OTP Bank Plc.

Summary of the first quarter 2020 results

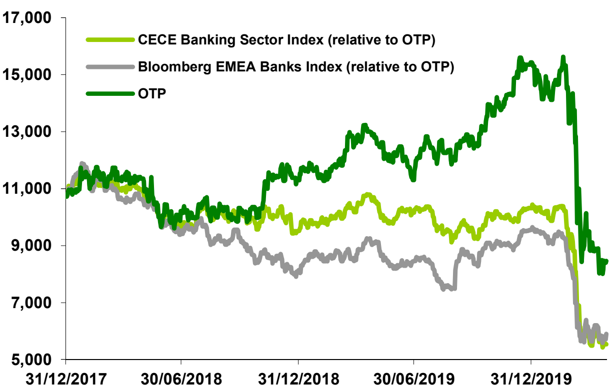
(English translation of the original report submitted to the Budapest Stock Exchange)

Budapest, 8 May 2020

CONSOLIDATED FINANCIAL HIGHLIGHTS[1] AND SHARE DATA

Main components of the Statement of recognised income in HUF million	1Q 2019	4Q 2019	1Q 2020	Q-o-Q	Y-o-Y
Consolidated after tax profit	**72,581**	**102,979**	**-4,072**	**-104%**	**-106%**
Adjustments (total)	**-17,819**	**-2,971**	**-35,904**		**101%**
Consolidated adjusted after tax profit without the effect of adjustments	**90,400**	**105,950**	**31,832**	**-70%**	**-65%**
Pre-tax profit	101,826	114,585	35,850	-69%	-65%
Operating profit	108,758	139,991	127,183	-9%	17%
Total income	239,716	305,518	283,873	-7%	18%
Net interest income	162,670	195,875	200,280	2%	23%
Net fees and commissions	57,223	85,503	69,234	-19%	21%
Other net non-interest income	19,823	24,140	14,359	-41%	-28%
Operating expenses	-130,958	-165,527	-156,690	-5%	20%
Total risk costs	-6,197	-24,891	-91,694	268%	
One off items	-735	-515	360	-170%	-149%
Corporate taxes	-11,426	-8,635	-4,018	-53%	-65%
Main components of balance sheet closing balances in HUF million	1Q 2019	4Q 2019	1Q 2020	Q-o-Q	Y-o-Y
Total assets	16,107,501	20,121,767	21,858,302	9%	36%
Total customer loans (net, FX adjusted)	**9,717,035**	**12,836,927**	**13,078,701**	**2%**	**35%**
Total customer loans (gross, FX adjusted)	**10,441,544**	**13,548,983**	**13,876,067**	**2%**	**33%**
Allowances for possible loan losses (FX adjusted)	-724,509	-712,055	-797,367	12%	10%
Total customer deposits (FX adjusted)	**13,197,120**	**16,228,237**	**16,355,462**	**1%**	**24%**
Issued securities	381,912	393,167	399,603	2%	5%
Subordinated loans	81,201	249,937	272,320	9%	235%
Total shareholders' equity	1,870,102	2,291,288	2,315,540	1%	24%
Indicators based on adjusted earnings	1Q 2019	4Q 2019	1Q 2020	Q-o-Q	Y-o-Y
ROE (from accounting net earnings)	15.9%	18.2%	-0.7%	-18.9%p	-16.6%p
ROE (from adjusted net earnings)	19.7%	18.8%	5.5%	-13.3%p	-14.2%p
ROA (from adjusted net earnings)	2.4%	2.2%	0.6%	-1.6%p	-1.7%p
Operating profit margin	2.84%	2.90%	2.46%	-0.44%p	-0.38%p
Total income margin	6.26%	6.34%	5.49%	-0.85%p	-0.77%p
Net interest margin	4.25%	4.06%	3.87%	-0.19%p	-0.38%p
Cost-to-asset ratio	3.42%	3.43%	3.03%	-0.40%p	-0.39%p
Cost/income ratio	54.6%	54.2%	55.2%	1.0%p	0.6%p
Provision for impairment on loan and placement losses-to-average gross loans ratio	0.24%	0.45%	2.57%	2.13%p	2.33%p
Total risk cost-to-asset ratio	0.16%	0.52%	1.77%	1.26%p	1.61%p
Effective tax rate	11.2%	7.5%	11.2%	3.7%p	0.0%p
Net loan/(deposit+retail bond) ratio (FX adjusted)	74%	79%	80%	1%p	6%p
Capital adequacy ratio[2] (consolidated, IFRS) - Basel3	16.5%	16.8%	16.2%	-0.5%p	-0.3%p
Tier1 ratio[2] - Basel3	14.9%	14.4%	13.9%	-0.5%p	-1.1%p
Common Equity Tier 1 ('CET1') ratio[2] - Basel3	14.9%	14.4%	13.9%	-0.5%p	-1.1%p
Share Data	1Q 2019	4Q 2019	1Q 2020	Q-o-Q	Y-o-Y
EPS diluted (HUF) (from unadjusted net earnings)	277	391	-16	-104%	-106%
EPS diluted (HUF) (from adjusted net earnings)	346	404	121	-70%	-65%
Closing price (HUF)	12,600	15,430	9,500	-38%	-25%
Highest closing price (HUF)	12,980	15,600	15,630	0%	20%
Lowest closing price (HUF)	11,270	12,410	8,425	-32%	-25%
Market Capitalization (EUR billion)	11.0	13.1	7.4	-43%	-33%
Book Value Per Share (HUF)	6,679	8,183	8,270	1%	24%
Tangible Book Value Per Share (HUF)	5,974	7,362	7,444	1%	25%
Price/Book Value	1.9	1.9	1.1	-39%	-39%
Price/Tangible Book Value	2.1	2.1	1.3	-39%	-39%
P/E (trailing, from accounting net earnings)	10.8	10.5	7.9	-24%	-27%
P/E (trailing, from adjusted net earnings)	10.5	10.3	7.4	-28%	-30%
Average daily turnover (EUR million)	18	17	27	54%	52%
Average daily turnover (million share)	0.5	0.4	0.7	80%	58%

SHARE PRICE PERFORMANCE



S&P GLOBAL RATINGS

OTP Bank and **OTP Mortgage Bank** – FX Long term credit rating: BBB

MOODY'S RATINGS

OTP Bank – FX long term deposits: Baa3

OTP Bank – Subordinated Foreign Currency Debt: Ba1

OTP Mortgage Bank – Covered mortgage bond: Baa1

FITCH'S RATINGS

OTP Bank Russia – Long term credit rating: BB+

Expressbank Bulgaria – Long term credit rating: BB+

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

[2] Concerning 4Q 2019 capital adequacy ratios, the figures presented in this report do not include dividend payment. This is consistent with the decision made by the Board of Directors on the 30th of April 2020, acting on behalf of the AGM, about the retainment of profit generated in 2019. These capital adequacy ratios differ from those presented in the Summary of the Group's 4Q 2019 results, and the 2019 Annual Report.

SUMMARY – OTP BANK'S RESULTS FOR FIRST QUARTER 2020

Summary of the first quarter 2020 results of OTP Bank Plc. has been prepared on the basis of its non-audited separate and consolidated IFRS financial statements for 31 March 2020 or derived from that.

SUMMARY OF FIRST QUARTER 2020

As a result of the potential impact of COVID-19 pandemic the original macroeconomic forecast for both Hungary and countries of foreign OTP Group members became outdated.

In order to smooth the negative effects of the pandemic, and create the necessary conditions for restarting economic activities, a series of government, central bank and supervisory measures were introduced (the detailed summary of those toolsets is presented in a unified structure after each subsidiary's quarterly report).

At the time of compiling the 1Q 2020 Summary the issuer assumed a GDP contraction of 1-5% within OTP universe as a baseline scenario. Such forecast is broadly in line with IMF's global economic forecast published in April.

However, currently there is a high degree of uncertainties around the depth and duration of the economic recession caused by the pandemic, as well as the steepness of the expected rebound. Also, at the moment it is difficult to assess the global impact of the pandemic, and the effectiveness of economic protection measures introduced on national and international levels.

Accordingly, the management has withdrawn its 2020 Guidance published on 6 March 2020 and will not make any new forecast for the rest of the year as long as there is no comprehensive information about the state of the macroeconomic and operational environment.

Consolidated earnings: HUF 31.8 billion adjusted profit after tax with q-o-q 2% organic performing loan volume growth; surging risk costs as a result of the pandemic, further declining Stage 3 ratio, stable liquidity and capital position

1Q 2020 results were shaped mainly by the surging risk costs due to the assumed negative impact of the coronavirus.

It should be emphasized that

- in the current situation the Management highly evaluates that the business activity of the Group hasn't suffered any major setback in the first quarter as a whole, home office became the prevailing form of daily operation (not including the branch network), simultaneously online selling channels introduced earlier gained further ground;
- in its provisioning policy the Group applied such models and set of macroeconomic assumptions which − according to its expectations − are in line with the current risk factors and uncertainties;
- amid the significant provisioning the capital position of the Group remained stable, and it safely complies with all the regulatory requirements even without the recently announced easing in capital buffer requirements;
- the liquidity position of the Group is safe, deposit volumes kept increasing in 1Q. By the end of 1Q its liquidity coverage ratio (LCR) stood at 164%.

In 1Q the consolidated accounting loss was HUF 4 billion which already incorporates the profit contribution of the Slovenian SKB Banka purchased from Societe Generale.

The total volume of adjustment items in 1Q represented -HUF 35.9 billion (after tax) with the following major items:

- -HUF 16.7 billion banking tax at OTP Core and the Slovakian subsidiary (after tax);
- -HUF 20.2 billion (after tax) negative potential impact of the loan moratorium in Hungary effective from 19 March. This amount was calculated with the de facto participation at OTP Core on 23 April (HUF 21.3 billion) and Merkantil Group on 31 March (HUF 0.75 billion). Regarding the foreign subsidiaries, in those countries where loan moratoria were introduced, though in different times, with different effectiveness, participation rules or interest calculation methodologies, the Bank didn't calculate with meaningful negative impact based on available statistics as of 31 March;
- +HUF 0.9 billion acquisition impact (after tax).

According to the Government decree 108/2020. (IV. 14) a new special banking tax ("solidarity tax") of HUF 14.2 billion should be paid by the Hungarian Group members of OTP Group in three equal amounts until 10 June, 10 September and 10 December 2020. The due amount was calculated as 0.19% of the adjusted balance sheet above HUF 50 billion. Pursuant to the decree and IFRS standards, parallel with the accounting of this new bank levy amongst the other expenses, the Bank would recognize the net present value of the related tax claims amongst the other income. Therefore, the new special tax wouldn't materially affect the Group's bottom line earnings neither in 2020, nor over the next 5 years. Regarding the adjusted P&L structure, both the income and expense leg, thus the NPV effect as well, will be presented on the Special tax on financial institutions line amongst the adjustment.

In 1Q 2020 OTP Group posted HUF 31.8 billion adjusted after-tax profit (of which SKB's profit comprised HUF 81 million; the P&L contribution of SKB Banka was consolidated from 1Q 2020) underpinning a q-o-q 70%, y-o-y 65% decline. The effective tax rate in 1Q was 11.2%, the same as in the base period. The ROE calculated with the adjusted profit was 5.5% (-13.3 pps q-o-q).

During the quarter all Group members suffered q-o-q setbacks in their net earnings as a result of elevated risk provisions induced by COVID-19 pandemic.

The share of the non-Hungarian operations' profit contribution within the Group's adjusted profit represented 32% (-37 pps y-o-y and -10 pps q-o-q).

The consolidated operating income in 1Q exceeded HUF 127 billion (-9% q-o-q), total income shrank by 7% with net interest income increasing by 2% q-o-q supported by HUF 7 billion generated by the Slovenian SKB; without that there was a marginal decline in quarterly NII.

Net fees & commissions income dropped by 19% q-o-q, to a great extent due to the outstanding success fee at OTP Fund Management in 4Q 2019 (HUF 14 billion); seasonality also took its toll.

Other net non-interest income declined by around HUF 10 billion q-o-q (-41%), mainly due to a drop in securities gains. This line showed a meaningful quarterly decrease at OTP Core and also at the Croatian, Serbian and Russian operations.

The quarterly NIM eroded by 19 bps q-o-q (1Q 2020: 3.87%). Both the Russian and Ukrainian net interest margins, being the highest on Group level, dropped q-o-q: the interest rate environment came down significantly in both countries. Furthermore, the consolidation of the Slovenian SKB and the change in balance sheet composition had a negative impact of 5-5 bps in each cases. The positive impact of FX moves (+2 bps q-o-q) only partially offset those negatives. The Hungarian reference rate (3 months BUBOR) on average moved up by 22 bps q-o-q, however the substantial upward shift happened in April (the rate is currently 1.1%), thus the positive NII impact is going to materialize only for the rest of the year.

Following a seasonally high level in 4Q 2019 operational expenses declined by 5% q-o-q (-9% without SKB). Out of the three major cost elements the drop was more material in administrative expenses: lower marketing and expert fees offset the higher supervisory fees due in 1Q. Personnel expenses and amortization decreased q-o-q, too.

In 1Q 2020 the consolidated FX-adjusted performing (Stage 1+2) loan volumes organically grew by 3%, by around HUF 323 billion q-o-q (1Q 2019: +1% organically).

Regarding volume developments at Group member banks in 1Q 2020, FX-adjusted performing portfolios grew the fastest at OTP Core (+5% with the consumer exposures surging by 11% q-o-q), but the Croatian, Slovenian and Romanian volumes also expanded nicely. The Russian loan portfolio had a seasonal setback (-3% q-o-q), whereas the Ukrainian loan book previously increasing dynamically grew by 1% q-o-q.

As for the main credit categories in 1Q the FX-adjusted Stage 1+2 consumer exposure and corporate portfolio advanced the fastest q-o-q (+3% each), whereas the micro small enterprise book and mortgage loan portfolio grew by 2-2%.

The FX-adjusted deposits grew by 1% q-o-q, as a result the consolidated net loan-to-deposit ratio reached 80% (+1 pp q-o-q).

At the end of 1Q 2020 the gross operative liquidity reserves of the Group comprised EUR 6.6 billion equivalent. According to the original plans by 30 June 2020 the Bank intended to issue senior preferred (SP) bonds with a targeted size of EUR 750-1,000 million in order to comply with MREL requirements. However, the resolution authority extended the original interim deadline of 30 June by six months, thus no transaction was/will be executed in 1H 2020.

Since the direct negative impacts of the coronavirus (lockdowns, increase of unemployment) kicked in only at the end of March, the DPD90+ volume growth yet demonstrated favourable trends. Also, in all Group members, but Ukraine loan debt repayment moratoria have been introduced from the second half of March and such steps stabilized the portfolio quality, too. As a result, in 1Q 2020 DPD90+ volumes increased by HUF 30 billion (adjusted for FX and the effect of sales and write-offs), the consolidated DPD90+ ratio melted down to 4.1% (-1.8 pps y-o-y, -0.1 ps q-o-q).

The Stage 1+2 exposures comprised 94.3% (HUF 13,079 billion). Within that Stage 1 loans represented 85.6% and Stage 2 ratio was 8.6%. The quarterly decline of Stage 1 ratio was practically identical with the increase in Stage 2; the latter was explained by reclassification of non-retail exposure being the most exposed to the negative impact of COVID-19 pandemic.

The Stage 3 ratio under IFRS9 was 5.7% (-0.2 pp q-o-q, -2.5 pps y-o-y). The own coverage of Stage 1, 2 and 3 exposures was 1.3%, 10.5% and 65.3%, respectively.

Total risk costs in 1Q represented -HUF 91.7 billion, of which provisions for impairment on loan and placement losses surged to -HUF 84.7 billion underpinning more than six fold q-o-q increase. As a result in 1Q the credit risk cost rate was 2.57%. There were two major reasons behind the significant increase: on one hand, in line with the forward looking approach of IFRS 9, the deteriorating external environent caused by the coronavirus required additional provisions. In March the IFRS 9 parameters were revised as the general macroeconomic outlook deteriorated across the Group. Given the high level of uncertainties regarding the macroeconomic impacts of the COVID-19 pandemic, several macro scenarios were taken into consideration during the revision process, and these scenarios were significantly different in terms of the assumed depth of the pandemic and its economic effects. On the other hand, part of the corporate portfolio originally being in State 1 category was reclassified into the riskier Stage 2 bucket, and for those exposures the Bank made additional provisions (due to the higher PD ratios assumed by the models and the lifetime epected loss approach required higher provisions, too).

While additional provisioning practically affected all operations, the most significantly affected ones were OTP Core and also the Bulgarian and Russian subsidiaries. On consolidated level the split of additional provisioning between household and corporate exposures was broadly 1/3-2/3.

Without such forward-looking additional provisioning practice, the run-rate volume of risk costs would have been only around 10% of the *de facto* provisions; also, without those extra provision OTP Core would have still enjoyed positive risk costs in 1Q 2020.

Consolidated capital adequacy ratio (in accordance with BASEL III)

At the end of March 2020 the consolidated Common Equity Tier1 ratio under IFRS including the quarterly loss was 13.9%. This ratio equals to the Tier1 ratio.

According to the decision of NBH on 1 April 2020, the original level of O-SII capital buffer (2%) was modified to 0% effective from 1 July 2020 until 31 December 2021. Afterwards, this buffer should be rebuilt gradually between 1 January 2022 and 31 December 2023. As a result, the effective regulatory minimum level of Tier1 capital adequacy ratio for OTP Group will change to 9.7%. Furthermore, as a response to the negative impact of pandemic the NBH will temporary tolerate the breach of the current level (2.5%) of the capital conservation buffer.

For 4Q 2019 the originally flagged 13.9% CET1 ratio assumed a dividend payment of HUF 69.44 billion. However, on 30 April 2020 the Board of Directors – acting on behalf of the AGM in accordance with legal authorization – in line with a recommendation by the NBH decided to put the total profit made in 2019 into general reserves and retained earnings. However, following the dividend stopper requirement by the NBH effective until 30 September 2020, the Board of Directors may consider paying a dividend advance if the then prevailing legal, business policy and financial conditions allow.

As a result, the 4Q 2019 CET1 ratio changed to 14.4%, incorporating the dividend amount not being paid out.

In order to possess the necessary amount of own shares for its remuneration policy, between 6 March and 24 April 2020 the Bank purchased in total 2.7 million ordinary shares.

Credit rating, shareholder structure

On 27 January S&P Global Ratings upgraded OTP Bank Plc's and OTP Mortgage Bank's short and long term issuer credit ratings from 'BBB-/A-3' to 'BBB/A-2'. At the same time S&P affirmed its 'BBB/A-2' long- and short-term resolution counterparty ratings on OTP and OTP Mortgage Bank. The outlook remained stable for both banks

OTP Bank Plc.'s long term foreign-currency deposit rating by Moody's remained unchanged, i.e. it is 'Baa3' with stable outlook. On 2 April 2020 Moody's changed the outlook on OTP Mortgage Bank's issuer rating ('Baa2') from stable into negative. OTP Mortgage Bank's covered bond rating remained 'Baa1'.

OTP Bank Russia has a 'BB+' rating by Fitch, on 23 April 2020 the outlook was changed from stable to negative.

Regarding the ownership structure of the Bank, on 31 March 2020 the following investors had more than 5% influence (voting rights) in the Company: MOL (the Hungarian Oil and Gas Company, 8.62%), the Kafijat Ltd (7.08%), OPUS Securities SA (5.21%) and Groupama Group (5.15%).

DISCLAIMER – Risks relating to the impact of COVID-19 pandemic

The COVID-19 pandemic has had, and continues to have, a material impact on businesses around the world and the economic environment. There are a number of factors associated with the COVID-19 pandemic and its impact on global economies that could have a material adverse effect on (among other things) the profitability, capital and liquidity of financial institutions such as the OTP Group.

The COVID-19 pandemic has caused disruption to the OTP Group's customers, suppliers and staff. A number of jurisdictions in which the OTP Group operates have implemented severe restrictions on the movement of their respective populations, with a resultant significant impact on economic activity in those jurisdictions. These restrictions are being determined by the governments of individual jurisdictions and impacts (including the timing of implementation and any subsequent lifting of restrictions) may vary from jurisdiction to jurisdiction. It remains unclear how this will evolve through 2020 and the OTP Group continues to monitor the situation closely. However, the OTP Group's ability to conduct business may be adversely affected by disruptions to its infrastructure, business processes and technology services, resulting from the unavailability of staff due to illness or the failure of third parties to supply services. This may cause significant customer detriment, costs to reimburse losses incurred by the OTP Group's customers, and reputational damage.

Furthermore, the OTP Group relies on models to support a broad range of business and risk management activities, including informing business decisions and strategies, measuring and limiting risk, valuing exposures, conducting stress testing and assessing capital adequacy. Models are, by their nature, imperfect and incomplete representations of reality because they rely on assumptions and inputs, and so they may be subject to errors affecting the accuracy of their outputs. This may be exacerbated when dealing with unprecedented scenarios, such as the COVID-19 pandemic, due to the lack of reliable historical reference points and data.

Any and all such events mentioned above could have a material adverse effect on the OTP Group's business, financial condition, results of operations, prospects, liquidity, capital position and credit ratings, as well as on the OTP Group's customers, employees and suppliers.

POST BALANCE SHEET EVENTS

Hungary

- On 17 April 2020 OTP Bank Plc. published an Extraordinary Announcement (Notice of deviation from the announcement of the General Meeting of OTP Bank Plc.) : in accordance with the prevailing legislation the General Meeting will not be held, the approval of the resolutions of the General Meeting will be taken by the Board of Directors.
- On 28 April 2020 S&P Global Ratings Revised Hungary's outlook from positive to stable on COVID-19 pandemic related risks; 'BBB/A-2' ratings was affirmed
- On 30 April 2020 OTP Bank Plc. published all Resolutions passed by the Board of Directors acting in the competency of the Annual General Meeting.
- On 30 April 2020 the Board of Directors acting in the competency of the Annual General Meeting in line with the annex of the resolution, approves the group remuneration guidelines of OTP Bank Plc. and simultaneously empowers the Supervisory Board of the Company to define the rules of the Banking Group's remuneration policy in detail, in line with the group remuneration guidelines.
- On 30 April 2020 the Board of Directors acting in the competency of the Annual General Meeting in line with the annex of the resolution, on a consultative basis, approves the remuneration policy of OTP Bank Plc. under the act on encouraging long-term shareholder engagement.

In order to avoid any confusion, the Company would like to provide some further explanation in relation to the remuneration policy adopted by the Board of Directors acting in the capacity of the General Meeting, with due consideration of the provisions of the applicable local laws:

- The Company emphasizes that the adopted group-level remuneration guidelines apply from 2020, while the remuneration policy is applicable only from 2021. This distinction is based on Act LXVII of 2019 on the encouragement of long-term shareholder engagement and amendment of certain Acts with the purpose of legal harmonization, which Act prescribes that the remuneration policy must by adopted in 2020 and it must be applied in 2021 for the first time. Although OTP Bank Plc. does not have a legal obligation to do so, it maintains its practice in the future to submit its Group-level Remuneration Guidelines to the General Meeting.
- For the sake of clarity the Company notes that the chairman, deputy chairman, and members of the board of directors in such capacity are entitled only to a fixed remuneration. Although the fixed honorarium of the chairman, deputy chairman and members of the Board of Directors contains a share award, such share award is not performance-based. It is also important to stress out that the chairman and CEO, deputy CEOs, and employees' representatives to the supervisory board beside basic salary are also entitled to annual performance-based remuneration. It also means that independent management board members are not entitled to such annual performance-based bonus.
- The remuneration policy states that the directors are not entitled to participate in a supplementary or early retirement scheme, although they are entitled to a supplement to their independent pension fund membership under the same conditions as all the employees of the Bank. It means that the Company does not provide a special pension scheme for the management, it applies a unified pension fund contribution for all employees of the bank (i.e. the same rules apply to the management and other staff of the Bank).
- Although OTP Bank Plc does not have a long-term incentive (LTI) scheme, annual bonus is disbursed in a deferred manner, which payment takes into consideration a long-term performance of the Bank, as requested by the Hungarian implementation of the EU law applicable on credit institutions (i.e. CRD IV). It means that only 40% of the awarded annual bonus in paid out after the evaluated year, while the remaining 60% is paid out during the next 4 years in equal instalments. These deferred instalments are subject to ex-post risk assessment with the right of the Supervisory Board to cancel such deferred bonus payment with the consideration of subsequent risks which were not know at the time of the bonus award. Please also note that the so called "bonus cap" rule set out by CRD IV also significantly limits the possibility of OTP Bank Plc. to introduce a classical LTI scheme.
- The Company believes that it is important to differentiate the remuneration policy and the disclosure of remuneration data, which latter is the role of a different document. According to the relevant laws, the remuneration policy does not have a purpose of defining individual remunerations, but to have a

framework on the elements and structure of management remuneration. Naturally it does not mean that OTP Bank Plc does not publish management-related remuneration data; this information is available as part of the publicly accessible annual disclosure, in an extent and structure prescribed by the relevant laws.

- Concerning KPIs the situation is similar, since in the Company's opinion it is not possible to define exact KPIs in a document which is intended to be effective for a longer period of time (i.e. several years), since KPIs can constantly change based on the actual business opportunities and priorities. If it would not be so, the Company should define in the remuneration policy exact KPIs for 2021 now, while the current pandemic situation gives us very limited possibility to see the possible business opportunities and priorities and set realistic goals for the next business year. This realization makes even more sense considering that according to the legislator this document must be the basis for KPI setting not only in 2021, but in 2022 and 2023 as well. The Company believes that it explains the reason why such document can be only a framework for KPI structure and high-level KPI definition, and why it would not make any sense to define and submit for approval an exact market share target or other quantitative KPIs for 2021, 2022 and 2023 now.
- It is also important to indicate that most of the limitations presented in the remuneration policy on variable remuneration disbursement (i.e. 1:1 fixed-variable remuneration ratio; deferral period of 4 years; 50% of bonus is awarded in shares) are prescribed by CRD IV and these rules basically apply to all credit institutions. It means that those cases when the amount of variable remuneration can exceed 100% of the fixed remuneration are really exceptional and are limited to the cases prescribed by the Remuneration Guidelines of the European Banking Authority (e.g. severance payment prescribed by the labor law).
- Finally, the Company also confirms the persons covered by the remuneration policy do not have such contractual elements, which are not presented in the remuneration policy. It means that the Bank's executives do not have special change in control (CIC) or poison pill agreements with the Bank. The Bank also does not have an obligation to pay any severance payment to such executives in excess to the cases set out in the remuneration policy.

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

in HUF million	1Q 2019	4Q 2019	1Q 2020	Q-o-Q	Y-o-Y
Consolidated after tax profit	**72,581**	**102,979**	**-4,072**	**-104%**	**-106%**
Adjustments (total)	**-17,819**	**-2,971**	**-35,904**	**1108%**	**101%**
Consolidated adjusted after tax profit without the effect of adjustments	**90,400**	**105,950**	**31,832**	**-70%**	**-65%**
Banks total[1]	85,706	89,907	27,013	-70%	-68%
OTP Core (Hungary)[2]	39,632	45,304	16,871	-63%	-57%
Corporate Centre[3]	1,117	143	207	45%	-81%
DSK Group (Bulgaria)[4]	17,598	14,100	4,411	-69%	-75%
OBH (Croatia)[5]	8,772	4,196	2,646	-37%	-70%
OTP Bank Serbia[6]	1,418	5,836	1,746	-70%	23%
SKB Banka (Slovenia)	-	-	81		
OTP Bank Romania[7]	1,188	894	-909	-202%	-177%
OTP Bank Ukraine[8]	8,294	9,615	6,658	-31%	-20%
OTP Bank Russia[9]	6,641	6,072	-3,556	-159%	-154%
CKB Group (Montenegro)[10]	695	3,082	-235	-108%	-134%
OTP Bank Albania	-	382	296	-23%	
Mobiasbanca (Moldova)	-	688	468	-32%	
OBS (Slovakia)[11]	350	-404	-1,671	313%	-578%
Leasing	1,727	1,776	1,775	0%	3%
Merkantil Group (Hungary)[12]	1,727	1,776	1,775	0%	3%
Asset Management	1,019	12,552	111	-99%	-89%
OTP Asset Management (Hungary)	1,001	12,526	107	-99%	-89%
Foreign Asset Management Companies (Ukraine, Romania, Bulgaria)[14]	19	26	4	-84%	-78%
Other Hungarian Subsidiaries	2,490	-261	1,759	-775%	-29%
Other Foreign Subsidiaries[15]	236	-15	161	-1155%	-32%
Eliminations	-778	1,991	1,013	-49%	-230%
Total adjusted after tax profit of HUNGARIAN subsidiaries[16]	45,189	61,480	21,732	-65%	-52%
Total adjusted after tax profit of FOREIGN subsidiaries[17]	45,211	44,471	10,100	-77%	-78%
Share of foreign profit contribution	50%	42%	32%	-24%	-37%

[3] Relevant footnotes are in the Supplementary data section of the Report.

CONSOLIDATED AND SEPARATE, UNAUDITED IFRS REPORTS OF OTP BANK PLC.

CONSOLIDATED STATEMENT OF RECOGNIZED INCOME

Main components of the Statement of recognized income in HUF million	1Q 2019	4Q 2019	1Q 2020	Q-o-Q	Y-o-Y
Consolidated after tax profit	**72,581**	**102,979**	**-4,072**	**-104%**	**-106%**
Adjustments (total)	**-17,819**	**-2,971**	**-35,904**		**101%**
Dividends and net cash transfers (after tax)	177	65	33	-49%	-82%
Goodwill/investment impairment charges (after tax)	0	-4,037	0	-100%	
Special tax on financial institutions (after corporate income tax)	-15,229	-562	-16,734		10%
Expected one-off negative effect of the debt repayment moratorium in Hungary (after corporate income tax)	0	0	-20,152		
Effect of acquisitions (after tax)	-2,768	1,405	949	-32%	-134%
One-off impact of regulatory changes related to FX consumer contracts in Serbia	0	157	0	-100%	
Consolidated adjusted after tax profit without the effect of adjustments	**90,400**	**105,950**	**31,832**	**-70%**	**-65%**
Before tax profit	**101,826**	**114,585**	**35,850**	**-69%**	**-65%**
Operating profit	**108,758**	**139,991**	**127,183**	**-9%**	**17%**
Total income	**239,716**	**305,518**	**283,873**	**-7%**	**18%**
Net interest income	**162,670**	**195,875**	**200,280**	**2%**	**23%**
Net fees and commissions	**57,223**	**85,503**	**69,234**	**-19%**	**21%**
Other net non-interest income	**19,823**	**24,140**	**14,359**	**-41%**	**-28%**
Foreign exchange result, net	9,072	11,269	10,045	-11%	11%
Gain/loss on securities, net	1,677	3,254	-1,963	-160%	-217%
Net other non-interest result	9,074	9,617	6,278	-35%	-31%
Operating expenses	**-130,958**	**-165,527**	**-156,690**	**-5%**	**20%**
Personnel expenses	-63,924	-82,522	-79,314	-4%	24%
Depreciation	-12,416	-16,116	-16,005	-1%	29%
Other expenses	-54,619	-66,889	-61,371	-8%	12%
Total risk costs	**-6,197**	**-24,891**	**-91,694**	**268%**	
Provision for impairment on loan and placement losses	-5,616	-13,568	-84,724	524%	
Other provision	-582	-11,323	-6,969	-38%	
Total one-off items	**-735**	**-515**	**360**	**-170%**	**-149%**
Gain on the repurchase of own Upper and Lower Tier2 Capital	0	0	0		
Result of the treasury share swap agreement at OTP Core	-735	-515	360	-170%	-149%
Corporate taxes	**-11,426**	**-8,635**	**-4,018**	**-53%**	**-65%**
INDICATORS	1Q 2019	4Q 2019	1Q 2020	Q-o-Q	Y-o-Y
ROE (from accounting net earnings)	15.9%	18.2%	-0.7%	-18.9%p	-16.6%p
ROE (from adjusted net earnings)	19.7%	18.8%	5.5%	-13.3%p	-14.2%p
ROA (from adjusted net earnings)	2.4%	2.2%	0.6%	-1.6%p	-1.7%p
Operating profit margin	2.84%	2.90%	2.46%	-0.44%p	-0.38%p
Total income margin	6.26%	6.34%	5.49%	-0.85%p	-0.77%p
Net interest margin	4.25%	4.06%	3.87%	-0.19%p	-0.38%p
Net fee and commission margin	1.50%	1.77%	1.34%	-0.43%p	-0.16%p
Net other non-interest income margin	0.52%	0.50%	0.28%	-0.22%p	-0.24%p
Cost-to-asset ratio	3.42%	3.43%	3.03%	-0.40%p	-0.39%p
Cost/income ratio	54.6%	54.2%	55.2%	1.0%p	0.6%p
Provision for impairment on loan and placement losses-to-average gross loans	0.24%	0.45%	2.57%	2.13%p	2.33%p
Total risk cost-to-asset ratio	0.16%	0.52%	1.77%	1.26%p	1.61%p
Effective tax rate	11.2%	7.5%	11.2%	3.7%p	0.0%p
Non-interest income/total income	32%	36%	29%	-6%p	-3%p
EPS base (HUF) (from unadjusted net earnings)	277	391	-16	-104%	-106%
EPS diluted (HUF) (from unadjusted net earnings)	277	391	-16	-104%	-106%
EPS base (HUF) (from adjusted net earnings)	346	404	122	-70%	-65%
EPS diluted (HUF) (from adjusted net earnings)	346	404	121	-70%	-65%
Comprehensive Income Statement	1Q 2019	4Q 2019	1Q 2020	Q-o-Q	Y-o-Y
Consolidated after tax profit	72,581	102,979	-4,072	-104%	-106%
Fair value changes of financial instruments measured at fair value through other comprehensive income	15,732	5,051	-33,118	-756%	-311%
Fair value adjustment of derivative financial instruments designated as cash-flow hedge	-21	-2	-1	-50%	-95%
Net investment hedge in foreign operations	203	1,177	-7,976	-778%	
Foreign currency translation difference	15,589	-20,746	83,637	-503%	437%
Change of actuarial costs (IAS 19)	0	-161	0	-100%	
Net comprehensive income	**104,084**	**88,298**	**38,470**	**-56%**	**-63%**
o/w Net comprehensive income attributable to equity holders	103,816	88,009	38,646	-56%	-63%
Net comprehensive income attributable to non-controlling interest	268	289	-176	-161%	-166%
Average exchange rate[1] of the HUF (in HUF)	1Q 2019	4Q 2019	1Q 2020	Q-o-Q	Y-o-Y
HUF/EUR	318	332	339	2%	7%
HUF/CHF	281	303	318	5%	13%
HUF/USD	280	300	307	2%	10%

[1] Exchange rates presented in the tables of this report should be interpreted as follows: the value of a unit of the other currency expressed in Hungarian forint terms, i.e. HUF/EUR represents the HUF equivalent of one EUR.

