-Q	Y-o-Y
Total	**11,750**	**12,709**	**8%**	**3,498**	**2,723**	**3,617**	**33%**	**3%**
Short-term employee benefits	8,484	8,720	3%	2,683	1,783	2,866	61%	7%
Share-based payment	2,343	2,711	16%	586	658	469	-29%	-20%
Other long-term employee benefits	886	1,050	19%	217	193	262	36%	21%
Termination benefits	37	218	489%	12	89	20	-78%	67%
Redundancy payments		10		0	0	0		
Loans provided to companies owned by members of the management[1] or their family members (normal course of business)	42,806	35,792	-16%	42,806	35,152	35,792	2%	-16%
Credit lines of the members of Board of Directors and the Supervisory Board and their close family members (at normal market conditions)	117	112	-4%	117	112	112	0%	-4%
Commitments to extend credit and guarantees	6	518		6	630	518	-18%	
Loans provided to unconsolidated subsidiaries	17,523	1,526	-91%	17,523	5,108	1,526	-70%	-91%

[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. Regarding dividends and net cash transfers received from non-group member companies, it is 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 for OTP Core are calculated from the consolidated 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 Financing Netherlands Ltd and OTP Holding Ltd. The consolidated accounting result of these companies are segmented into OTP Core and Corporate Centre, the latter being a virtual entity responsible for rendering debt and capital market related services to the subsidiaries across OTP Group.

(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. Within OTP Group, the full range of financing and investments into non-OTP Core subsidiaries is allocated to the Corporate Centre. 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: leasing companies, factoring companies.

(4) 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 financial statement and balance sheet of LLC OTP Credit was also added.

(5) 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.

(6) Net earnings are adjusted with the result of CIRS swap transactions executed with OTP Bank in relation to interbank financing. Before transfer balance sheet numbers are displayed.

(7) Including the financial performance of OTP Factoring Serbia d.o.o from 4Q 2010.

(8) In 3Q 2011 a one-timer gain from securities in the amount of HUF 3.4 billion was recognised (after corporate income tax).

(9) From 2011 on 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.

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

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

(12) LLC AMC OTP Capitol (Ukraine) and OTP Asset Management SAI S.A. (Romania).

(13) HIF Ltd. (United Kingdom), OTP Faktoring Slovensko (Slovakia) (until 1Q 2011), OTP Buildings (Slovakia), OTP Real Slovensko (Slovakia), OTP Holding Limited (Cyprus), Velvin Ventures Ltd. (Belize), OTP Faktoring SRL (Romania).

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

(15) Total Foreign subsidiaries: sum of the after tax profits of foreign subsidiaries.

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.

