OTP Bank Plc.

Half-year Financial Report
First half 2013 result

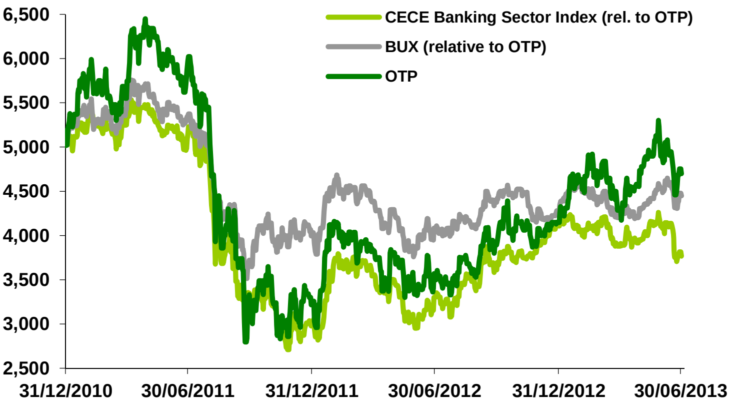
(English translation of the original report submitted to the Budapest Stock Exchange)

Budapest, 15 August 2013

CONSOLIDATED FINANCIAL HIGHLIGHTS[1] AND SHARE DATA

Main components of the Statement of recognised income in HUF million	1H 2012	1H 2013	Y-o-Y	2Q 2012	1Q 2013	2Q 2013	Q-o-Q	Y-o-Y
Consolidated after tax profit	**53,902**	**51,812**	**-4%**	**41,074**	**11,233**	**40,579**	**261%**	**-1%**
Adjustments (total)	**-26,855**	**-41,274**	**54%**	**4,082**	**-29,511**	**-11,762**	**-60%**	**-388%**
Consolidated adjusted after tax profit without the effect of adjustments	**80,756**	**93,086**	**15%**	**36,992**	**40,744**	**52,341**	**28%**	**41%**
Pre-tax profit	97,306	116,288	20%	46,078	57,961	58,327	1%	27%
Operating profit	224,498	226,706	1%	111,952	112,508	114,197	2%	2%
Total income	417,296	432,755	4%	208,044	212,869	219,886	3%	6%
Net interest income	323,054	328,465	2%	158,907	165,888	162,577	-2%	2%
Net fees and commissions	72,007	78,590	9%	37,929	35,813	42,777	19%	13%
Other net non-interest income	22,235	25,700	16%	11,208	11,168	14,532	30%	30%
Operating expenses	-192,799	-206,049	7%	-96,092	-100,361	-105,688	5%	10%
Total risk costs	-122,840	-114,767	-7%	-64,099	-55,005	-59,762	9%	-7%
One off items	-4,352	4,350	-200%	-1,776	458	3,892	750%	-319%
Corporate taxes	-16,550	-23,202	40%	-9,086	-17,217	-5,985	-65%	-34%
Main components of balance sheet closing balances in HUF million	2012	1H 2013	YTD	2Q 2012	1Q 2013	2Q 2013	Q-o-Q	Y-o-Y
Total assets	10,113,466	10,048,610	-1%	9,937,155	10,520,194	10,048,610	-4%	1%
Total customer loans (net, FX adjusted)	**6,468,161**	**6,319,088**	**-2%**	**6,521,281**	**6,378,039**	**6,319,088**	**-1%**	**-3%**
Total customer loans (gross, FX adjusted)	**7,624,701**	**7,535,981**	**-1%**	**7,604,188**	**7,568,283**	**7,535,981**	**0%**	**-1%**
Allowances for possible loan losses (FX adjusted)	-1,156,541	-1,216,894	5%	-1,082,907	-1,190,244	-1,216,894	2%	12%
Total customer deposits (FX adjusted)	**6,572,484**	**6,602,505**	**0%**	**6,218,698**	**6,715,952**	**6,602,505**	**-2%**	**6%**
Issued securities	643,123	535,428	-17%	742,688	585,740	535,428	-9%	-28%
Subordinated loans	291,495	298,717	2%	296,078	308,529	298,717	-3%	1%
Total shareholders' equity	1,514,553	1,525,340	1%	1,420,036	1,536,014	1,525,340	-1%	7%
Indicators based on one-off adjusted earnings %	1H 2012	1H 2013	Y-o-Y	2Q 2012	1Q 2013	2Q 2013	Q-o-Q	Y-o-Y
ROE (from adjusted net earnings)	11.4%	12.4%	0.9%	10.6%	10.8%	13.7%	2.9%	3.1%
ROA (from adjusted net earnings)	1.6%	1.9%	0.2%	1.5%	1.6%	2.0%	0.4%	0.5%
Operating profit margin	4.48%	4.53%	0.05%	4.52%	4.42%	4.45%	0.03%	-0.06%
Total income margin	8.33%	8.66%	0.32%	8.39%	8.37%	8.58%	0.21%	0.18%
Net interest margin	6.45%	6.57%	0.12%	6.41%	6.52%	6.34%	-0.18%	-0.07%
Cost-to-asset ratio	3.85%	4.12%	0.27%	3.88%	3.95%	4.12%	0.18%	0.25%
Cost/income ratio	46.2%	47.6%	1.4%	46.2%	47.1%	48.1%	0.9%	1.9%
Risk cost to average gross loans	3.11%	3.12%	0.01%	3.32%	2.88%	3.25%	0.37%	-0.08%
Total risk cost-to-asset ratio	2.45%	2.30%	-0.16%	2.59%	2.16%	2.33%	0.17%	-0.25%
Effective tax rate	17.0%	20.0%	2.9%	19.7%	29.7%	10.3%	-19.4%	-9.5%
Net loan/(deposit+retail bond) ratio (FX adjusted)	99%	93%	-6%	99%	92%	93%	1%	-6%
Capital adequacy ratio (consolidated, IFRS) - Basel2	17.9%	20.2%	2.3%	17.9%	19.7%	20.2%	0.5%	2.3%
Core Tier1 ratio - Basel2	13.1%	15.3%	2.1%	13.1%	14.2%	15.3%	1.1%	2.1%
Share Data	1H 2012	1H 2013	Y-o-Y	2Q 2012	1Q 2013	2Q 2013	Q-o-Q	Y-o-Y
EPS diluted (HUF) (from unadjusted net earnings)	201	193	-4%	153	41	152	267%	-1%
EPS diluted (HUF) (from adjusted net earnings)	303	349	15%	139	153	196	28%	41%
Closing price (HUF)	3,570	4,755	33%	3,570	4,285	4,755	11%	33%
Highest closing price (HUF)	4,160	5,302	27%	3,841	4,920	5,302	8%	38%
Lowest closing price (HUF)	2,960	4,150	40%	3,300	4,150	4,175	1%	27%
Market Capitalization (EUR billion)	3.5	4.5	30%	3.5	3.9	4.5	14%	30%
Book Value Per Share (HUF)	5,409	5,448	1%	5,072	5,486	5,448	-1%	7%
Tangible Book Value Per Share (HUF)	4,560	4,600	1%	4,223	4,597	4,600	0%	9%
Price/Book Value	0.7	0.9	32%	0.7	0.8	0.9	12%	24%
Price/Tangible Book Value	0.8	1.0	32%	0.8	0.9	1.0	11%	22%
P/E (trailing, from accounting net earnings)	15.8	11.0	-30%	15.8	9.9	11.0	11%	-30%
P/E (trailing, from adjusted net earnings)	6.5	8.2	26%	6.5	8.2	8.2	0%	26%
Average daily turnover (EUR million)	26	19	-25%	21	19	20	4%	-6%
Average daily turnover (million share)	2.1	1.2	-42%	1.7	1.2	1.2	0%	-29%