CONSOLIDATED BALANCE SHEET

Main components of balance sheet in HUF million	1Q 2019	4Q 2019	1Q 2020	Q-o-Q	Y-o-Y
TOTAL ASSETS	**16,107,501**	**20,121,767**	**21,858,302**	**9%**	**36%**
Cash, amounts due from Banks and balances with the National Banks	1,545,143	1,841,963	2,179,710	18%	41%
Placements with other banks, net of allowance for placement losses	505,397	410,433	630,691	54%	25%
Financial assets at fair value through profit or loss	175,825	251,991	365,114	45%	108%
Securities at fair value through other comprehensive income	2,111,988	2,427,537	2,350,068	-3%	11%
Net customer loans	9,076,474	12,247,519	13,078,701	7%	44%
Net customer loans (FX adjusted[1])	**9,717,035**	**12,836,927**	**13,078,701**	**2%**	**35%**
Gross customer loans	9,758,776	12,942,009	13,876,067	7%	42%
Gross customer loans (FX adjusted[1])	**10,441,544**	**13,548,983**	**13,876,067**	**2%**	**33%**
o/w Retail loans	6,182,955	7,901,421	8,072,983	2%	31%
Retail mortgage loans (incl. home equity)	2,900,809	3,644,002	3,696,370	1%	27%
Retail consumer loans	2,462,858	3,243,445	3,346,566	3%	36%
SME loans	819,288	1,013,973	1,030,047	2%	26%
Corporate loans	3,922,384	5,074,269	5,229,443	3%	33%
Loans to medium and large corporates	3,603,203	4,673,390	4,806,890	3%	33%
Municipal loans	319,181	400,879	422,553	5%	32%
Car financing loans	336,206	573,292	573,642	0%	71%
Allowances for loan losses	-682,301	-694,490	-797,367	15%	17%
Allowances for loan losses (FX adjusted[1])	-724,509	-712,055	-797,367	12%	10%
Associates and other investments	18,485	20,822	21,313	2%	15%
Securities at amortized costs	1,834,932	1,995,627	2,210,061	11%	20%
Tangible and intangible assets, net	521,168	605,673	602,672	0%	16%
o/w Goodwill, net	107,711	105,298	102,728	-2%	-5%
Tangible and other intangible assets, net	413,457	500,375	499,945	0%	21%
Other assets	318,089	320,201	419,972	31%	32%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**16,107,501**	**20,121,767**	**21,858,302**	**9%**	**36%**
Amounts due to banks, the National Governments, deposits from the National Banks and other banks, and Financial liabilities designated at fair value through profit or loss	572,174	846,158	1,365,812	61%	139%
Deposits from customers	12,402,053	15,522,654	16,355,462	5%	32%
Deposits from customers (FX adjusted[1])	**13,197,120**	**16,228,237**	**16,355,462**	**1%**	**24%**
o/w Retail deposits	9,693,196	11,763,594	11,863,226	1%	22%
Household deposits	8,120,168	9,691,543	9,834,384	1%	21%
SME deposits	1,573,028	2,072,051	2,028,842	-2%	29%
Corporate deposits	3,491,853	4,450,083	4,479,161	1%	28%
Deposits to medium and large corporates	2,680,326	3,650,185	3,634,014	0%	36%
Municipal deposits	811,527	799,898	845,147	6%	4%
Accrued interest payable related to customer deposits	12,070	14,560	13,075	-10%	8%
Liabilities from issued securities	381,912	393,167	399,603	2%	5%
o/w Retail bonds	3,603	3,237	3,526	9%	-2%
Liabilities from issued securities without retail bonds	378,309	389,930	396,076	2%	5%
Other liabilities	800,060	818,561	1,149,566	40%	44%
Subordinated bonds and loans[2]	81,201	249,937	272,320	9%	235%
Total shareholders' equity	**1,870,102**	**2,291,288**	**2,315,540**	**1%**	**24%**
Indicators	1Q 2019	4Q 2019	1Q 2020	Q-o-Q	Y-o-Y
Loan/deposit ratio (FX adjusted[1])	79%	84%	85%	1%p	6%p
Net loan/(deposit + retail bond) ratio (FX adjusted[1])	74%	79%	80%	1%p	6%p
Stage 1 loan volume under IFRS 9	8,345,005	11,489,554	11,880,014	3%	42%
Stage 1 loans under IFRS9/gross customer loans	85.5%	88.8%	85.6%	-3.2%p	0.1%p
Own coverage of Stage 1 loans under IFRS 9	1.2%	1.1%	1.3%	0.2%p	0.0%p
Stage 2 loan volume under IFRS 9	613,636	685,885	1,198,559	75%	95%
Stage 2 loans under IFRS9/gross customer loans	6.3%	5.3%	8.6%	3.3%p	2.3%p
Own coverage of Stage 2 loans under IFRS 9		10.7%	10.5%	-0.1%p	10.5%p
Stage 3 loan volume under IFRS 9	800,135	766,570	797,495	4%	0%
Stage 3 loans under IFRS9/gross customer loans	8.2%	5.9%	5.7%	-0.2%p	-2.5%p
Own coverage of Stage 3 loans under IFRS 9		65.2%	65.3%	0.1%p	65.3%p
90+ days past due loan volume	572,204	541,467	574,087	6%	0%
90+ days past due loans/gross customer loans	5.9%	4.2%	4.1%	0.0%p	-1.7%p
Consolidated capital adequacy - Basel3	1Q 2019	4Q 2019	1Q 2020	Q-o-Q	Y-o-Y
Capital adequacy ratio (consolidated, IFRS)	16.5%	16.8%	16.2%	-0.5%p	-0.3%p
Tier1 ratio	14.9%	14.4%	13.9%	-0.5%p	-1.1%p
Common Equity Tier 1 ('CET1') capital ratio	14.9%	14.4%	13.9%	-0.5%p	-1.1%p
Regulatory capital (consolidated)	1,774,264	2,390,688	2,463,015	3%	39%
o/w Tier1 Capital	1,607,885	2,055,106	2,106,519	3%	31%
o/w Common Equity Tier 1 capital	1,607,885	2,055,106	2,106,519	3%	31%
Tier2 Capital	166,379	335,582	356,496	6%	114%
o/w Hybrid Tier2	89,935	89,935	89,935	0%	0%
Consolidated risk weighted assets (RWA) (Credit&Market&Operational risk)	10,768,561	14,262,197	15,188,195	6%	41%
o/w RWA (Credit risk)	9,315,465	12,529,878	13,458,562	7%	44%
RWA (Market & Operational risk)	1,453,096	1,732,319	1,729,633	0%	19%
Closing exchange rate of the HUF (in HUF)	1Q 2019	4Q 2019	1Q 2020	Q-o-Q	Y-o-Y
HUF/EUR	321	331	359	9%	12%
HUF/CHF	287	304	339	11%	18%
HUF/USD	286	295	327	11%	14%

[1] For the 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.
[2] The ICES bonds are considered as Tier2 debt, but accounting-wise they are treated as part of the shareholders' equity.

OTP BANK'S HUNGARIAN CORE BUSINESS

OTP Core Statement of recognized income:

Main components of the Statement of recognised income in HUF million	1Q 2019	4Q 2019	1Q 2020	Q-o-Q	Y-o-Y
After tax profit without the effect of adjustments	39,632	45,304	16,871	-63%	-57%
Corporate income tax	-3,509	-197	-2,182		-38%
Pre-tax profit	43,141	45,502	19,053	-58%	-56%
Operating profit	37,229	41,204	40,235	-2%	8%
Total income	98,388	114,589	105,821	-8%	8%
Net interest income	64,284	68,255	69,119	1%	8%
Net fees and commissions	26,005	32,678	29,849	-9%	15%
Other net non-interest income	8,099	13,656	6,853	-50%	-15%
Operating expenses	-61,159	-73,385	-65,586	-11%	7%
Total risk costs	6,648	4,812	-21,542	-548%	-424%
Provision for impairment on loan and placement losses	6,355	7,190	-14,353	-300%	-326%
Other provisions	292	-2,378	-7,190	202%	
Total one-off items	-735	-515	360	-170%	-149%
Gain on the repurchase of own Upper and Lower Tier2 Capital	0	0	0	0%	0%
Revaluation result of the treasury share swap agreement	-735	-515	360	-170%	-149%
Indicators	**1Q 2019**	**4Q 2019**	**1Q 2020**	**Q-o-Q**	**Y-o-Y**
ROE	10.2%	10.5%	3.9%	-6.6%p	-6.3%p
ROA	1.9%	1.9%	0.7%	-1.2%p	-1.2%p
Operating profit margin	1.8%	1.7%	1.6%	-0.1%p	-0.1%p
Total income margin	4.68%	4.80%	4.28%	-0.52%p	-0.41%p
Net interest margin	3.06%	2.86%	2.79%	-0.06%p	-0.27%p
Net fee and commission margin	1.24%	1.37%	1.21%	-0.16%p	-0.03%p
Net other non-interest income margin	0.39%	0.57%	0.28%	-0.29%p	-0.11%p
Operating costs to total assets ratio	2.9%	3.1%	2.6%	-0.4%p	-0.3%p
Cost/income ratio	62.2%	64.0%	62.0%	-2.1%p	-0.2%p
Provision for impairment on loan and placement losses/average gross loans[1]	-0.80%	-0.75%	1.46%	2.21%p	2.26%p
Effective tax rate	8.1%	0.4%	11.5%	11.0%p	3.3%p

[1] Negative Provision for impairment on loan and placement losses/average gross loans ratio implies positive amount on the Provision for impairment on loan and placement losses line.

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

Main components of balance sheet closing balances in HUF mn	1Q 2019	4Q 2019	1Q 2020	Q-o-Q	Y-o-Y
Total Assets	8,671,856	9,641,692	10,543,515	9%	22%
Net customer loans	3,087,094	3,740,975	3,959,572	6%	28%
Net customer loans (FX adjusted)	**3,146,195**	**3,798,228**	**3,959,572**	**4%**	**26%**
Gross customer loans	3,229,754	3,883,412	4,128,863	6%	28%
Gross customer loans (FX adjusted)	**3,285,612**	**3,943,067**	**4,128,863**	**5%**	**26%**
Retail loans	1,982,686	2,377,484	2,498,471	5%	26%
Retail mortgage loans (incl. home equity)	1,310,688	1,383,823	1,402,395	1%	7%
Retail consumer loans	445,593	746,272	829,128	11%	86%
SME loans	226,404	247,388	266,948	8%	18%
Corporate loans	1,302,926	1,565,583	1,630,392	4%	25%
Loans to medium and large corporates	1,214,088	1,463,828	1,528,006	4%	26%
Municipal loans	88,838	101,755	102,387	1%	15%
Provisions	-142,660	-142,437	-169,291	19%	19%
Provisions (FX adjusted)	**-139,417**	**-144,840**	**-169,291**	**17%**	**21%**
Deposits from customers + retail bonds	6,100,051	6,770,161	6,953,575	3%	14%
Deposits from customers + retail bonds (FX adjusted)	**6,218,482**	**6,865,279**	**6,953,575**	**1%**	**12%**
Retail deposits + retail bonds	4,204,380	4,565,817	4,683,640	3%	11%
Household deposits + retail bonds	3,366,279	3,613,147	3,728,707	3%	11%
o/w: Retail bonds	3,603	3,237	3,526	9%	-2%
SME deposits	838,101	952,670	954,933	0%	14%
Corporate deposits	2,014,102	2,299,462	2,269,935	-1%	13%
Deposits to medium and large corporates	1,317,625	1,658,910	1,576,222	-5%	20%
Municipal deposits	696,477	640,553	693,713	8%	0%
Liabilities to credit institutions	287,874	445,301	986,940	122%	243%
Issued securities without retail bonds	427,368	436,340	441,376	1%	3%
Total shareholders' equity	1,566,284	1,720,872	1,684,847	-2%	8%
Loan Quality	1Q 2019	4Q 2019	1Q 2020	Q-o-Q	Y-o-Y
Stage 1 loan volume under IFRS 9 (in HUF million)	2,872,075	3,550,841	3,668,191	3%	-6%
Stage 1 loans under IFRS 9/gross customer loans (%)	88.9%	91.4%	88.8%	-2.6%p	-0.1%p
Own coverage of Stage 1 loans under IFRS 9 (%)	0.7%	0.8%	1.1%	0.3%p	0.4%p
Stage 2 loan volume under IFRS 9 (in HUF million)	175,413	163,954	289,712	77%	-6%
Stage 2 loans under IFRS 9/gross customer loans (%)	5.4%	4.2%	7.0%	2.8%p	1.6%p
Own coverage of Stage 2 loans under IFRS 9 (%)	9.9%	12.4%	12.4%	0.0%p	2.5%p
Stage 3 loan volume under IFRS 9 (in HUF million)	182,266	168,618	170,960	1.4%	-6.2%
Stage 3 loans under IFRS 9/gross customer loans (%)	5.6%	4.3%	4.1%	-0.2%p	-1.5%p
Own coverage of Stage 3 loans under IFRS 9 (%)	57.7%	55.4%	54.7%	-0.6%p	-2.9%p
90+ days past due loan volume (in HUF million)	140,461	123,895	126,593	2%	-10%
90+ days past due loans/gross customer loans (%)	4.3%	3.2%	3.1%	-0.1%p	-1.3%p
Market Share	1Q 2019	4Q 2019	Feb. 2020	Q-o-Q	Y-o-Y
Loans	20.7%	22.2%	22.0%	-0.2%p	1.4%p
Deposits	26.0%	27.7%	27.4%	-0.3%p	1.3%p
Total Assets	26.9%	28.8%	28.9%	0.1%p	2.0%p
Performance Indicators	1Q 2019	4Q 2019	Feb. 2020	Q-o-Q	Y-o-Y
Net loans to (deposits + retail bonds) (FX adjusted)	51%	55%	57%	2%p	6%p
Leverage (closing Shareholder's Equity/Total Assets)	18.1%	17.8%	16.0%	-1.9%p	-2.1%p
Leverage (closing Total Assets/Shareholder's Equity)	5.5x	5.6x	6.3x	0.7x	0.7x
Capital adequacy ratio (OTP Bank, non-consolidated, Basel3, IFRS)	27.5%	27.6%	26.5%	-1.1%p	-1.0%p
Common Equity Tier1 ratio (OTP Bank, non-consolidated, Basel3, IFRS)	25.5%	23.6%	22.3%	-1.3%p	-3.2%p

Note: February 2020 statistics are available in the case of market shares.

- ***OTP Core's adjusted after tax profit contracted by around 60% both q-o-q and y-o-y, largely because of higher risk costs***
- ***The drop in the income margin was mainly caused by a seasonal decline in net fees, and shrinking other income***
- ***Overall, the strengthening business activity continued in 1Q, but starting from the end of the quarter the newly disbursed volumes declined in the case of many loan products***
- ***The Bank's liquidity and capital position remained strong***

Starting from 1Q 2020, OTP eBIZ Ltd became part of OTP Core. It reported HUF 0.4 billion loss in 2019.

Starting from 1Q 2020 the accounting method of the termination of swap contracts has changed. Upon the termination of swap deals, until the end of 2019 the FVA booked within other income was shifted to the net interest income line. From 1Q 2020 this shift does not occur. In the case of OTP Core the intra-group swaps with DSK Bank were typically terminated. In 2019 the other income of OTP Core was boosted, whereas the net interest income was reduced by the above accounting method (ceteris paribus).

P&L development

In the first quarter of 2020 **OTP Core** generated HUF 16.9 billion adjusted after-tax profit, which is 60% less than in 1Q 2019 or in the previous quarter. The decline was explained by the higher risk costs.

Total risk costs amounted to -HUF 21.5 billion in 1Q 2020, in contrast with the positive amounts in the previous quarters. One reason for that is that, due to the deterioration of external environment, the parameters in the IFRS9 provisioning models were revised, which entailed higher provisioning. The reclassification of some corporate exposures into Stage 2 category also added to the risk costs. In the first quarter the credit risk cost ratio amounted to 1.5% of the average gross loans. The q-o-q increase in other risk costs (-HUF 7.2 bilion in 1Q) mainly stemmed from the higher provisions in the wake of the revision of the risk model parameters, and provisions for contingent liabilities toward companies.

Regarding credit quality trends, the volume of new defaults increased, but their absolute amount in % of total loans remained very low: in the first quarter, the DPD90+ (90+ days past due) loan volume rose by HUF 3 billion (FX-adjusted, without sale/write-off effects), whereas it declined by HUF 3 billion in full-year 2019. The downward trend in the share of DPD90+ loans continued: the ratio sank 0.1 pp q-o-q to 3.1%. The ratio of Stage 3 loans (4.1%) also remained on a declining trajectory (-0.2 pp q-o-q). The Stage 2 ratio went up 2.8 pps q-o-q to 7%, mostly because of the reclassification of corporate exposures that are the most susceptible to the pandemic's effects. Meanwhile the own provision coverage of Stage 2 loans remained stable.

The operating profit improved by 8% y-o-y. Within that the net interest income increased by 8% y-o-y, largely propelled by the dynamic organic growth of loans; the net interest margin shrank 27 bps y-o-y. On a quarter-on-quarter basis, net interest income grew by 1% (or HUF 0.9 billion), partly benefiting from the q-o-q improvement in that leg of the swap result which is recognised in net interest income. Net interest margin dropped by 6 bps q-o-q, mainly due to a decline in the average interest rate on retail loans, but the increase in the average balance sheet total due to higher repo volumes was also dilutive to the margin.

Short-term interbank rates, which are the benchmarks for floating-rate loans, rose during the first quarter: the 3M BUBOR was up 30 bps q-o-q, closing at 46 bps, and its average value over the quarter grew by 22 bps, to 41 bps. Due to the time required for the repricing of floating rate assets, this did not materially affect net interest income yet in the first quarter.

Net fees and commissions increased by 15 y-o-y, mostly benefiting from stronger commission income on deposits, transactions, cards, and securities (the latter was mainly due to the sale of the MÁP+ retail government securities). The one-off items within the net fee income did not materially affect the q-o-q and the y-o-y dynamics[4].

Other net non-interest income (without one-off items) fell 15% y-o-y and 50% q-o-q; the lower gains on securities played a large role in both changes. Other income dropped by about HUF 1.4 billion q-o-q because starting from 1Q 2020 the recoveries from the claims that OTP Faktoring had bought from non-Group members was recognized within risk costs, rather than on the other income line. The loss on investment units in 1Q had an adverse effect too.

Operating expenses fell by 11% q-o-q from a seasonally high base, largely because of a drop in personnel expenses, while marketing and training expenses also declined, as did the consulting fees. In

[4] One-off items in 1Q 2020: the financial transaction tax on card transactions had to be paid in a lump-sum in the first quarter for the whole year, based on the annual volume of previous year's transactions (-HUF 1.7 billion). Second, this year's payment to the Compensation Fund (-HUF 1.2 billion) was recognized in 1Q, in accordance with IFRS. The actual payments can be deducted from the nominal amount of banking tax or financial transaction tax or corporate tax at the time of the payment. Due to the deductibility, in the adjusted P&L structure both the contributions into the Compensation Fund, as well as the deductions are presented within the financial transaction tax.
One-off item in 4Q 2019: the full-year amount (-HUF 2.6 billion) of refunds for credit card usage was accounted in one sum in 4Q.
One-off items in 1Q 2019: the financial transaction tax for credit card transactions (-HUF 1.6 billion), contribution to the Compensation Fund (-HUF 1.2 billion).

y-o-y comparison expenses grew by 7%, owing to the increase in depreciation and in personnel expenses; overall, administrative expenses barely changed.

Balance sheet trends

The quarterly average balance sheet total rose by 5% q-o-q, while its closing value grew by 9% (+HUF 902 billion). The latter was partly due to the surge in liabilities to credit institutions (+HUF 542 billion q-o-q), as the repo volume previously presented on the deposits from medium and large corporates line picked up from zero level at the end of 2019, and was shifted to this line starting from 1Q 2020.

Regarding lending activity, the 1Q figures do not reflect the negative impact of the pandemic yet. However, at the end of March the amount of newly disbursed household loans contracted for most products.

On the asset side, gross loans and performing loans (Stage 1 + 2) increased by an FX-adjusted 5% q-o-q each, and surged by more than 25% over the past 12 months. The outstanding dynamics owes a lot to the performing consumer loan portfolio, which has almost doubled (+92% y-o-y).

Demand for subsidized 'baby loans' remained strong, but, as expected, it has subsided from the previous two quarters: in 1Q their contractual amount reached HUF 72 billion at OTP.

In the case of market-based consumer loans, new placements declined by 3% y-o-y. Since mid-May the share of online E2E cash loan disbursements has more than doubled, from around 20% in the previous period to over 40%. OTP Bank's market share, calculated from new cash loan placements stood at 37.8% in January-February 2020. The performing cash loan stock expanded by 22% y-o-y, at a somewhat decelerating rate; the quarterly growth stood at 3%

New consumer loan disbursements declined after 19 March 2020, when the annual percentage rate (APR) on newly disbursed loans to consumers that are not collateralized by a mortgage was capped.

Regarding mortgages, their performing stock grew by 1% q-o-q and 8% y-o-y. Within that, housing loans, which make up 83% of the portfolio, showed double-digit growth (+13% y-o-y); the mortgage-backed consumer loan (home equity) portfolio kept on steadily shrinking (-11% y-o-y).

In 1Q 2020 the new mortgage disbursements expanded by 73% y-o-y (and dropped by 5% q-o-q), mainly due to the increased demand for subsidized loans as the Housing Subsidy for Families scheme (CSOK) was extended from July 2019. In the subsidized loan segment, OTP Bank traditionally has a strong market share.

In the course of January-February 2020 OTP Bank's market share in new mortgage contractual volumes reached 34.4% (vs. 31.6% in full-year 2019).

Due to the state of danger announced in response to the pandemic on 11 March, the volume of new mortgage loan applications declined since the end of March.

Continuing the strong dynamics of recent years, performing corporate loan volumes expanded further in 1Q 2020 (+5% q-o-q, +27% y-o-y). Performing loans to micro and small businesses grew by 8% q-o-q and 14% y-o-y.

Under the Funding for Growth Scheme Fix (FGS fix), launched by the National Bank of Hungary at the beginning of 2019, OTP received cumulated loan applications worth HUF 73 billion. The Funding for Growth Scheme Go! facility has been available at OTP Bank since the end of April 2020.

The quarterly average share of investments in subsidiaries within the balance sheet total on the assets side of OTP Core increased by 1.5 pps q-o-q to 13.7%, in a decisive contribution to boosting the share of non-interest-bearing assets in the balance sheet.

OTP Core's deposit base including retail bonds rose by 1% q-o-q and 12% y-o-y (FX-adjusted). Retail deposits have grown in every quarter since the introduction of MÁP+ government securities in June 2019 (+3% q-o-q in 1Q 2020). Deposits from medium and large corporations shrank by 5% q-o-q, which was offset by an 8% seasonal increase in deposits from municipalities.

The net loan to (deposit + retail bond) ratio grew by 6 pps y-o-y to 57%. Despite this improvement, its absolute level can be regarded as low.

At the end of March 2020, OTP Bank's capital adequacy ratio (CAR) stood at 26.5%, and its CET1=Tier1 ratio was at 22.3%. The Bank's regulatory capital at the end of March does not include the reporting period's profit, owing to the lack of permission from the supervisory authority.

Those key economic policy measures which have been taken by national governments and central banks with respect to the COVID-19 pandemic and which may, in OTP's view, be relevant in the context of, or may directly relate to, the operation of group members are summarised by OTP Bank on a country-by-country basis. Given that currently OTP Bank does not have all information which relate to the above mentioned economic policy measures, the actual implementation of such measures or the effect of such measures on the clients of the OTP Group and taking into account that currently, OTP Bank cannot completely assess all economic policy measures which might have an effect on the operation of its group members measures, the list of the economic policy measures presented in this report cannot be regarded as complete. OTP Bank excludes any liabilty for the completeness and accuracy of the measures presented herein.

The measures mentioned in this report cover the period until 30 April in the case of Hungary, and 27 April in the case of the countries of foreign subsidiaries.

A summary of Hungary's economic policy measures in response to the COVID-19 pandemic

Monetary policy and supervisory measures	
Capital adequacy rules	On 18 March 2020 the National Bank of Hungary (NBH) took measures to support the operation of banks and strengthen the banking system (link): o the NBH requested banks and their owners to make sure that dividends are neither approved, nor paid until the end of September; o certain liquidity ratio requirements were amended; o meeting the level of MREL requirement planned for 2020 will be postponed by 6 months; o the ICAAP reviews of banks will be suspended until 30 September 2020, and ILAAP reviews will be cancelled until December 31; o the on-site examinations of financial organizations will be postponed by 2 months. On 30 March 2020 the NBH said that the maintenance of the current countercyclical capital buffer rate of 0% after 1 April is warranted. Link On 1 April 2020 the NBH announced that effective from 1 July the capital buffer requirements for systemically important banks will be released. The banks must rebuild their capital buffer initially prescribed for 2020 gradually in three years from 2022 onwards (link). At the time of the decision the O-SII buffer applicable for OTP Bank was 2%. On 17 April 2020 the NBH proclaimed that it will temporarily tolerate if lenders do not comply with the capital conservation buffer requirement (link – in Hungarian only). The applicable capital conservation buffer requirement for OTP stood at 2.5% at the time of the announcement.
Liquidity boosting measures	On 16 March 2020 the NBH decided to expand the range of eligible collaterals with performing corporate loans. The total value of performing corporate loans in the balance sheet of Hungarian banks amounted to almost HUF 3,600 billion, for which the NBH applies a standard haircut of 30%. As a result of the measure, the value of collaterals eligible to secure the central bank's liquidity providing operations increased by more than HUF 2,500 billion (link). Effective from 11 May 2020 (link - only in Hungarian) only corporate loans exceeding HUF 1 billion can be used as collateral in the liquidity providing operations. Even so, the extension of eligible collaterals with corporate loans with over HUF 1 billion outstanding volume added around HUF 770 billion to the eligible collateral pool. In addition to the 1, 3, 6 and 12-month tenders announced every Monday in the same way, the NBH announced one-week FX swap tenders providing forint liquidity on a daily basis from 17 March 2020 until further notice, in order to maintain the appropriate level of liquidity for the banking sector. Link The Financial Stability Council temporarily loosened its regulation on mortgage bond funding, as set out in NBH decree No. 5/2020. (III. 19.) published on 19 March 2020 in the official gazette. On 23 March 2020 the NBH announced further liquidity enhancing measures: for example, in the case of FX swaps providing forint liquidity the 4% initial margin requirement ceased to apply. Link On its 24 March 2020 meeting the Monetary Council o decided to introduce a new fixed-rate collateralized loan instrument with maturities of 3, 6 and 12 months and 3 and 5 years. Lending will be provided by the NBH at a fixed interest rate (the NBH defines the interest rate of the instrument at each tender, but the rate may not be lower than the base rate). o the NBH exempted banks from complying with reserve requirements with immediate effect. Link, link On 1 April 2020 the NBH decided to announce one-week deposit tenders at a weekly frequency. The instrument carries the policy interest rate of 0.9% (link).The date of the first tender was 2 April; the NBH accepted all bids, HUF 655 billion in total (link). On 30 April 2020 the NBH said that it made several decisions, complementing each other, to make an increasingly large part of its set of central bank instruments available to investment funds. Link
Interest rate changes	On 7 April 2020 the NBH adjusted its policy instruments and modified its operational framework. The Monetary Council decided to make the interest rate corridor symmetrical, and left the base

<table>
<tr><th colspan="2">Monetary policy and supervisory measures</th></tr>
<tr><td></td><td>rate and the overnight deposit rate unchanged at 0.9% and -0.05%, respectively, and raised the overnight and one-week collateralized lending rates to 1.85%. The one-week deposit rate, at the time of the announcement, was equal to the 0.9% base rate; however, the Monetary Council decided to allow the interest rate on the instrument to deviate from the base rate upward or downward within the interest rate corridor. The NBH will set the interest rate on the instrument each week, at the time of the actual tender's announcement. At the same time, from the second quarter of 2020 the Council will not set a target amount of banking sector liquidity to be crowded out of the instruments bearing interest at the base rate. Link</td></tr>
<tr><td>Others</td><td>
The National Bank of Hungary proposed a debt payment moratorium both for corporate (announced on 16 March 2020 – link) and household loans (announced on 18 March 2020 – link); in its 18 March announcement the NBH also called for an APRC (annual percentage rate of charge) cap of base rate + 5%-points in the case of newly disbursed personal loans.
As part of the comprehensive set of measures outlined by the NBH on 7 April 2020 (link), it decided to

launch a government security purchase programme in the secondary market to restore the stable liquidity position of the government securities market and influence the longer part of the yield curve, and to relaunch its mortgage bond purchase programme to improve the long-term supply of funding to the banking sector.
Details of the programmes including the timing and strategic parameters were revealed on 28 April (link): accordingly, the NBH launched its government securities and mortgage bonds purchase programmes on 4 May, and it will continue to purchase securities as long as economic and financial developments arising from the coronavirus pandemic corroborate it.

The scope of the government securities buying scheme is HUF denominated bonds with no restriction in terms of the maturities, but the NBH will focus on securities with at least 3 year to maturity. The amount to be purchased of any securities series may not exceed 33% of stocks outstanding. Purchases will take place in the secondary market at regular weekly auctions and in transactions outside the auctions.
As for the mortgage bond purchase programme, it will include long-term fixed-rate forint mortgage bonds with its total amount being 50% of the issued stock. Purchases will take place in the primary and the secondary markets.

The NBH did not set a total amount of purchases for either programme. The NBH will perform a technical revision when stock increases reach HUF 1,000 billion in government securities and HUF 300 billion in mortgage bonds while continuously monitoring the implementation of the asset purchase programmes.
launch the Funding for Growth Scheme Go! scheme on 20 April 2020. Including HUF 500 billion undrawn under the FGS fix, the NBH made available up to HUF 1,500 billion to the SME sector under the FGS Go!. The new phase is identical to the earlier phases of the FGS in terms of its key parameters. The MNB continues to provide refinancing loans to credit institutions at a zero interest rate, and interest to be paid by SMEs continues to be maximized at 2.5%. The maximum maturity of refinancing loans was increased to 20 years. To ensure the liquidity needs of enterprises, it is possible to provide working capital loans, too, for maturities up to three years. The maximum amount of loan available for an SME is HUF 20 billion, and the minimum amount was reduced to HUF 1 million. The time for banks to make credit decisions was limited to 2 weeks.
Within the framework of the Bond Funding for Growth Scheme (BGS), the so far unutilized over HUF 200 billion is still available for the NBH to purchase bonds issued by non-financial corporations headquartered in Hungary. Certain conditions of the scheme were modified: the maximum exposure was raised from HUF 20 billion to HUF 50 billion, and the maturities of securities eligible for purchase under the scheme was extended from 10 years to 20 years.
The NBH will sterilize the additional money created under the FGS Go! and BGS using the preferential deposit facility. To encourage credit institutions to maintain their lending activity despite growing credit risks, the preferential deposit facility will bear tiered interest for a transitional period beginning from 4 May 2020 until the end of June 2021. The NBH will pay an interest rate of 4%, for additions to the stocks of loans and bonds made after 7 April 2020 under the FGS Go! and the BGS schemes.

On 17 April 2020 the NBH released that certain credit risk-related processes and requirements were relaxed or simplified. Link (in HU only)
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<table>
<tr><th colspan="2">Government measures</th></tr>
<tr><td>Economy protection and stimulus measures</td><td>
On 18 March 2020 the Prime Minister of Hungary announced the first stage of economy and job protection measures (link). The steps, among others, included:

a blanket debt repayment moratorium;
the introduction of APR caps on new consumer loans: pursuant to the relevant Government Decrees, the annual percentage rate (APR) is temporarily capped at central bank base rate + 5 percentage points in the case of loans to consumers that are not collateralized by a mortgage and are disbursed based on a contract concluded after 19 March 2020. This provision must be applied until 31 December 2020 unless this term concerning the APR is extended, then following this deadline the APR set out in the given lender’s Terms & Conditions effective at the time of the signing of the contract will be applicable;
the extension of short-term business loans until 30 June;
temporary exemption from tax and other contribution payments for companies and entrepreneurs in certain industries.

On 23 March 2020 the Prime Minister of Hungary announced that the Government supplemented the first economy protection action plan with further measures (link), in order to mitigate the adverse impact of the coronavirus pandemic on the economy:

further extension of the scope of temporary tax exemption and relief measures, deferment of certain tax payment obligations and temporary suspension of tax enforcement procedures;
eviction moratorium until the end of the state of danger;
various maternity entitlements expiring during the state of danger will be extended till the end of the state of danger.