- 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, special tax on financial institutions, the loss from early repayment of FX mortgage loans in Hungary, the revaluation result on FX purchased from the National Bank of Hungary to cover the FX need of early repayments and the special banking tax refund related to the early repayments.
- Other non-interest income elements stemming from provisioning release in connection with loans originated before the acquisitions of the subsidiaries have been reclassified to and deducted from the volume of provisions for possible loan losses in the income statement.
- Other non-interest income is shown together with gains/losses on real estate transactions, but without the above mentioned income from the release of pre-acquisition provisions and without received cash transfers. However other non-interest expenses stemming from non-financial activities are added to the adjusted net other non-interest income line, therefore the latter incorporates the net amount of other non-interest income from non-financial activities.
- 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 material 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, which are quasi marketing expenses but kept as paid cash transfer on the P&L –, Other non-interest expenses and Special tax on financial institutions.
- In 1Q 2010, parallel losses on sale of securities and release of other provisions for these securities were netted and are shown together on line "Gain/loss on securities, net" both at OTP Group consolidated and at OTP Core stand-alone level. The negative P&L effect stemming from the deteriorated value of these securities was suffered in previous quarters – at the time of emerging of the above mentioned other provisions.
- From 4Q 2010 onwards, the fee expenses paid by Merkantil Group to car dealers ('dealer fees') were registered as interest expense on 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.
- 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, the after tax effect of the goodwill write-downs, the effect of special banking tax, the loss from early repayment of FX mortgage loans in Hungary and the revaluation result on FX purchased from the National Bank of Hungary to cover the FX need of early repayments. Cost/income ratio is calculated from operating costs, excluding other risk costs.
- OTP Group is hedging the revaluation result of the FX provisions on its FX loans by keeping hedging open FX positions. In its accounting statement of income, the revaluation of FX provisions is part of the risk costs (within line "Provision for loan losses"), whereas the revaluation 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, four subsidiaries of OTP Real Estate Ltd. were for the first time consolidated into OTP Group. The cumulated loss of the four 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 in 2H 2012 were reclassified from Other non-interest expenses to Corporate income tax. As a result, the net P&L effect of the transfers (ie. the paid transfer less the related tax allowances) is recognised in the corporate income tax line of the adjusted P&L. Thus these transfers had no material P&L effect in the adjusted P&L in 2H 2012.
- From 2012 credit institutions' contribution tax started to be 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 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 tax is reclassified from other expenses (administrative expenses) to net interest income. Since only the 4Q's tax payment was material in its amount financials for the previous quarters were not adjusted retrospectively.
- Within the report, FX-adjusted statistics for business volumes are disclosed. For FX adjustment, the closing cross currency rates for the current period were used to calculate the HUF equivalent of loan and deposit volumes in the base periods. Thus the FX adjusted volumes will be different from those published earlier.