SHARE PRICE PERFORMANCE



MOODY'S RATINGS

OTP Bank	
Foreign currency senior debt	Ba1
Financial strength	D
OTP Mortgage Bank	
Covered mortgage bond	Baa3
OTP Bank Russia	
Foreign currency long term deposits	Ba2
Financial strength	D-
OTP Bank Ukraine	
Foreign currency long term deposits	Caa1

STANDARD & POOR'S RATING

OTP Bank and OTP Mortgage Bank	
Long term credit rating	BB

FITCH'S RATING

OTP Bank Russia	
Long term credit rating	BB

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

HALF-YEAR FINANCIAL REPORT – OTP BANK'S RESULTS FOR FIRST HALF 2013

Half-year Financial Report for the first half 2013 results of OTP Bank Plc. has been prepared according to the 24/2008. (VIII.15.) PM resolution on the basis of its separate and consolidated condensed IFRS financial statements for 30 June 2013 or derived from that. At presentation of first half 2013 report of OTP Bank we applied International Financial Reporting Standards adopted by the European Union.

SUMMARY OF THE FIRST HALF AND SECOND QUARTER OF THE YEAR 2013

Positive developments in the Hungarian economy, significant differences in growth outlook for the rest of the Group

During the second quarter most of the positive trends already seen in the previous one have continued. Disinflation remained in place, in June the headline CPI was 2.0% making room for further monetary easing. As a result of consecutive rate cuts, in July the Hungarian policy rate dropped to 4.0%. By the end of June the unemployment rate moderated to 10.3%, the lowest reading in the last four years, whereas overall employment reached 51.5%. Due to the disciplined fiscal policy witnessed in recent years on 21 June 2013 Ecofin decided to release Hungary out of the Excessive Deficit Procedure. The budget deficit in 2013 will probably be around 2.7% as the Government forecasts. The overall supportive international climate helped local Treasury auctions: foreigners' holding of Hungarian government securities reached all-time high at HUF 5.2 trillion by early July. The stable funding position made it possible for the National Bank and the Hungarian State to repay its outstanding EUR 2.9 billion obligation to IMF ahead of the 1Q 2014 original schedule.

According to OTP Bank's own forecasts the Hungarian GDP growth in 2013 may get close to 1%. In line with its new strategic undertakings the National Bank announced measures aimed at revitalizing the economy: against the originally proposed HUF 500 billion loan programme for local SMEs the Central Bank increased the available credit line to HUF 750 billion as a response to strong demand from the sector.

As for the rest of the Group, there are significant differences regarding the performances of national economies this year. While the outlook for Romania, Slovakia and Bulgaria is rather positive, the growth in Russia might substantially slow down, the Croatian economy fell into recession and the Ukraine is constantly facing the dilemma of closer ties with the IMF and Russia and devaluating the hryvnia. The necessary fiscal adjustments resulted in weaker than anticipated loan demand almost in all countries except in consumer lending: this particular segment posted y-o-y increase at all foreign subsidiaries.

Consolidated earnings: due to significantly lower effective tax burden the adjusted after tax profit grew by 28% q-o-q. Lower DPD90+ coverage despite higher quarterly risk costs, improving semi-annual margins, outstanding capital strength

In the first half of 2013 OTP Group posted HUF 93.1 billion adjusted net profit (+15% y-o-y). The pre-tax profit showed an even stronger improvement, +20% y-o-y (1H 2012: HUF 97.3 billion, 1H 2013: HUF 116.3 billion). The Group posted HUF 227 billion operating profit in 1H (+1% y-o-y) within that all major revenue lines improved: net interest income grew by 2% y-o-y, net fees by 9% and other non-interest income by 16% respectively. During the same time operating expenses advanced by 7%, whereas risk costs dropped by 7%.