On 4 April 2020 the Minister of Prime Minister's Office revealed that the Government decided to fundamentally rearrange the budget and it was planning to set up two funds: one for protecting and restarting the economy (HUF 1,345 billion) and one to contain the epidemic (HUF 663 billion) (link). The Government required political parties, multinational supermarket chains, banks and local governments to share the burden; banks shall contribute HUF 55 billion into the epidemic fund.
Pursuant to the Government Decree 108/2020. (IV. 14.) (published on 14 April), the new special tax levied on banks is to be paid in the 2020 tax year, in three equal instalments (in June, September and December). The base of the new special tax is that part of the adjusted total assets as defined in the legislation on the “old” bank tax that exceeds HUF 50 billion. The tax rate is 19 bps.
On 28 April 2020 a tax amendment proposal was submitted by the Government to the Parliament (link), containing tax relief measures affecting many players of the economy. According to the proposal, the new one-timer special banking tax payment will be returned to the banking system over the next five years through deductions from the nominal amount of the “old” bank tax (in the form of tax withholding).
The new special tax will amount to HUF 14.2 billion in the case of the Hungarian Group members of OTP Group. Pursuant to the proposal (provided that it will be approved) and IFRS standards, parallel with the accounting of this new bank levy amongst the other expenses, the Bank would recognize the net present value of the related tax claims amongst the other income. Therefore, the new special tax wouldn’t materially affect the Group’s bottom line earnings neither in 2020, nor over the next 5 years. Regarding the adjusted P&L structure, both the income and expense leg, thus the NPV effect as well, will be presented on the Special tax on financial institutions line amongst the adjustment items.
On 6 April 2020 the Prime Minister released the five programmes of the second stage of the economy protection action plan (link):

preservation of jobs: in the case of shortened working hours, the Government is ready to foot a part of the wage costs of employers (details were laid down by Government Decree No. 141/2020. (IV. 21.);
family and pensioner protection: gradual reintroduction of the 13th month pension;
restarting of the priority sectors of the national economy;
providing interest- and guarantee-subsidized credit facilities to Hungarian businesses in the aggregate amount of more than HUF 2,000 billion;
in order to foster job creation, the Government will support projects in the amount of HUF 450 billion.

At the same time, the Prime Minister stressed that the three phases of the action plan will reallocate in total 18-20% of GDP, including programmes launched by the NBH. The 2020 budget deficit target was raised from 1% to 2.7% of the GDP.
On 16 April 2020 the Minister of Prime Minister's Office said that the Government will reintroduce the 5% preferential VAT rate for new housebuilding in brownfield sites.
On 16 April 2020 the Minister of Finance revealed further tax concessions amounting to HUF 200 billion (link). Among others, the social security contributions payable by employers will be cut to 15.5% from 17.5% effective from July 2020.
On 25 Aril 2020 the Finance Minister said in an interview that the GDP contraction in 2020 in Hungary might be higher than the previously anticipated 3%.
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Government measures	
	On 29 April 2020 the Prime Minister announced that certain restrictions and limitations will be released in Hungary in an effort to gradually return to normal life (link – in HU only). The steps became effective from 4 May.
Credit guarantee scheme	On 6 April 2020 the Prime Minister announced that the Government will provide interest- and guarantee-subsidized credit facilities to Hungarian companies to the tune of more than HUF 2,000 billion (4.4% of GDP). Link On 22 April 2020 the Hungarian Development Bank (HDB) revealed the details of the largest component of the altogether HUF 2,000 billion programme. The HDB made available to Hungarian businesses a financing package in a total amount of HUF 1,490 billion via harmonized loan, capital and guarantee programmes. Link
Debt payment moratorium	Pursuant to Government Decree No. 47/2020. (III. 18.) and Government Decree No. 62/2020. (III. 24.), a moratorium on payments was introduced in Hungary concerning both principal, interest and fee payment obligations arising from both credit, loan and financial lease amounts that have already been disbursed until 18 March 2020. The moratorium does not involve debt forgiveness element. The moratorium is effective until 31 December 2020. The scope of the moratorium includes, among others, both retail and corporate debtors. Regarding details and technical provisions, the non-paid interest during the payment holiday cannot be capitalized to the outstanding principal (neither during the moratorium, nor afterwards). The amount of delayed interest accumulated during the moratorium must be repaid after the moratorium in equal instalments, evenly spread over the remaining years of the loan tenor, together with the due instalments. Following the moratorium, the tenor will be prolonged in a way that the sum of the due instalment and the unpaid interest during the moratorium (which is to be repaid in equal instalments) in total should not exceed the instalment according to the original contract. Rules applicable to the interest must be applied to the fees, too. The borrower's participation is automatic, but the moratorium does not affect the debtors' right to continue to pay according to the original contractual terms. Link

OTP FUND MANAGEMENT (HUNGARY)

Changes in assets under management and financial performance of OTP Fund Management:

Main components of P&L account in HUF mn	1Q 2019	4Q 2019	1Q 2020	Q-o-Q	Y-o-Y
After tax profit w/o dividends and net cash transfer	1,001	12,526	107	-99%	-89%
Income tax	-62	-1,214	-19	-98%	-69%
Profit before income tax	1,062	13,740	126	-99%	-88%
Operating profit	1,062	13,740	126	-99%	-88%
Total income	1,647	15,657	977	-94%	-41%
Net fees and commissions	1,404	15,593	1,756	-89%	25%
Other net non-interest income	244	65	-779		-420%
Operating expenses	-585	-1,918	-851	-56%	45%
Other provisions	0	0	0	-100%	-100%
Main components of balance sheet closing balances in HUF mn	**1Q 2019**	**4Q 2019**	**1Q 2020**	**Q-o-Q**	**Y-o-Y**
Total assets	17,845	33,688	33,733	0%	89%
Total shareholders' equity	11,060	24,828	24,935	0%	125%
Asset under management in HUF bn	**1Q 2019**	**4Q 2019**	**1Q 2020**	**Q-o-Q**	**Y-o-Y**
Assets under management, total (w/o duplicates)[1]	1,049	1,119	979	-13%	-7%
Volume of investment funds (closing, w/o duplicates)	751	793	668	-16%	-11%
Volume of managed assets (closing)	298	326	311	-5%	4%
Volume of investment funds (closing, with duplicates)[2]	996	1,073	946	-12%	-5%
bond	320	315	329	4%	3%
security	166	188	154	-18%	-8%
mixed	55	73	82	13%	49%
guaranteed	32	28	25	-10%	-22%
money market	8	6	5	-9%	-38%
other[3]	414	464	351	-24%	-15%

[1] The cumulative net asset value of investment funds and managed assets of OTP Fund Management, eliminating the volume of own investment funds (duplications) being managed in other investment funds and managed assets of OTP Fund Management.
[2] The cumulative net asset value of investment funds with duplications managed by OTP Fund Management.
[3] Other funds: absolute return, derivative and commodity market funds.

OTP Fund Management recorded HUF 107 million after-tax profit in 1Q 2020. The q-o-q drop largely stemmed from the high base caused by the HUF 14 billion success fee in 4Q 2019.

Within net fees and commission income, the fund management fee on the volumes managed has grown by 25% from the same period of last year; it was mostly the net asset value of funds with higher fees that grew stronger. The q-o-q drop stems from the base effect of the outstanding success fee in 4Q 2019.

The 45% y-o-y increase in operating costs is essentially linked to higher personnel expenses, as well as to higher hardware and office equipment costs. The q-o-q decline is attributable to the end-of-the-year bonus payments.

Over the past quarter, Hungary's investment funds market was characterized by a turbulent environment, with many new risk factors, which caused restructuring among investment funds. The volume of funds managed by OTP Fund Management contracted by 12% q-o-q, and 5% y-o-y. The q-o-q reduction in the volumes managed hit equity funds, absolute return funds, and derivative funds particularly hard. Bond fund volumes grew in both q-o-q and y-o-y terms (by 4% and 3%, respectively).

With its market share growing by 0.7 pp y-o-y, to 22.9% by the end of March 2020, OTP Fund Management remained the market leader in the securities funds market.

MERKANTIL GROUP (HUNGARY)

Performance of Merkantil Group:

Main components of P&L account in HUF mn	1Q 2019	4Q 2019	1Q 2020	Q-o-Q	Y-o-Y
After tax profit without the effect of adjustments	1,727	1,776	1,775	0%	3%
Income tax	0	-236	-174	-26%	
Profit before income tax	1,727	2,012	1,950	-3%	13%
Operating profit	1,885	1,764	2,246	27%	19%
Total income	3,446	3,713	4,928	33%	43%
Net interest income	3,466	3,560	4,167	17%	20%
Net fees and commissions	-60	-21	-14	-35%	-77%
Other net non-interest income	40	175	775	343%	
Operating expenses	-1,561	-1,950	-2,681	38%	72%
Total provisions	-158	248	-296	-219%	88%
Provision for impairment on loan and placement losses	-245	84	-283	-436%	16%
Other provision	87	164	-13	-108%	-115%
Main components of balance sheet closing balances in HUF mn	**1Q 2019**	**4Q 2019**	**1Q 2020**	**Q-o-Q**	**Y-o-Y**
Total assets	416,479	491,399	537,808	9%	29%
Gross customer loans	330,952	366,064	377,358	3%	14%
Gross customer loans (FX-adjusted)	334,300	368,247	377,358	2%	13%
Retail loans	29,257	30,478	53,245	75%	82%
Corporate loans	113,542	128,311	106,277	-17%	-6%
Car financing loans	191,501	209,457	217,836	4%	14%
Allowances for possible loan losses	-12,725	-10,072	-11,754	17%	-8%
Allowances for possible loan losses (FX-adjusted)	-12,777	-10,133	-11,754	16%	-8%
Deposits from customers	13,911	10,414	9,876	-5%	-29%
Deposits from customer (FX-adjusted)	13,911	10,414	9,876	-5%	-29%
Retail deposits	11,576	8,051	7,156	-11%	-38%
Corporate deposits	2,336	2,364	2,721	15%	16%
Liabilities to credit institutions	351,693	420,076	464,622	11%	32%
Total shareholders' equity	39,071	44,441	46,065	4%	18%
Loan Quality	**1Q 2019**	**4Q 2019**	**1Q 2020**	**Q-o-Q**	**Y-o-Y**
Stage 1 loan volume under IFRS 9 (in HUF million)	281,710	345,339	336,795	-2%	20%
Stage 1 loans under IFRS 9/gross customer loans (%)	85.1%	94.3%	89.3%	-5.1%p	4.1%p
Own coverage of Stage 1 loans under IFRS 9 (%)	0.6%	0.4%	0.5%	0.1%p	-0.1%p
Stage 2 loan volume under IFRS 9 (in HUF million)	36,730	7,459	25,404	241%	-31%
Stage 2 loans under IFRS 9/gross customer loans (%)	11.1%	2.0%	6.7%	4.7%p	-4.4%p
Own coverage of Stage 2 loans under IFRS 9 (%)	2.1%	4.7%	3.0%	-1.7%p	0.9%p
Stage 3 loan volume under IFRS 9 (in HUF million)	12,511	13,267	15,160	14%	21%
Stage 3 loans under IFRS 9/gross customer loans (%)	3.8%	3.6%	4.0%	0.4%p	0.2%p
Own coverage of Stage 3 loans under IFRS 9 (%)	81.6%	63.4%	61.9%	-1.6%p	-19.8%p
Provision for impairment on loan and placement losses/average gross loans (%)	0.31%	-0.09%	0.30%	0.39%p	-0.01%p
90+ days past due loan volume (in HUF million)	9,413	7,364	9,147	24%	-3%
90+ days past due loans/gross customer loans (%)	2.8%	2.0%	2.4%	0.4%p	-0.4%p
Performance Indicators	**1Q 2019**	**4Q 2019**	**1Q 2020**	**Q-o-Q**	**Y-o-Y**
ROA	1.7%	1.5%	1.3%	-0.1%p	-0.4%p
ROE	18.3%	16.1%	15.4%	-0.7%p	-2.9%p
Total income margin	3.45%	3.05%	3.70%	0.66%p	0.25%p
Net interest margin	3.47%	2.92%	3.13%	0.21%p	-0.34%p
Cost/income ratio	45.3%	52.5%	54.4%	1.9%p	9.1%p

The table for the current period shows the semi-consolidated performance of the Merkantil Group, whose members are: Merkantil Bank Ltd., Merkantil Bérlet Ltd., NIMO 2002 Ltd., SPLC-P Ingatlanfejlesztő, Ingatlanhasznosító Ltd., SPLC Vagyonkezelő Ltd., And OTP Ingatlanlízing Ltd. In the base periods, the performance of Merkantil Bank Ltd. was presented.

In the first quarter of 2020, **Merkantil Group** achieved an adjusted profit after tax of HUF 1.8 billion, of which HUF 1.6 billion was the contribution of Merkantil Bank. The Group's ROE was 15.4%.

The q-o-q increase in revenue and expense lines was mainly due to the fact that in 1Q 2020 the figures presented include the performance of the entire Hungarian leasing group. Merkantil Bank's individual net interest income improved by 1% y-o-y and its operating expenses increased by 3%. Overall, the net interest margin decreased by 34 bps q-o-q, which is mainly explained by the change in the range of companies presented; Merkantil Bank's individual net interest margin decreased by 51 bps.

The ratio of Stage 2 loans increased by 4.7 pps on a quarterly basis, most of which is related to the reclassification related to the COVID-19 pandemic (HUF 8 billion). Coverage of Stage 2 loans was 3.0% at the end of 1Q. The DPD90+ ratio (2.4%) decreased by 0.4 pps y-o-y. In 1Q 2020, the share of Stage 3 loans was 4.0% of the gross loan portfolio (+0.4 pp q-o-q, +0.2 pp y-o-y). The own coverage of Stage 3 loans was 61.9%.

Performing (Stage 1+2) loans grew by 13% y-o-y and by 2% q-o-q. Merkantil Bank retained its market leading position both in terms of new disbursements and outstanding leasing volumes.

IFRS REPORTS OF THE MAIN SUBSIDIARIES

In the following parts of the Summary the after-tax profit of the foreign subsidiaries is presented without any received dividends and net cash transfers, and without other adjustment items in the case of certain foreign subsidiaries. The structural adjustments on the lines of subsidiaries' Statements of recognised income as well as description of calculation methods of performance indices can be found in the Supplementary data annex.

DSK GROUP (BULGARIA)

Performance of DSK Group:

Main components of P&L account in HUF mn	1Q 2019	4Q 2019	1Q 2020	Q-o-Q	Y-o-Y
After tax profit without the effect of adjustments	17,598	14,100	4,411	-69%	-75%
Income tax	-2,192	-1,389	-323	-77%	-85%
Profit before income tax	19,790	15,488	4,733	-69%	-76%
Operating profit	20,403	19,532	21,648	11%	6%
Total income	37,316	39,794	39,668	0%	6%
Net interest income	25,583	28,706	27,938	-3%	9%
Net fees and commissions	9,708	10,940	10,443	-5%	8%
Other net non-interest income	2,025	147	1,287	773%	-36%
Operating expenses	-16,913	-20,262	-18,020	-11%	7%
Total provisions	-613	-4,043	-16,915	318%	
Provision for impairment on loan and placement losses	-568	-770	-16,976		
Other provision	-45	-3,273	61	-102%	-236%
Main components of balance sheet closing balances in HUF mn	**1Q 2019**	**4Q 2019**	**1Q 2020**	**Q-o-Q**	**Y-o-Y**
Total assets	3,585,122	3,669,766	4,107,979	12%	15%
Gross customer loans	2,167,957	2,350,694	2,557,927	9%	18%
Gross customer loans (FX-adjusted)	2,426,870	2,553,983	2,557,927	0%	5%
Retail loans	1,481,991	1,570,977	1,585,140	1%	7%
Corporate loans	929,554	938,106	928,499	-1%	0%
Car financing loans	15,325	44,900	44,289	-1%	189%
Allowances for possible loan losses	-119,737	-135,640	-161,196	19%	35%
Allowances for possible loan losses (FX-adjusted)	-134,032	-147,363	-161,196	9%	20%
Deposits from customers	2,763,039	3,015,805	3,336,858	11%	21%
Deposits from customers (FX-adjusted)	3,096,087	3,278,957	3,336,858	2%	8%
Retail deposits	2,549,878	2,748,453	2,767,925	1%	9%
Corporate deposits	546,208	530,504	568,933	7%	4%
Liabilities to credit institutions	265,695	59,867	108,343	81%	-59%
Total shareholders' equity	471,928	528,759	571,388	8%	21%
Loan Quality	**1Q 2019**	**4Q 2019**	**1Q 2020**	**Q-o-Q**	**Y-o-Y**
Stage 1 loan volume under IFRS 9 (in HUF million)	1,896,944	2,081,790	2,134,883	3%	13%
Stage 1 loans under IFRS 9/gross customer loans (%)	87.5%	88.6%	83.5%	-5.1%p	-4.0%p
Own coverage of Stage 1 loans under IFRS 9 (%)	0.8%	1.1%	0.9%	-0.2%p	0.1%p
Stage 2 loan volume under IFRS 9 (in HUF million)	102,589	99,917	239,059	139%	133%
Stage 2 loans under IFRS 9/gross customer loans (%)	4.7%	4.3%	9.3%	5.1%p	4.6%p
Own coverage of Stage 2 loans under IFRS 9 (%)	9.5%	8.5%	11.1%	2.6%p	1.6%p
Stage 3 loan volume under IFRS 9 (in HUF million)	168,423	168,986	183,985	9%	9%
Stage 3 loans under IFRS 9/gross customer loans (%)	7.8%	7.2%	7.2%	0.0%p	-0.6%p
Own coverage of Stage 3 loans under IFRS 9 (%)	56.1%	62.0%	62.9%	0.9%p	6.7%p
Provision for impairment on loan and placement losses/average gross loans (%)	0.11%	0.13%	2.80%	2.67%p	2.69%p
90+ days past due loan volume (in HUF million)	100,434	108,600	124,093	14%	24%
90+ days past due loans/gross customer loans (%)	4.6%	4.6%	4.9%	0.2%p	0.2%p
Performance Indicators	**1Q 2019**	**4Q 2019**	**1Q 2020**	**Q-o-Q**	**Y-o-Y**
ROA	2.1%	1.5%	0.5%	-1.0%p	-1.7%p
ROE	15.1%	10.7%	3.2%	-7.4%p	-11.9%p
Total income margin	4.48%	4.19%	4.11%	-0.07%p	-0.36%p
Net interest margin	3.07%	3.02%	2.90%	-0.12%p	-0.17%p
Cost/income ratio	45.3%	50.9%	45.4%	-5.5%p	0.1%p
Net loans to deposits (FX-adjusted)	74%	73%	72%	-2%p	-2%p
FX rates (in HUF)	**1Q 2019**	**4Q 2019**	**1Q 2020**	**Q-o-Q**	**Y-o-Y**
HUF/BGN (closing)	164.0	169.0	183.6	9%	12%
HUF/BGN (average)	162.6	169.7	173.2	2%	7%

- ***1Q profit of HUF 4.4 billion in Bulgaria***
- ***The integration of Expressbank was successfully accomplished at the beginning of May 2020***
- ***Market leader position, stable operation: 27.0% capital adequacy ratio (DSK Bank), 72% net loan to deposit ratio***

The P&L of the Bulgarian operation was adjusted for the one-off items directly related to the Expressbank acquisition; these corrections are shown at consolidated level among adjustment items. The balance sheet items were not adjusted for these effects.

In 1Q 2020 **DSK Group generated** HUF 4.4 billion after-tax profit (-75% y-o-y), including Express Group's HUF 4.3 billion contribution.

At the beginning of May the integration of Expressbank was successfully completed. Certain cost synergies were already extracted during the integration process: the total number of branches in Bulgaria fell by 41 units over the last 12 months (-9%), and the number of employees dropped by 228 (-4%).

At the end of March 2020 the capital adequacy ratio of DSK Bank (which holds the stocks of Expressbank) under local regulation stood at 27.0%. DSK Bank's doesn't pay dividend to OTP Bank from its 2019 profit, in accordance with the Bulgarian National Bank's recommendation.

The Bulgarian operation's liquidity position is stable. The net loan to deposit ratio was 72% at the end of March. Deposit volumes grew by 2% q-o-q and 8% y-o-y (FX-adjusted).

Regarding lending activity, performing loans grew organically by an FX-adjusted 6% y-o-y, and were stable in q-o-q comparison. In the first three months the mortgage loan disbursement surged 16% y-o-y in BGN terms, their performing volumes expanded by 15% y-o-y and 2% q-o-q.

The Bulgarian operation's 1Q operating profit increased by 6% y-o-y in HUF terms (and remained flat in BGN terms). The net interest margin shrank by 17 bps y-o-y and 12 bps q-o-q; the latter was caused by the HUF 1.1 billion q-o-q deterioration of that leg of the swap result which is booked within net interest income – without that, the margin would have been stable in q-o-q terms.

Total risk cost amounted to -HUF 16.9 billion in 1Q, owing to higher provisions necessitated by the pandemic situation (partially explained by the revision of IFRS 9 parameters and the additional provisions created for corporate loans shifted from Stage 1 into Stage 2 category). In 1Q 2020 the credit risk cost ratio reached 2.8% in % of the average gross loan portfolio.

As to credit quality, in 1Q the DPD90+ loan volumes grew by an FX-adjusted HUF 5 billon without sales/write-offs (and by HUF 8 billion in full-year 2019). In the first quarter HUF 0.7 billion worth of problem loans were sold/written off. The ratio of Stage 3 loans was flat at 7.2% q-o-q, while the Stage 2 ratio rose by 5.1 pps q-o-q, to 9.3%, as a result of the reclassification of corporate portfolios that are the most exposed to the pandemic's economic fallout. Owing to the created provision for impairment on loan and placement losses, the own provision coverage ratio of both Stage 2 and Stage 3 loans grew in q-o-q comparison.

A summary of Bulgaria's economic policy measures in response to the COVID-19 pandemic

Monetary policy and supervisory measures	
Capital adequacy rules	On 19 March 2020 the Bulgarian National Bank (BNB) announced (link) its decisions related to the upcoming economic effects from the COVID 19 situation with the aim to strengthen the capital and liquidity position of the banking system: a) to cancel the increase of the countercyclical capital buffer planned for 2020 to 1% and for 2021 to 1.5%; b) credit institutions shall not distribute dividends from the 2019 realized profit as well as to distribute other elements of the capital which are retained from the financial results from previous years – effect to the amount of ca. BGN 1.6 billion.
Liquidity boosting measures	On 19 March 2020 the Bulgarian National Bank (BNB) announced (link) decisions also included: increase in liquidity of the banking system by BGN 7 billion by reducing foreign exposures of commercial banks introducing limits for net exposures to foreign counterparties.
Others	The BNB took additional measures to guarantee the functioning of the currency board, cash circulation, payment systems and bank supervision. The BNB provided the opportunity to the commercial banks to buy euro banknotes at the fixed foreign exchange rate (1 EUR for 1.95583 BGN). The minimum value is EUR 1 million or multiple of EUR 1 million. The concrete bank may submit only one request per day. For each 1 million package sold, BNB will charge a fee of BGN 2,000. The condition for these transactions is that commercial banks should sell these EUR notes to their customers at the same rate. On 10 April 2020 BNB approved (link) the private moratorium measures proposed by the banks and confirmed its treatment according to the EBA moratoria related guidelines (EBA/GL/2020/02).

<table>
<tr><th colspan="2">Monetary policy and supervisory measures</th></tr>
<tr><td>Commercial banks private moratorium</td><td>On 10 April 2020 the BNB approved the draft (link) Procedure for Deferral and Settlement of Liabilities Payable to Banks and their Subsidiaries as follows:
a) type of moratorium – voluntary, initiated by the banks;
b) clients eligible – private individuals or companies who are performing and not having overdue > 90 DPD as of 01.03.2020 and have faced difficulties in meeting their obligations due to the COVID 19 pandemic;
c) special conditions - In compliance with the EBA Guidelines (EBA/GL/2020/02) on legislative and non-legislative moratoria on loan repayments applied in the light of the COVID-19 pandemic;
d) form of participation – by client application (not automatic);
e) start date – 01.02.2020; End date – 31.12.2020;
f) moratorium grace type - principal or principal & interest;
g) interest accrual during moratorium – accumulating (not capitalization);
h) accrued interest repayment after moratorium – linear;
i) maturity extension after moratorium – with the length of the moratorium.</td></tr>
<tr><th colspan="2">Government measures</th></tr>
<tr><td>Economy protection and stimulus measures</td><td>On 24 March 2020 key tax and spending measures (link) were implemented:
a) coverage of 60% of the wages of the employees in affected sectors that would have been otherwise laid off, including the social security contributions payable by the employers. The remaining 40% is at the expense of the insurers.
b) deferment of the payment of corporate taxes until 30 June, the collection of local taxes also postponed
c) additional remunerations in the ministries of health, interior and defense
d) during the State of emergency - disallowed penalty interest accruals and any other negative consequences for borrowers due to non-payment (such as termination of contracts, disposal of collaterals, initiation of enforcement, etc.). It freezes legal procedures and enforcement procedures for the time of the emergency status. Banks are not permitted to restrain accounts during that period either.

On 25 March 2020 the government announced (link) to increase the capital of the Bulgarian Development Bank (BDB) via cash contributions of up to BGN 700 million (EUR 358 million) of which BGN 500 million to be used for the issuance of portfolio guarantees to commercial banks for the extension of corporate loans and the remaining BGN 200 million to provide 100% guarantee for interest-free loans to be granted by commercial banks to employees on unpaid leave. For more details – see below in section “Credit guarantee scheme”.

On 19 March 2020, amended on 3 April, the European Commission approved a BGN 500 million Bulgarian public guarantee scheme (link) to support small and medium-sized enterprises.

On 6 April 2020 an Amendment to the State Budget Act for 2020 (link) was approved by the Parliament in order to meet the challenges of the COVID-19 pandemic. The state budget update allows a BGN 3.5 billion budget deficit in 2020, implementing the effect of key tax and spending and increased ceiling on newly incurred public debt of BGN 10 billion for 2020, which changed the initially balanced budget with BGN 2.2 billion cap on debt increase.

On 13 April 2020 the government adopted a decision (link) for redistributing amounts from the European Structural and Investment Funds by transferring between operational programs 2014-2020 as supporting measures. To operational programs for the development of human resources and competitiveness are transferred resources from other programs amounting to over BGN 233 million. These amounts will fund schemes for temporary employment and will provide working capital and liquidity to small and medium-sized enterprises as a temporary measure to the crisis. In addition, an internal, unallocated resource from unspent funds and saved from ongoing operations will be also targeted. Thus, a financial package of European funds of over BGN 870 million is being formed, which will finance measures in the field of healthcare and of social-economic activities to support the individuals and enterprises, directly affected by the crisis.

On 22 April 2020 Bulgarian Government had sent a letter (link) to the European Central Bank (ECB) regarding the option of establishment of EUR 2 billion swap line until end-2020, which is significant additional support and a guarantee for further stability of the currency board.</td></tr>
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<tr><th colspan="2">Government measures</th></tr>
<tr><td>Credit guarantee scheme</td><td>On 21 April 2020, the Ministry of Finance, the Bulgarian Development Bank and the Fund of Funds presented the adopted full package of measures (link; link) An important clarification is that these loans will be guaranteed through an institution by the state, but will be given out by commercial banks. The total package amounts to BGN 4.5 billion:

1. The Government approved a program implemented through the Bulgarian Development Bank to help people, companies and municipalities deal with the economic impact of the pandemic (link):
a) employees on unpaid leave, who have been employed for 6 months prior or self-insured people which prove a 20% reduction in turnover compared to the reference month last year, can take an interest-free loan of up to BGN 4,500 without collateral;
b) with a term of up to five years, with a minimum of six and no more than 24 months grace period;
c) the total guarantee budget of the program is BGN 200 million;
d) a total of 12 commercial banks are participating in this lending activity, including DSK Bank.

2. Loans for liquidity - through the Bulgarian Development Bank targeted mainly to small and medium-sized enterprises (link)::
a) they will be uncollateralized and will be up to BGN 300,000 per company;
b) the expected portfolio multiplier is equal to over BGN 2 billion;
c) the criteria are the following: decrease in turnover compared to last year, to have uncollected money from customers, unpaid invoices to suppliers, terminated import deliveries, reduction of employees.

3. Loans through the European Investment Fund – the scope is small and medium-sized enterprises.
a) these funding are with interest, albeit below the market pricing;
b) the loans will be up to BGN 3.6 million per company;
c) these loans can be used to refinance overdue liabilities for more than 60 days;
d) the estimated amount under this measure is up to BGN 850 million.

4. Microenterprises loans through the Fund Manager for Financial Instruments (“The Fund of Funds”):
a) up to BGN 50,000 for investment and working capital loans
b) a grace period of up to 24 months is possible
c) the total funding to this program is estimated at BGN 24 million

5. Capital investments through “The Fund of Funds” (link):
a) 400 start-ups in the IT and digital sectors will be able to receive up to BGN 800 000
b) the total allocated amount is BGN 150 million on this measure

6. Funding through Urban Development Fund for municipalities, public-private partnerships for investment in urban infrastructure:
a) exposures up to BGN 40 million
b) the resource can also be used by companies in tourism and transport
c) the estimated volume of the program is totaling to BGN 353 million

7. Jessica – for investment loans and working capital in urban development projects will be allocated up to BGN 65 million.

8. Jeremie – up to BGN 3.6 million working capital loans for SMEs. The total amount of the measure is BGN 880 million.</td></tr>
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OTP BANK CROATIA

Performance of OTP Bank Croatia:

Main components of P&L account in HUF mn	1Q 2019	4Q 2019	1Q 2020	Q-o-Q	Y-o-Y
After tax profit without the effect of adjustments	8,772	4,196	2,646	-37%	-70%
Income tax	-1,975	-921	-449	-51%	-77%
Profit before income tax	10,747	5,116	3,095	-39%	-71%
Operating profit	10,308	10,330	8,524	-17%	-17%
Total income	20,429	21,459	19,394	-10%	-5%
Net interest income	14,097	14,437	14,769	2%	5%
Net fees and commissions	4,010	4,007	3,852	-4%	-4%
Other net non-interest income	2,322	3,016	773	-74%	-67%
Operating expenses	-10,122	-11,129	-10,870	-2%	7%
Total provisions	440	-5,214	-5,429	4%	
Provision for impairment on loan and placement losses	426	-4,110	-5,731	39%	
Other provision	13	-1,104	302	-127%	
Main components of balance sheet closing balances in HUF mn	**1Q 2019**	**4Q 2019**	**1Q 2020**	**Q-o-Q**	**Y-o-Y**
Total assets	1,861,499	2,098,951	2,200,763	5%	18%
Gross customer loans	1,265,221	1,370,057	1,546,195	13%	22%
Gross customer loans (FX-adjusted)	1,401,820	1,473,531	1,546,195	5%	10%
Retail loans	746,979	795,232	811,961	2%	9%
Corporate loans	591,461	606,504	663,442	9%	12%
Car financing loans	63,381	71,795	70,791	-1%	12%
Allowances for possible loan losses	-72,894	-68,701	-80,174	17%	10%
Allowances for possible loan losses (FX-adjusted)	-80,394	-73,633	-80,174	9%	0%
Deposits from customers	1,324,648	1,478,223	1,584,625	7%	20%
Deposits from customers (FX-adjusted)	1,468,419	1,589,251	1,584,625	0%	8%
Retail deposits	1,141,058	1,198,406	1,172,539	-2%	3%
Corporate deposits	327,361	390,845	412,086	5%	26%
Liabilities to credit institutions	188,765	253,176	230,679	-9%	22%
Total shareholders' equity	263,227	292,649	307,882	5%	17%
Loan Quality	**1Q 2019**	**4Q 2019**	**1Q 2020**	**Q-o-Q**	**Y-o-Y**
Stage 1 loan volume under IFRS 9 (in HUF million)	1,083,103	1,140,495	1,242,062	9%	15%
Stage 1 loans under IFRS 9/gross customer loans (%)	85.6%	83.2%	80.3%	-2.9%p	-6.2%p
Own coverage of Stage 1 loans under IFRS 9 (%)	0.7%	0.8%	1.0%	0.2%p	38.5%p
Stage 2 loan volume under IFRS 9 (in HUF million)	88,836	143,843	211,395	47%	138%
Stage 2 loans under IFRS 9/gross customer loans (%)	7.0%	10.5%	13.7%	3.2%p	94.7%p
Own coverage of Stage 2 loans under IFRS 9 (%)	4.5%	3.5%	3.6%	0.1%p	-20.3%p
Stage 3 loan volume under IFRS 9 (in HUF million)	93,282	85,719	92,739	8%	-1%
Stage 3 loans under IFRS 9/gross customer loans (%)	7.4%	6.3%	6.0%	-0.3%p	-1.4%p
Own coverage of Stage 3 loans under IFRS 9 (%)	65.2%	63.6%	64.4%	0.8%p	-0.8%p
Provision for impairment on loan and placement losses/average gross loans (%)	-0.14%	1.20%	1.61%	0.41%p	1.75%p
90+ days past due loan volume (in HUF million)	67,031	51,012	55,999	10%	-16%
90+ days past due loans/gross customer loans (%)	5.3%	3.7%	3.6%	-0.1%p	-1.7%p
Performance Indicators	**1Q 2019**	**4Q 2019**	**1Q 2020**	**Q-o-Q**	**Y-o-Y**
ROA	1.9%	0.8%	0.5%	-0.3%p	-1.4%p
ROE	13.0%	5.7%	3.5%	-2.2%p	-9.5%p
Total income margin	4.45%	4.16%	3.65%	-0.50%p	-0.80%p
Net interest margin	3.07%	2.80%	2.78%	-0.01%p	-0.29%p
Cost/income ratio	49.5%	51.9%	56.0%	4.2%p	6.5%p
Net loans to deposits (FX-adjusted)	90%	88%	93%	4%p	3%p
FX rates (in HUF)	**1Q 2019**	**4Q 2019**	**1Q 2020**	**Q-o-Q**	**Y-o-Y**
HUF/HRK (closing)	43.2	44.4	47.1	6%	9%
HUF/HRK (average)	42.9	44.6	45.2	1%	6%

- ***The Croatian bank generated HUF 2.6 billion profit in 1Q 2020***
- ***The ratio of Stage 2 loans has grown q-o-q; the own provision coverage nudged higher in all stage categories***
- ***While customer deposits stagnated q-o-q, net customer loan volume expanded by an FX-adjusted 5%; thus liquidity situation remained stable, the net-loan-to-deposit ratio was at 93% at the end of 1Q***

In the first quarter of 2020, the **Croatian operation** generated HUF 2.6 billion after-tax profit.