ADJUSTMENTS OF CONSOLIDATED IFRS P&L LINES

in HUF million	1Q 11	2Q 11	3Q 11	4Q 11 Audited	2011 Audited	1Q 12	2Q 12	3Q 12	4Q 12 Preliminary	2012 Preliminary
Net interest income	**150,868**	**150,143**	**161,974**	**167,833**	**630,817**	**162,243**	**156,899**	**160,627**	**165,697**	**645,466**
(-) Agent fees paid to car dealers by Merkantil Group	-856	-834	-787	-767	-3,244	-704	-652	-680	-732	-2,768
(+) Credit institutions' contribution tax paid in relation to the fixed exchange rate scheme						0	0	0	-442	-442
Net interest income (adj.) with one-offs	**151,724**	**150,977**	**162,761**	**168,600**	**634,061**	**162,947**	**157,551**	**161,307**	**165,988**	**647,792**
(-) Revaluation result of FX swaps at OTP Core (booked within net interest income)	0	0	3,530	-361	3,169	-1,200	-1,356	29	0	-2,528
Net interest income (adj.) without one-offs	**151,724**	**150,977**	**159,230**	**168,961**	**630,892**	**164,147**	**158,907**	**161,278**	**165,988**	**650,319**
Net fees and commissions	**33,587**	**36,208**	**37,364**	**39,364**	**146,524**	**34,782**	**38,581**	**39,693**	**41,282**	**154,338**
(+) Agent fees paid to car dealers by Merkantil Group	-856	-834	-787	-767	-3,244	-704	-652	-680	-732	-2,768
Net fees and commissions (adj.)	**32,731**	**35,374**	**36,577**	**38,597**	**143,280**	**34,078**	**37,929**	**39,013**	**40,550**	**151,570**
Foreign exchange result on Consolidated IFRS P&L	**-3,651**	**9,078**	**22,958**	**21,646**	**50,031**	**-7,236**	**3,147**	**601**	**6,659**	**3,171**
(-) Revaluation result of FX positions hedging the revaluation of FX provisions	-11,095	7,117	16,631	14,410	27,063	-11,659	-3,187	-5,103	3,256	-16,692
(-) Revaluation result on FX purchased from the National Bank of Hungary to cover the FX need of early repayments	0	0	1,775	-1,775	0	0	0	0	0	0
Foreign exchange result (adj.) with one-offs	**7,444**	**1,961**	**4,553**	**9,011**	**22,968**	**4,423**	**6,334**	**5,704**	**3,402**	**19,863**
(-) Non-recurring FX-gains and losses (booked within Foreign exchange gains, net at OTP Core)	0	0	0	3,926	3,926	0	0	0	0	0
Foreign exchange result (adj.) without one-offs	**7,444**	**1,961**	**4,553**	**5,085**	**19,042**	**4,423**	**6,334**	**5,704**	**3,402**	**19,863**
Gain/loss on securities, net	**516**	**2,314**	**3,713**	**6,747**	**13,290**	**-1,446**	**-2,398**	**3,057**	**551**	**-236**
Gain/loss on securities, net (adj.) with one-offs	**516**	**2,314**	**3,713**	**6,747**	**13,290**	**-1,446**	**-2,398**	**3,057**	**551**	**-236**
(-) Gain on Croatian government bonds (booked as Gain on securities, net (adj.) at OBH Croatia)	0	0	4,300	0	4,300	0	0	0	0	0
(-) Revaluation result of the treasury share swap agreement (booked as Gain on securities, net (adj.) at OTP Core)	0	0	0	5,572	5,572	-2,501	-2,685	223	31	-4,932
Gain/loss on securities, net (adj.) without one-offs	**516**	**2,314**	**-587**	**1,176**	**3,419**	**1,054**	**287**	**2,834**	**521**	**4,696**
Gains and losses on real estate transactions	**255**	**351**	**104**	**291**	**1,002**	**214**	**152**	**407**	**358**	**1,131**
(+) Other non-interest income	**4,807**	**5,376**	**6,850**	**10,220**	**27,252**	**7,428**	**6,276**	**5,178**	**5,105**	**23,986**
(-) Received cash transfers	0	5	15	17	37	2	0	1	11	14
(-) Non-interest income from the release of pre-acquisition provisions	775	72	130	54	1,030	232	47	45	91	416
(+) Other non-interest expenses	-2,625	-1,611	-261	-5,152	-9,648	-734	-1,793	-3,649	-956	-7,132
(+) Release of loan loss provisioning related to the consolidation of the subsidiaries of OTP Real Estate Ltd.						0	0	307	0	307
(+) Release of other provisioning related to the consolidation of the subsidiaries of OTP Real Estate Ltd.						0	0	1,657	0	1,657
Net other non-interest result (adj.) with one-offs	**1,662**	**4,040**	**6,549**	**5,288**	**17,538**	**6,674**	**4,587**	**3,855**	**4,403**	**19,520**
(-) Gain on the repurchase of own Upper and Lower Tier2 Capital (booked as Net other non-interest result (adj.) at OTP Core)	0	318	1,454	807	2,580	1,124	0	291	0	1,415
Net other non-interest result (adj.) without one-offs	**1,662**	**3,722**	**5,095**	**4,480**	**14,959**	**5,550**	**4,587**	**3,564**	**4,403**	**18,105**