In 2Q the adjusted net profit represented HUF 52.3 billion (+28% q-o-q), the significant improvement to a great extent was related to the lower corporate tax (-65% q-o-q), the pre-tax profit was practically the same as in 1Q. The operating profit grew by 2% with net interest income moderating by 2%, but net fees and other non-interest results increasing by 19% and 30% respectively. Operating expenses grew by 5% and risk costs elevated by 8% q-o-q.

1H income margin (8.66%) grew by 32 bps y-o-y, whereas the net interest margin (6.57%) improved by 12 bps. In 2Q the total income margin advanced by 21 bps q-o-q due to the higher quarterly fee margin (+26 bps) with net interest margin somewhat moderating.

In 1H 2013 OTP Group posted HUF 51.8 billion accounting profit which fell short of the base period by 4%. The key reason for the decline is the negative impact of the banking tax (HUF 29.2 billion) recognized in 1Q and the one-off contribution imposed on banks compensating the shortfall in budget revenues from the financial transaction tax. HUF 13.2 billion after tax negative impact was recognized on this line in 2Q. Despite of that additional burden the Group posted HUF 40.6 billion accounting profit in 2Q, three and a half times more than in1Q.

Within the consolidated adjusted profit earning contribution by foreign subsidiaries suffered a significant drop. While in 1Q the non-Hungarian business generated HUF 18.5 billion, the 2Q profit was only HUF 12.8 billion. Thus in 1H foreign subsidiaries contributed HUF 31.2 billion, by 8% less than in the same period of 2012. In 2Q non-Hungarian profits represented 24% out of total versus 45% in 1Q. Amongst the key group members DSK managed to further improve its earnings reaching HUF 11 billion in 2Q. The Russian and the Ukrainian performance, on the opposite, suffered a significant setback.

The FX-adjusted loan portfolio declined by 1% y-o-y, whereas volumes remained flat q-o-q. As for the deposits they grew by 6% y-o-y, but melted down by 2% q-o-q. Within the loan book only the consumer portfolio demonstrated growth: as for absolute volumes the Russian and Ukrainian activities remained outstanding, while from dynamics perspectives the Slovakian, Romanian and Serbian performances are worth mentioning. The overall mortgage book further eroded, whereas the decline in the municipality loan portfolio was related to the Hungarian debt consolidation. The „net loan-to-deposit+retail bonds" ratio stood at 93% by June 2013, q-o-q remained practically the same.

The liquidity positions of the Group remained stable, for the rest of the year there is no material redemption. In 2Q 2013 there was no market transaction across the group.

The portfolio deterioration continued, the DPD90+ ratio grew from 19.9% to 20.8%.The Group made HUF 59.8 billion risk provisions in 2Q. The coverage of DPD90+ declined by 1.7 ppts q-o-q to 78.6%, but this level is still higher by 2 ppts y-o-y. The non-performing loan formation accelerated a lot; its size reached HUF 90 billion in 2Q FX-adjusted, thus the declining trend observed since 2Q 2012 was broken. New DPD90+ volumes grew at almost every subsidiary with the most material increase in Russia and the Ukraine.

OTP Core: adjusted after tax profit in 1H grew by 27% y-o-y as a result of a 10% drop in operating profit and halving risk costs, moderate portfolio deterioration in 2Q

The adjusted after tax profit of ***OTP Core*** (basic activity in Hungary) in 1H 2013 amounted to HUF 59.7 billion without the negative impact of the banking tax and the one-off contribution imposed on banks compensating the shortfall of budget revenues from the financial transaction tax. The stronger net result (+27% y-o-y) was mainly due to lower risk costs, since the operating profit eroded by 10% y-o-y. Within the somewhat weaker total income the lower net interest income (-8% y-o-y) was basically offset by a stronger non-interest income (+70%) supported by the decent gain on the Hungarian government bond portfolio. Operating expenses in 1H increased by 6% y-o-y.

The adjusted after tax profit in 2Q represented HUF 37.8 billion, up by 73% q-o-q. The key driver behind such a performance was the positive tax shield stemming from the revaluation of investments in foreign subsidiaries. The operating profit also advanced by 10%, within total revenues the net interest income remained stable similarly to the net interest margin. Other non-interest revenues grew in a meaningful manner (+98%) partly due to a decent profit on government securities portfolio, but also due to other FX results. Operating expenses grew by 6%, while risk costs advanced by 8% q-o-q. The non-performing loan formation slightly accelerated, but overall remained around the level witnessed since the second half of 2012 (1Q 2013: HUF 14 billion, 2Q: HUF 18 billion). The deterioration of FX mortgage loans moderated q-o-q.

Loan volumes declined in all segments, but in the corporate one. Positive, though that OTP Bank's corporate exposure to local companies grew further, while the Hungarian banking sector without OTP Bank suffered another setback. As a result, OTP's corporate loan market share further improved and reached 11.1%. The Bank managed to maintain very strong market position within new retail loan flows: out of newly disbursed mortgages in 2Q OTP captured 33%, whereas in case of cash loans its share represented 52%. Deposits declined q-o-q, the y-o-y 6% increase was a result of the strong corporate inflows. Retail deposits melted down in the wake of the lower yield environment and the crowding out effect of appealing investment alternatives.

Merkantil Group posted HUF 851 million after tax profit (without banking tax) versus HUF 1.5 billion in the base period. The key reason behind the lower profit was the y-o-y 41% lower operating income. During the same period risk costs dropped by 30%. Car financing loan book decreased by 21% y-o-y and by 5% q-o-q – partly due to sale of non-performing loans. The DPD90+ ratio declined q-o-q, while the provision coverage stood at 92%.

OTP Fund Management realized HUF 1.4 billion net profit in 1H 2013 which underpins an almost three times increase. Of that, 2Q profit represented HUF 0.6 billion. Assets under management in total represented HUF 1,299 billion (+35% y-o-y and +7% q-o-q) since investors switched money into funds as a response to lower yield environment.