The Croatian bank's liquidity position is stable. The net-loan-to-deposit rose by an FX-adjusted 4 pps from end-2019, to 93% by the end of March. The FX-adjusted deposit volume has not changed since the end of 2019, but expanded by 8% y-o-y, largely driven by new corporate deposits.

Regarding lending-side activity, performing loans expanded by 5% q-o-q and 12% y-o-y (both FX-adjusted). In the first quarter, the disbursement of POS loans and mortgage loans both slowed, while corporate loan disbursements grew by more than 60% in q-o-q comparison.

In 1Q 2020, operating profit dropped by 17% both q-o-q and y-o-y (in local currency, it fell 19%, and 22%). While net interest margin (2.78%) declined steadily, the cost/income ratio grew further (+4.2 pps q-o-q, and +6.5 pps y-o-y), to 56% in 1Q 2020. The 4% q-o-q fall in operating expenses could only partly offset the q-o-q 11% lower income (both in local currency).

In 1Q 2020, HUF 5.4 billion risk cost weighed on profit. Of that, provision for loan losses grew by 39% q-o-q, thus the credit risk cost ratio was 1.61% (+41 bps q-o-q) in 1Q. The q-o-q decline in Other provisions stems from a base effect of creating provisions in 4Q 2019 for legal cases, and for loans to corporate customers.

Regarding loan quality, 90 DPD+ loan volume surged by an FX-adjusted HUF 1 billion (without sales/write-offs) in 1Q. The ratio of Stage 3 loans dropped by 0.3 pp q-o-q (to 6.0%), while Stage 2 loans grew by 3.2 pps q-o-q, to 13.7% as a result of the reclassification of corporate portfolios that are the most exposed to the pandemic's economic fallout. As a result of the loan loss provisions reserved in 1Q, the own provision coverage of both Stage 2 and Stage 3 volumes rose further (by +0.1 pp and +0.8 pp q-o-q, respectively).

A summary of Croatia's economic policy measures in response to the COVID-19 pandemic

Monetary policy and supervisory measures	
Capital adequacy rules	On 20 March 2020 the Croatian National Bank (HNB) imposed measures (link) on credit institutions regarding the retention of net income for 2019, and adjusting the payment of variable remunerations (bonuses, severance payments, etc.).
Liquidity boosting measures	On 20 2020 March the HNB adjusted the regulatory framework concerning liquidity including: a) the Liquidity Coverage Requirement serves for safeguarding credit institutions under stressed conditions. In the period until 30 June 2021 credit institutions may temporarily use this liquidity buffer; b) the mandatory reserve requirement ratio was reduced from 12 to 9% (link); c) the structural repo facility, used for the first time since December 2018 (5-year HRK liquidity of HRK 3.8 billion at a fixed interest rate of 0.25%); d) regular weekly repos used by banks for the first time since December 2017. This repo rate was reduced from 0.3% to 0.05%; e) HNB has also started purchasing Republic of Croatia bonds with an aim of maintaining stability in the market of government securities. Up to date approx. HRK 13.8 billion were purchased from various institutional investors.
FX intervention	During March 2020 the HNB intervened (link) five times on the foreign exchange market five times with the aim of maintaining exchange rate stability, selling altogether more than EUR 2.2 billion to banks. On 15 April 2020 the HNB announced a secured swap line with the European Central Bank (link). This swap line gives the CNB the space to provide additional euro liquidity to Croatian credit institutions, should they need it, without using its own international reserves.

<table>
<tr><th colspan="2">Government measures</th></tr>
<tr><td>Economy protection and stimulus measures</td><td>On 15 March 2020 the Government introduced price controls measures (link) on several items including basic foodstuffs, hygiene products, protective clothing, medical supplies, linen, etc.

On 17 March 2020 the Government adopted measures (link) to support the economy during the COVID-19 pandemic, with the aim of preserving jobs and enabling payment of wages, including the following steps:
a) the deferment of paying income and profit tax and contributions on wages for a period of three months and possibly an extra three months of grace period if necessary; after that these payments can be made in installments of up to 24 months;
b) at least a 3-month moratorium on liabilities to commercial banks and the Croatian Bank for Reconstruction and Development (HBOR), as well as the approval of loans for cash flow in order to pay wages, suppliers and to reschedule other liabilities;
c) interest-free loans for municipalities, cities and counties equal to the amount of income taxes, surtax and contributions that have been deferred and/or for which installment payments have been approved.

On 1 April 2020 the Government announced additional measures (link) including:
a) an increase of the subsidization of the net minimum wage; tax obligations of companies to be reduced or written-off depending on their turnover and loss;
b) VAT payments will not be due until payment is received from customers;
c) the deadline for the 2019 financial reports was extended to June 30;
d) providing aid for a maximum period of three months from the beginning of March. HRK 3,250 for March and HRK 4,000 for April and May per month per full-time employee (or a proportional part per employee) provided by the Croatian Employment Agency.

On 23 April the Government announced gradual restrictions relaxation (link) in three phases aimed at relaunching economic and other activities in the context of the COVID-19 pandemic, starting from 27 April.</td></tr>
<tr><td>Credit guarantee scheme</td><td>On 17 March 2020 the Government approved to granting guarantees (link) to commercial banks of exporters and to HBOR under the export guarantee fund with the aim of granting new loans for working capital liquidity and increased the scope of the export guarantee fund by including the tourism sector with the aim of enabling the issuance of guarantees (insurance policies) for loans to banks and HBOR, for additional liquidity funds to exporters and the tourism sector.</td></tr>
<tr><td>Debt payment moratorium</td><td>A moratorium on loans has not been implemented in Croatia through legislation. Therefore, the application for moratorium is voluntary and has to be requested by the client.
However, on 1 April 2020 the Croatian Banking Association envisaged a non-binding regime which means it is up to each bank to decide on its own the criteria for loan repayment moratoria.
The details of the accepted measures at OTP banka Hrvatska are the following (link – in Croatian):
a) a moratorium for 3 to 6 months, with possible extension of the repayment term
b) applicable for both consumer and corporate loans
c) only contractual interest rates will be calculated by the banks, whereas penalty interest rates and additional fees shall not be calculated or charged

Furthermore, all banks decided not to initiate forced collection measures (foreclosures, instruments of collateral) for the collection of debt from their debtors who, in the period of three months, starting from April 2020, fail to settle three instalments of their credit liabilities. The measure applies to legal and natural persons employed at such entrepreneurs.

On 20 March 2020 the HNB decided with regard to classification of existing and new exposures (link). A credit institution may postpone payment obligations or in another way restructure credit liabilities and grant new loans for the existing and the new exposures towards its regular clients who were classified as A clients on 31 December 2019 – whose operation has already been affected or will be affected by the coronavirus pandemic, all with the objective to avoid further deterioration of the clients' financial condition.

Within the above period, the credit institution may still classify such clients as A-clients and does not have to set aside provisions for them.

All of the above mentioned measures are still in place until 31 March 2021.

The accounting treatment of loans subject to moratorium is still subject of discussion between the Croatian National Banks and the largest audit firms present in Croatia.</td></tr>
</table>

OTP BANK SERBIA

Performance of OTP Bank Serbia:

Main components of P&L account in HUF mn	1Q 2019	4Q 2019	1Q 2020	Q-o-Q	Y-o-Y
After tax profit without the effect of adjustments	1,418	5,836	1,746	-70%	23%
Income tax	5	350	73	-79%	
Profit before income tax	1,413	5,486	1,673	-70%	18%
Operating profit	1,657	8,241	8,374	2%	405%
Total income	7,720	19,989	18,911	-5%	145%
Net interest income	5,535	14,248	14,383	1%	160%
Net fees and commissions	1,728	3,958	3,710	-6%	115%
Other net non-interest income	457	1,783	818	-54%	79%
Operating expenses	-6,063	-11,748	-10,537	-10%	74%
Total provisions	-244	-2,755	-6,701	143%	
Provision for impairment on loan and placement losses	-250	-1,401	-6,505	364%	
Other provision	6	-1,354	-196	-85%	
Main components of balance sheet closing balances in HUF mn	**1Q 2019**	**4Q 2019**	**1Q 2020**	**Q-o-Q**	**Y-o-Y**
Total assets	611,154	1,659,483	1,830,048	10%	199%
Gross customer loans	428,132	1,199,580	1,332,832	11%	211%
Gross customer loans (FX-adjusted)	480,962	1,304,241	1,332,832	2%	177%
Retail loans	222,884	623,361	639,886	3%	187%
Corporate loans	239,005	632,181	643,892	2%	169%
Allowances for possible loan losses	-15,232	-18,904	-27,342	45%	80%
Allowances for possible loan losses (FX-adjusted)	-17,173	-20,573	-27,342	33%	59%
Deposits from customers	368,868	910,623	992,714	9%	169%
Deposits from customer (FX-adjusted)	414,367	991,109	992,714	0%	140%
Retail deposits	292,203	596,825	597,467	0%	104%
Corporate deposits	122,163	394,284	395,247	0%	224%
Liabilities to credit institutions	137,865	436,449	497,002	14%	261%
Subordinated debt	0	24,460	26,936	10%	-100%
Total shareholders' equity	87,375	249,461	268,839	8%	208%
Loan Quality	**1Q 2019**	**4Q 2019**	**1Q 2020**	**Q-o-Q**	**Y-o-Y**
Stage 1 loan volume under IFRS 9 (in HUF million)	373,251	1,151,763	1,201,746	4%	222%
Stage 1 loans under IFRS 9/gross customer loans (%)	87.2%	96.0%	90.2%	-5.8%p	3%
Own coverage of Stage 1 loans under IFRS 9 (%)	0.4%	0.4%	0.6%	0.2%p	51%
Stage 2 loan volume under IFRS 9 (in HUF million)	35,199	21,447	99,059	362%	181%
Stage 2 loans under IFRS 9/gross customer loans (%)	8.2%	1.8%	7.4%	5.6%p	-10%
Own coverage of Stage 2 loans under IFRS 9 (%)	4.8%	5.8%	3.5%	-2.3%p	-27%
Stage 3 loan volume under IFRS 9 (in HUF million)	19,681	26,370	32,026	21%	63%
Stage 3 loans under IFRS 9/gross customer loans (%)	4.6%	2.2%	2.4%	0.2%p	-2.2%p
Own coverage of Stage 3 loans under IFRS 9 (%)	61.2%	50.0%	51.7%	1.8%p	-9.5%
Provision for impairment on loan and placement losses/average gross loans (%)	0.24%	0.47%	2.11%	1.64%p	1.87%p
90+ days past due loan volume (in HUF million)	15,572	20,702	22,762	10%	46%
90+ days past due loans/gross customer loans (%)	3.6%	1.7%	1.7%	0.0%p	-1.9%p
Total provisions/90+ days past due loans (%)	97.8%	91.3%	120.1%	28.8%p	22.3%p
Performance Indicators	**1Q 2019**	**4Q 2019**	**1Q 2020**	**Q-o-Q**	**Y-o-Y**
ROA	1.0%	1.4%	0.4%	-1.0%p	-0.5%p
ROE	6.7%	9.3%	2.7%	-6.5%p	-3.9%p
Total income margin	5.2%	4.8%	4.46%	-0.34%p	-0.74%p
Net interest margin	3.72%p	3.42%p	3.39%p	-0.03%p	-0.33%p
Cost/income ratio	78.5%	58.8%	55.7%	-3.1%p	-22.8%p
Net loans to deposits (FX-adjusted)	112%	130%	132%	2%p	20%p
FX rates (in HUF)	**1Q 2019**	**4Q 2019**	**1Q 2020**	**Q-o-Q**	**Y-o-Y**
HUF/RSD (closing)	2.7	2.8	3.1	9%	13%
HUF/RSD (average)	2.7	2.8	2.9	2%	7%

- ***HUF 1.7 billion after-tax profit in 1Q (-70% q-o-q)***
- ***Loan loss provision grew by 2.5 times, bringing the credit risk cost ratio to 2.11%***
- ***The cost/income ratio improved to 55.7% (-22.8 pps y-o-y)***

The financial closure of the Societe Generale banka Srbija transaction was completed on 24 September 2019. The new name of the bank is OTP banka Srbija. The Serbian financial statements include the acquired bank's balance sheet starting from 3Q 2019, and its P&L statement from 4Q 2019.

The Serbian P&L statement was adjusted for the one-off items related to the acquisitions; these corrections are presented at consolidated level, among adjustment items. The balance sheet items were not adjusted for these effects.

The **Serbian banking group** generated HUF 1.7 billion adjusted after-tax profit in 1Q 2020. The newly acquired bank's contribution to the Group's profit was HUF 2 billion in the first quarter.

After the financial closure of the acquisition at the end of September, the Serbian operation's total market share by balance sheet total jumped to 13.8% on pro forma basis, the most recent data (of end-December 2019) reveal. Despite a few weeks of temporary slowing caused by the COVID-19 pandemic, the acquired subsidiary's integration process continues as scheduled.

The net-loan-to-deposit ratio of the Serbian operation rose by 2 pps q-o-q, to 132%, as the FX-adjusted deposit basis remained at end-2019 levels, while the performing loan portfolio expanded by 2% q-o-q. The 1Q loan disbursement dynamics dropped in all segments compared to 4Q 2019, mainly because of seasonality, which is typical for consumer loans but also characterizes corporate loans.

Operating profit rose by 2% q-o-q (and remained at 4Q 2019 level in RSD terms) in the first three months of 2020. The 5% q-o-q fall in total income is attributable partly to the seasonal fall in net fees, and in part to the HUF 1 billion q-o-q decline in other income. In the declining yield environment, net interest margin narrowed by 3 bps q-o-q, to 3.39%.

Operating expenses contracted by 10% q-o-q.

In 1Q, total credit risk cost amounted to HUF 6.7 billion. Within that, the cost of loan loss provision coverage jumped by more than 4.5 times q-o-q, owing to the higher provisions necessitated by the pandemic, thus the credit risk cost ratio jumped by 164 bps q-o-q, to 2.11%. The q-o-q decline in Other provisions stems from the base effect of creating provisions in 4Q 2019 for legal cases, and for other contingent liabilities.

Regarding loan quality, the volume of 90+ DPD loans rose by an FX-adjusted HUF 0.8 billion in the January-March period. Over the first quarter, HUF 0.4 billion problem loans were sold/written off. The ratio of Stage 2 loans jumped to 7.4%, as a result of the reclassification of corporate portfolios that are the most exposed to the pandemic's economic fallout. The ratio of Stage 3 loans grew to 2.4%. Because of the provision for impairment on loan losses in 1Q, the own provision coverage of Stage 3 loans rose to 51.7% q-o-q.

A summary of Serbia's economic policy measures in response to the COVID-19 pandemic

Monetary policy and supervisory measures	
Capital adequacy rules	On 12 March 2020 the National Bank of Serbia (NBS) decided to keep the countercyclical capital buffer (CCyB) rate for the Republic of Serbia at 0% (link és link).
Liquidity boosting measures	On 24 March 2020 NBS provided additional liquidity through (link): a) auctions of repo purchase of dinar government securities; b) through additional EUR/RSD swap auctions; c) reduced the FX swap interest rates.
Interest rate changes	On 12 March 2020 NBS cut Key Policy Rate by 0.50 pp to 1.75% (link).
Debt payment moratorium	On 18 March 2020 the NBS adopted decisions (link) imposing a moratorium on debt payments. a) available for all debtors (natural persons, farmers and entrepreneurs, corporates); b) implies a suspension of debt payments for at least 90 days and/or for the duration of the emergency state; c) lessors will not charge any default interest on past due outstanding receivables and will not initiate enforcement or enforced collection procedures, or take other legal actions to collect receivables from their clients; d) lessors will not be able to charge any fees in relation to the application of the adopted regulations.

Government measures	
Economy protection and stimulus measures	On 3 April 2020 the Government adopted recommendations (Government Conclusion 05 No. 53-3008/2020-2 in Serbian language) to employers regarding payment of remuneration to employees who are temporarily absent from work because of a confirmed infectious disease COVID-19 pandemic or because of the measure of isolation or self-isolation ordered in connection with the illness, are guaranteed the right to remuneration in the amount of 100% of the basis for earnings compensation. On 1 April the Government introduced a stimulus package (link): a) deferral of payment of salary tax and social security contributions for the private sector and deferral payment of corporate income tax advance payments, VAT exemption for donation of goods; b) direct aid to entrepreneurs, micro, small and medium size companies in the amount of minimum net salary for each employee during the state of emergency and to large companies in the amount of 50% of minimum net salary; c) financial support through loans for working capital for entrepreneurs, micro, small, medium entities, agricultural farms and cooperatives and through credit guarantee scheme; d) direct aid to Serbian citizens older than 18 year through one-off payment in the amount of EUR 100; e) moratorium on dividend payments.
"Corona" bond issuance	On 10 April the Government of Serbia adopted the Decree on the Procedure for Issuance of Debt Securities (link in Serbian language) on the procedure for issue of debt securities by Serbian companies on the territory of Serbia: it will be in force for 180 days; releases prospective issuers from the obligation to prepare short form prospectus; cuts down paperwork required in order to obtain the SEC's approval.
Credit guarantee scheme	On 1 April 2020 the Government accepted a stimulus package including the credit guarantee scheme (link in Serbian language): a) subsidized working capital loans to entrepreneurs, SMES, registered agricultural households and registered cooperatives, through the Development Fund of the Republic of Serbia; b) Guarantees for banking loans to entrepreneurs, SMEs and agricultural households.

SKB BANKA (SLOVENIA)

Performance of SKB Banka (Slovenia):

Main components of P&L account in HUF mn	4Q 2019	1Q 2020	Q-o-Q
After tax profit w/o dividends and net cash transfer	-	81	
Income tax	-	-909	
Profit before income tax	-	990	
Operating profit	-	4,434	
Total income	-	10,139	
Net interest income	-	6,968	
Net fees and commissions	-	2,778	
Other net non-interest income	-	393	
Operating expenses	-	-5,705	
Total provisions	-	-3,444	
Provision for impairment on loan and placement losses	-	-3,583	
Other provision	-	139	
Main components of balance sheet closing balances in HUF mn	**4Q 2019**	**1Q 2020**	**Q-o-Q**
Total assets	1,130,871	1,287,889	14%
Gross customer loans	831,139	934,112	12%
Gross customer loans (FX-adjusted)	903,140	934,112	3%
Retail loans	531,569	529,389	0%
Corporate loans	245,476	279,858	14%
Car financing loans	126,095	124,865	-1%
Allowances for possible loan losses	-4,051	-9,200	127%
Allowances for possible loan losses (FX-adjusted)	-4,402	-9,200	109%
Deposits from customers	880,839	1,007,650	14%
Deposits from customers (FX-adjusted)	957,303	1,007,650	5%
Retail deposits	840,485	855,120	2%
Corporate deposits	116,818	152,530	31%
Liabilities to credit institutions	94,909	84,229	-11%
Total shareholders' equity	132,667	151,022	14%
Loan Quality	**4Q 2019**	**1Q 2020**	**Q-o-Q**
Stage 1 loan volume under IFRS 9 (in HUF million)	822,118	898,225	9%
Stage 1 loans under IFRS 9/gross customer loans	98.9%	96.2%	-2.8%p
Own coverage of Stage 1 loans under IFRS 9	0.4%	0.5%	0.1%p
Stage 2 loan volume under IFRS 9 (in HUF million)	0	25,097	
Stage 2 loans under IFRS 9/gross customer loans	0.0%	2.7%	
Own coverage of Stage 2 loans under IFRS 9	0.0%	11.4%	
Stage 3 loan volume under IFRS 9 (in HUF million)	9,020	10,790	20%
Stage 3 loans under IFRS 9/gross customer loans	1.1%	1.2%	0.1%p
Own coverage of Stage 3 loans under IFRS 9	8.7%	17.5%	8.8%p
Provision for impairment on loan and placement losses/average gross loans	-	1.64%	
90+ days past due loan volume (in HUF million)	2,967	5,460	84%
90+ days past due loans/gross customer loans	0.4%	0.6%	0.2%p
Performance Indicators	**4Q 2019**	**1Q 2020**	**Q-o-Q**
ROA	-	0.0%	
ROE	-	0.2%	
Total income margin	-	3.43%	
Net interest margin	-	2.36%	
Cost/income ratio	-	56.3%	
Net loans to deposits (FX-adjusted)	94%	92%	-2%p
FX rates (in HUF)	**4Q 2019**	**1Q 2020**	**Q-o-Q**
HUF/EUR (closing)	330.5	359.1	9%
HUF/EUR (average)	331.9	338.9	2%

On 13 December 2019, the financial closure of the transaction was completed, and OTP Bank became the 99.73% owner of SKB Banka.

OTP Group's financial highlights include the Slovenian bank's balance sheet starting from end-2019, and its P&L statement from the first quarter of 2020.

The Slovenian P&L account was adjusted for the one-off items directly related to the acquisition; these corrections are shown at consolidated level, among adjustment items. The balance sheet items were not adjusted for the acquisition effects.

OTP Group's **Slovenian** subsidiary recorded HUF 0.1 billion adjusted after-tax in 1Q 2020. The net interest margin of 2.36% was coupled with a cost/income ratio of 56.3%.

SKB's credit risk cost ratio hit 1.64% in 1Q, owing to the higher provisions necessitated by the pandemic (due to the extra risk costs for loans reclassified as Stage 2, and the revision of the IFRS 9 model parameters).

In 1Q 2020, Stage 3 loans made up 1.2% of the gross loan volume. The main reason for the q-o-q rise in Stage 2 loan volumes was the reclassification of the corporate portfolios that are most exposed to the economic impact of COVID-19 pandemic. The own provision coverage of Stage 3 loans was 17.5%, because during the Slovenian Bank's consolidation, Stage 3 loans were netted with the respective provisions.

In 1Q 2020, the FX-adjusted volume of performing (Stage 1+2) loans grew by 3% q-o-q, of which retail loans contracted by 1%, and corporate loans expanded by 14% (due to higher utilization of overdraft loans).

The FX-adjusted deposit book grew by 5% q-o-q; the 92% net-loan-to-deposit ratio reflects a balanced structure.

A summary of Slovenia's economic policy measures in response to the COVID-19 pandemic

Monetary policy and supervisory measures	
Capital adequacy rules	On 4 April 2020 the Bank of Slovenia issued the Resolution (link) on macro prudential measures for banks on limitations of paying out bonuses and dividends.
Liquidity boosting measures	The ECB's liquid expansion and asset purchase programs (link) are available to Eurozone banks. On 12 March 2020 the ECB decided on a comprehensive package (link) of monetary policy measures, including additional asset purchases of EUR 120 billion until end-2020 under the existing program.
Government measures	
Economy protection and stimulus measures	On 2 April 2020 the National Assembly adopted an EUR 3 billion stimulus package (link és link): a) full state coverage of the 80% pay compensation for temporary redundant workers and for two months of the social contribution costs for those who remain employed; b) providing a two-monthly temporary basic income between EUR 350 and EUR 700; c) tax deferrals for up to 24 months or tax payments in installments in 24 months. On 20 March 2020 the government decided (link) to provide wage subsidies for suspended workers due to pandemic-related closures and quarantined people. The state would provide 40% of wage compensation in such cases.
Liquidity boosting measures	On 9 March 2020 the government implemented the following measures (link) to provide liquidity to businesses: a) EUR 600 million will come from existing financial mechanisms available at SID Banka, the state-owned export and development bank, which will also provide EUR 200 million for new measures. b) The Slovenian Enterprise Fund will have EUR 115 million available for small and medium-sized companies, while the Slovenian Regional Development Fund will offer a scheme under which companies will be able to roll over debt.
Credit guarantee scheme	On 22 April 2020 the Guarantee scheme in the preparation (2,02 billion EUR) – was adopted by the Government (link) and shall be proposed for quick approval to the Parliament: a) Guarantee of the Republic of Slovenia: irrevocable, unconditional, callable at first demand for new facilities to companies registered in Slovenia b) Up to 70% for credit facility principal, granted to big companies, guaranteed by payment from the RS budget or by issuing of SID (Slovene Export Agency) bonds c) Up to 80 for credit facilities principal, granted to micro and SME, guaranteed by payment from the RS budget or by issuing of RS bonds d) Conditions: ▪ credit facilities approved after 12.3.2020 and before 31.12.2020 ▪ purpose: financing of basic activities, working capital and new/initiated investments ▪ duration up to 5 years ▪ facility is not intended for repayment of existing obligations neither for financing of connected companies or companies abroad ▪ maximum amount per client: 10% of turnover in 2019 and cannot exceed cost of work in 2019

<table>
<tr><th colspan="2">Government measures</th></tr>
<tr><td>Debt payment moratorium</td><td>On 20 March 2020 the Slovenian Parliament passed an act regarding the debt payment moratorium (link).
a) it will be granted upon request to both retail and corporate borrowers;
b) the moratorium refers to loan contracts only, leasing is excluded;
c) banks are obliged to grant relief to borrowers who prove to the bank in their application that they suffer liquidity problems caused by the pandemic. Different criteria apply depending on the size of the borrower's business, and for private individuals;
d) the term of such relief is at least up to 12 months, but this can be extended by agreement and therefore the final maturity of the loan is prolonged by the duration of the agreed moratorium;
e) principal and interests covered, interests are accumulated during moratorium, repayment is then linear or at the end of moratorium. Client needs to fill in the application (OPT IN) at the latest within 6 months after the official termination of COVID-19 pandemic in Slovenia;
f) it is to be noted that relief is only possible for liabilities that became due after the state of emergency has been declared (12.3.2020), and the provisions also apply for loan agreements concluded after the date of the declaration of the epidemic;
g) the applications for moratoriums will need to include certain mandatory elements, while the conditions for eligibility for moratoriums were eased for those who have been barred from operating by a government order, such as stores offering non-food products and providers of certain non-urgent services.</td></tr>
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OTP BANK ROMANIA

Performance of OTP Bank Romania:

Main components of P&L account in HUF mn	1Q 2019	4Q 2019	1Q 2020	Q-o-Q	Y-o-Y
After tax profit without the effect of adjustments	1,188	894	-909	-202%	-177%
Income tax	23	-286	511	-279%	
Profit before income tax	1,164	1,180	-1,420	-220%	-222%
Operating profit	2,562	2,631	2,567	-2%	0%
Total income	8,836	9,937	10,379	4%	17%
Net interest income	6,173	7,676	8,073	5%	31%
Net fees and commissions	813	748	891	19%	10%
Other net non-interest income	1,850	1,514	1,415	-7%	-24%
Operating expenses	-6,274	-7,307	-7,812	7%	25%
Total provisions	-1,397	-1,451	-3,987	175%	185%
Provision for impairment on loan and placement losses	-1,320	-806	-4,110	410%	211%
Other provision	-78	-645	123	-119%	-258%
Main components of balance sheet closing balances in HUF mn	**1Q 2019**	**4Q 2019**	**1Q 2020**	**Q-o-Q**	**Y-o-Y**
Total assets	796,310	953,345	1,026,027	8%	29%
Gross customer loans	608,233	708,299	786,657	11%	29%
Gross customer loans (FX-adjusted)	677,684	766,116	786,657	3%	16%
Retail loans	448,800	518,297	532,869	3%	19%
Corporate loans	218,908	234,727	239,942	2%	10%
Allowances for possible loan losses	-36,445	-39,327	-46,359	18%	27%
Allowances for possible loan losses (FX-adjusted)	-40,832	-42,652	-46,359	9%	14%
Deposits from customers	450,777	546,350	572,041	5%	27%
Deposits from customers (FX-adjusted)	498,740	587,253	572,041	-3%	15%
Retail deposits	388,325	439,779	440,583	0%	13%
Corporate deposits	110,415	147,474	131,458	-11%	19%
Liabilities to credit institutions	235,599	257,404	293,177	14%	24%
Total shareholders' equity	81,232	116,432	122,118	5%	50%
Loan Quality	**1Q 2019**	**4Q 2019**	**1Q 2020**	**Q-o-Q**	**Y-o-Y**
Stage 1 loan volume under IFRS 9 (in HUF million)	491,175	593,922	649,901	9%	32%
Stage 1 loans under IFRS 9/gross customer loans (%)	80.8%	83.9%	82.6%	-1.2%p	1.9%p
Own coverage of Stage 1 loans under IFRS 9 (%)	1.4%	1.3%	1.6%	0.4%p	0.2%p
Stage 2 loan volume under IFRS 9 (in HUF million)	58,955	61,556	80,294	30%	36%
Stage 2 loans under IFRS 9/gross customer loans (%)	9.7%	8.7%	10.2%	1.5%p	0.5%p
Own coverage of Stage 2 loans under IFRS 9 (%)	6.6%	5.7%	7.0%	1.3%p	0.4%p
Stage 3 loan volume under IFRS 9 (in HUF million)	58,102	52,821	56,462	7%	-3%
Stage 3 loans under IFRS 9/gross customer loans (%)	9.6%	7.5%	7.2%	-0.3%p	-2.4%p
Own coverage of Stage 3 loans under IFRS 9 (%)	44.1%	53.7%	53.7%	0.0%p	9.6%p
Provision for impairment on loan and placement losses/average gross loans (%)	0.91%	0.46%	2.25%	1.79%	1.34%
90+ days past due loan volume (in HUF million)	28,565	35,416	37,501	5.9%	31.3%
90+ days past due loans/gross customer loans (%)	4.7%	5.0%	4.8%	-0.2%p	0.1%p
Performance Indicators	**1Q 2019**	**4Q 2019**	**1Q 2020**	**Q-o-Q**	**Y-o-Y**
ROA	0.6%	0.4%	-0.4%	-0.8%p	-1.0%p
ROE	6.3%	3.0%	-3.1%	-6.1%p	-9.3%p
Total income margin	4.50%	4.22%	4.27%	0.04%p	-0.23%p
Net interest margin	3.14%	3.26%	3.32%	0.06%p	0.18%p
Cost/income ratio	71.0%	73.5%	75.3%	1.7%p	4.3%p
Net loans to deposits (FX-adjusted)	128%	123%	129%	6%p	2%p
FX rates (in HUF)	**1Q 2019**	**4Q 2019**	**1Q 2020**	**Q-o-Q**	**Y-o-Y**
HUF/RON (closing)	67.3	69.1	74.4	8%	10%
HUF/RON (average)	67.2	69.6	70.7	1%	5%

OTP Bank Romania realized a loss of HUF 0.9 billion in 1Q 2020. The loss was due to the almost threefold increase in risk costs.

Operating profit decreased slightly q-o-q and y-o-y in local currency. The annual development of net interest income was positively affected by the dynamically expanding performing (Stage 1 + 2) loan portfolio (+19% y-o-y), and also by the improving net interest margin (+18 bps y-o-y). The decrease in the cost of funds played the largest role in the q-o-q increase of the margin.

Operating expenses increased by 25% y-o-y. The increase in costs is partly due to the growth strategy started in 2019: personnel expenses increased, which is explained on the one hand by general wage inflation and by an average 14% increase in the number of employees on an annual basis. On a quarterly basis, operating expenses increased by 7%, which can be explained by rising labor costs and depreciation, and by the fact that the total annual amount payable to the Deposit Protection Fund (HUF 0.9 billion) was accrued during the quarter.

In terms of credit quality, the share of Stage 2 loans increased by 1.5 pps on a quarterly basis, most of which was a reclassification related to the epidemic situation (HUF 14 billion). The own coverage of Stage 2 loans was 7.0% at the end of 1Q, (+1.3 pps q-o-q).

The share of Stage 3 loans was 7.2% of gross loans (-2.4 pps y-o-y, -0.3 pps q-o-q). The own coverage of Stage 3 loans was 53.7% at the end of 1Q (unchanged q-o-q, +9.6 pps y-o-y). The total risk cost in the first quarter was HUF -4 billion, which was due to the additional provisioning in connection with the epidemic.

In total the business activity strengthened in 1Q; the negative impact of the epidemic situation was not yet materialized. The performing (Stage 1+2) retail loan portfolio grew by 22% y-o-y (+3% q-o-q), while corporate loans grew by 13% y-o-y on an FX-adjusted basis (+3% q-o-q).

The net loan-to-deposit ratio stood at 129% at the end of the quarter (+6 pps q-o-q).

A summary of Romania's economic policy measures in response to the COVID-19 pandemic

Monetary policy and supervisory measures	
Capital adequacy rules	On 24 March 2020 the National Bank of Romania (NBR) decided (link) to allow banks to operate below the level of capital buffers. The capital buffers provided by the regulatory framework are maintained, but banks can operate maintaining values below the regulated level. On 2 April, based on the European Central Bank advice, the NBR recommended (link) local commercial banks not to distribute dividends this year.
Liquidity boosting measures	On 24 March 2020 the NBR decided (link) to allow banks to operate with liquidity measured by the Liquidity Coverage Ratio (LCR), below minimum thresholds (100%). The liquidity limits provided by the regulatory framework are maintained, but NBR will use the most flexible interpretation of CRR/CRD in allowing to operate with shortage of liquidity. On 27 March 2020 the NBR announced (link) to push the deadline for collecting the annual contributions into the Resolution fund for 2020 by 3 months, with the possibility of extension to up to 6 months.
Interest rate changes	On 20 March 2020 the NBR reduced the policy rate (link) by 0.5%-point to 2%. The bank also narrowed the corridor between its lending and deposit facilities by cutting its lending rate facility to 2.50% from 3.50%, while holding its deposit rate at 1.50%.
Government measures	
Economy protection and stimulus measures	On 21 March 2020 it was announced (link) that 75% of wages (max. 75% of the average gross salary) will be paid by the government as unemployment benefit in heavily affected industries. The support is provided for the period of the state of emergency only, which was declared on 16 March for 30 days and then extended for another 30 days. Taxation and debt measures taken by the government (link; link) on 21 March include: suspending foreclosures on overdue debtors, and postponement of real estate, land and vehicles tax by three months.
Credit guarantee scheme	On 19 March the Government decreed (link) to provide initial RON 10 billion of guarantees (1 % of GDP) for loan guarantees and subsidized interest for working capital and investment of SMEs. Granting non-reimbursable or interest-free financing lines for the payment of employees and suppliers to the Romanian small and medium-sized enterprises directly affected. The guarantee covers 90% of the loan value, for loans up to RON 1 million, and 80% of those over RON 1 million in the heavily affected sectors. In addition the state-owned CEC Bank is offering clients facilities under the Credit Guarantee Program for SMEs to finance working capital, with a maximum amount of RON 5 million (EUR 1.1 million), for a period of up to 24 months, with the possibility to further extend it for another maximum 12 months. The amounts that can be guaranteed by the state are equal to up to 50 percent of the loan's value.