in HUF million	1Q 11	2Q 11	3Q 11	4Q 11 Audited	2011 Audited	1Q 12	2Q 12	3Q 12	4Q 12 Preliminary	2012 Preliminary
Provision for possible loan losses	**-47,070**	**-57,958**	**-77,566**	**-134,080**	**-316,675**	**-47,006**	**-59,329**	**-53,001**	**-67,644**	**-226,980**
(+) Non-interest income from the release of pre-acquisition provisions	775	72	130	54	1,030	232	47	45	91	416
(-) Revaluation result of FX provisions	11,095	-7,117	-16,631	-14,410	-27,063	11,659	3,187	5,103	-3,256	16,692
(-) Loss from early repayment of FX mortgage loans in Hungary	0	0	-2,306	-67,157	-69,463	4,409	0	0	0	4,409
(-) Revaluation result on FX purchased from the National Bank of Hungary to cover the FX need of early repayments	0	0	0	9,313	9,313	-5,278	0	0	0	-5,278
(-) Release of loan loss provisioning related to the consolidation of the subsidiaries of OTP Real Estate Ltd.						0	0	307	0	307
Provision for possible loan losses (adj.)	**-57,390**	**-50,768**	**-58,500**	**-61,773**	**-228,432**	**-57,564**	**-62,469**	**-58,366**	**-64,296**	**-242,695**
Other expenses	**-45,878**	**-46,424**	**-47,357**	**-48,003**	**-187,662**	**-77,577**	**-41,420**	**-45,438**	**-57,198**	**-221,633**
(-) Other provisions	237	756	-839	-5,761	-5,607	-1,177	-1,630	-551	-5,982	-9,340
(-) Paid cash transfers	-205	-438	-312	-5,631	-6,587	-652	-752	-3,199	-6,177	-10,780
(+) Sponsorships, subsidies and cash transfers to public benefit organisations	-176	-277	-217	-5,596	-6,266	-510	-495	-2,867	-5,966	-9,837
(-) Other non-interest expenses	-2,625	-1,611	-261	-5,152	-9,648	-734	-1,793	-3,649	-956	-7,132
(-) Special tax on financial institutions	-8,866	-8,866	-8,866	-8,866	-35,463	-35,539	-94	-221	100	-35,754
(-) Special banking tax refund	0	0	0	20,839	20,839	-1,323	0	0	0	-1,323
(-) Tax deductible transfers						0	0	-2,434	-5,748	-8,182
(-) Credit institutions' contribution tax paid in relation to the fixed exchange rate scheme						0	0	0	-442	-442
Other expenses (adj.)	**-34,595**	**-36,542**	**-37,297**	**-49,028**	**-157,462**	**-38,663**	**-37,645**	**-38,252**	**-43,958**	**-158,517**
Other risk costs	**237**	**756**	**-839**	**-5,761**	**-5,607**	**-1,177**	**-1,630**	**-551**	**-5,982**	**-9,340**
(-) Release of other provisioning related to the consolidation of the subsidiaries of OTP Real Estate Ltd.						0	0	1,657	0	1,657
Other risk costs (adj.)	**237**	**756**	**-839**	**-5,761**	**-5,607**	**-1,177**	**-1,630**	**-2,208**	**-5,982**	**-10,997**
After tax dividends and net cash transfers	**155**	**-329**	**85**	**-5,513**	**-5,603**	**-648**	**1,952**	**-3,102**	**-6,165**	**-7,963**
(-) Sponsorships, subsidies and cash transfers to public benefit organisations	-176	-277	-217	-5,596	-6,266	-510	-495	-2,867	-5,966	-9,837
(-) Dividend income of swap counterparty shares kept under the treasury share swap agreement							2,265	0	0	2,265
After tax dividends and net cash transfers	**331**	**-52**	**302**	**82**	**663**	**-138**	**182**	**-235**	**-199**	**-391**
Depreciation	**-11,740**	**-12,165**	**-12,600**	**-36,927**	**-73,433**	**-11,141**	**-11,832**	**-11,864**	**-12,583**	**-47,420**
(-) Goodwill impairment charges (OTP banka Srbija (Serbia), OTP Bank JSC (Ukraine), OTP banka Hrvatska (Croatia), CKB (Montenegro))	0	0	0	-23,979	-23,979	0	0	0	0	0
Depreciation (adj.)	**-11,740**	**-12,165**	**-12,600**	**-12,948**	**-49,454**	**-11,141**	**-11,832**	**-11,864**	**-12,583**	**-47,420**
Income taxes	**-5,558**	**-11,080**	**-17,992**	**-4,567**	**-39,197**	**-532**	**-5,092**	**-10,066**	**-7,399**	**-23,088**
(-) Corporate tax impact of goodwill/investment impairment charges	0	0	0	6,278	6,278	0	3,977	0	0	3,977
(-) Corporate tax impact of the special tax on financial institutions	1,624	1,624	1,624	1,624	6,498	6,516	18	42	5	6,580
(-) Corporate tax impact of the loss from early repayment of FX mortgage loans in Hungary	0	0	438	12,760	13,198	-838	0	0	0	-838
(-) Corporate tax impact of the special banking tax refund	0	0	-337	-3,382	-3,719	251	0	0	0	251
(-) Corporate tax impact of the revaluation of FX purchased from the National Bank of Hungary to cover the FX need of early repayments	0	0	0	-1,770	-1,770	1,003	0	0	0	1,003
(+) Tax deductible transfers						0	0	-2,434	-5,748	-8,182
Corporate income tax (adj.)	**-7,183**	**-12,704**	**-19,717**	**-20,077**	**-59,682**	**-7,464**	**-9,086**	**-12,541**	**-13,152**	**-42,243**