Weaker profit contribution from foreign subsidiaries q-o-q: steadily strong earnings in Bulgaria, declining net results in Russia and the Ukraine, profitable operation in Croatia, Slovakia and Montenegro, still loss making Romania and Serbia

As a result of weaker net results in Russia and the Ukraine the quarterly profit contribution of foreign operations dropped significantly. Against HUF 18.5 billion after tax profit in 1Q 2013, in 2Q the profit melted down to HUF 12.8 billion. The strongest results were achieved again in Bulgaria, while the Russian profit represented only a third of 1Q earnings and the Ukrainian one seventh respectively, in both cases mainly due to higher risk costs.

Weaker performance by the ***Russian subsidiary*** has continued in 2Q. With a net earnings of HUF 2.6 billion (one third of 1Q results) the bank posted HUF 10.4 billion profit in 1H, less than half of the base period's results. While the operating profit improved 16% y-o-y, risk costs almost doubled. In 2Q the operating profit even declined (-11% q-o-q) as a result of weaker total income (-6%) and higher operating costs (+5%), in addition risk cost advanced by 10%, too. The loan book deteriorated in all segments and the DPD90+ ratio increased from 18.7% to 20.6%. The FX-adjusted DPD90+ volumes advanced by HUF 26 billion, the highest ever quarterly figure. Higher risk costs resulted higher provision coverage (96%). Despite the seasonality of POS loans the consumer loan portfolio increased further (+3% q-o-q and +36% y-o-y). The core source of funding was the expanding deposit base (+3% q-o-q, +24% y-o-y). In the last 12 months the bank did not tap the local bond market.

The ***Bulgarian subsidiary*** managed to further improve its strong earning capacity and posted HUF 20 billion after tax profit in 1H 2013 (+28% y-o-y). Operating profit moderated by 9% as a result of lower total income (-4%). Net interest income dropped by 6%, whereas operating expenses grew only marginally. 6 month's risk costs fell short of the volume in the base period by 55%, in 2Q risk costs more than halved q-o-q. Thus the record level of profit posted in 2Q (HUF 10.9 billion) to a great extent was due to the lowest risk costs witnessed since the onset of the crisis. As for loan volumes, there was a y-o-y decline in all categories, but the consumer loan segment. In 2Q both the consumer loan book and the SME portfolio grew by 1% q-o-q. The DPD90+ ratio reached 19.9% by the end of 2Q, the provision coverage was 82.7% underpinning a 2.9 ppts q-o-q decline.

Despite the ***Ukrainian subsidiary*** posted a moderate profit in 2Q being only one seventh of the previous quarter's earnings, the profitable operation of the bank started since 2H 2012 has continued. 1H profit represented HUF 1.8 billion versus a loss of HUF 4.1 billion in the base period. Operating profit improved by 37% y-o-y with total income advancing by 20% and net interest income by 19% respectively. Risk costs declined by 8% y-o-y. Both the total revenue margin (10.20%) and the net interest margin (7.80%) rallied a lot y-o-y, as a result of a dynamically increasing consumer lending.

The FX-adjusted loan and deposit portfolio remained stable, while the net loan to deposit ratio slightly increased (197%). Within the loan portfolio the consumer lending activity remained dynamic (+24% q-o-q and +115% y-o-y). In 2Q both cash loans and credit card loans advanced in a meaningful manner (+60% and 29% respectively). The DPD90+ ratio reached 38.9% (+1.5 ppts q-o-q) partly due to a single corporate exposure becoming non-performing in 2Q. According to the management's expectation that particular exposure is going to be sold in 3Q. Despite higher risk costs in 2Q the DPD90+ coverage declined to 74.5%.

In 2Q the ***Romanian subsidiary*** posted a q-o-q higher loss (HUF 1.5 billion), thus in 1H the bank realized a total loss of HUF 2.3 billion versus a negative result of HUF 0.2 billion in the corresponding period in 2012. Even though the operating profit improved substantially in 2Q (+53% q-o-q), the deteriorating loan portfolio required higher risk costs (+74%) which turned the operation into red. The FX-adjusted loan portfolio stagnated, but the consumer loan book advanced nicely (+20% q-o-q and +86% y-o-y). While deposits grew with a remarkable pace y-o-y (+25%), in 2Q they dropped by 4%. As a result the net loan to deposit ratio increased to 194%. The loan portfolio deterioration was similar to previous quarters with the DPD90+ ratio reaching 18.1%. Its coverage increased over the second quarter to 71%.

The after tax profit of the ***Croatian subsidiary*** represented HUF 0.9 billion in 2Q. As a result in 1H the bank posted HUF 1.4 billion profit (+39% y-o-y), mainly due to lower risk costs. In 2Q the operating profit improved by 39% related to stronger revenues (+10%) and moderating operating expenses. Risk costs advanced by 13% q-o-q and the portfolio quality deteriorated substantially with the DPD90+ ratio reaching 12.6%, whereas the coverage dropped to 55%.

Despite a setback in 2Q profit the ***Slovakian subsidiary*** posted HUF 739 million in 1H, twice as much as in the base period. The key driver behind the improvement was lower risk costs (-37% y-o-y), but higher operating profit (+3%) also helped the bottom line earnings. The consumer book kept on increasing and more than doubled y-o-y, mortgages grew by 7% respectively. The bank's DPD90+ ratio increased marginally (12.0%); its coverage was 58.1%.

The ***Serbian subsidiary***'s 2Q loss was practically the same as in 1Q, thus the bank posted a loss of HUF 1.6 billion in 1H 2013 (+27% y-o-y). Despite the positive operating profit in 1H, the y-o-y higher risk costs (+39%) took their toll resulting in weaker 6 months results. It was positive, however that due to the accelerating consumer lending activity the net interest income advanced by 63% y-o-y and the net interest (3.95%) margin improved nicely, too (+163 bps respectively). The bank's DPD90+ ratio further moderated (50.6%, -7.3 ppts y-o-y), its coverage somewhat improved despite lower q-o-q risk costs.