Government measures	
Debt payment moratorium	Starting from 30 March 2020 a moratorium on loan payments was introduced (link; link). Based on client request, payment obligations arising from loans (including capital, interest and fees) will be suspended for 1-9 months, but until 31 December 2020 the latest. The moratorium starts from the date of the client request. All customers (except credit institutions) are eligible. The loan indicated for suspension should not register payment delays on 16.03.2020 or such overdue amounts should be paid by the debtor until suspension request date. Conditions for the applicant include that the income of the applicant was directly or indirectly affected by the COVID-19 pandemic. All legal entities should prove that their activities were interrupted fully or partially; they suffered a more than 25% income decrease in March compared to the average of January and February 2020; and that they are not in insolvency at the date of the request. The contractual unpaid interest during the term of the moratorium will be added to the loan capital value at the end of moratorium, and will be paid during the new prolonged maturity using compound interest method. As an exception, for mortgage loans the unpaid interest will be cumulated as a separate claim and paid in 60 months after the end of the moratorium bearing 0% interest rate. Such claims are fully guaranteed by the state. The loan maturity can be extended with a maximum period equal to the length of moratorium. By 14 April, on a sectoral level 10% of retail and corporate debtors applied for the moratorium on the debt repayment (link).
Others	On 21 March 2020 the Romanian Government decided (link) that SMEs which totally or partially interrupted their business activities due to the emergency measures will benefit for the entire duration of the state of emergency from the postponement of the rent payment for properties that constitute headquarters and/or secondary offices, as well as the payment of utility costs for the same premises. On 30 March 2020 the Government has issued a new Military Ordinance (link), which introduces the capping of final prices for utilities (electricity, water, heating), gas and fuel at the current price level during the state of emergency.

OTP BANK UKRAINE

Performance of OTP Bank Ukraine:

Main components of P&L account in HUF mn	1Q 2019	4Q 2019	1Q 2020	Q-o-Q	Y-o-Y
After tax profit without the effect of adjustments	8,294	9,615	6,658	-31%	-20%
Income tax	-1,707	-1,689	-1,519	-10%	-11%
Profit before income tax	10,002	11,304	8,177	-28%	-18%
Operating profit	10,203	12,327	12,001	-3%	18%
Total income	14,896	19,428	18,475	-5%	24%
Net interest income	10,575	13,840	13,346	-4%	26%
Net fees and commissions	3,263	4,260	3,595	-16%	10%
Other net non-interest income	1,058	1,328	1,533	15%	45%
Operating expenses	-4,694	-7,100	-6,473	-9%	38%
Total provisions	-201	-1,023	-3,824	274%	
Provision for impairment on loan and placement losses	284	-1,118	-3,159	183%	
Other provision	-485	94	-666	-806%	37%
Main components of balance sheet closing balances in HUF mn	**1Q 2019**	**4Q 2019**	**1Q 2020**	**Q-o-Q**	**Y-o-Y**
Total assets	427,568	646,295	694,535	7%	62%
Gross customer loans	376,042	468,715	484,823	3%	29%
Gross customer loans (FX-adjusted)	430,494	481,656	484,823	1%	13%
Retail loans	150,990	153,803	150,812	-2%	0%
Corporate loans	244,604	280,704	286,742	2%	17%
Car financing loans	34,899	47,149	47,269	0%	35%
Allowances for possible loan losses	-71,785	-69,785	-72,351	4%	1%
Allowances for possible loan losses (FX-adjusted)	-82,566	-72,246	-72,351	0%	-12%
Deposits from customers	279,936	431,944	449,647	4%	61%
Deposits from customers (FX-adjusted)	319,572	439,345	449,647	2%	41%
Retail deposits	150,118	196,884	204,677	4%	36%
Corporate deposits	169,455	242,461	244,969	1%	45%
Liabilities to credit institutions	52,969	79,331	102,812	30%	94%
Subordinated debt	5,067	5,397	6,182	15%	22%
Total shareholders' equity	68,283	109,128	109,241	0%	60%
Loan Quality	**1Q 2019**	**4Q 2019**	**1Q 2020**	**Q-o-Q**	**Y-o-Y**
Stage 1 loan volume under IFRS 9 (in HUF million)	264,849	345,955	345,665	0%	31%
Stage 1 loans under IFRS 9/gross customer loans (%)	70.4%	73.8%	71.3%	-2.5%p	0.87%p
Own coverage of Stage 1 loans under IFRS 9 (%)	1.2%	0.9%	1.0%	0.1%p	-0.14%p
Stage 2 loan volume under IFRS 9 (in HUF million)	24,784	41,847	58,060	39%	134%
Stage 2 loans under IFRS 9/gross customer loans (%)	6.6%	8.9%	12.0%	3.0%p	5.38%p
Own coverage of Stage 2 loans under IFRS 9 (%)	13.2%	8.3%	9.0%	0.8%p	-4.16%p
Stage 3 loan volume under IFRS 9 (in HUF million)	86,409	80,913	81,097	0%	-6%
Stage 3 loans under IFRS 9/gross customer loans (%)	23.0%	17.3%	16.7%	-0.5%p	-6.3%p
Own coverage of Stage 3 loans under IFRS 9 (%)	75.7%	77.9%	78.4%	0.46%p	2.65%p
Provision for impairment on loan and placement losses/average gross loans (%)	-0.32%	0.93%	2.76%	1.83%p	3.08%p
90+ days past due loan volume (in HUF million)	53,411	51,913	51,468	-1%	-4%
90+ days past due loans/gross customer loans (%)	14.2%	11.1%	10.6%	-0.5%p	-3.6%p
Performance Indicators	**1Q 2019**	**4Q 2019**	**1Q 2020**	**Q-o-Q**	**Y-o-Y**
ROA	8.2%	6.2%	4.0%	-2.3%p	-4.3%p
ROE	54.3%	36.6%	24.0%	-12.5%p	-30.2%p
Total income margin	14.79%	12.61%	11.01%	-1.60%p	-3.79%p
Net interest margin	10.50%	8.98%	7.95%	-1.03%p	-2.55%p
Cost/income ratio	31.5%	36.5%	35.0%	-1.5%p	3.5%p
Net loans to deposits (FX-adjusted)	109%	93%	92%	-1%p	-17%p
FX rates (in HUF)	**1Q 2019**	**4Q 2019**	**1Q 2020**	**Q-o-Q**	**Y-o-Y**
HUF/UAH (closing)	10.5	12.4	11.9	-4%	13%
HUF/UAH (average)	10.3	12.4	12.3	-1%	19%

OTP Bank Ukraine's financial figures in HUF terms were affected by the UAHHUF exchange rate: by the end of 1Q 2020, the hryvnia appreciated 13% y-o-y against the HUF, but it weakened 4% q-o-q. On average, the UAH strengthened 19% y-o-y in 1Q but weakened 1% q-o-q. As a result, the balance sheet and P&L statement figures in HUF terms differ from the values calculated in local currency.

OTP Bank Ukraine generated HUF 6.7 billion after-tax profit in the first quarter of 2020 (-33% y-o-y, -30% q-o-q in local currency), which led to 24% ROE, based on average equity.

The Ukrainian operation's liquidity position is stable. The net-loan-to-deposit ratio was 92% at the end of March, dropping by 1 pp since the end of 2019. The deposit book expanded by 2% q-o-q, and 41% y-o-y (FX-adjusted). The total net intragroup funding towards the Ukrainian operation fell by the equivalent of USD 23 million, to USD 97 million compared to the end of 2019.

Performing loans grew by an FX-adjusted 22% y-o-y, and 1% q-o-q, both were driven by corporate loan dynamics. The disbursements of POS loans decreased q-o-q, in accordance with the normal seasonality of the product.

In the first quarter of 2020 operating profit dropped by 1% y-o-y, and q-o-q 2% (both in UAH). In year/year comparison, the increase in business volumes boosted total income in local currency, but net interest margin declined by almost 2.6 pps, to 8% y-o-y, and the cost/income ratio also climbed higher (to 35% in 1Q 2020). The 8% seasonal fall in operating expenses could not counterbalance the 4% q-o-q drop in total income (in UAH terms). The year/year decline in interest margin chiefly stemmed from a marked fall in the interest rate environment (the base rate dropped to 10% by the end of 1Q 2020, from 18% at the end of 1Q 2019 and from 13.5% at end-2019.

Total risk cost amounted to HUF -3.8 billion in 1Q, jumping 16-fold year/year (in UAH), and expanded nearly fourfold in quarter/quarter terms. Within that, credit risk cost has increased significantly, largely because of the higher provision for impairment on loan losses, recognized in March, with regard to the possible economic fallout from the pandemic. The credit risk cost ratio rose to 2.76%.

Regarding loan quality, the 90+ days past due loan volume grew by HUF 3 bn in 1Q (FX-adjusted, without sales/write-offs). In the first quarter, HUF 4.5 bn worth of problem loans were sold/written off. Thus the ratio of Stage 3 loans dropped by 0.5 pp q-o-q (to 16.7%). However, the Stage 2 ratio rose by 0.8 pp q-o-q, to 9.0%, partly because of the corporate exposure reclassified as Stage 2, from Stage 1. As a result of the provision for impairment on loan losses, the own provision coverage of both Stage 2 and Stage 3 loans increased q-o-q.

A summary of Ukraine's economic policy measures in response to the COVID-19 pandemic

Monetary policy and supervisory measures	
Capital adequacy rules	On 25 March 2020 the National Bank of Ukraine (NBU) delayed the schedule for banks to create the following capital buffers: o the capital conservation buffer, which was to be created from 1 January 2020 in the amount of 0.625% of regulatory capital and would gradually rise to 2.5% by 1 January 2023 according to the original schedule; o the systemically important institutions buffer, which originally was to be created the banks from 1 January 2021. The NBU recommended banks to refrain from paying out dividend until October 2020. Source: National Bank of Ukraine
Liquidity boosting measures	On 17 March 2020 the NBU introduced long-term refinancing loans to the banking system, with a maturity of maximum 5 years. The NBU has also modified the regulatory framework that governs collateral eligibility requirements. Source: National Bank of Ukraine
Interest rate changes	On 30 January 2020 the NBU decided to carry out a 250 bps rate cut from 13.5% to 11%, which was further cut to 10% on 23 March, followed by another 200 bps cut to 8% on 23 April. Source: National Bank of Ukraine
FX intervention	In March FX intervention happened in the amount of around USD 2 bn in order to stop the depreciation of the UAH. By 1 April the international reserves returned to a level close to where they started the year. Source: National Bank of Ukraine
Others	Loans restructured between March 1 and September 1 are not counted as default. Restructuring for SMEs happens on a case by case basis. On-site regulatory inspections are delayed. The NBU recommends that the banks to temporarily reduce fees for remote and cashless services to encourage the public to use them Source: National Bank of Ukraine

Government measures	
Economy protection and stimulus measures	Additional pension to low-income people with below average pensions: from 1 April 2020, the government is to pay additional UAH 1,000 (USD 35) to those having a pension of less than UAH 5,000 (USD 180). The government will be paying additional weekly wage supplements to medical and other workers directly involved in the elimination of COVID-19 pandemic in the amount of up to 200% of wages for a certain period, and also additional payments to certain categories of workers, providing the main areas of life. On 18 March 2020 it was enacted that for the period from 1 March till 30 April 2020 there will be no penalty for delayed tax payments, there is no charge for land (land tax and rent for state and communal property) used in business, no tax charges for non-residential real estate owned by persons and businesses.
Credit guarantee scheme	The so-called Affordable Loans program was extended for micro and small companies. Interest rates are between 5-9%, maximum loan is UAH 3 million; SMEs with less than UAH 100 million annual revenue are eligible. The loans can be used more broadly than before. Source: Ministry for Development of Economy, Trade and Agriculture.
Debt payment moratorium	The NBU issued a recommendation to the banks that from 1 March until 30 April 2020 the banks shall allow private persons whose loan agreement is secured by mortgage to get credit holiday on the repayment of principal. To stimulate implementation of this recommendation, the NBU allowed banks not to form reserves for defaulting debts of borrowers. This recommendation is based on the previously adopted law: In the event of late payment by the consumer from 1 March 2020 to 30 April 2020, the consumer is exempted from liability to the lender for such delay. On 30 March 2020 the Ukrainian Parliament adopted a prohibition on lenders to increase interest rates under loan agreements for the duration of the pandemic. The law forbids the banks from charging any penalties and fines on consumer loans. Source: National Bank of Ukraine; Ukrainian Government: Law issued on 25 March (Amendment); Law issued on 30 March
Other	A new IMF assistance package is under discussion. Ukraine expects to get USD 2 billion tranche from IMF in 2Q 2020.

OTP BANK RUSSIA

Performance of OTP Bank Russia:

Main components of P&L account in HUF mn	1Q 2019	4Q 2019	1Q 2020	Q-o-Q	Y-o-Y
After tax profit w/o dividends and net cash transfer	6,641	6,072	-3,556		
Income tax	-1,693	-2,143	725		
Profit before income tax	8,334	8,215	-4,281		
Operating profit	19,074	22,001	19,739	-10%	3%
Total income	33,946	38,609	36,414	-6%	7%
Net interest income	26,334	30,413	29,577	-3%	12%
Net fees and commissions	6,957	7,983	7,418	-7%	7%
Other net non-interest income	655	214	-581		
Operating expenses	-14,871	-16,608	-16,676	0%	12%
Total provisions	-10,740	-13,786	-24,020	74%	124%
Provision for impairment on loan and placement losses	-10,073	-12,434	-23,628	90%	135%
Other provision	-667	-1,352	-392	-71%	-41%
Main components of balance sheet closing balances in HUF mn	**1Q 2019**	**4Q 2019**	**1Q 2020**	**Q-o-Q**	**Y-o-Y**
Total assets	781,092	908,388	803,121	-12%	3%
Gross customer loans	675,388	786,241	682,103	-13%	1%
Gross customer loans (FX-adjusted)	642,515	696,946	682,103	-2%	6%
Retail loans	572,567	604,097	599,983	-1%	5%
Corporate loans	69,833	84,609	72,807	-14%	4%
Car financing loans	115	8,240	9,314	13%	
Allowances for possible loan losses	-145,649	-152,741	-156,974	3%	8%
Allowances for possible loan losses (FX-adjusted)	-138,771	-135,351	-156,974	16%	13%
Deposits from customers	405,274	471,735	420,016	-11%	4%
Deposits from customers (FX-adjusted)	390,888	424,954	420,016	-1%	7%
Retail deposits	304,647	318,259	312,987	-2%	3%
Corporate deposits	86,241	106,695	107,029	0%	24%
Liabilities to credit institutions	133,411	155,306	133,857	-14%	0%
Subordinated debt	23,815	25,031	24,393	-3%	2%
Total shareholders' equity	168,364	202,761	171,789	-15%	2%
Loan Quality	**1Q 2019**	**4Q 2019**	**1Q 2020**	**Q-o-Q**	**Y-o-Y**
Stage 1 loan volume under IFRS 9 (in HUF million)	522,961	589,553	496,160	-16%	-5%
Stage 1 loans under IFRS 9/gross customer loans (%)	77.4%	75.0%	72.7%	-2.2%p	-4.7%p
Own coverage of Stage 1 loans under IFRS 9 (%)	7.0%	5.3%	7.6%	2.3%p	0.6%p
Stage 2 loan volume under IFRS 9 (in HUF million)	51,224	94,413	90,431	-4%	77%
Stage 2 loans under IFRS 9/gross customer loans (%)	7.6%	12.0%	13.3%	1.2%p	5.7%p
Own coverage of Stage 2 loans under IFRS 9 (%)	27.1%	27.4%	31.7%	4.3%p	4.6%p
Stage 3 loan volume under IFRS 9 (in HUF million)	101,203	102,274	95,512	-7%	-6%
Stage 3 loans under IFRS 9/gross customer loans (%)	15.0%	13.0%	14.0%	1.0%p	-1.0%p
Own coverage of Stage 3 loans under IFRS 9 (%)	94.1%	93.4%	94.8%	1.4%p	0.71%p
Provision for impairment on loan and placement losses/average gross loans (%)	6.39%	6.50%	12.58%	6.09%p	6.20%p
90+ days past due loan volume (in HUF million)	95,520	96,484	95,129	-1%	0%
90+ days past due loans/gross customer loans (%)	14.1%	12.3%	13.9%	1.7%p	-0.2%p
Performance Indicators	**1Q 2019**	**4Q 2019**	**1Q 2020**	**Q-o-Q**	**Y-o-Y**
ROA	3.6%	2.7%	-1.6%	-4.3%p	-5.2%p
ROE	17.1%	12.1%	-7.2%	-19.4%p	-24.3%p
Total income margin	18.55%	16.92%	16.29%	-0.64%p	-2.26%p
Net interest margin	14.39%	13.33%	13.23%	-0.10%p	-1.16%p
Cost/income ratio	43.8%	43.0%	45.8%	2.8%p	2.0%p
Net loans to deposits (FX-adjusted)	129%	132%	125%	-7%p	-4%p
FX rates (in HUF)	**1Q 2019**	**4Q 2019**	**1Q 2020**	**Q-o-Q**	**Y-o-Y**
HUF/RUB (closing)	4.4	4.7	4.2	-12%	-6%
HUF/RUB (average)	4.2	4.7	4.6	-2%	9%

OTP Bank Russia's financial figures, expressed in HUF, were significantly affected by the RUB/HUF exchange rate: the RUB weakened by 12% q-o-q, and 6% y-o-y against the HUF by the end of 1Q 2020. On average, the exchange rate firmed 9% y-o-y, and weakened 2% q-o-q. Therefore, the balance sheet and P&L dynamics expressed in HUF significantly differ from the ones calculated in local currency.

OTP Bank Russia recorded HUF 3.6 billion loss in the first three months of 2020, as opposed to HUF 6.1 billion profit in the previous quarter. The main reason for this deterioration is the 87% higher q-o-q risk cost level, in RUB.

Because of the seasonality in disbursing consumer loans, the FX-adjusted performing loan volume contracted by 3% q-o-q, and grew by 6% y-o-y. Meanwhile, customer deposits shrank by an FX-adjusted 1% q-o-q, and expanded by 7% y-o-y. The FX-adjusted net-loan-to-deposit ratio fell 4 pps q-o-q, to 128%.

In the first quarter, total income contracted in both year/year and quarter/quarter comparison (by 2% and 4% in local currency), while operating expenses barely rose (by 3% and 2%, respectively, in RUB). The q-o-q dynamics of 1Q revenues in RUB was shaped by a 4% decline in net interest income, and a 1% drop in net fees and commissions, coupled with the HUF 0.8 bn q-o-q decrease in other net non-interest income. The latter was partly caused by the revaluation of derivatives and bonds, as well as the loss on corporate bonds. The erosion in net interest margin (1Q: 13.2%; -10 bps q-o-q, -116 bps y-o-y) stemmed from the continued drop in consumer loan interest rates, which was partly offset by a decline in average interest rates on customer deposits.

Total risk cost jumped by 117% y-o-y, and 87% q-o-q (in RUB) in the first quarter. A significant part of the growth originated from the higher provision, recorded in March, for impairment on loan losses related to the expected economic fallout from the pandemic. Without that, total risk cost would have fallen in q-o-q terms. The credit risk cost ratio has nearly doubled, both y-o-y and q-o-q, to 12.58% in 1Q 2020. The higher provision for impairment was mostly allocated for Stage 1 volumes in the retail segment, and chiefly for Stage 2 loans in the corporate segment. The own provision coverage grew q-o-q in all Stage categories.

The DPD90+ loan volume increased by an FX-adjusted HUF 14.5 billion in the first quarter, without sales and write-offs (the quarterly average was HUF 13.9 billion in 2019). Most of this growth was caused by the loan portfolio's expansion. Overall, the ratio of Stage 3 loans grew by 1 pp q-o-q, to 14.0%; there was practically no portfolio cleaning in the first quarter.

A summary of Russia's economic policy measures in response to the COVID-19 pandemic

Monetary policy and supervisory measures	
Capital adequacy rules	The suspension of add-on risk weights was introduced by the Central Bank of Russia (CBR) in case of restructured loans, mortgage loans, loans under equity construction contracts, and loans with low down payments. To support lending, the CBR entitled credit institutions to recognize equity and debt securities, acquired before 1 March 2020, at fair value in the accounting records; and to recognize debt securities, acquired from 1 March 2020 through 30 September 2020, at fair value as of the acquisition date. These measures will be effective until 1 January 2021. The CBR kept the countercyclical capital buffer at 0%. Credit institutions can use buffers to the capital adequacy requirements (capital conservation buffer and other systemically important institutions capital buffer), provided that they comply with the set limits for the share of profits to be distributed in accordance with the buffers' size, including dividend payouts and compensations (incentives) to be paid to management. Source: Bank of Russia 20 March, Bank of Russia March.
Liquidity boosting measures	Beginning in April 2020, the CBR expanded its refinancing program for SMEs. The new lending facility is in place with a refinancing limit of 500 billion rubles, with a view to shoring up SME lending. The effective interest rate has to be within 8.5%. The CBR intends to provide to credit institutions one-year loans at the rate 3.5% per annum. Loans within the additional limit will be issued through 30 September 2020. Source: Bank of Russia 20 March, Bank of Russia 24 April Through March and April, the CBR engaged in repo auctions of more than 2,000 billion rubles to ensure sufficient liquidity in the banking sector. Source: Bank of Russia
Interest rate changes	On 24 April 2020 the CBR cut the key rate from 6% to 5.5%. Source: Bank of Russia
FX intervention	On 19 March the CBR announced FX interventions in addition to the USD 100 million per day sold. Source: Bank of Russia
Others	On 27 March CBR announced that banks do not have to increase loan loss provisions if the loan was restructured due to consequences of the pandemic. Source: Bank of Russia

Government measures	
Economy protection and stimulus measures	On 25 March the Government announced that SMEs will receive a six-month tax deferral for all taxes excluding VAT and social insurance payments. Microbusinesses are granted a deferral on their contributions to social insurance funds. Starting from May, SMEs and individual entrepreneurs in the worst hit industries receive payments to support employment. The companies that receive them have to preserve at least 90 percent of the staff they employed on 1 April. The program is available for over 500,000 SMEs with three million employees in total. Source: Russian Government 16.04.
Credit guarantee scheme	There is an extension of the interest-free loan programs to support wages for enterprises in the worst hit industries, with 75% of such loans guaranteed by VEB.RF, the Russian state development corporation. The program is designed to amount to RUB 150 billion. Source: Russian Government 16.04.
Debt payment moratorium	Starting from 3 April a debt repayment holiday came into effect for citizens, sole proprietors and SMEs facing difficulties in connection with the coronavirus epidemic. Borrowers are able to apply at the lender for a moratorium on their mortgage and consumer loan payments (including interest and principal) for up to six months if their respective incomes fell by at least 30% in the month preceding the application compared with the average monthly income in the previous year. In the period of credit holidays lenders are prohibited from charging any fines against debtors. Applications can be registered until 30 September 2020. The Government introduced upper limits on loans qualifying for repayment deferrals. Source: Russian Government, Government Decree, Amendment
Other	The period from 30 March until 30 April was declared a nationwide paid holiday (banks were recognized as continuously working organizations). This period was later extended until 12 May. In addition to the above mentioned measures the government introduced the following measures: unemployment payments set equal to the minimum wage, scaling up public works, financial compensation of infected people who cannot work, extending all expiring social welfare payments for 6 months, families eligible for parental benefits receive RUB 5000 per month times the number of children below 3 years, for three months, minimum sick leave payments are established.

CKB GROUP (MONTENEGRO)

Performance of CKB Group:

Main components of P&L account in HUF mn	1Q 2019	4Q 2019	1Q 2020	Q-o-Q	Y-o-Y
After tax profit w/o dividends and net cash transfer	695	3,082	-235		
Income tax	-70	-376	32		
Profit before income tax	765	3,458	-267		
Operating profit	811	2,125	1,940	-9%	139%
Total income	2,802	5,502	5,385	-2%	92%
Net interest income	1,959	4,073	4,157	2%	112%
Net fees and commissions	745	1,266	1,113	-12%	49%
Other net non-interest income	97	163	115	-29%	18%
Operating expenses	-1,991	-3,377	-3,446	2%	73%
Total provisions	-46	1,333	-2,207		
Provision for impairment on loan and placement losses	-173	948	-2,103		
Other provision	127	384	-104		
Main components of balance sheet closing balances in HUF mn	**1Q 2019**	**4Q 2019**	**1Q 2020**	**Q-o-Q**	**Y-o-Y**
Total assets	226,450	439,836	477,246	9%	111%
Gross customer loans	164,125	319,836	351,364	10%	114%
Gross customer loans (FX-adjusted)	183,721	347,483	351,364	1%	91%
Retail loans	78,722	175,570	176,013	0%	124%
Corporate loans	104,939	171,817	175,255	2%	67%
Car financing loans	60	96	96	0%	60%
Allowances for possible loan losses	-28,062	-19,518	-23,155	19%	-17%
Allowances for possible loan losses (FX-adjusted)	-31,413	-21,206	-23,155	9%	-26%
Deposits from customers	168,629	318,216	332,426	4%	97%
Deposits from customers (FX-adjusted)	188,941	345,904	332,426	-4%	76%
Retail deposits	133,423	225,523	212,944	-6%	60%
Corporate deposits	55,518	120,381	119,483	-1%	115%
Liabilities to credit institutions	10,973	36,733	53,423	45%	387%
Total shareholders' equity	39,689	66,188	71,766	8%	81%
Loan Quality	**1Q 2019**	**4Q 2019**	**1Q 2020**	**Q-o-Q**	**Y-o-Y**
Stage 1 loan volume under IFRS 9 (in HUF million)	127,557	283,959	298,835	5%	134%
Stage 1 loans under IFRS 9/gross customer loans	77.7%	88.8%	85.0%	-3.7%p	7.3%p
Own coverage of Stage 1 loans under IFRS 9	1.5%	1.1%	1.2%	0.1%p	-0.3%p
Stage 2 loan volume under IFRS 9 (in HUF million)	4,904	12,509	27,792	122%	467%
Stage 2 loans under IFRS 9/gross customer loans	3.0%	3.9%	7.9%	4.0%p	4.9%p
Own coverage of Stage 2 loans under IFRS 9	12.9%	4.8%	8.9%	4.1%p	-4.0%p
Stage 3 loan volume under IFRS 9 (in HUF million)	31,665	23,369	24,737	6%	-22%
Stage 3 loans under IFRS 9/gross customer loans	19.3%	7.3%	7.0%	-0.3%p	-12.3%p
Own coverage of Stage 3 loans under IFRS 9	80.4%	68.2%	69.1%	0.9%p	-11.3%p
Provision for impairment on loan and placement losses/average gross loans	0.44%	-1.21%	2.56%	3.77%p	2.12%p
90+ days past due loan volume (in HUF million)	26,874	17,058	18,488	8%	-31%
90+ days past due loans/gross customer loans	16.4%	5.3%	5.3%	-0.1%p	-11.1%p
Performance Indicators	**1Q 2019**	**4Q 2019**	**1Q 2020**	**Q-o-Q**	**Y-o-Y**
ROA	1.3%	2.7%	-0.2%	-2.9%p	-1.5%p
ROE	7.3%	18.6%	-1.4%	-19.9%p	-8.6%p
Total income margin	5.12%	4.85%	4.71%	-0.14%p	-0.41%p
Net interest margin	3.58%	3.59%	3.64%	0.05%p	0.06%p
Cost/income ratio	71.1%	61.4%	64.0%	2.6%p	-7.1%p
Net loans to deposits (FX-adjusted)	81%	94%	99%	4%p	18%p
FX rates (in HUF)	**1Q 2019**	**4Q 2019**	**1Q 2020**	**Q-o-Q**	**Y-o-Y**
HUF/EUR (closing)	320.8	330.5	359.1	9%	12%
HUF/EUR (average)	318.1	331.9	338.9	2%	7%

The P&L statement of the Montenegrin operation was adjusted for the one-off items directly related to the acquisition; these corrections are shown at consolidated level, among adjustment items. The balance sheet items were not adjusted for these effects.

In 1Q 2020, the Montenegrin **CKB Group** recorded HUF 0.2 billion loss.

The acquired bank's integration is proceeding as scheduled, despite a few weeks of temporary deceleration owing to the pandemic situation. At the end of March 2020, the total market share of OTP Group's Montenegrin operation by balance sheet total was 29.9%, on *pro forma* basis.

The 139% y-o-y growth in 1Q operating profit (1%, without the acquisition) is attributable to a 92% (12%, without the acquisition) improvement in total income, while operating expenses surged 73% (16%, without the acquisition).

In the first quarter of 2020, total risk cost amounted to HUF 2.2 billion. The outstanding figure is attributable to higher provisions, necessitated by the pandemic situation, for losses on loans reclassified as Stage 2.

In the first quarter, the volume of DPD90+ loans (FX-adjusted, without the effect of sales and write-offs) was stable. The DPD90+ ratio was flat at 5.3% q-o-q, simultaneously with the sale/write-off of HUF 0.2 billion non-performing loan volume in the first quarter. In 1Q 2020, the ratio of Stage 3 loans was 7.0% (-0.3%p q-o-q, and -12.3%p y-o-y). The q-o-q increase in Stage 2 loans is largely attributable to the reclassification of some corporate portfolios that are most exposed to COVID-19 pandemic's economic fallout. The own provision coverage grew q-o-q in all Stage categories

Stage 1+2 loan volumes jumped by 120% y-o-y (by 17%, without the acquisition), and by 1% q-o-q organically.

The FX-adjusted deposit book surged 76% y-o-y (by 9%, without the acquisition) but contracted by 4% q-o-q. At the end of the first quarter, the net-loan-to-deposit ratio stood at 99% (+4 pps q-o-q).

A summary of Montenegro's economic policy measures in response to the COVID-19 pandemic

Monetary policy and supervisory measures	
Debt payment moratorium	On 17 March 2020 the Central Bank of Montenegro (CBCG) announced (link) a moratorium on loan repayment for a period of up to 90 days (except for the clients of the bankrupted Atlas Bank and IBM bank). During the moratorium (link) all payment obligations (principal, interest, fees) are suspended. Banks are also allowed to restructure loans and reclassify them as new loans, including by additionally extending the repayment period by up to two years. These measures also apply to leasing and microfinance institutions. a) the loan repayment moratorium enables any interested natural and legal person to delay the loan repayment for up to 90 days. Therefore, entities who accept the moratorium do not have an obligation to pay their loan obligations (principal, interest,default interest, fees, etc.) for up to 90 days; b) the loan beneficiary may apply for the moratorium for a period of less than 90 days (30 or 60 days). The right to activate the moratorium at any time during the temporary measures implies that if the loan beneficiary, for whatever reason, has no need or does not want to immediately exercise the right to the moratorium on loan repayment, upon the entry into force of the temporary measures, he/she may exercise that right at a later point (for a month, two, etc.), provided that the moratorium can last until the expiry of this Decision at the latest. c) all bank loans types, financial leasing recipients and loans granted by micro-lending financial institutions have the right to the moratorium; d) the borrower wishing to exercise the right to a moratorium must apply for the moratorium. e) the bank is obliged to ensure the moratorium execution within five working days of the request receipt; f) the contracted conditions for loan beneficiaries exercising the right to the moratorium will not change, while the repayment term will be extended for the moratorium duration. Also, the nominal interest rate remains unchanged, in accordance with the agreement. During the moratorium, the bank will calculate a regular contracted interest rate. When the moratorium ends, the calculated interest rate will be added to the main debt and distributed evenly over the remaining loan repayment period; g) the bank shall not require or charge from the Borrower any administrative costs related to the moratorium use, including any cost of any Collateral Agreement annexation. h) From the moment the bank registers the beginning of the moratorium until the end of the 90th day, the bank begins to apply the provision from the Decision stipulating that during the moratorium the bank is prohibited to charge default interest on due unsettled receivables, initiate the enforcement procedure, that is, forced collection, or take any other legal actions to collect the receivables, calculate the days past due or reclassify the loan to a lower classification category.
Suspension of dividend distribution	On 31 March the CBCG prohibited banks from paying dividends (link) to shareholders, except in the form of bank shares. Therefore, dividend distribution is allowed only by transforming them into equity.
Others	On 31 March CBCG approved banks to increase exposures to one person or group of related parties beyond the prescribed exposure limits (link) (25% of the bank's own funds), with the Central Bank's prior approval in order to facilitate the acquisition of additional financial resources for borrowers affected by the current crisis. Except existing measures, there are measures under consideration (link). Overview of measures taken and under consideration to mitigate the adverse effects of the COVID-19 pandemic impact on Montenegro's financial system is given in the link below.

<table>
<tr><th colspan="2">Government measures</th></tr>
<tr><td>Economy protection and stimulus measures</td><td>On 9 April 2020 the Prime Minister of Montenegro announced a stimulus package including the following measures:
a) subsidies for closed industries for April and May 2020, in the amount of 70% of the minimum wage and 100% of taxes and contributions to the minimum wage for each registered employee in sectors that had to be closed due to epidemic measures;
b) subsidies for wages of employees in quarantine or isolation also for April and May 2020 in the amount of 70% of gross minimum wage, who have to be quarantined or in self-isolation;
c) subsidies for vulnerable activities for April and May in the amount of 50% of the gross minimum wage for each registered employee in sectors, whose work is at risk due to measures for combating epidemic;
d) subsidies for wages of employees on paid absence for April and May amounting to 70% of gross minimum wage for each employee who had to stay home to care for a child under 11;
e) 70% of the gross minimum wage of newly employed workers by SMEs will be paid by the state for six months if these workers are registered as unemployed.
f) one-time assistance of EUR 50 will be paid to all persons recorded as unemployed by the Employment Agency of Montenegro who do not receive any compensation (link).