METHODOLOGICAL NOTE ON THE DISCLOSURE OF THE REVALUATION OF FX PROVISIONS AND THE REVALUATION RESULT REALISED ON HEDGING OPEN FX PROVISONS WITHIN THE HALF YEAR FINANCIAL REPORT

Representing a methodological change compared to the previous reporting structure, the following adjustment is implemented on the financials shown within the financial reports and interim management reports published since 2Q 2011.

OTP Group is hedging the revaluation result of the FX provisions on its FX loans by keeping hedging open FX positions. In its accounting statement of income, the revaluation of FX provisions is part of the risk costs (within line “Provision for loan losses”), whereas the revaluation 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 order to prepare and present comparable time series, this adjustment was implemented retrospectively back to the first quarter of 2010. Therefore statistics for the base periods in the affected P&L lines of this report are differing from the disclosure published before 2Q 2011. As a result of the adjustment the sum of the affected lines did not change (ie. the sum of „Provision for loan losses” and „Other net non-interest income”), the modification is only influencing the profit split between these lines. Financial indicators calculated from these lines changed as well.

The FX result reached on the hedging open FX positions is included in the table following this paragraph.

FX RESULT FROM THE REVALUATION OF OPEN FX POSITION HEGDING THE REVALUATION OF FX PROVISIONS (THIS ITEM IS COMPENSATED BY THE REVALUATION OF FX PROVISIONS THROUGH THE RISK COST LINE OF THE ACCOUNTING INCOME STATEMENT)

in HUF million	1Q 2011	2Q 2011	3Q 2011	4Q 2011	2011	1Q 2012	2Q 2012	3Q 2012	4Q 2012	2012
OTP Group Total	**-11,095**	**7,117**	**16,631**	**14,410**	**27,063**	**-11,659**	**-3,187**	**-5,103**	**3,256**	**-16,692**
of which OTP Core (Hungary)	-8,188	5,035	15,723	13,893	26,464	-12,431	-3,611	-5,273	3,817	-17,498
of which OTP Bank	-6,374	1,334	10,014	7,689	12,663	-6,427	-1,881	-2,368	2,885	-7,791
OTP Mortgage Bank	-1,814	1,341	2,553	2,645	4,725	-2,961	-232	-938	211	-3,920
OTP Factoring		2,360	3,156	3,559	9,075	-3,043	-1,499	-1,967	721	-5,788
OTP Bank Russia	-839	76	475	-70	-357	-313	337	-198	-40	-214
CJSC OTP Bank (Ukraine)	306	355	-429	30	262	397	-661	363	299	398
OBR adj. (Romania)	-1,117	1,342	526	-171	580	498	574	408	-782	698
OBH (Croatia)	-21	66	49	26	119	-8	4	-40	59	15
OTP banka Srbija (Serbia)	-231	-183	-119	336	-196	681	434	-56	-112	947
Merkantil Bank + Car (Hungary)	-1,005	426	405	366	192	-483	-264	-307	15	-1,038

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