The ***Montenegrin subsidiary*** maintained its profitable operation in 2Q and posted HUF 414 million in 1H 2013. Of that 2Q profit represented HUF 313 million supported by heavily improving operating profit (+68% q-o-q). As a result of strong consumer loan origination the bank's net interest income grew by 10% q-o-q and the net interest margin improved both y-o-y and q-o-q (1H 2013: 3.75%, 2Q: 3.85%). Despite the improving lending activity operating expenses declined. The DPD90+ ratio grew (42.6%) and the coverage moderated (72.7%).

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

By the end of June 2013 the regulatory capital of OTP Group represented HUF 1,492 billion, while the risk-weighted-assets, taking into account the capital need for credit-, market- and operational risks, stood at HUF 7,400 billion. The capital adequacy ratio was 20.2% (+ 0.5 ppt q-o-q) with the Tier1 ratio (after deducting goodwill and intangible assets) at 16.6% and the Core Tier1 ratio (further deducting hybrid instruments) at 15.3% (+1.1 ppts q-o-q and 2.1 ppts y-o-y).

The 2.3 ppts y-o-y improvement of the consolidated capital adequacy ratio was supported by the continuous profit generation of the Group and also by the higher revaluation reserves stemming from the weakening forint. In addition the lower yield environment resulted in a revaluation gain on the AFS portfolio recognised against the equity. Furthermore, from end-2012 the Group calculates its capital requirement for operational risk according to the Advanced Measurement Approach, which lowered the capital requirement.

The key reason behind the 1.1 ppts q-o-q increase in the Core Tier1 rate was the 3.6% decline in risk-weighted assets induced by the strengthening forint.

OTP Bank's stand-alone capital adequacy ratio reached 22.5% by June 2013 underpinning a q-o-q 1.3 ppts improvement. During 2Q the Montenegrin CKB received EUR 10 million subordinated debt.

Credit rating, shareholder structure

As for the credit ratings assigned by Moody's, Standard & Poor's or Fitch, there was no change in 2Q neither at OTP Bank, nor at the subsidiaries. Accordingly OTP Bank FX debt carries 'Ba1/BB' ratings, OTP Mortgage Bank's covered bonds are rated at 'Baa3', whereas OTP Bank Russia holds 'Ba2/BB' on its FX deposits and OTP Bank Ukraine 'Caa1' respectively. DSK, Bulgaria holds an unsolicited rating of 'Ba1' from Moody's.

Regarding the ownership structure of the bank, there were no material changes: by the end of June 2013 four investors had more than 5% influence (beneficial ownership) in the Company, namely the Rahimkulov family (9.00%), MOL (the Hungarian Oil and Gas Co.) (8.69%), Groupama Group (8.41%) and the Lazard Group (5.59%).

POST BALANCE SHEET EVENTS

Hungary

- On 4 July 2013 the Hungarian Supreme Court (Kúria) issued a ruling on the inclusion and use of exchange rate margin in case of FX mortgage loan contract between a single client and OTP Bank. The court rendered the loan contract valid and lawful with the inclusion of the exchange rate margin as a cost component into the contract in a way that the exchange rate margin, i.e. the difference between the currency sale and purchase price is 1% (mid exchange rate +/-0.5%). The verdict cannot be appealed.
- On 16 July 2013 the deputy prime minister, Mr Tibor Navracsics stated that the government will investigate and consider whether the terms of the FX denominated mortgage loan contracts can be universally modified by decree. Mr Navracsics stressed that this can happen only if there was an unforeseeable and substantial change in circumstances which is beyond the control of the clients so that they cannot be held responsible for becoming unable to meet their commitments. According to the Ministry, the development that justifies the general modification of the contracts is predominantly the currency rate difference, because debtors shouldn't be blamed for becoming unable to service their debt due to such external factors like foreign currency rate movements.
- On 19 July 2013 OTP Bank received the preliminary opinion of the Hungarian Competition Office about its competition proceedings against the Bank regarding the FX mortgage prepayment. OTP Bank is questioning the content of the opinion. In this particular case there will be a hearing on 25-26 September 2013.

  The Competition Office also started an investigation against OTP Bank for its allegedly misleading information regarding the interest free use of credit cards. The proceeding is only at an early stage.

- After the government meeting on 24 July 2013, Minister for the National Economy, Mr Mihály Varga announced that the government intends to phase out the foreign currency housing loans from the Hungarian lending market, paying attention to both the burden bearing and timing aspects. On the top of that, a situation must be created where those who have originally taken out a HUF housing loan, cannot be worse off than those who opted for FX denominated housing loan. The government has started negotiations with the Banking Association on this matter on 31 July 2013.
- Moody's affirmed the negative outlook of the Hungarian banking sector in its report published on 5 August 2013.

Russia

- On 24 July 2013 the central bank governor, Ms Elvira Nabiullina stated that the central bank is working out proposals with the aim of curbing consumer loan growth on the Russian market.

Romania

- On 1 August 2013 the Romanian government and the representatives of IMF reached a staff-level agreement on a new two-year Stand-By Arrangement on a USD 4 billion precautionary credit line.

Croatia

- On 1 July 2013 Croatia has become member of the European Union.
- On 4 July 2013 a commercial court in Zagreb ruled against local units of eight international banks in a lawsuit filed by Swiss franc borrowers. The banks can appeal the ruling, which said that banks didn't inform clients about all the conditions related to their decision in taking out a Swiss franc loan.
- On 2 August 2013 Standard & Poor's rating agency revised the outlook to negative from stable on Croatia's 'BB+' long-term sovereign credit rating.