Packages of economic measures are extended and updated in the meantime. On the following links, these measures are presented. Unfortunately, available documents are only given in Montenegrin language.
1) Economy Minister presented business and employee support program to mitigate negative effects of coronavirus outbreak (link).
2) Government's specific measures to support agriculture and fisheries introduced: Over EUR 17 million for repurchase, loans, interest, advance payments (link).
3) PM Marković introduces Government's Second package of economic measures: EUR 75 million gross fiscal impact to support citizens and economy over next three months (link).
4) Government submits document on activities to cope with COVID-19 pandemic to Parliament (link).</td></tr>
<tr><td>Credit guarantee scheme</td><td>On 9 April the Prime Minister of Montenegro announced the creation of a new Investment Development Fund credit line of EUR 120 million to improve the liquidity of entrepreneurs (link).</td></tr>
</table>

OTP BANK ALBANIA (ALBANIA)

Performance of OTP Bank Albania:

Main components of P&L account in HUF mn	1Q 2019	4Q 2019	1Q 2020	Q-o-Q	Y-o-Y
After tax profit without the effect of adjustments		382	296	-23%	
Income tax		-154	-11	-93%	
Profit before income tax		536	307	-43%	
Operating profit		915	1,546	69%	
Total income		2,596	2,875	11%	
Net interest income		2,287	2,333	2%	
Net fees and commissions		281	298	6%	
Other net non-interest income		28	243	774%	
Operating expenses		-1,681	-1,329	-21%	
Total provisions		-378	-1,240	228%	
Provision for impairment on loan and placement losses		9	-1,241		
Other provision		-388	1		
Main components of balance sheet closing balances in HUF mn	**1Q 2019**	**4Q 2019**	**1Q 2020**	**Q-o-Q**	**Y-o-Y**
Total assets	218,024	247,997	267,247	8%	23%
Gross customer loans	125,488	147,777	159,693	8%	27%
Gross customer loans (FX-adjusted)	140,135	156,762	159,693	2%	14%
Retail loans	64,275	70,035	72,195	3%	12%
Corporate loans	73,977	84,482	84,995	1%	15%
Car financing loans	1,883	2,245	2,502	11%	33%
Allowances for possible loan losses	-1,865	-3,657	-5,011	37%	169%
Allowances for possible loan losses (FX-adjusted)	-2,083	-3,891	-5,011	29%	141%
Deposits from customers	175,534	179,755	194,826	8%	11%
Deposits from customer (FX-adjusted)	195,702	189,907	194,826	3%	0%
Retail deposits	157,278	161,488	163,361	1%	4%
Corporate deposits	38,424	28,419	31,465	11%	-18%
Liabilities to credit institutions	18,763	36,901	39,761	8%	112%
Total shareholders' equity	20,708	25,605	25,741	1%	24%
Loan Quality	**1Q 2019**	**4Q 2019**	**1Q 2020**	**Q-o-Q**	**Y-o-Y**
Stage 1 loan volume under IFRS 9 (in HUF million)		138,579	142,326	3%	
Stage 1 loans under IFRS 9/gross customer loans		93.8%	89.1%	-4.7%p	
Own coverage of Stage 1 loans under IFRS 9		1.2%	1.6%	0.3%p	
Stage 2 loan volume under IFRS 9 (in HUF million)		4,593	13,622	197%	
Stage 2 loans under IFRS 9/gross customer loans		3.1%	8.5%	5.4%p	
Own coverage of Stage 2 loans under IFRS 9		10.1%	8.6%	-1.5%p	
Stage 3 loan volume under IFRS 9 (in HUF million)		4,604	3,745	-19%	
Stage 3 loans under IFRS 9/gross customer loans		3.1%	2.3%	-0.8%p	
Own coverage of Stage 3 loans under IFRS 9		33.1%	43.7%	10.6%p	
Provision for impairment on loan and placement losses/average gross loans		-0.03%	3.25%	3.27%p	
90+ days past due loan volume (in HUF million)		2,270	2,986	32%	
90+ days past due loans/gross customer loans		1.5%	1.9%	0.3%p	
Performance Indicators	**1Q 2019**	**4Q 2019**	**1Q 2020**	**Q-o-Q**	**Y-o-Y**
ROA		0.6%	0.5%	-0.2%p	
ROE		6.1%	4.5%	-1.6%p	
Total income margin		4.21%	4.49%	0.28%p	
Net interest margin		3.71%	3.65%	-0.06%p	
Cost/income ratio		64.8%	46.2%	-18.6%p	
Net loans to deposits (FX-adjusted)		80%	79%	-1%p	
FX rates (in HUF)	**1Q 2019**	**4Q 2019**	**1Q 2020**	**Q-o-Q**	**Y-o-Y**
HUF/ALL (closing)	2.5	2.7	2.8	2%	11%
HUF/ALL (average)	2.6	2.7	2.8	2%	8%

OTP Group's financial statements include the Albanian bank's balance sheet starting from 1Q 2019; its P&L statement is presented from Q2 2019.

The P&L statement of the Albanian operation was adjusted for the one-off items directly related to the acquisition; these corrections are shown at consolidated level, among adjustment items. The balance sheet items were not adjusted for these effects.

OTP Bank Albania generated HUF 0.3 billion after-tax profit in 1Q 2020.

In the first quarter of 2020, ROE was at 4.5%, the cost/income ratio was 46.2%, while the net interest margin was at 3.65%.

The 69% q-o-q jump in 1Q operating profit is attributable to an 11% growth in total income and a 21% reduction in operating expenses. In the first quarter, total risk cost amounted to HUF 1.2 billion, owing to higher provisions necessitated by the pandemic situation (due to the revision of the IFRS 9 model parameters, and the elevated risk costs for loans reclassified as Stage 2 loans).

The q-o-q increase in Stage 2 loan volumes largely stems from the reclassification of corporate portfolios that are most exposed to COVID-19 pandemic's economic fallout. At the end of 1Q 2020, Stage 3 loans made up 2.3% of the gross loan volume. The own provision coverage of Stage 3 loans was 43.7%. In the first quarter, the volume of DPD90+ loans rose by HUF 0.4 billion (FX-adjusted, without the effect of sales and write-offs).

In 1Q 2020, Stage 1+2 loan volumes grew by an FX-adjusted 3% q-o-q; of which retail loans rose by 3%, and corporate loans expanded by 2%.

The FX-adjusted deposit ratio grew by 3% q-o-q. The net-loan-to-deposit ratio stood at 79%.

A summary of Albania's economic policy measures in response to the COVID-19 pandemic

Monetary policy and supervisory measures	
Interest rate changes	On 25 March 2020 the National Bank of Albania (NBA) decided (link): a) to reduce the policy rate from 1.0% to 0.5%; b) to reduce the interest rate for the overnight lending facility from 1.9% to 0.9%; c) to maintain the interest rate for the overnight deposit facility unchanged, at 0.1%.
Suspension of dividend distribution	On 8 April 2020 the NBA approved the decision (link) on the suspension of profit distribution by banks till the end of June 2020, concerning both the realized profit in 2019, and the profit to be realized during the first half of 2020.
Remove of commissions	On 8 April 2020 the NBA approved (link) the decision on removing commissions applied by banks on the non-paper based credit transfers in ALL, from their clients, and the fees charged to participants in AIPS and AECH systems operated by the Bank of Albania, with effect starting from 10 April 2020.
Debt payment moratorium	On 13 March 2020 the NBA approved the measure (link) on rescheduling the instalments of loans according to the following: a) borrowers may benefit from a delay of up to 3 months in paying the instalments of their loans; b) borrowers including businesses and households, who are both economically and financially affected by this situation; c) term of the moratorium: from 13 March till 31 May 2020 d) blanket solution or it is the clients' choice (opt-in / opt-out): Client must present their request to the bank and the latter will evaluate if client is eligible to the moratorium; e) interest will continue to accrue beside grace period of 3 months (until 31 May 2020); f) financial institutions should re-schedule the customer exposure including unpaid interest due to postponement of instalments, based on agreement with customer. Penalties for 3 months unpaid instalments are to be waived; g) all re-scheduled exposures, due to COVID-19 pandemic, will not be downgraded as per local risk measuring rules, having also no increase of impairment calculations as per local rules.
Other	On 12 March 2020 the NBA approved the temporal amendment (link) of a provision in the regulation on credit risk. According to that, in case of borrowers' insolvency during the three-month period of the moratorium, these entities are not subject to the application of the requirements of these regulations that are related primarily to the classification and establishment of provisioning funds.

Government measures	
Economy protection and stimulus measures	On 19 March 2020 the government approved support measures (link): a) additional funding for health sector in the amount of LEK 3.5 billion; b) LEK 6.5 billion for the support of small businesses/self-employed that are forced to close activities due to the pandemic by paying them minimum salaries and doubling of the unemployment benefits and social assistance layouts; c) LEK 2 billion of defense spending reallocated toward humanitarian relief for the most vulnerable; d) deferral of profit tax installment payments for small companies. On 15 April 2020 the Government decided to allocate a budget of LEK 7 billion (link) to salaries licensed from small and large business whose activity was closed due to COVID-19 pandemic. On 23 of April 2020 the Government approved (link) postponement of installment prepayment of tax on profit 2020 for large businesses except banks and financial institutions, telecommunication, pharmaceutics and para pharmaceutics and grocery businesses.
Credit guarantee scheme	On 19 March 2020 the Government accepted to provide LEK 11 billion as sovereign guarantee fund (link and link) for companies to access loans in the banking system to pay wages for their employees for up to 3 months with an interest rate capped at 2.85% for a maturity of up to 2 years.

MOBIASBANCA (MOLDOVA)

Performance of Mobiasbanca:

Main components of P&L account in HUF mn	4Q 2019	1Q 2020	Q-o-Q
After tax profit without the effect of adjustments	688	468	-32%
Income tax	-74	-16	-79%
Profit before income tax	762	484	-36%
Operating profit	1,762	1,835	4%
Total income	3,684	3,369	-9%
Net interest income	2,531	2,154	-15%
Net fees and commissions	498	532	7%
Other net non-interest income	656	683	4%
Operating expenses	-1,922	-1,534	-20%
Total provisions	-1,000	-1,351	35%
Provision for impairment on loan and placement losses	-958	-1,309	37%
Other provision	-42	-42	-1%
Main components of balance sheet closing balances in HUF mn	4Q 2019	1Q 2020	Q-o-Q
Total assets	211,043	226,543	7%
Gross customer loans	104,763	120,965	15%
Gross customer loans (FX-adjusted)	111,579	120,965	8%
Retail loans	60,199	63,396	5%
Corporate loans	49,842	55,795	12%
Car financing loans	1,537	1,774	15%
Allowances for possible loan losses	-1,790	-3,250	82%
Allowances for possible loan losses (FX-adjusted)	-1,910	-3,250	70%
Deposits from customers	161,071	173,406	8%
Deposits from customer (FX-adjusted)	172,208	173,406	1%
Retail deposits	118,537	121,752	3%
Corporate deposits	53,671	51,654	-4%
Liabilities to credit institutions	12,342	12,956	5%
Total shareholders' equity	34,518	36,472	6%
Loan Quality	4Q 2019	1Q 2020	Q-o-Q
Stage 1 loan volume under IFRS 9 (in HUF million)	102,460	115,641	13%
Stage 1 loans under IFRS 9/gross customer loans	97.8%	95.6%	-2,2%p
Own coverage of Stage 1 loans under IFRS 9	1.0%	1.2%	0.2%p
Stage 2 loan volume under IFRS 9 (in HUF million)	880	3,694	320%
Stage 2 loans under IFRS 9/gross customer loans	0.8%	3.1%	2.2%p
Own coverage of Stage 2 loans under IFRS 9	23.6%	32.5%	9.0%p
Stage 3 loan volume under IFRS 9 (in HUF million)	1,424	1,630	14%
Stage 3 loans under IFRS 9/gross customer loans	1.4%	1.3%	0.0%p
Own coverage of Stage 3 loans under IFRS 9	39.7%	43.1%	3.4%p
Provision for impairment on loan and placement losses/average gross loans	3.74%	4.80%	1.06%p
90+ days past due loan volume (in HUF million)	383	1,502	293%
90+ days past due loans/gross customer loans	0.4%	1.2%	0.9%p
Performance Indicators	4Q 2019	1Q 2020	Q-o-Q
ROA	1.3%	0.9%	-0.5%p
ROE	8.0%	5.3%	-2.7%p
Total income margin	7.14%	6.24%	-0.90%p
Net interest margin	4.90%	3.99%	-0.92%p
Cost/income ratio	52.2%	45.5%	-6.6%p
Net loans to deposits (FX-adjusted)	64%	68%	4%p
FX rates (in HUF)	4Q 2019	1Q 2020	Q-o-Q
HUF/MDL (closing)	17.1	18.0	5%
HUF/MDL (average)	17.2	17.5	2%

The newly acquired Moldovan bank was consolidated in Q3 2019.

The P&L statement of the Moldovan operation was adjusted for the one-off items directly related to the acquisition; these corrections are shown at consolidated level, among adjustment items. The balance sheet items were not adjusted for these effects.

In 1Q 2020, **Mobiasbanca** contributed to OTP Group's performance by HUF 0.5 billion.

Its ROE was at 5.3%, the cost/income ratio was at 45.5%, while net interest margin was at 3.99% in the first three months of 2020.

The 4% q-o-q increase in 1Q operating profit was a result of a 9% drop in total income and a 20% fall in operating expenses.

Over the first quarter, total risk cost amounted to HUF 1.4 billion.

At the end of 1Q 2020, Stage 3 loans made up 1.3% of the gross loan volume; the ratio was flat in q-o-q terms. The Stage 2 ratio grew as the corporate portfolios that are most exposed to the economic effect of COVID-19 pandemic were reclassified. The own provision coverage of Stage 1+2+3 loans improved in q-o-q terms. The volume of DPD90+ loans grew by HUF 0.8 billion (FX-adjusted, without the effect of sales and write-offs) in the first quarter.

In 1Q 2020, the FX-adjusted volume of Stage 1+2 loans was up 8% q-o-q; within that, retail loans upped by 5%, while corporate loans surged 12%.

The FX-adjusted deposit volume rose by 1% q-o-q. The net-loan-to-deposit ratio of 68% is less than the Group's average.

At the end of March 2020, the market share of OTP Group's Moldovan operation by balance sheet total was 13.5%. This ranks it the fourth largest bank in Moldova.

A summary of Moldova's economic policy measures in response to the COVID-19 pandemic

Monetary policy and supervisory measures	
Capital adequacy rules	On 17 March 2020 the National Bank of Moldova (BNM) approved measures (link) to ease the requirements for capital buffers. Accordingly, banks would be allowed to use temporarily (until a later date is communicated) the capital conservation buffer previously established. At the same time, the NBM recommended banks to refrain from distributing dividends to shareholders and other forms of capital distribution, at least until 30 September 2020.
Liquidity boosting measures	On 20 March 2020 the BNM approved to decrease the required reserve ratio (link) in Moldovan lei up to 34%. As a result of this decision, the liquidities available in the banking sector will increase by about MDL 3.0 billion.
Change on the provisioning requirements	No specific measures issued by Government, only those issued by BNM (link). National Bank of Moldova granted some temporary facilities to local banks for classifying the loans during the quarantine period. These measures are related to local prudential provisioning rules (not IFRS!): These rules do not apply for loans granted after the date of issuing these decisions. No specific requirements for IFRS9 provisioning from NBM side.
Interest rate changes	On 20 March 2020 the BNM decided to decrease the base rate (link) applied to the main short-term monetary policy operations by 1.25 pps, up to 3.25%.
Debt payment moratorium	On 17 March 2020 the BNM adopted a decision (link) that allow banks to manage flexibly the payment obligations of individuals (natural and legal person) in difficulty to pay their contracted loans under the conditions of state of emergency. a) regarding the economic agents, the NBM allows licensed banks to defer or change the due dates of payments and/ or the amounts of payments due by 30 June 2020 to loans granted to them. b) the decision facilitates the banks to grant some facilities to individuals for paying their existing loans until 31 May 2020. c) these measures may be applied selectively and individually by banks. d) the change in the deadlines of payments and/or in the amounts of payments on these loans until 31 July 2020, will not have the effect of classifying them into a tougher category than the existing one, as of the date of adoption of this decision. e) the decision does not refer to new loans granted during the aforementioned period.

<table>
<tr><th colspan="2">Government measures</th></tr>
<tr><td>Economy protection and stimulus measures</td><td>Macro financial assistance by other countries, IFIs and international organizations (link):

• IMF agent loan – EUR 220 million
• Russian Federation loan –200 mn EUR
• EU macro financial support – 30 mn EUR
• EIB loan – 70 mn EUR

Measures including the following:
a) granting of subsidies (MDL 320 million) for employers and employees related to taxes withheld from salary of employees that are on unemployment due to COVID 19;
b) granting of subsidies (90 mn MDL) for corporates that will take loans between 1May 2020 – 31 December 2020 by compensation of the monthly interest paid;
c) VAT refund (1 billion MDL) for the subsequent period. It provides for the support of the economic agents by allowing the payment of the taxes related to the wages from the VAT account transfer.
d) granting loans (624 mn MDL) through commercial banks with preferential conditions for MSEs, financed out of the loan that was granted from the Council of Europe Development Bank;
e) reduction of the VAT rate from 20% to 15% for the HORECA sector, starting May 1, 2020;
f) economic stimulus through investments in road infrastructure (MDL 1.375 billion), financed through the Ministry of Economy and Infrastructure, financed from the loan received from the Russian Federation.</td></tr>
</table>

OTP BANKA SLOVENSKO (SLOVAKIA)

Performance of OTP Banka Slovensko:

Main components of P&L account in HUF mn	1Q 2019	4Q 2019	1Q 2020	Q-o-Q	Y-o-Y
After tax profit without the effect of adjustments	350	-404	-1,671	313%	-578%
Income tax	-30	-97	471	-587%	
Profit before income tax	379	-307	-2,142	597%	-665%
Operating profit	368	175	380	118%	3%
Total income	3,550	3,814	3,610	-5%	2%
Net interest income	2,595	2,636	2,507	-5%	-3%
Net fees and commissions	864	1,084	1,004	-7%	16%
Other net non-interest income	90	93	99	6%	9%
Operating expenses	-3,181	-3,639	-3,230	-11%	2%
Total provisions	11	-482	-2,522	423%	
Provision for impairment on loan and placement losses	23	-17	-2,441		
Other provision	-12	-464	-81	-82%	574%
Main components of balance sheet closing balances in HUF mn	**1Q 2019**	**4Q 2019**	**1Q 2020**	**Q-o-Q**	**Y-o-Y**
Total assets	445,622	473,660	483,761	2%	9%
Gross customer loans	386,769	392,793	414,702	6%	7%
Gross customer loans (FX-adjusted)	432,943	426,728	414,702	-3%	-4%
Retail loans	378,638	365,398	359,622	-2%	-5%
Corporate loans	54,291	61,323	55,075	-10%	1%
Allowances for possible loan losses	-30,572	-24,338	-28,570	17%	-7%
Allowances for possible loan losses (FX-adjusted)	-34,221	-26,441	-28,570	8%	-17%
Deposits from customers	354,610	351,722	359,924	2%	1%
Deposits from customers (FX-adjusted)	396,629	381,877	359,924	-6%	-9%
Retail deposits	364,040	348,400	326,601	-6%	-10%
Corporate deposits	32,589	33,477	33,323	0%	2%
Liabilities to credit institutions	29,097	50,669	46,980	-7%	61%
Subordinated debt	8,674	8,933	9,708	9%	12%
Total shareholders' equity	28,949	38,078	39,281	3%	36%
Loan Quality	**1Q 2019**	**4Q 2019**	**1Q 2020**	**Q-o-Q**	**Y-o-Y**
Stage 1 loan volume under IFRS 9 (in HUF million)	322,767	336,650	351,111	4%	9%
Stage 1 loans under IFRS 9/gross customer loans (%)	83.5%	85.7%	84.7%	-1.0%p	1.2%p
Own coverage of Stage 1 loans under IFRS 9 (%)	1.0%	0.7%	1.2%	0.4%p	0.2%p
Stage 2 loan volume under IFRS 9 (in HUF million)	29,344	29,307	34,940	19%	19%
Stage 2 loans under IFRS 9/gross customer loans (%)	7.6%	7.5%	8.4%	1.0%p	0.8%p
Own coverage of Stage 2 loans under IFRS 9 (%)	9.4%	11.7%	13.4%	1.7%p	4.0%p
Stage 3 loan volume under IFRS 9 (in HUF million)	34,659	26,836	28,651	7%	-17%
Stage 3 loans under IFRS 9/gross customer loans (%)	9.0%	6.8%	6.9%	0.1%p	-2.1%p
Own coverage of Stage 3 loans under IFRS 9 (%)	71.1%	68.8%	69.1%	0.3%p	-2.0%p
Provision for impairment on loan and placement losses/average gross loans (%)	-0.02%	0.02%	2.47%	2.5%p	2.5%p
90+ days past due loan volume (in HUF million)	28,087	21,890	22,959	5%	-18%
90+ days past due loans/gross customer loans (%)	7.3%	5.6%	5.5%	0.0%p	-1.7%p
Performance Indicators	**1Q 2019**	**4Q 2019**	**1Q 2020**	**Q-o-Q**	**Y-o-Y**
ROA	0.3%	-0.3%	-1.4%	-1.1%p	-1.7%p
ROE	4.9%	-4.9%	-17.3%	-12.3%p	-22.2%p
Total income margin	3.23%	3.22%	3.09%	-0.14%	-0.14%
Net interest margin	2.36%	2.23%	2.14%	-0.08%	-0.22%
Cost/income ratio	89.6%	95.4%	89.5%	-6.0%p	-0.2%p
Net loans to deposits (FX-adjusted)	101%	105%	107%	2%p	7%p
FX rates (in HUF)	**1Q 2019**	**4Q 2019**	**1Q 2020**	**Q-o-Q**	**Y-o-Y**
HUF/EUR (closing)	320.8	330.5	359.1	9%	12%
HUF/EUR (average)	318.1	331.9	338.9	2%	7%

Note: P&L lines and performance indicators are adjusted for the banking tax, Deposit Protection Fund contributions and payments into the Resolution Fund.

In the first quarter of 2020, **OTP Banka Slovensko** reported an adjusted profit after tax of HUF -1.7 billion. The main reason for the decrease in profit is the increased risk cost q-o-q (HUF 2.5 billion).

Total revenues in the first quarter increased by 2% y-o-y, of which net fees and commissions increased by 16%. Net interest income decreased by 9% y-o-y in local currency due to the gradual shrinking of the margin. During the quarter, net interest margin shrank by 8 bps q-o-q to 2.14%.

On a quarterly basis, operating expenses decreased by 11%.

In terms of credit quality, the share of Stage 2 loans increased by 1.0 pp on a quarterly basis, which is almost entirely due to a reclassification related to the epidemic situation (HUF 6 billion). The coverage ratio of Stage 2 loans was 13.4% at the end of 1Q, (+1.7pps q-o-q).

The FX-adjusted portfolio of DPD90+ loans, excluding sales and write-offs, was stable in 1Q 2020. The share of Stage 3 loans was 6.9% of the gross loan portfolio (-2.1 pps y-o-y,+0.1pps q-o-q). The coverage of Stage 3 loans stood at 69.1% at the end of the quarter.

Performing (Stage 1+2) Fx-adjusted loans decreased by 2% y-o-y and 3% q-o-q.

The loan-to-deposit ratio stood at 107% at the end of 1Q 2020, an increase of 7% on yearly comparison and 2% on a quarterly basis.

A summary of Slovakia's economic policy measures in response to the COVID-19 pandemic

Monetary policy and supervisory measures	
Capital adequacy rules	Several capital buffers decreased. Banks will be allowed to operate temporarily below the level of capital defined by the Pillar 2 Guidance (P2G) and in duly justified cases, temporarily they could operate below the level of capital defined by the capital conservation buffer (CCB), which is currently set at 2.5% (link, link).
Liquidity boosting measures	The ECB's liquid expansion programs (link) are available to euro zone banks. For details see the ECB's website
Interest rate changes	Interest rates remain unchanged, although it is possible to use LTROs and TLTRO III operations for funding at favorable terms. For details see the ECB's website.
Others	
Government measures	
Economy protection and stimulus measures	Slovakia (GOVSR, MFSR, MHSR, MPSVRSR) introduced an aid package of up to EUR 1 billion a month, to help firms and employees hurt by the coronavirus pandemic. The government adopted legislation on temporary protection against bankruptcy and execution. Companies must apply for protection and will be automatically granted them by October 1, this year. They must not pay dividends and take decisions that jeopardize their financial stability. Creditors may not assert a lien or interrupt deliveries despite the client's failure to pay. The state will pay 80% of wages for employees at firms forced to shut and 55% of salary for employees, who must stay at home due to quarantine.
Credit guarantee scheme	The state (link) offers firms bank guarantees of up to EUR 500 million a month. Financial aid for MSE and SME enterprises should be provided in the form of loan guarantees or credit interest payments. Special loans are available from the Slovak Guarantee and Development Bank (link) and via the EXIMBANKA (link) to support companies in virus affected sectors. The new loan is in effect as from 20 April. The loan is intended to mitigate the negative consequences of the pandemic and to support the operation of SMEs. The SZRB is providing financial assistance in the form of bank loan guarantee and interest rate subsidy. The Slovak Investment Holding (SIH) is launching a new program of financial assistance – called the SIH Anti-Corona Guarantee - for SMEs to help carry them over the period of difficulties caused by the necessary health and safety measures to contain the spread of coronavirus.
Debt payment moratorium	Moratorium was approved (link) in parliament on 7 April 2020. The moratorium represents postponement of installments (principal + interests) for up to 9 months, based on client decision. Customers have to request the grace period at their banks. Eligible segments include the retail, micro and SME clients. All details about the measures can be found on following sources: GOVSR, MFSR
Other	On 2 April 2020 The government approved legislation (link, link) that income tax shall not be paid until the end of June, but only after the end of the pandemic. Tax controls will be discontinued and tax execution suspended. On 6 April 2020 Slovakia's entrepreneurs who have lost income due to the coronavirus can request financial aid from the state from 6 April (link, link). Under certain circumstances, the entrepreneurs have option to postpone contributions to social security system / monthly advance payment of taxes. Postponement of obligatory social and health payments in the period from March 2020 until June 2020 for legal entities and self-employed persons. On 21 April the European Commission (link) has approved a €2 billion Slovak aid scheme for preserving employment and supporting self-employed individuals.

STAFF LEVEL AND OTHER INFORMATION

	31/12/2019				31/03/2020			
	Branches	ATM	POS	Headcount (closing)	Branches	ATM	POS	Headcount (closing)
OTP Core	361	1,936	77,962	10,083	365	1,914	78,311	10,161
DSK Group (Bulgaria)	440	1,140	12,915	6,186	436	1,140	12,603	6,163
OBH (Croatia)	136	480	10,856	2,251	135	480	10,612	2,212
OTP Bank Serbia	231	338	18,424	3,162	226	326	16,162	3,189
SKB Banka (Slovenia)	53	83	3,982	863	53	83	4,160	860
OTP Bank Romania	95	141	5,125	1,496	95	142	5,318	1,543
OTP Bank Ukraine (w/o employed agents)	88	166	331	2,399	88	169	365	2,412
OTP Bank Russia (w/o employed agents)	134	223	715	5,343	135	223	745	5,331
CKB Group (Montenegro)	48	128	6,908	681	47	127	6,913	692
OTP Bank Albania	37	76	0	424	37	77		428
Mobiasbanca (Moldova)	53	145	0	755	53	144		790
OTP Banka Slovensko (Slovakia)	58	157	159	671	58	157	154	653
Foreign subsidiaries, total	**1,373**	**3,077**	**59,415**	**24,230**	**1,363**	**3,068**	**57,032**	**24,273**
Other Hungarian and foreign subsidiaries				590				568
OTP Group (w/o employed agents)				**34,902**				**35,002**
OTP Bank Russia - employed agents				5,083				4,788
OTP Bank Ukraine - employed agents				663				644
OTP Group (aggregated)	**1,734**	**5,013**	**137,377**	**40,648**	**1,728**	**4,982**	**135,343**	**40,434**

Definition of headcount number: closing, active FTE (full-time employee). The employee is considered as full-time employee in case his/her employment conditions regarding working hours are in line with a full time employment defined in the Labour Code in the reporting entity's country. Part-time employees are taken into account proportional to the full time working hours being effective in the reporting entity's country.

Definition of branch numbers: data reported from 1Q 2020 are not comparable with previous quarters at OTP Core due to a methodological change. The introduction of the new methodology increased the number of branches by 9 units (ceteris paribus).

PERSONAL AND ORGANIZATIONAL CHANGES

Concerning the audit of OTP Bank Plc.'s separate and consolidated annual financial statements in accordance with International Financial Reporting Standards for the year 2020, the Board of Directors acting in the competency of the Annual General Meeting is electing Deloitte Auditing and Consulting Ltd. (000083, H-1068 Budapest, Dózsa György út 84/c) as the Bank's auditor from 1 May 2020 until 30 April 2021.

On 30 April 2020 the Board of Directors acting in the competency of the Annual General Meeting, elects Mr. Tibor Tolnay as member of the Supervisory Board of the Company until the Annual General Meeting of the Company closing the 2022 business year, but not later than 30 April 2023.

On 30 April 2020 the Board of Directors acting in the competency of the Annual General Meeting, elects dr. József Gábor Horváth as member of the Supervisory Board of the Company until the Annual General Meeting of the Company closing the 2022 business year, but not later than 30 April 2023.

On 30 April 2020 the Board of Directors acting in the competency of the Annual General Meeting, elects Mr. Olivier Péqueux as member of the Supervisory Board of the Company until the Annual General Meeting of the Company closing the 2022 business year, but not later than 30 April 2023.

On 30 April 2020 the Board of Directors acting in the competency of the Annual General Meeting, elects dr. Márton Gellért Vági as member of the Supervisory Board of the Company until the Annual General Meeting of the Company closing the 2022 business year, but not later than 30 April 2023.

On 30 April 2020 the Board of Directors acting in the competency of the Annual General Meeting, elects Mrs. Klára Bella as member of the Supervisory Board of the Company until the Annual General Meeting of the Company closing the 2022 business year, but not later than 30 April 2023.

On 30 April 2020 the Board of Directors acting in the competency of the Annual General Meeting, elects Mr. András Michnai as member of the Supervisory Board of the Company until the Annual General Meeting of the Company closing the 2022 business year, but not later than 30 April 2023.

On 30 April 2020 the Board of Directors acting in the competency of the Annual General Meeting, elects Mr. Tibor Tolnay as member of the Audit Committee of the Company until the Annual General Meeting of the Company closing the 2022 business year, but not later than 30 April 2023.

On 30 April 2020 the Board of Directors acting in the competency of the Annual General Meeting, elects dr. József Gábor Horváth as member of the Audit Committee of the Company until the Annual General Meeting of the Company closing the 2022 business year, but not later than 30 April 2023.

On 30 April 2020 the Board of Directors acting in the competency of the Annual General Meeting, elects Mr. Olivier Péqueux as member of the Audit Committee of the Company until the Annual General Meeting of the Company closing the 2022 business year, but not later than 30 April 2023.

On 30 April 2020 the Board of Directors acting in the competency of the Annual General Meeting, elects dr. Márton Gellért Vági as member of the Audit Committee of the Company until the Annual General Meeting of the Company closing the 2022 business year, but not later than 30 April 2023.

Disclaimers

This Summary contains statements that are, or may be deemed to be, “forward-looking statements” which are prospective in nature. These forward-looking statements may be identified by the use of forward-looking terminology, or the negative thereof such as “plans", "expects” or “does not expect”, “is expected”, “continues”, “assumes”, “is subject to”, “budget”, “scheduled”, “estimates”, “aims”, “forecasts”, “risks”, “intends”, “positioned”, “predicts”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words or comparable terminology and phrases or statements that certain actions, events or results “may”, “could”, “should”, “shall”, “would”, “might” or “will” be taken, occur or be achieved. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. Forward-looking statements are not based on historical facts, but rather on current predictions, expectations, beliefs, opinions, plans, objectives, goals, intentions and projections about future events, results of operations, prospects, financial condition and discussions of strategy.

By their nature, forward-looking statements involve known and unknown risks and uncertainties, many of which are beyond the control of OTP Bank. Forward-looking statements are not guarantees of future performance and may and often do differ materially from actual results. Neither OTP Bank nor any of its subsidiaries or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this Summary will actually occur. You are cautioned not to place undue reliance on these forward-looking statements which only speak as of the date of this Summary. Other than in accordance with its legal or regulatory obligations, OTP Bank is not under any obligation and OTP Bank and its subsidiaries expressly disclaim any intention, obligation or undertaking to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. This Summary shall not, under any circumstances, create any implication that there has been no change in the business or affairs of OTP Bank since the date of this Summary or that the information contained herein is correct as at any time subsequent to its date.

This Summary does not constitute or form part of any offer to purchase or subscribe for any securities. The making of this Summary does not constitute a recommendation regarding any securities.

The distribution of this Summary in other jurisdictions may be restricted by law and persons into whose possession this Summary comes should inform themselves about, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of the laws of other jurisdictions.

The information contained in this Summary is provided as of the date of this Summary and is subject to change without notice.