Serbia

- On 14 July 2013 Moody's assigned 'B1' foreign-currency bond rating to Serbia, with stable outlook.

Montenegro

- On 2 July 2013 the Finance Ministry announced that Montenegro is in talks with unspecified lenders to secure funds to pay up EUR 102 million loans of Kombinat Aluminijuma Podgorica to its lenders. The loans were guaranteed by the state and were granted by two banks, one of them is OTP Bank. The Montenegrin government started negotiations with unnamed parties to secure the funding for the loan facility.

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

in HUF million	1H 2012	1H 2013	Y-o-Y	2Q 2012	1Q 2013	2Q 2013	Q-o-Q	Y-o-Y
Consolidated after tax profit	**53,902**	**51,812**	**-4%**	**41,074**	**11,233**	**40,579**	**261%**	**-1%**
Adjustments (total)	**-26,855**	**-41,274**	**54%**	**4,082**	**-29,511**	**-11,762**	**-60%**	**-388%**
Dividend and total net cash transfers (consolidated)	43	-2	-105%	182	-284	282	-199%	55%
Goodwill/investment impairment charges (after tax)	3,977	1,379	-65%	3,977	0	1,379		-65%
Special tax on financial institutions and one-timer payment compensating the underperformance of the financial transaction tax (after corporate income tax)	-29,100	-42,650		-76	-29,227	-13,423	-54%	
Impact of early repayment of FX mortgage loans in Hungary (after corporate income tax)	-1,775	0	0%	0	0	0		
Consolidated adjusted after tax profit without the effect of adjustments	**80,756**	**93,086**	**15%**	**36,992**	**40,744**	**52,341**	**28%**	**41%**
Banks total without one-off items[1]	76,425	89,515	17%	35,917	38,871	50,644	30%	41%
OTP CORE (Hungary)[2]	47,059	59,740	27%	22,760	21,893	37,846	73%	66%
Corporate Centre (after tax)[3]	-3,995	-1,035	-74%	-1,896	-1,152	118	-110%	-106%
OTP Bank Russia	22,375	10,355	-54%	11,043	7,731	2,625	-66%	-76%
CJSC OTP Bank (Ukraine)[4]	-4,074	1,848	-145%	-1,473	1,613	235	-85%	-116%
DSK Bank (Bulgaria)[5]	15,607	19,931	28%	5,717	9,033	10,898	21%	91%
OBR adj. (Romania)[6]	-242	-2,266	836%	921	-731	-1,536	110%	-267%
OTP Banka Srbija (Serbia)[7]	-1,292	-1,646	27%	-836	-834	-811	-3%	-3%
OBH (Croatia)	1,032	1,434	39%	275	507	927	83%	237%
OBS (Slovakia)[8]	311	739	138%	72	710	29	-96%	-60%
CKB (Montenegro)	-355	414	-217%	-667	101	313	211%	-147%
Leasing	2,306	1,006	-56%	951	769	237	-69%	-75%
Merkantil Bank + Car, adj. (Hungary)[9]	1,447	851	-41%	451	689	163	-76%	-64%
Foreign leasing companies (Slovakia, Croatia, Bulgaria, Romania)[10]	859	154	-82%	500	80	74	-7%	-85%
Asset Management	468	1,441	208%	-53	820	621	-24%	
OTP Asset Management (Hungary)	477	1,392	192%	-50	788	603	-23%	
Foreign Asset Management Companies (Ukraine, Romania)[11]	-9	49	-672%	-3	31	18	-44%	-667%
Other Hungarian Subsidiaries	1,656	643	-61%	813	-338	981	-391%	21%
Other Foreign Subsidiaries (Slovakia, United Kingdom, Cyprus, Romania, Belize)[12]	-252	208	-183%	-61	210	-2	-101%	-97%
Eliminations	154	272	76%	-572	412	-140	-134%	-75%
Total after tax profit of HUNGARIAN subsidiaries[13]	46,797	61,863	32%	21,507	22,293	39,571	78%	84%
Total after tax profit of FOREIGN subsidiaries[14]	33,960	31,221	-8%	15,487	18,451	12,770	-31%	-18%
Share of foreign profit contribution, %	*42%*	*34%*	*-9%*	*42%*	*45%*	*24%*	*-21%*	*-17%*

[2] Belonging footnotes are in the Supplementary data section of the Report.

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

CONSOLIDATED STATEMENT OF RECOGNIZED INCOME

Main components of the Statement of recognized income in HUF million	1H 2012	1H 2013	Y-o-Y	2Q 2012	1Q 2013	2Q 2013	Q-o-Q	Y-o-Y
Consolidated after tax profit	**53,902**	**51,812**	**-4%**	**41,074**	**11,233**	**40,579**	**261%**	**-1%**
Adjustments (total)	**-26,855**	**-41,274**	**54%**	**4,082**	**-29,511**	**-11,762**	**-60%**	**-388%**
Dividends and net cash transfers (after tax)	43	-2	-105%	182	-284	282	-199%	55%
Goodwill/investment impairment charges (after tax)	3,977	1,379	-65%	3,977	0	1,379		-65%
Special tax on financial institutions and one-timer payment compensating the underperformance of the financial transaction tax (after corporate income tax)	-29,100	-42,650	47%	-76	-29,227	-13,423	-54%	
Impact of early repayment of FX mortgage loans in Hungary (after corporate income tax)	-1,775	0	-100%	0	0	0		
Consolidated adjusted after tax profit without the effect of adjustments	**80,756**	**93,086**	**15%**	**36,992**	**40,744**	**52,341**	**28%**	**41%**
Before tax profit	**97,306**	**116,288**	**20%**	**46,078**	**57,961**	**58,327**	**1%**	**27%**
Operating profit	**224,498**	**226,706**	**1%**	**111,952**	**112,508**	**114,197**	**2%**	**2%**
Total income	**417,296**	**432,755**	**4%**	**208,044**	**212,869**	**219,886**	**3%**	**6%**
Net interest income	**323,054**	**328,465**	**2%**	**158,907**	**165,888**	**162,577**	**-2%**	**2%**
Net fees and commissions	**72,007**	**78,590**	**9%**	**37,929**	**35,813**	**42,777**	**19%**	**13%**
Other net non-interest income	**22,235**	**25,700**	**16%**	**11,208**	**11,168**	**14,532**	**30%**	**30%**
Foreign exchange result, net	10,757	9,153	-15%	6,334	2,533	6,621	161%	5%
Gain/loss on securities, net	1,341	7,840	484%	287	4,017	3,823	-5%	
Net other non-interest result	10,137	8,707	-14%	4,587	4,618	4,088	-11%	-11%
Operating expenses	**-192,799**	**-206,049**	**7%**	**-96,092**	**-100,361**	**-105,688**	**5%**	**10%**
Personnel expenses	-93,519	-102,885	10%	-46,615	-51,123	-51,762	1%	11%
Depreciation	-22,973	-23,482	2%	-11,832	-11,366	-12,116	7%	2%
Other expenses	-76,308	-79,682	4%	-37,645	-37,872	-41,810	10%	11%
Total risk costs	**-122,840**	**-114,767**	**-7%**	**-64,099**	**-55,005**	**-59,762**	**9%**	**-7%**
Provision for loan losses	-120,033	-115,875	-3%	-62,469	-54,335	-61,540	13%	-1%
Other provision	-2,807	1,107	-139%	-1,630	-671	1,778	-365%	-209%
Total one-off items	**-4,352**	**4,350**	**-200%**	**-1,776**	**458**	**3,892**	**750%**	**-319%**
Revaluation result of FX swaps at OTP Core	-2,556	742	-129%	-1,356	432	310	-28%	-123%
Gain on the repurchase of own Upper and Lower Tier2 Capital	1,124	970	-14%	0	0	970		
Result of the treasury share swap at OTP Core	-2,920	2,637	-190%	-420	26	2,611		-722%
Corporate taxes	**-16,550**	**-23,202**	**40%**	**-9,086**	**-17,217**	**-5,985**	**-65%**	**-34%**
INDICATORS (%)	1H 2012	1H 2013	Y-o-Y	2Q 2012	1Q 2013	2Q 2013	Q-o-Q	Y-o-Y
ROE (adjusted)	11.4%	12.4%	0.9%	10.6%	10.8%	13.7%	2.9%	3.1%
ROA (adjusted)	1.6%	1.9%	0.2%	1.5%	1.6%	2.0%	0.4%	0.5%
Operating profit margin	4.48%	4.53%	0.05%	4.52%	4.42%	4.45%	0.03%	-0.06%
Total income margin	8.33%	8.66%	0.32%	8.39%	8.37%	8.58%	0.21%	0.18%
Net interest margin	6.45%	6.57%	0.12%	6.41%	6.52%	6.34%	-0.18%	-0.07%
Net fee and commission margin	1.44%	1.57%	0.13%	1.53%	1.41%	1.67%	0.26%	0.14%
Net other non-interest income margin	0.44%	0.51%	0.07%	0.45%	0.44%	0.57%	0.13%	0.11%
Cost-to-asset ratio	3.85%	4.12%	0.27%	3.88%	3.95%	4.12%	0.18%	0.25%
Cost/income ratio	46.2%	47.6%	1.4%	46.2%	47.1%	48.1%	0.9%	1.9%
Risk cost for loan losses-to-average gross loans	3.11%	3.12%	0.01%	3.32%	2.88%	3.25%	0.37%	-0.08%
Risk cost for loan losses-to-average FX adjusted gross loans	3.17%	3.11%	-0.06%	3.33%	2.93%	3.31%	0.37%	-0.03%
Total risk cost-to-asset ratio	2.45%	2.30%	-0.16%	2.59%	2.16%	2.33%	0.17%	-0.25%
Effective tax rate	17.0%	20.0%	2.9%	19.7%	29.7%	10.3%	-19.4%	-9.5%
Non-interest income/total income	23%	24%	2%	24%	22%	26%	4%	2%
EPS base (HUF) (from unadjusted net earnings)	201	193	-4%	153	41	152	267%	-1%
EPS diluted (HUF) (from unadjusted net earnings)	201	193	-4%	153	41	152	267%	-1%
EPS base (HUF) (from adjusted net earnings)	304	349	15%	139	153	196	28%	41%
EPS diluted (HUF) (from adjusted net earnings)	303	349	15%	139	153	196	28%	41%

Comprehensive Income Statement	1H 2012	1H 2013	Y-o-Y	2Q 2012	1Q 2013	2Q 2013	Q-o-Q	Y-o-Y
Consolidated after tax profit	53,902	51,812	-4%	41,074	11,233	40,579	261%	-1%
Fair value adjustment of securities available-for-sale (recognised directly through equity)	28,387	-4,162	-115%	17,769	-2,695	-1,467	-46%	-108%
Fair value adjustment of derivative financial instruments designated as cash-flow hedge	264	263	0%	132	131	132	1%	0%
Fair value adjustment of strategic open FX position hedging net investment in foreign operations	5,720	-1,052	-118%	1,851	-3,228	2,176	-167%	18%
Foreign currency translation difference	-60,637	-2,628	-96%	-23,082	49,047	-51,675	-205%	124%
Net comprehensive income	**27,636**	**44,233**	**60%**	**37,744**	**54,488**	**-10,255**	**-119%**	**-127%**
o/w Net comprehensive income attributable to equity holders	28,021	44,286	58%	38,185	54,049	-9,763	-118%	-126%
Net comprehensive income attributable to non-controlling interest	-385	-53	-86%	-441	439	-492	-212%	12%
Average exchange rate of the HUF (in forint)	1H 2012	1H 2013	Y-o-Y	2Q 2012	1Q 2013	2Q 2013	Q-o-Q	Y-o-Y
HUF/EUR	296	296	0%	294	297	296	0%	0%
HUF/CHF	245	241	-2%	245	241	240	0%	-2%
HUF/USD	228	225	-1%	229	225	226	1%	-1%
HUF/100JPY	286	236	-17%	286	244	229	-6%	-20%