FINANCIAL DATA

SEPARATE IFRS STATEMENT OF FINANCIAL POSITION

in HUF million	31/03/2020	31/03/2019	change
Cash, amounts due from banks and balances with the National Bank of Hungary	552,917	416,812	33%
Placements with other banks, net of allowance for placement losses	1,337,003	1,144,037	17%
Repo receivables	17,258	75,719	-77%
Financial assets at fair value through profit or loss	306,046	134,360	128%
Financial assets at fair value through other comprehensive income	1,355,895	1,510,679	-10%
Loans at amortised cost	3,568,484	2,718,032	31%
Loans mandatorily measured at fair value through profit or loss	28,718	31,897	-10%
Securities at amortised cost	1,630,446	1,496,852	9%
Investments properties	2,369	2,322	2%
Investments in subsidiaries, associates and other investments	1,556,331	1,188,526	31%
Intangible assets	52,818	38,581	37%
Property and equipment	75,904	70,325	8%
Right of use assets	15,734	15,870	-1%
Derivative financial assets designated as hedge accounting relationships	26,638	14,461	84%
Other assets	185,591	148,594	25%
TOTAL ASSETS	**10,712,152**	**9,007,067**	**19%**
Amounts due to banks and deposits from the National Bank of Hungary and other banks	1,129,147	540,672	109%
Deposits from customers	6,801,717	5,881,226	16%
Repo liabilities	224,686	429,528	-48%
Liabilities from issued securities	43,034	41,972	3%
Subordinated bonds and loans	303,862	109,985	176%
Financial liabilities at fair value through profit or loss	27,730	31,413	-12%
Derivative financial liabilities designated as held for trading	262,509	73,211	259%
Derivative financial liabilities designated as hedge accounting relationships	12,506	8,560	46%
Deferred tax liabilities	136	1,827	-93%
Leasing liabilities	16,351	15,877	3%
Other liabilities	253,141	328,559	-23%
TOTAL LIABILITIES	**9,074,819**	**7,462,830**	**22%**
Share capital	28,000	28,000	0%
Retained earnings and reserves	1,626,242	1,518,052	7%
Treasury shares	-16,909	-1,815	832%
TOTAL SHAREHOLDERS' EQUITY	**1,637,333**	**1,544,237**	**6%**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**10,712,152**	**9,007,067**	**19%**

CONSOLIDATED IFRS STATEMENT OF FINANCIAL POSITION

in HUF million	31/03/2020	31/03/2019	change
Cash, amounts due from banks and balances with the National Banks	2,132,832	1,545,143	38%
Placements with other banks, net of loss allowance for placements	630,182	505,397	25%
Repo receivables	29,475	0	
Financial assets at fair value through profit or loss	365,114	175,826	108%
Securities at fair value through other comprehensive income	2,349,343	2,111,989	11%
Loans at amortized cost	12,657,658	9,043,139	40%
Loans mandatorily at fair value through profit or loss	32,231	33,336	-3%
Associates and other investments	21,313	18,486	15%
Securities at amortized cost	2,180,691	1,834,932	19%
Property and equipment	325,010	286,594	13%
Intangible assets and goodwill	237,898	203,574	17%
Right-of-use assets	49,343	52,365	-6%
Investment properties	36,867	40,730	-9%
Derivative financial assets designated as hedge accounting	17,747	15,613	14%
Deferred tax assets	36,900	21,576	71%
Other assets	281,574	218,801	29%
Assets classified as held-for-sale	474,124	0	
TOTAL ASSETS	**21,858,302**	**16,107,501**	36%
Amounts due to banks, the National Governments, deposits from the National Banks and other banks	1,333,952	540,859	147%
Repo liabilities	81,418	0	
Financial liabilities at fair value through profit or loss	29,798	31,316	-5%
Deposits from customers	15,995,969	12,402,053	29%
Liabilities from issued securities	399,603	381,911	5%
Derivative financial liabilities held for trading	255,513	73,028	250%
Derivative financial liabilities designated as hedge accounting	15,084	11,051	36%
Deferred tax liabilities	25,839	12,741	103%
Leasing liabilities	51,240	52,431	-2%
Other liabilities	708,905	650,808	9%
Subordinated bonds and loans	272,320	81,201	235%
Liabilities directly associated with assets classified as held-for-sale	373,122	0	
TOTAL LIABILITIES	**19,542,763**	**14,237,399**	37%
Share capital	28,000	28,000	0%
Retained earnings and reserves	2,357,963	1,906,406	24%
Treasury shares	-75,204	-67,829	11%
Non-controlling interest	4,780	3,525	36%
TOTAL SHARHOLDERS' EQUITY	**2,315,539**	**1,870,102**	24%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**21,858,302**	**16,107,501**	36%

SEPARATE IFRS STATEMENT OF RECOGNIZED INCOME

in HUF million	31/03/2020	31/03/2019	change
Interest income accounted for using the effective interest rate method	62,291	56,849	10%
Income similar to interest income accounted for not using the effective interest rate method	12,473	22,156	-44%
Interest incomes	***74,764***	***79,005***	-5%
Interest expenses	***-23,659***	***-28,537***	-17%
NET INTEREST INCOME	**51,105**	**50,468**	1%
Loss allowance on loans, placements and financial lease receivables	**-41,697**	**-7,710**	441%
NET INTEREST INCOME AFTER RISK COST	**9,408**	**42,758**	-78%
Income from fees and commissions	61,062	52,753	16%
Expense from fees and commissions	-8,603	-6,688	29%
Net profit from fees and commissions	**52,459**	**46,065**	14%
Foreign exchange gains, net	-5,279	233	
Gains on securities, net	1,569	679	131%
Gains on financial assets /liabilities measured at fair value through profit or loss	-50	272	-118%
Gains on deivative instruments, net	2,276	1,303	75%
Dividend income	60,960	72,985	-16%
Other operating income	1,116	980	14%
Other operating expense	-16,302	-5,888	177%
Net operating gain	**44,290**	**70,564**	-37%
Personnel expenses	-29,441	-26,152	13%
Depreciation and amortization	-8,276	-6,621	25%
Other administrative expenses	-50,600	-45,629	11%
Other administrative expenses	**-88,317**	**-78,402**	13%
PROFIT BEFORE INCOME TAX	**17,840**	**80,985**	-78%
Income tax expense	3,325	-1,860	-279%
NET PROFIT FOR THE YEAR	**21,165**	**79,125**	-73%

CONSOLIDATED IFRS STATEMENT OF RECOGNIZED INCOME

in HUF million	31/03/2020	31/03/2019	change
CONTINUING OPERATIONS			
Interest income calculated using the effective interest method	222,978	179,439	24%
Income similar to interest income	22,843	28,799	-21%
Interest incomes	***245,821***	***208,238***	*18%*
Interest expenses	***-46,656***	***-44,618***	*5%*
NET INTEREST INCOME	**199,165**	**163,620**	22%
Loss allowance / Release of loss allowance on loans, placements and repo receivables	-97,567	-13,754	609%
Loss allowance / Release of loss allowance on securities at fair value through other comprehensive income and on securities at amortized cost	-132	179	-174%
Provision for commitments and guarantees given	-5,676	-1,916	196%
Impairment / (Release of impairment) of assets subject to operating lease and of investment properties	882	-50	
NET INTEREST INCOME AFTER LOSS ALLOWANCE, IMPAIRMENT AND PROVISIONS	**96,672**	**148,079**	-35%
Income from fees and commissions	115,004	94,152	22%
Expense from fees and commissions	-19,510	-13,560	44%
Net profit from fees and commissions	**95,494**	**80,592**	18%
Foreign exchange gains / losses, net	14,030	3,083	355%
Foreign exchange result	10,507	1,126	833%
Gains and losses on derivative instruments	3,524	1,957	80%
Gains / Losses on securities, net	-2,798	1,532	-283%
Gains / Losses on financial assets /liabilities measured at fair value through profit or loss	-173	849	-120%
Dividend income	115	-311	-137%
Other operating income	14,576	17,220	-15%
Gains and losses on real estate transactions	557	1,985	-72%
Other non-interest income	13,648	15,064	-9%
Net insurance result	371	171	117%
Other operating expense	-30,844	-10,346	198%
Net operating income	**-5,094**	**12,027**	-142%
Personnel expenses	-77,901	-63,996	22%
Depreciation and amortization	-21,770	-17,565	24%
Goodwill impairment	0	0	
Other administrative expenses	-89,917	-75,995	18%
Other administrative expenses	**-189,588**	**-157,556**	20%
PROFIT BEFORE INCOME TAX	**-2,516**	**83,142**	-103%
Income tax expense	-1,519	-10,561	-86%
NET PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS	**-4,035**	**72,581**	-106%
From this, attributable to:			
Non-controlling interest	**111**	**61**	82%
Owners of the company	**-4,146**	**72,520**	-106%
DISCONTINUED OPERATIONS			
LOSS FROM DISCONTINUED OPERATION	**-36**	**0**	
PROFIT FROM CONTINUING AND DISCOUNTINUED OPERATION	**-4,071**	**72,581**	-106%

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY (IFRS)

in HUF million	Share capital	Capital reserve	Share based payment reserve	Retained earnings and reserves	Put option reserves	Treasury shares[1]	Non-controlling interest	Total
Balance as at 1 January 2018	**28,000**	**52**	**35,632**	**1,883,988**	**-55,468**	**-67,999**	**2,452**	**1,826,657**
Net profit for the year				72,520			61	72,581
Other comprehensive income				31,296			207	31,503
Purchase of non-controlling interests								
Increase due to business combinations							805	805
Share-based payment			820					820
Dividend for the year 2018				-61,320				-61,320
Correction due to ESOP								
Treasury shares								
– sale						170		170
– loss on sale				-40				-40
– volume change								
Payment to ICES holders				-1,074				-1,074
Balance as at 31 March 2019	**28,000**	**52**	**36,452**	**1,925,370**	**-55,468**	**-67,829**	**3,525**	**1,870,102**

in HUF million	Share capital	Capital reserve	Share based payment reserve	Retained earnings and reserves	Put option reserves	Treasury shares[1]	Non-controlling interest	Total
Balance as at 1 January 2018	**28,000**	**52**	**39,179**	**2,335,500**	**-55,468**	**-60,931**	**4,956**	**2,291,288**
Net profit for the year				-4,182	--	--	110	-4,072
Other comprehensive income				42,828	--	--	-286	42,542
Purchase of non-controlling interests								
Increase due to business combinations								
Share-based payment			872			--	--	872
Dividend								
Correction due to ESOP								
Treasury shares								
– sale				--	--	2,606	--	2,606
– loss on sale				348	--	--	--	348
– volume change				--	--	-16,879	--	-16,879
Payment to ICES holders				-1,166	--	--	--	-1,166
Balance as at 31 March 2020	**28,000**	**52**	**40,051**	**2,373,328**	**-55,468**	**-75,204**	**4,780**	**2,315,539**

[1] The deduction related to repurchased treasury shares (1Q 2020: HUF 75,204 million) includes the book value of OTP shares held by ESOP (1Q 2020: 2,963,204 shares).

SEPARATE IFRS STATEMENT OF CASH FLOWS

in HUF million	31/03/2020	31/03/2019	change
OPERATING ACTIVITIES			
Profit before income tax	17,840	80,985	-78%
Net accrued interest	-22,097	-17,807	24%
Income tax paid	-628	54	
Depreciation and amortization	8,276	6,621	25%
Loss allowance / (Release of loss allowance)	54,991	6,953	691%
Share-based payment	872	820	6%
Unrealised gains on fair value adjustment of financial instruments at fair value through profit or loss	29	3,356	-99%
Unrealised losses on fair value adjustment of derivative financial instruments	26,662	-25,113	-206%
Leasing interest expense	-67	0	
Net change in assets and liabilities in operating activities	-221,438	-975	
Net cash provided by operating activities	**-135,560**	**54,894**	-347%
INVESTING ACTIVITIES			
Net cash used in investing activities	233,457	-225,912	-203%
FINANCING ACTIVITIES			
Net cash provided by / (used in) financing activities	160,730	225,784	-29%
Net decrease in cash and cash equivalents	**258,627**	**54,766**	**372%**
Cash and cash equivalents at the beginning of the year	**224,631**	**303,358**	**-26%**
Cash and cash equivalents at the end of the year	**483,258**	**358,124**	**35%**
Cash, amounts due from banks and balances with the National Bank of Hungary	289,686	360,855	-20%
Cash and cash equivalents at the beginning of the year	**289,686**	**360,855**	**-20%**
Cash, amounts due from banks and balances with the National Bank of Hungary	552,917	416,812	33%
Cash and cash equivalents at the end of the year	**552,917**	**416,812**	**33%**

CONSOLIDATED IFRS STATEMENT OF CASH FLOWS

in HUF million	31/03/2020	31/03/2019	change
OPERATING ACTIVITIES			
Net profit for the period	-4,182	72,520	-106%
Net changes in assets and liabilities in operating activities			
Income tax paid	-11,749	-8,394	40%
Depreciation	22,273	17,565	27%
Goodwill impairment	126,729	16,222	681%
Loss allowance	-17,484	-21,954	-20%
Net accrued interest	872	820	6%
Share-based payment	-228	4,029	-106%
Unrealised gains on fair value adjustment of financial instruments at fair value through profit or loss	18,694	11,154	68%
Unrealised losses on fair value adjustment of derivative financial instruments	-66,465	101,714	-165%
Net change in assets and liabilities in operating activities	**68,460**	**193,676**	**-65%**
Net cash provided by operating activities			
INVESTING ACTIVITIES	**-419,310**	**-148,123**	**183%**
Net cash used in investing activities			
FINANCING ACTIVITIES	**694,322**	**-3,852**	
Net increase (+) / decrease (-) of cash	**343,472**	**41,701**	**724%**
Cash and cash equivalents at the beginning of the year	1,049,737	819,979	28%
Cash and cash equivalents at the end of the year	**1,392,014**	**861,680**	**62%**
Adjustment due to discontinuing activity	**1,195**	**--**	

CONSOLIDATED SUBSIDIARIES AND ASSOCIATES

			Initial capital/Equity (HUF)	Ownership Directly + indirectly (%)	Voting rights (%)	Classification[1]
1	Air-Invest Ltd.		600,000,000	100.00	100.00	L
2	AppSense Ltd.		3,000,000	100.00	100.00	L
3	Bajor-Polár Center Real Estate Management Ltd.		30,000,000	100.00	100.00	L
4	Balansz Real Estate Institute Fund		30,931,279,011	100.00	100.00	L
5	BANK CENTER No. 1. Ltd.		11,500,000,000	100.00	100.00	L
6	Banka OTP Albania SHA	ALL	6,740,900,000	100.00	100.00	L
7	CIL Babér Ltd.		71,890,330	100.00	100.00	L
8	CRESCO d.o.o.	HRK	39,000	100.00	100.00	L
9	Montenegrin Commercial Bank Shareholding Company, Podgorica Montenegro	EUR	181,875,221	100.00	100.00	L
10	DSK Asset Management EAD	BGN	1,000,000	100.00	100.00	L
11	DSK Auto Leasing EOOD	BGN	1,000,000	100.00	100.00	L
12	DSK Bank EAD	BGN	1,327,482,000	100.00	100.00	L
13	DSK DOM EAD	BGN	100,000	100.00	100.00	L
14	DSK Leasing AD	BGN	3,334,000	100.00	100.00	L
15	DSK Mobile EAD	BGN	250,000	100.00	100.00	L
16	DSK Operating lease EOOD	BGN	1,000	100.00	100.00	L
17	DSK Tours EOOD	BGN	8,491,000	100.00	100.00	L
18	DSK Trans Security EAD	BGN	2,225,000	100.00	100.00	L
19	EiSYS Ltd.		3,000,000	100.00	100.00	L
20	Express Factoring EOOD	BGN	1,100,000	100.00	100.00	L
21	INGA KETTŐ Ltd.		8,000,000,000	100.00	100.00	L
22	JN Parkolóház Ltd.		4,800,000	100.00	100.00	L
23	Limited Liability Company Asset Management Company " OTP Capital"	UAH	10,000,000	100.00	100.00	L
24	LLC MFO "OTP Finance"	RUB	6,533,000,000	100.00	100.00	L
25	LLC OTP Leasing	UAH	45,495,340	100.00	100.00	L
26	Merkantil Bank Ltd.		2,000,000,000	100.00	100.00	L
27	Merkantil Bérlet Ltd.		6,000,000	100.00	100.00	L
28	MFM Project Investment and Development Ltd.		20,000,000	100.00	100.00	L
29	Miskolci Diákotthon Ltd.		5,000,000	100.00	100.00	L
30	MONICOMP Ltd.		20,000,000	100.00	100.00	L
31	NIMO 2002 Ltd.		1,156,000,000	100.00	100.00	L
32	OTP Fund Management Ltd.		900,000,000	100.00	100.00	L
33	OTP Asset Management SAI S.A.	RON	5,795,323	100.00	100.00	L
34	OTP Aventin d.o.o.	HRK	40,000	100.00	100.00	L
35	Joint-Stock Company OTP Bank	UAH	6,186,023,111	100.00	100.00	L
36	OTP Bank Romania S.A.	RON	1,829,253,120	100.00	100.00	L
37	OTP banka dioničko društvo	HRK	3,993,754,800	100.00	100.00	L
38	OTP Banka Srbija AD. Beograd	RSD	23,723,021,200	100.00	100.00	L
39	OTP Debt Collection d.o.o. Podgorica	EUR	49,000,001	100.00	100.00	L
40	OTP eBIZ Kft.		281,000,000	100.00	100.00	L
41	OTP Life Annuity Real Estate Investment Plc.		2,000,000,000	100.00	100.00	L
42	OTP Factoring Bulgaria JSCo.	BGN	1,000,000	100.00	100.00	L
43	OTP Factoring Serbia Ltd.	RSD	782,902,282	100.00	100.00	L
44	OTP Factoring Slovensko Ltd.	EUR	22,540,000	100.00	100.00	L
45	OTP Factoring Romania Llc.	RON	600,405	100.00	100.00	L
46	OTP Factoring Ukraine LLC	UAH	6,227,380,554	100.00	100.00	L
47	OTP Factoring Ltd.		500,000,000	100.00	100.00	L
48	OTP Factoring Management Ltd.		3,000,000	100.00	100.00	L
49	OTP Financing Cyprus Private Company Limited by shares	EUR	1,001,000	100.00	100.00	L
50	OTP Financing Malta Company Limited	EUR	105,000,000	100.00	100.00	L
51	OTP Financing Netherlands	EUR	18,000	100.00	100.00	L
52	OTP Financing Solutions	EUR	18,000	100.00	100.00	L
53	OTP Holding Ltd.	EUR	131,000	100.00	100.00	L
54	OTP Holding Malta Ltd.	EUR	104,950,000	100.00	100.00	L
55	OTP Hungaro-Projekt Ltd.		27,720,000	100.00	100.00	L
56	OTP Real Estate Investment Fund Management Ltd.		100,000,000	100.00	100.00	L
57	OTP Real Estate Ltd.		1,000,000,000	100.00	100.00	L
58	OTP Ingatlankezelő Ltd.		50,000,000	100.00	100.00	L
59	OTP Real Estate Leasing Ltd.		214,000,000	100.00	100.00	L
60	OTP Ingatlanpont Ltd.		7,500,000	100.00	100.00	L
61	OTP Ingatlanüzemeltető Ltd.		30,000,000	100.00	100.00	L
62	OTP Insurance Broker EOOD	BGN	5,000	100.00	100.00	L
63	OTP Invest d.o.o.	HRK	12,979,900	100.00	100.00	L

			Initial capital/Equity (HUF)	Ownership Directly + indirectly (%)	Voting rights (%)	Classification[1]
64	OTP Investments d.o.o. Novi Sad	RSD	203,783,061	100.00	100.00	L
65	OTP Mortgage Bank Ltd.		37,000,000,000	100.00	100.00	L
66	OTP Card Factory Ltd.		450,000,000	100.00	100.00	L
67	OTP Close Building Society		2,000,000,000	100.00	100.00	L
68	OTP Leasing d.d.	HRK	8,212,000	100.00	100.00	L
69	OTP Leasing EOOD	BGN	4,100,000	100.00	100.00	L
70	OTP Leasing Romania IFN S.A.	RON	28,556,300	100.00	100.00	L
71	OTP Leasing Srbija d.o.o. Beograd	RSD	314,097,600	100.00	100.00	L
72	OTP Leasing d.o.o. Beograd	RSD	112,870,710	100.00	100.00	L
73	OTP Mérnöki Ltd.		3,000,000	100.00	100.00	L
74	OTP Mobile Service Ltd.		1,210,000,000	100.00	100.00	L
75	OTP Nekretnine d.o.o.	HRK	259,828,100	100.00	100.00	L
76	OTP Osiguranje ADO.	RSD	412,606,208	100.00	100.00	L
77	OTP Osiguranje d.d.	HRK	40,900,000	100.00	100.00	L
78	OTP Funds Servicing and Consulting Company Limited		2,349,940,000	100.00	100.00	L
79	OTP Financial point Ltd.		50,000,000	100.00	100.00	L
80	OTP Savjetovanje d.o.o.	HRK	3,531,400	100.00	100.00	L
81	OTP Services Ltd.	RSD	40,028	100.00	100.00	L
82	Venture Closed-End Non Diversified Mutual Investment Fund "OTP Solution"	UAH	43,347,201	100.00	100.00	L
83	Podgorička banka AD Podgorica	EUR	24,730,558	100.00	100.00	L
84	PortfoLion Digital Ltd.		102,000,000	100.00	100.00	L
85	PortfoLion Venture Capital Fund Management Ltd.		39,500,000	100.00	100.00	L
86	R.E. Four d.o.o., Novi Sad	RSD	1,983,643,761	100.00	100.00	L
87	SB Leasing d.o.o.	HRK	23,332,000	100.00	100.00	L
88	SC Aloha Buzz SRL	RON	10,200	100.00	100.00	L
89	SC Favo Consultanta SRL	RON	10,200	100.00	100.00	L
90	SC Tezaur Cont SRL	RON	10,200	100.00	100.00	L
91	SKB Leasing d.o.o.	EUR	16,809,031	100.00	100.00	L
92	SKB Leasing Select d.o.o.	EUR	5,000,000	100.00	100.00	L
93	SPLC Ltd.		10,000,000	100.00	100.00	L
94	SPLC-P Ltd.		15,000,000	100.00	100.00	L
95	TOP Collector LLC	RUB	1,030,000	100.00	100.00	L
96	Velvin Ventures Ltd.	USD	50,000	100.00	100.00	L
97	Vojvodjanska Banka a.d. Novi Sad	RSD	31,607,808,040	100.00	100.00	L
98	OTP Buildings s.r.o.	EUR	18,717,301	100.00	100.00	L
99	POK DSK-Rodina AD	BGN	6,010,000	99.75	99.75	L
100	Expressbank AD	BGN	33,673,729	99.74	99.74	L
101	SKB Banka d.d. Ljubljana	EUR	52,784,176	99.68	99.68	L
102	OTP Banka Slovensko a.s.	EUR	126,590,712	99.44	99.44	L
103	Mobiasbanca - OTP Group S.A.	MDL	100,000,000	98.26	98.26	L
104	JSC "OTP Bank" (Russia)	RUB	4,423,768,142	97.91	97.91	L
105	ShiwaForce.com Inc.		105,321,000	67.50	67.50	L
106	Regional Urban Development Fund AD	BGN	250,000	52.00	52.00	L
107	OPUS Securities S.A.	EUR	31,000	0.00	51.00	L
108	OTP MRP		33,003,430,354	0.00	0.00	L

[1] Full consolidated -L

Ownership structure of OTP Bank Plc.

Description of owner	Total equity					
	1 January 2020			31 March 2020		
	Ownership share	Voting rights[1]	Quantity	Ownership share	Voting rights[1]	Quantity
Domestic institution/company	18.84%	18.86%	52,750,611	19.44%	19.56%	54,435,280
Foreign institution/company	77.01%	77.10%	215,635,699	75.23%	75.68%	210,641,025
Domestic individual	2.98%	2.98%	8,344,202	3.66%	3.68%	10,237,945
Foreign individual	0.13%	0.13%	356,377	0.16%	0.16%	435,327
Employees, senior officers	0.80%	0.80%	2,240,465	0.82%	0.82%	2,290,500
Treasury shares[2]	0.12%	0.00%	323,520	0.60%	0.00%	1,667,632
Government held owner	0.08%	0.08%	219,372	0.08%	0.08%	219,800
International Development Institutions	0.04%	0.04%	122,218	0.03%	0.03%	70,694
Other[3]	0.00%	0.00%	7,546	0.00%	0.00%	1,807
TOTAL	**100.00%**	**100.00%**	**280,000,010**	**100.00%**	**100.00%**	**280,000,010**

[1] Voting rights in the General Meeting of the Issuer for participation in decision-making.
[2] Treasury shares do not include the OTP shares held by ESOP (OTP Bank Employee Stock Ownership Plan Organization). Pursuant to Act V of 2013 on the Civil Code, OTP shares held by the ESOP are not classified as treasury shares, but the ESOP must be consolidated in accordance with IFRS 10 Consolidated Financial Statements standard. On 31 March 2020 ESOP owned 2,963,204 OTP shares.
[3] Non-identified shareholders according to the shareholders' registry.

Number of treasury shares held in the year under review (2020)

	1 January	31 March	30 June	30 September	31 December
OTP Bank	323,520	1,667,632			
Subsidiaries	0	0			
TOTAL	323,520	1,667,632			

Shareholders with over/around 5% stake as at 31 March 2020

Name	Number of shares	Ownership[1]	Voting rights[1,2]
MOL (Hungarian Oil and Gas Company Plc.)	24,000,000	8.57%	8.62%
KAFIJAT Group	19,695,748	7.03%	7.08%
OPUS Securities S.A.	14,496,476	5.18%	5.21%
Groupama Group	14,334,995	5.12%	5.15%

[1] Rounded to two decimals
[2] Voting rights in the General Meeting of the Issuer for participation in decision-making.

Senior officers, strategic employees and their shareholding of OTP shares as at 31 March 2020

Type[1]	Name	Position	No. of shares held
IT	Dr. Sándor Csányi [2]	Chairman and CEO	870,255
IT	Mihály Baumstark	member	43,600
IT	Dr. Tibor Bíró	member	29,000
IT	Tamás Erdei	member, Deputy Chairman	19,239
IT	Dr. István Gresa	member	154,012
IT	Antal Kovács	member, Deputy CEO	50,983
IT	Dr. Antal Pongrácz	member	96,501
IT	Dr. László Utassy	member	195,597
IT	Dr. József Vörös	member	154,914
IT	László Wolf	member, Deputy CEO	562,521
FB	Tibor Tolnay	Chairman	54
FB	Dr. Gábor Horváth	member, Deputy Chairman	0
FB	Klára Bella	member	0
FB	András Michnai	member	100
FB	Olivier Péqueux	member	0
FB	Dr. Márton Gellért Vági	member	0
SP	Dr. Zsolt Barna	General Deputy CEO	1,010
SP	László Bencsik	Chief Financial and Strategic Officer, Deputy CEO	41,756
SP	András Tibor Johancsik	Deputy CEO	13,153
SP	György Kiss-Haypál	Deputy CEO	1,776
TOTAL No. of shares held by management:			**2,234,471**

[1] Employee in strategic position (SP), Board Member (IT), Supervisory Board Member (FB)
[2] Number of OTP shares owned by Dr. Sándor Csányi directly or indirectly: 4,551,153

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

a) Contingent liabilities

	31/03/2020	31/03/2019
Commitments to extend credit	2,990,306	2,353,926
Guarantees arising from banking activities	998,344	704,875
Confirmed letters of credit	46,072	18,042
Legal disputes (disputed value)	26,527	25,964
Other	326,264	300,302
Total:	**4,387,513**	**3,403,109**

[1] Those financial undertakings, which are important from valuation perspectives however not booked within the balance sheet (such as surety, guarantees, pledge related obligations, etc.)

Changes in the headcount (active, FTE-basis) employed by the Bank and the subsidiaries

	End of reference period	Current period opening	Current period closing
Bank[1]	8,559	9,059	9,434
Consolidated[2]	37,109	40,648	40,434

[1]OTP Bank Hungary (standalone) employee figures.
[2] Due to the changes in the scope of consolidation, the historical figures are not comparable.

Security issuances on Group level between 1/04/2019 and 31/03/2020

Issuer	Type of security	Security name	Date of issue	Date of maturity	Ccy	Outstanding consolidated debt (in original currency or HUF million) 31/03/2020	Outstanding consolidated debt (in HUF million) 31/03/2020
OTP Bank Plc.	Corporate bond	XS2022388586	15/07/2019	15/07/2029	EUR	500,000,000	179,545
OTP Bank Plc.	Corporate bond	OTP_DK_24/I	30/05/2019	31/05/2024	HUF	0	0
OTP Bank Plc.	Corporate bond	OTP_DK_25/I	30/05/2019	31/05/2025	HUF	0	0
OTP Bank Plc.	Retail bond	OTP_VK1_20/2	04/04/2019	04/04/2020	USD	2,467,300	807
OTP Bank Plc.	Retail bond	OTP_VK1_20/3	16/05/2019	16/05/2020	USD	886,500	290
OTP Bank Plc.	Retail bond	OTP_VK1_20/4	27/06/2019	27/06/2020	USD	1,743,800	570
OTP Bank Plc.	Retail bond	OTP_VK1_20/5	15/08/2019	15/08/2020	USD	1,990,400	651
OTP Bank Plc.	Retail bond	OTP_VK1_20/6	26/09/2019	26/09/2020	USD	747,600	245
OTP Bank Plc.	Retail bond	OTP_VK1_20/7	07/11/2019	07/11/2020	USD	1,660,300	543
OTP Bank Plc.	Retail bond	OTP_VK1_20/8	19/12/2019	19/12/2020	USD	1,518,500	497
OTP Bank Plc.	Retail bond	OTP_VK1_21/1	20/02/2020	20/02/2021	USD	1,406,200	460
OTP Mortgage Bank	Mortgage bond	OJB2024_C	24/02/2020	24/10/2024	HUF	59,564	59,564
OTP Mortgage Bank	Mortgage bond	OJB2025_II	03/02/2020	26/11/2025	HUF	0	0

Security redemptions on Group level between 1/04/2019 and 31/03/2020

Issuer	Type of security	Security name	Date of issue	Date of maturity	Ccy	Outstanding consolidated debt (in original currency or HUF million) 31/03/2019	Outstanding consolidated debt (in HUF million) 31/03/2019
OTP,Bank,Nyrt.	Corporate,bond	OTPX2019A	25/06/2009	01/07/2019	HUF	211	211
OTP,Bank,Nyrt.	Corporate,bond	OTPX2019B	05/10/2009	14/10/2019	HUF	286	286
OTP,Bank,Nyrt.	Corporate,bond	OTPX2019C	14/12/2009	20/12/2019	HUF	228	228
OTP,Bank,Nyrt.	Corporate,bond	OTPX2020A	25/03/2010	30/03/2020	HUF	251	251
OTP,Bank,Nyrt.	Corporate,bond	OTPX2019E	28/06/2013	24/06/2019	HUF	2,768	2,768
OTP,Bank,Nyrt.	Retail,bond	OTP_VK1_19/3	18/05/2018	18/05/2019	USD	2,986,600	855
OTP,Bank,Nyrt.	Corporate,bond	OTP_DK_19/I	30/05/2018	31/05/2019	HUF	0	0
OTP,Bank,Nyrt.	Retail,bond	OTP_VK1_19/4	28/06/2018	28/06/2019	USD	2,983,400	854
OTP,Bank,Nyrt.	Retail,bond	OTP_VK1_19/5	06/08/2018	06/08/2019	USD	823,600	236
OTP,Bank,Nyrt.	Retail,bond	OTP_VK1_19/6	04/10/2018	04/10/2019	USD	2,066,500	591
OTP,Bank,Nyrt.	Retail,bond	OTP_VK1_19/7	15/11/2018	15/11/2019	USD	880,200	252
OTP,Bank,Nyrt.	Retail,bond	OTP_VK1_19/8	20/12/2018	20/12/2019	USD	1,495,800	428
OTP,Bank,Nyrt.	Corporate,bond	OTP_DK_19/II	14/12/2018	31/05/2019	HUF	0	0
OTP,Bank,Nyrt.	Retail,bond	OTP_VK1_20/1	21/02/2019	21/02/2020	USD	1,535,700	439
OTP,Jelzálogbank,Zrt.	Mortgage,bond	OJB2024_B	18/09/2018	24/05/2024	HUF	36,268	36,268

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	1Q 2019	4Q 2019	1Q 2020	Q-o-Q	Y-o-Y
Total	**2,462**	**3,484**	**3,087**	**-11%**	**42%**
Short-term employee benefits	1,778	2,329	2,188	-6%	31%
Share-based payment	592	1,007	745	-26%	70%
Other long-term employee benefits	92	115	146	27%	25%
Termination benefits	0	26	5	-81%	
Redundancy payments	0	7	3	-57%	
Loans provided to companies owned by the management (normal course of business)	61,741	55,517	85,018	53%	38%
Credit lines and treasury framework contracts of the members of Board of Directors and the Supervisory Board and their close family members (at normal market conditions)	4,342	666	580	-13%	-87%
Commitments to extend credit and guarantees	42,277	27,708	27,888	1%	-34%
Loans provided to unconsolidated subsidiaries	5,042	2,656	2,289	-14%	-55%

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

Alternative performance measures pursuant to the National Bank of Hungary 5/2017. (V.24.) recommendation[5]

Alternative performance measures name	Description	Calculation (data in HUF million)	Measures value	
			1Q 2019	1Q 2020
Leverage, consolidated[6]	The leverage ratio is calculated pursuant to Article 429 of CRR. The calculation of the indicator is designed quarterly by the Bank for the prudential consolidation scope.	The leverage ratio shall be calculated as an institution's capital measure divided by that institution's total exposure measure and shall be expressed as a percentage. Example for 1Q 2020: $\frac{2,127,227.4}{22,197,014.5} = 9.6\%$ Example for 2018: $\frac{1,632,016.2}{17,409,895.6} = 9.4\%$	9.4%	9.6%
Liquidity Coverage Ratio (LCR), consolidated	According to Article 412 (1) of CRR, the liquidity coverage ratio (LCR) is designed to promote short-term resilience of the Group's liquidity risk profile and aims to ensure that the Group has an adequate stock of unencumbered High Quality Liquid Assets (HQLA) to meet its liquidity needs for a 30 calendar day liquidity stress scenario.	The LCR is expressed as: (stock of HQLA) / (total net cash outflows over the next 30 calendar days) ≥ 100%. The numerator of the LCR is the stock of HQLA (High Quality Liquid Assets). In order to qualify as HQLA, assets should be liquid in markets during a time of stress and, in most cases, be eligible for use in central bank operations. The denominator of the LCR is the total net cash outflows, defined as total expected cash outflows minus total expected cash inflow in the specified stress scenario for the subsequent 30 calendar days. Total cash inflows are subject to an aggregate cap of 75% of total expected cash outflows, thereby ensuring a minimum level of HQLA holdings at all times. Example for 1Q 2020: $\frac{4,712,186.7}{3,531,908.6-809,382.6} = 173\%$ Example for 1Q 2019: $\frac{4,719,806.5}{2,874,868.6-525,984.0} = 201\%$	201%	173%

[5] The NBH's recommendation (5/2017, 24 May) on Alternative Performance Measures (APM) came into effect from 1 June 2017, in line with ESMA's guidance (ESMA/2015/1415) on the same matter. The recommendation is aimed at – amongst other things – enhancing the transparency, reliability, clarity and comparability of those APMs within the framework of regulated information and thus facilitating the protection of existing and potential investors.

[6] Based on the prudential consolidation scope, which is different from the consolidation scope used in this report.

Alternative performance measures name	Description	Calculation (data in HUF million)	Measures value	
			1Q 2019	1Q 2020
Net loan to deposit ratio, consolidated	The net loan to deposit ratio is the indicator for assessing the bank's liquidity position.	The numerator of the indicator is the consolidated net consumer loan volume (gross loans less the stock of provisions), the denominator is the end of period consolidated customer deposit base. Example for 1Q 2020: $\frac{13{,}078{,}700.5}{16{,}342{,}386.9} = 80.0\%$ Example for 1Q 2019: $\frac{9{,}076{,}474.4}{12{,}389{,}982.8} = 73.3\%$	73.3%	80.0%
ROE (accounting), consolidated	The return on equity ratio shall be calculated as the consolidated net profit for the given period divided by the average equity, thus the ratio shows the effectiveness of the use of equity.	The numerator of the indicator is the consolidated accounting net profit for the given period, the denominator is the average consolidated equity. (The definition of average equity: calendar day-weighted average of the average balance sheet items in periods comprising the given period, where periods comprising the given period are defined as quarters (and within that months) in case of 1H, 9M and FY periods, and months in case of quarters. Furthermore, the average of the average balance sheet items is computed as the arithmetic average of closing balance sheet items for the previous period and the current period.) Example for 1Q 2020: $\frac{-4{,}071.7*4.06}{2{,}332{,}133.0} = -0.7\%$ Example for 1Q 2019: $\frac{72{,}580.6*4.06}{1{,}857{,}099.4} = 15.9\%$	15.9%	-0.7%

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 (and other adjustment items). Dividends and net cash transfers received from non-group member companies are shown on a separate line in one sum in the table, regardless to the particular receiver or payer group member company.

(1) Aggregated adjusted after tax profit of OTP Core, Corporate Centre and foreign banks.

(2) OTP Core is an economic unit for measuring the result of core business activity of OTP Group in Hungary. Financials of OTP Core are calculated from the partially consolidated IFRS financial statements of certain companies engaged in OTP Group's operation in Hungary. These companies include OTP Bank Hungary Plc., OTP Mortgage Bank Ltd, OTP Building Society Ltd, OTP Factoring Ltd, OTP Financial Point Ltd., and companies providing intragroup financing; OTP Bank Employee Stock Ownership Plan Organization was included from 4Q 2016; OTP Card Factory Ltd., OTP Facility Management Llc., MONICOMP Ltd. and OTP Real Estate Leasing Ltd. were included from 1Q 2017 (from 1Q 2019 OTP Real Estate Lease Ltd. was eliminated from OTP Core); OTP Mobile Service Llc. and OTP Ingatlanpont Llc. were included from 1Q 2019; OTP eBIZ Ltd. was included from 1Q 2020. The consolidated accounting results of these companies are segmented into OTP Core and Corporate Centre. Latter is a virtual entity.

(3) Within OTP Group, the Corporate Centre acts as a virtual entity established by the equity investment of OTP Core for managing the wholesale financing activity for all the subsidiaries within OTP Group but outside OTP Core. Therefore the balance sheet of the Corporate Centre is funded by the equity and intragroup lending received from OTP Core, the intragroup lending received from other subsidiaries, and the subordinated debt and senior notes issued by OTP Bank. From this funding pool, the Corporate Centre is to provide intragroup lending to, and hold equity stakes in OTP subsidiaries outside OTP Core. Main subsidiaries financed by Corporate Centre are as follows: Hungarians: Merkantil Bank Ltd, Merkantil Leasing Ltd, OTP Fund Management Ltd, OTP Real Estate Fund Management Ltd, OTP Life Annuity Ltd; foreigners: banks, leasing companies, factoring companies.

(4) The result and balance sheet of OTP Factoring Bulgaria EAD is included. From 1Q 2019 Expressbank AD and its subsidiaries, OTP Leasing EOOD and Express Factoring EOOD (altogether: Express Group) were included into the Bulgarian operation. From 1Q 2019 the statement of recognised income and balance sheet of DSK Leasing AD was included.

(5) Splitska banka and its subsidiaries were consolidated into OBH's results from 2Q 2017. From 1Q 2019 the statement of recognised income and balance sheet of OTP Leasing d.d. and SB Leasing d.o.o. was included. In February 2020 the company name of OTP banka Hrvatska dioničko društvo was changed to OTP banka dioničko društvo.

(6) Including the financial performance of OTP Factoring Serbia d.o.o from 4Q 2010. Vojvodjanska banka has been consolidated from 4Q 2017. From 1Q 2019 the statement of recognised income and balance sheet of OTP Lizing d.o.o and OTP Services d.o.o. was included. The balance sheet of the newly acquired OTP banka Srbija was included in 3Q 2019, its P&L from 4Q 2019.

(7) From 2Q 2010 the statement of recognised income and balance sheet of OTP Faktoring SRL was included. From 1Q 2019 the statement of recognised income and balance sheet of OTP Leasing Romania IFN S.A. was included.

(8) 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 OTP Factoring Ukraine LLC was also aggregated.

(9) From 1Q 2015 to 4Q 2017 the performance of OTP Bank Russia does not contain the volumes and financial result of Touch Bank. From 1Q 2015 the statement of recognised income and balance sheet of LLC MFO "OTP Finance" was included in the Russian performance.

(10) Including the financial performance of OTP Factoring Montenegro d.o.o. (merged into CKB Bank in 4Q 2018). From 3Q 2019 the statement of recognised income and balance sheet of Podgoricka banka was included.

(11) From 2012 on P&L data and related indices are adjusted for the special banking tax and the Slovakian Deposit Protection Fund contributions being introduced again in 2014, as well as the contribution into the Resolution Fund. Including the financial performance of OTP Faktoring Slovensko s.r.o.

(12) Until the end of 2019 the after tax profit of Merkantil Bank without dividends, net cash transfer and other adjustment items, since 1Q 2020 the subconsolidated after tax profit of Merkantil Group (Merkantil Bank Ltd., Merkantil Bérlet Ltd., OTP Real Estate Leasing Ltd., NIMO 2002 Ltd., SPLC-P Ltd., SPLC Ltd.) was presented.

(13) Companies comprising Foreign Leasing in previous periods (OTP Leasing Romania IFN S.A. (Romania), OTP Leasing d.d. and SB Leasing d.o.o. (Croatia), DSK Leasing AD (Bulgaria), OTP Lizing d.o.o, OTP Services d.o. (Serbia)) were presented as part of the operations in the given countries starting from 1Q 2019.

(14) LLC AMC OTP Capital, OTP Asset Management SAI S.A. (Romania), DSK Asset Management EAD (Bulgaria).

(15) OTP Buildings s.r.o. (Slovakia), Velvin Ventures Ltd. (Belize), R.E. Four d.o.o., Novi Sad (Serbia), SC Aloha Buzz SRL, SC Favo Consultanta SRL, SC Tezaur Cont SRL (Romania), Cresco d.o.o. (Croatia), OTP Osiguranje d.d. (Croatia), OTP Solution Fund (Ukraine).

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

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

CALCULATION OF THE ADJUSTED LINES OF IFRS PROFIT AND LOSS STATEMENTS, AS WELL AS THE ADJUSTED BALANCE SHEET LINES PRESENTED IN THE REPORT, AND THE METHODOLOGY FOR CALCULATING THE FX-ADJUSTED VOLUME CHANGES

In order to present Group level trends in a comprehensive way in the Report, the presented consolidated and separate profit and loss statements of this 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.

Adjustments affecting the income statement:

- The after tax effect of adjustment items (certain, typically non-recurring items from banking operations' point of view) are shown separately in the Statement of Recognised Income. The following adjustment items emerged in the period under review and the previous year: received dividends, received and paid cash transfers, the effect of goodwill/investment impairment charges, special tax on financial institutions, the expected one-off negative effect of the debt repayment moratorium in Hungary, the impact of fines imposed by the Hungarian Competition Authority, the effect of acquisitions, and the one-off impact of regulatory changes related to FX consumer contracts in Serbia.

  Beside the Slovakian banking levy, the total amount of the special banking tax includes and the Slovakian Deposit Protection Fund contributions being introduced again in 2014, and the contribution into the Resolution Fund in Slovakia, too. Within banking taxes, the special tax booked by the Romanian subsidiary was also included in 4Q 2019.
- Until 4Q 2017 other non-interest income elements stemming from provisioning release in connection with provisions on loans originated before the acquisitions of the subsidiaries have been reclassified to and deducted from the volume of *Provision for impairment on loan and placement losses* line in the income statement. Starting from 1Q 2018 this income from the release of pre-acquisition provisions was presented amongst the *Provision for impairment on loan and placement losses* line both in the accounting and adjusted P&L structure.
- In 4Q 2019 the following items have been moved – even retroactively for the 2018 base periods – from the Other operating expenses line among the Net interest income after loss allowance, impairment and provisions line: *Release of loss allowance on securities at fair value through other comprehensive income and on securities at amortized cost*, *Provision for commitments and guarantees given*, *Release of impairment of assets subject to operating lease and of investment properties*. In the adjusted P&L structure these items are presented amongst the *Other provisions (adj.)* line (through the *Structural correction between Provision for loan losses and Other provisions* adjustment line).
- Other non-interest income is shown together with Gains and losses on real estate transactions, Net insurance result (appearing in the accounting P&L structure from 3Q 2017), Gains and losses on derivative instruments, and Gains and losses on non-trading loans mandatorily at fair value through profit or loss lines, 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.
- From 2Q 2014 OTP Bank's share in the change in the shareholders' equity of companies consolidated with equity method is reclassified from the After tax dividends and net cash transfers line to the Net other non-interest result (adj.) without one-offs line. In the addition to this, in agreement with the auditor OTP Bank has changed the way how private equity funds managed by PortfoLion are recorded. As a result of this, as opposed to the previous method of recording the funds at book value (initial book value less impairments), starting from 3Q 2019 the funds are evaluated based on their net asset value. The change in the carrying value was reclassified to the Net other non-interest result (adj.) without one-offs line in the adjusted P&L structure. Furthermore, received cash transfers within the framework of the subsidy programme targeting the expansion of POS network in Hungary were reclassified from the After tax dividends and net cash transfers line to the Net other non-interest result (adj.) without one-offs line.
- Other provisions are separated from other expenses and shown on a separate line in the adjusted profit or loss statement.
- Other administrative expenses have been adjusted in the following way in order to create a category comprising administrative cost items exclusively. Other costs and expenses and other non-interest expenses were included into the adjusted Other non-interest expenses. At the same time, the following cost items were excluded from adjusted other non-interest expenses: paid cash transfers (except for movie subsidies and cash transfers to public benefit organisations, whereas from 1Q 2019 certain part of cash transfers to public benefit organizations was presented amongst net fees and commissions), Other other non-interest expenses stemming from non-financial activities, and special tax on financial institutions.
- Tax deductible transfers (offset against corporate taxes) paid by Hungarian group members from 3Q 2012 were reclassified from Other non-interest expenses to Corporate income tax. As a result, the net P&L effect of these transfers (i.e. the paid transfer less the related corporate tax allowances) is recognised in the corporate income tax line of the adjusted P&L. The amount of tax deductible transfers offset against the special tax on financial institutions is shown on a net base on the special tax on financial institutions line.
- The financial transaction tax paid from the beginning of 2013 in Hungary is reclassified from other (administrative) expenses to net fee and commission income, both on consolidated and OTP Core level.
- OTP Group is hedging the revaluation result of the FX provisions on its FX loans and interest claims by keeping hedging open FX positions. In the accounting statement of recognized income, the revaluation of FX provisions is part of the risk costs (within line "Provision for loan losses"), other provisions and net interest income lines, whereas the revaluation result of the hedging open FX positions is made through other non-interest income (within line

"Foreign exchange result, net"). The two items have the same absolute amount but an opposite sign. As an adjustment to the accounting statement of income, these items are eliminated from the adjusted P&L. By modifying only the structure of the income statement, this correction does not have any impact on the bottom line net profits.

- The Compensation Fund (established in Hungary in order to indemnify the victims of Quaestor and Hungarian Securities Ltd.) contributions booked from 1Q 2017 are recognized on the Other administrative expenses line of the accounting income statement, and are presented on the financial transaction tax and/or Special tax on financial institutions line the in the adjusted P&L structure (due to the tax deductibility).
- In case of OTP Banka Slovensko and OTP Bank Romania the total revaluation result of intra-group swap deals – earlier booked partly within the net interest income, but also on the Foreign exchange gains and Net other non-interest result lines within total Other non-interest income – is presented on a net base on the net interest income line starting from 1Q 2016.
- Due to the introduction of IFRS16 from 2019, certain items previously presented on the Other non-interest expenses line (rental fees) were moved to the interest expenses and depreciation lines in the accounting income statement. These items were shifted back to the Other non-interest expenses line in the adjusted P&L structure.
- Staring from 1Q 2020 the currency exchange result was shifted in the accounting P&L structure from the FX result to the net fees and commissions line, retroactively for the 2019 base period as well. In the adjusted P&L structure this
- Performance indicators (such as cost/income ratio, net interest margin, risk cost to average gross loans as well as ROA and ROE ratios, etc.) presented in this report are calculated on the basis of the adjusted profit and loss statement excluding adjustment items (unless otherwise indicated).
- Within the report, FX-adjusted statistics for business volume developments and their product breakdown are disclosed, too. For FX adjustment, the closing cross currency rates for the current period were used to calculate the HUF equivalent of loan and deposit volumes in the base periods. Thus the FX-adjusted volumes will be different from those published earlier.

Adjustments affecting the balance sheet (as well):

- On 17 February 2020 OTP Bank announced the signing of the sale agreement of its Slovakian subsidiary. According to IFRS 5 the Slovakian bank was presented as a discontinued operation in the consolidated income statement and balance sheet. With regards to the consolidated accounting balance sheet, all assets and liabilities of the Slovakian bank was shown on one-one line of the 2019 balance sheet (there was no change in the 2018 closing balance sheet structure). As for the consolidated accounting income statement, the Slovakian contribution for both 2018 and 2019 was shown separately from the result of continued operation, on the Loss from discontinued operation line, i.e. the particular P&L lines in the 'continuing operations' section of the accounting P&L don't incorporate the contribution from the Slovakian subsidiary. As opposed to this, the adjusted financial statements presented in this Summary incorporated the Slovakian banks' balance sheet and P&L contribution in the relevant respective lines, in line with the structure of the financial statements monitored by the management. Therefore, new adjustment lines have been inserted in the tables reconciling the accounting income statement and balance sheet lines with the adjusted ones.
- Starting from 3Q 2017, in the adjusted balance sheets presented in the analytical section of the report, the total amount of accrued interest receivables related to DPD90+ loans (until 4Q 2018) and Stage 3 loans under IFRS 9 (from 1Q 2019) were netted with the provisions created in relation to the total exposure toward those particular clients, in case of the affected Group members. Therefore, this adjustment made on the accounting balance sheet has an impact on the consolidated gross customer loans and allowances for loan losses.

ADJUSTMENTS OF CONSOLIDATED IFRS P&L LINES

in HUF million	1Q 19	2Q 19	3Q 19	4Q 19 Audited	1Q 20
Net interest income	**163,620**	**170,695**	**176,552**	**186,182**	**199,165**
(-) Revaluation result of FX provisions	20	6	-4	9	-64
(+) Presentation of the revaluation result of intra-group swaps on the net interest income line realized at the Romanian and Slovakian operations	-202	491	-103	-110	87
(-) Netting of interest revenues on DPD90+ loans with the related provision (booked on the Provision for loan losses line) at OTP Core and CKB	768	745	866	756	1,792
(-) Effect of acquisitions	389	208	518	467	216
(-) Initial NPV gain on the monetary policy interest rate swap (MIRS) deals	0	0	0	0	0
(-) Reclassification due to the introduction of IFRS16	-429	-463	-459	-301	-418
(-) Netting of the interest subsidy repaid by OTP Mortgage Bank to the State by the already created other provision for that purpose (and other related items) in 3Q 2019	0	0	-1,535	0	0
(+) Presentation of the contribution from discontinued operation on the adjusted P&L lines				10,733	2,554
Net interest income (adj.)	**162,670**	**170,690**	**177,063**	**195,875**	**200,280**
Net fees and commissions	**80,593**	**88,053**	**97,717**	**107,818**	**95,493**
(+) Financial Transaction Tax	-16,309	-14,213	-14,718	-16,680	-17,739
(-) Effect of acquisitions	-12	0	-26	-5	-50
(+) Shifting of certain cash transfers to public benefit organisations to the Net fees and commissions line	-366	366	0	0	0
(-) Netting of the interest subsidy repaid by OTP Mortgage Bank to the State by the already created other provision for that purpose (and other related items) in 3Q 2019	0	0	-30	0	0
(+) Presentation of the contribution from discontinued operation on the adjusted P&L lines				3,906	1,005
(-) Structural shift of income from currency exchange from net fees to the FX result	6,706	7,381	10,103	9,547	9,575
Net fees and commissions (adj.)	**57,223**	**66,825**	**72,953**	**85,503**	**69,234**
Foreign exchange result	**1,126**	**1,740**	**1,898**	**969**	**10,507**
(-) Revaluation result of FX positions hedging the revaluation of FX provisions	-834	-1,524	-1,671	-1,137	10,167
(-) Presentation of the revaluation result of intra-group swaps on the net interest income line realized at the Romanian and Slovakian operations	-406	-42	-477	449	-175
(-) Effect of acquisitions	0	0	0	1	-2
(+) Presentation of the contribution from discontinued operation on the adjusted P&L lines				66	-47
(+) Structural shift of income from currency exchange from net fees to the FX result	6,706	7,381	10,103	9,547	9,575
Foreign exchange result (adj.)	**9,072**	**10,688**	**14,148**	**11,269**	**10,045**
Gain/loss on securities, net	**1,532**	**4,655**	**1,613**	**3,811**	**-2,797**
(-) Shifting of Non-trading securities mandatorily at fair value through profit or loss line to Net other non-interest income from 1Q 2019	590	23	229	1,072	-1,194
Gain/loss on securities, net (adj.) with one-offs	**942**	**4,632**	**1,384**	**2,740**	**-1,603**
(-) Revaluation result of the treasury share swap agreement (booked as Gain on securities, net (adj) at OTP Core)	-735	601	-2,026	-515	360
Gain/loss on securities, net (adj.) without one-offs	**1,677**	**4,031**	**3,411**	**3,254**	**-1,963**
Result of discontinued operation	**0**	**0**	**0**	**-4,668**	**-36**
(-) Effect of acquisitions				-6,037	1
Result of discontinued operation (adj.)	**0**	**0**	**0**	**1,369**	**-37**

in HUF million	1Q 19	2Q 19	3Q 19	4Q 19 Audited	1Q 20
Gains and losses on real estate transactions	**1,985**	**3,647**	**1,953**	**646**	**557**
Result of discontinued operation (adj)	**0**	**0**	**0**	**1,369**	**-37**
(+) Other non-interest income	**15,064**	**5,131**	**49,447**	**32,372**	**13,648**
(+) Gains and losses on derivative instruments	**1,957**	**-675**	**-163**	**-70**	**3,524**
(+) Net insurance result	**171**	**258**	**186**	**234**	**371**
(+) Losses on loans measured mandatorily at fair value through other comprehensive income and on securities at amortized cost	**849**	**69**	**-118**	**481**	**-173**
(-) Received cash transfers	39	248	-198	85	2
(+) Other other non-interest expenses	-596	-958	-1,144	-4,081	-3,066
(+) Change in shareholders' equity of companies consolidated with equity method, and the change in the net asset value of the private equity funds managed by PortfoLion	-454	-193	665	1,843	85
(-) Investment impairment in relation to the sale of Express Life Bulgaria (presented on the *Goodwill/investment impairment charges*adjustment line on consolidated level)	0	-363	0	200	0
(-) Effect of acquisitions	10,429	4	45,481	23,623	7,430
(-) Presentation of the revaluation result of intra-group swaps on the net interest income line realized at the Romanian and Slovakian operations	204	533	373	-558	262
(-) One-off impact of the CHF mortgage loan conversion programme and regulatory changes related to mortgage loans in Romania	-87	-71	-98	-21	-37
(-) Netting of refunds related to legal cases (accounted for on the Net other non-interest result line) with the release of provisions created earlier for these cases (accounted for on the Other provisions line) from 1Q 2017 at OTP Bank Romania	-92	-94	-145	-153	-96
(+) Shifting of Non-trading securities mandatorily at fair value through profit or loss line to Net other non-interest income from 1Q 2019	590	23	229	1,072	-1,194
(+) Presentation of the contribution from discontinued operation on the adjusted P&L lines				-1,072	124
Net other non-interest result (adj.) with one-offs	**9,074**	**7,044**	**5,641**	**9,617**	**6,278**
(-) Gain on the repurchase of own Upper and Lower Tier2 Capital (booked as Net other non-interest result (adj) at OTP Core and at the Corporate Centre)	0	0	0	0	0
Net other non-interest result (adj.) without one-offs	**9,074**	**7,044**	**5,641**	**9,617**	**6,278**
Provision for impairment on loan and placement losses	**-13,753**	**-4,866**	**-11,320**	**-19,180**	**-97,568**
(+) Loss allowance on securities at fair value through other comprehensive income and on securities at amortized cost	**179**	**-134**	**-192**	**156**	**-133**
(+) Provision for commitments and guarantees given	**-1,916**	**23**	**-1,485**	**-4,617**	**-5,676**
(+) Impairment of assets subject to operating lease and of investment properties	**-51**	**-61**	**152**	**240**	**883**
(-) Revaluation result of FX provisions	816	1,531	1,757	1,071	-9,996
(-) One-off impact of the CHF mortgage loan conversion programme and regulatory changes related to mortgage loans in Romania	-47	100	70	139	73
(+) Netting of interest revenues on DPD90+ loans with the related provision (booked on the Provision for loan losses line) at OTP Core and CKB	768	745	866	756	1,792
(-) Effect of acquisitions	-8,140	-203	-5,414	-6,112	-1,119
(-) One-off impact of regulatory changes related to FX consumer contracts in Serbia		-1,926	-201	0	0
(-) Structural correction between Provision for loan losses and Other provisions	-1,787	-172	-1,525	-4,221	-4,926
(+) Presentation of the contribution from discontinued operation on the adjusted P&L lines				-46	10
Provision for impairment on loan and placement losses (adj.)	**-5,616**	**-3,624**	**-6,667**	**-13,568**	**-84,724**
Dividend income	**-311**	**5,698**	**695**	**1,873**	**115**
(+) Received cash transfers	39	248	-198	85	2
(+) Paid cash transfers	-8,346	228	-221	-4,856	-2,351
(-) Sponsorships, subsidies and cash transfers to public benefit organisations	-8,342	226	-221	-4,802	-2,351
(-) Dividend income of swap counterparty shares kept under the treasury share swap agreement	0	5,710	0	0	0
(-) Change in shareholders' equity of companies consolidated with equity method, and the change in the net asset value of the private equity funds managed by PortfoLion	-454	-193	665	1,843	85
(+) Presentation of the contribution from discontinued operation on the adjusted P&L lines				3	1
After tax dividends and net cash transfers	**177**	**432**	**-168**	**65**	**33**
Depreciation	**-17,566**	**-23,498**	**-20,065**	**-20,806**	**-21,771**
(-) Goodwill impairment charges	0	-4,887	0	0	0
(-) Effect of acquisitions	-2,003	-1,909	-1,798	-2,171	-1,970
(-) Reclassification due to the introduction of IFRS16	-3,147	-3,414	-3,707	-4,013	-4,214
(+) Presentation of the contribution from discontinued operation on the adjusted P&L lines				-1,495	-419
Depreciation (adj.)	**-12,416**	**-13,289**	**-14,561**	**-16,116**	**-16,005**
Personnel expenses	**-63,996**	**-67,447**	**-66,367**	**-78,945**	**-77,901**
(-) Effect of acquisitions	-72	-236	-21	-3,448	-375
(+) Presentation of the contribution from discontinued operation on the adjusted P&L lines				-7,024	-1,788
Personnel expenses (adj.)	**-63,924**	**-67,211**	**-66,345**	**-82,522**	**-79,314**
Income taxes	**-10,560**	**-8,046**	**-17,314**	**-13,982**	**-1,519**

in HUF million	1Q 19	2Q 19	3Q 19	4Q 19 Audited	1Q 20
(-) Corporate tax impact of goodwill/investment impairment charges	0	859	0	-4,237	0
(-) Corporate tax impact of the special tax on financial institutions	1,477	50	47	48	1,651
(+) Tax deductible transfers (offset against corporate taxes)	0	0	0	-3,802	0
(-) Corporate tax impact of the effect of acquisitions	-612	4,917	-4,844	-5,173	-1,137
(-) Corporate tax impact of the one-off impact of regulatory changes related to FX consumer contracts in Serbia	0	0	326	157	0
(-) Netting of the interest subsidy repaid by OTP Mortgage Bank to the State by the already created other provision for that purpose (and other related items) in 3Q 2019 (corporate tax impact)	0	0	146	0	0
(+) Presentation of the contribution from discontinued operation on the adjusted P&L lines				-56	13
(-) Corporate tax impact of the expected one-off negative effect of the debt repayment moratorium in Hungary					1,998
Corporate income tax (adj.)	**-11,426**	**-13,872**	**-12,988**	**-8,635**	**-4,018**
Other operating expense	**-10,347**	**-3,732**	**-15,116**	**-15,563**	**-30,844**
(-) Other costs and expenses	-1,686	-1,738	-1,960	-3,788	-1,356
(-) Other non-interest expenses	-8,942	-729	-1,364	-8,938	-5,417
(-) Effect of acquisitions	-1,148	-726	-9,861	4,160	89
(-) Revaluation result of FX provisions	-2	-13	-82	58	-107
(-) One-off impact of the CHF mortgage loan conversion programme and regulatory changes related to mortgage loans in Romania	134	-30	28	-119	-36
(-) Netting of refunds related to legal cases (accounted for on the Net other non-interest result line) with the release of provisions created earlier for these cases (accounted for on the Other provisions line) from 1Q 2017 at OTP Bank Romania	92	94	145	153	96
(-) Netting of the interest subsidy repaid by OTP Mortgage Bank to the State by the already created other provision for that purpose (and other related items) in 3Q 2019	0	0	1,420	0	0
(+) Structural correction between *Provision for loan losses* and *Other provisions*	-1,787	-172	-1,525	-4,221	-4,926
(+) Presentation of the contribution from discontinued operation on the adjusted P&L lines				-12	-81
(-) Expected one-off negative effect of the debt repayment moratorium in Hungary					-22,150
Other provisions (adj.)	**-582**	**-762**	**-4,967**	**-11,323**	**-6,969**
Other administrative expenses	**-75,995**	**-66,131**	**-66,427**	**-73,975**	**-89,917**
(+) Other costs and expenses	-1,686	-1,738	-1,960	-3,788	-1,356
(+) Other non-interest expenses	-8,942	-729	-1,364	-8,938	-5,417
(-) Paid cash transfers	-8,346	228	-221	-4,856	-2,351
(+) Film subsidies and cash transfers to public benefit organisations	-8,342	226	-221	-4,802	-2,351
(-) Shifting of certain cash transfers to public benefit organisations to the Net fees and commissions line	-366	366	0	0	0
(-) Other other non-interest expenses	-596	-958	-1,144	-4,081	-3,066
(-) Special tax on financial institutions (recognised as other administrative expenses)	-16,706	-245	-231	-610	-18,385
(-) Tax deductible transfers (offset against corporate taxes)	0	0	0	-3,802	0
(-) Financial Transaction Tax	-16,309	-14,213	-14,718	-16,680	-17,739
(-) Effect of acquisitions	-1,600	-2,829	-2,634	-3,900	-2,134
(+) Reclassification due to the introduction of IFRS16	-3,577	-3,876	-4,166	-4,313	-4,633
(+) Presentation of the contribution from discontinued operation on the adjusted P&L lines				-5,003	-1,372
Other non-interest expenses (adj.)	**-54,619**	**-54,600**	**-55,190**	**-66,889**	**-61,371**

ADJUSTMENTS OF CONSOLIDATED IFRS BALANCE SHEET LINES

in HUF million	1Q 2019	2Q 2019	3Q 2019	4Q 2019	1Q 2020
Cash, amounts due from Banks and balances with the National Banks	1,545,143	1,504,941	1,830,698	1,784,378	2,132,832
(+) Allocation of *Assets classified as held for sale* among balance sheet lines				57,586	46,879
Cash, amounts due from Banks and balances with the National Banks (adjusted)	1,545,143	1,504,941	1,830,698	1,841,963	2,179,710
Placements with other banks, net of allowance for placement losses	505,397	494,745	628,363	410,078	630,182
(+) Allocation of *Assets classified as held for sale* among balance sheet lines				354	510
Placements with other banks, net of allowance for placement losses (adjusted)	505,397	494,745	628,363	410,433	630,691
Financial assets at fair value through profit or loss	175,825	190,504	264,804	251,991	365,114
(+) Allocation of Assets classified as held for sale among balance sheet lines					1
Financial assets at fair value through profit or loss (adjusted)	175,825	190,504	264,804	251,991	365,114
Securities at fair value through other comprehensive income	2,111,988	2,145,586	2,416,228	2,426,779	2,349,343
(+) Allocation of Assets classified as held for sale among balance sheet lines				759	725
Securities at fair value through other comprehensive income (adjusted)	2,111,988	2,145,586	2,416,228	2,427,537	2,350,068
Gross customer loans (incl. accrued interest receivables related to loans)	9,791,759	10,191,597	11,820,520	12,585,969	13,500,912
(-) Accrued interest receivables related to DPD90+ / Stage 3 loans	32,983	34,233	36,100	35,450	38,507
(+) Allocation of *Assets classified as held for sale* among balance sheet lines				391,490	413,662
Gross customer loans (incl. accrued interest receivables related to loans) (adjusted)	9,758,776	10,157,364	11,784,419	12,942,009	13,876,067
Allowances for loan losses	-715,284	-717,296	-753,936	-706,907	-811,024
(-) Allocated provision on accrued interest receivables related to DPD90+ / Stage 3 loans	-32,983	-34,233	-36,100	-35,450	-38,507
(+) Allocation of *Assets classified as held for sale* among balance sheet lines				-23,033	-24,851
Allowances for loan losses (adjusted)	-682,301	-683,064	-717,835	-694,490	-797,367
Securities at amortized costs	1,834,932	1,792,912	1,849,627	1,968,072	2,180,691
(+) Allocation of *Assets classified as held for sale* among balance sheet lines				27,555	29,370
Securities at amortized costs (adjusted)	1,834,932	1,792,912	1,849,627	1,995,627	2,210,061
Tangible and intangible assets, net	521,168	516,860	566,159	595,128	591,624
(+) Allocation of *Assets classified as held for sale* among balance sheet lines				10,545	11,048
Tangible and intangible assets, net (adjusted)	521,168	516,860	566,159	605,673	602,672
Other assets	318,089	321,108	329,137	785,456	897,325
(+) Allocation of *Assets classified as held for sale* among balance sheet lines				-465,255	-477,344
Other assets (adjusted)	318,089	321,108	329,137	320,201	419,982
Amounts due to banks, the National Governments, deposits from the National Banks and other banks, and Financial liabilities designated at fair value through profit or loss	572,174	522,373	665,912	844,261	1,363,750
(+) Allocation of Liabilities directly associated with assets classified as held-for-sale among balance sheet lines				1,898	2,062
Amounts due to banks, the National Governments, deposits from the National Banks and other banks, and Financial liabilities designated at fair value through profit or loss (adjusted)	572,174	522,373	665,912	846,158	1,365,812
Deposits from customers	12,402,053	12,699,825	14,653,646	15,171,308	15,995,969
(+) Allocation of *Liabilities directly associated with assets classified as held-for-sale* among balance sheet lines				351,346	359,493
Deposits from customers (adjusted)	12,402,053	12,699,825	14,653,646	15,522,654	16,355,462
Other liabilities	800,060	776,407	797,338	1,171,805	1,511,121
(+) Allocation of *Liabilities directly associated with assets classified as held-for-sale* among balance sheet lines				-353,244	-361,555
Other liabilities (adjusted)	800,060	776,407	797,338	818,561	1,149,566
Subordinated bonds and loans	81,201	81,532	252,141	249,937	272,320
(+) Allocation of Liabilities directly associated with assets classified as held-for-sale among balance sheet lines					0
Subordinated bonds and loans (adjusted)	81,201	81,532	252,141	249,937	272,320

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