CONSOLIDATED BALANCE SHEET

Main components of balance sheet in HUF million	2Q 2012	4Q 2012	1Q 2013	2Q 2013	Q-o-Q	Y-o-Y	YTD
TOTAL ASSETS	**9,937,155**	**10,113,466**	**10,520,194**	**10,048,610**	**-4%**	**1%**	**-1%**
Cash and amount due from banks	560,263	602,521	503,824	501,916	0%	-10%	-17%
Placements with other banks	429,375	356,866	387,569	352,003	-9%	-18%	-1%
Financial assets at fair value	213,113	222,874	243,938	215,750	-12%	1%	-3%
Securities available-for-sale	1,502,010	1,411,177	1,680,274	1,388,768	-17%	-8%	-2%
Net customer loans	6,476,948	6,464,191	6,595,791	6,319,088	-4%	-2%	-2%
Net customer loans (FX adjusted)	**6,521,281**	**6,468,161**	**6,378,039**	**6,319,088**	**-1%**	**-3%**	**-2%**
Gross customer loans	7,554,220	7,618,367	7,834,374	7,535,982	-4%	0%	-1%
Gross customer loans (FX adjusted)	**7,604,188**	**7,624,701**	**7,568,283**	**7,535,982**	**0%**	**-1%**	**-1%**
o/w Retail loans	4,962,998	5,071,344	5,042,321	5,053,531	0%	2%	0%
Retail mortgage loans (incl. home equity)	2,873,503	2,805,545	2,750,049	2,714,023	-1%	-6%	-3%
Retail consumer loans	1,629,911	1,803,232	1,835,712	1,883,726	3%	16%	4%
SME loans	459,584	462,568	456,560	455,782	0%	-1%	-1%
Corporate loans	2,248,829	2,189,608	2,170,423	2,137,478	-2%	-5%	-2%
Loans to medium and large corporates	1,912,774	1,884,923	1,875,669	1,866,653	0%	-2%	-1%
Municipal loans	336,056	304,684	294,755	270,825	-8%	-19%	-11%
Car financing loans	321,159	289,403	270,034	263,184	-3%	-18%	-9%
Bills and accrued interest receivables related to loans	71,202	74,346	85,505	81,788	-4%	15%	10%
Allowances for loan losses	-1,077,272	-1,154,176	-1,238,583	-1,216,894	-2%	13%	5%
Allowances for loan losses (FX adjusted)	-1,082,907	-1,156,541	-1,190,244	-1,216,894	2%	12%	5%
Equity investments	7,712	7,936	7,709	7,323	-5%	-5%	-8%
Securities held-to-maturity	132,007	429,303	437,180	596,802	37%	352%	39%
Premises, equipment and intangible assets, net	474,534	489,142	504,773	487,151	-3%	3%	0%
o/w Goodwill, net	188,956	189,619	200,186	189,279	-5%	0%	0%
Premises, equipment and other intangible assets, net	285,578	299,523	304,587	297,872	-2%	4%	-1%
Other assets	141,193	129,456	159,136	179,809	13%	27%	39%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**9,937,155**	**10,113,466**	**10,520,194**	**10,048,610**	**-4%**	**1%**	**-1%**
Liabilities to credit institutions and governments	711,119	534,324	583,782	519,405	-11%	-27%	-3%
Customer deposits	6,170,700	6,550,708	6,872,511	6,602,506	-4%	7%	1%
Customer deposits (FX adjusted)	**6,218,698**	**6,572,484**	**6,715,952**	**6,602,505**	**-2%**	**6%**	**0%**
o/w Retail deposits	4,634,151	4,771,234	4,740,625	4,708,303	-1%	2%	-1%
Household deposits	4,055,684	4,156,807	4,131,502	4,097,068	-1%	1%	-1%
SME deposits	578,467	614,427	609,124	611,235	0%	6%	-1%
Corporate deposits	1,535,056	1,760,241	1,927,112	1,848,114	-4%	20%	5%
Deposits to medium and large corporates	1,304,454	1,469,460	1,578,638	1,564,994	-1%	20%	7%
Municipal deposits	230,601	290,781	348,474	283,120	-19%	23%	-3%
Accrued interest payable related to customer deposits	49,491	41,009	48,215	46,088	-4%	-7%	12%
Issued securities	742,688	643,123	585,740	535,428	-9%	-28%	-17%
o/w Retail bonds	316,503	230,626	165,732	124,057	-25%	-61%	-46%
Issued securities without retail bonds	426,185	412,497	420,008	411,371	-2%	-3%	0%
Other liabilities	596,534	579,263	633,618	567,214	-10%	-5%	-2%
Subordinated bonds and loans	296,078	291,495	308,529	298,717	-3%	1%	2%
Total shareholders' equity	**1,420,036**	**1,514,553**	**1,536,014**	**1,525,340**	**-1%**	**7%**	**1%**

Indicators	2Q 2012	4Q 2012	1Q 2013	2Q 2013	Q-o-Q	Y-o-Y	YTD
Loan/deposit ratio (FX adjusted)	122%	116%	112%	114%	1%	-8%	-2%
Net loan/(deposit + retail bond) ratio (FX adjusted)	99%	95%	92%	93%	1%	-6%	-1%
90+ days past due loan volume	1,406,672	1,442,646	1,542,621	1,548,031	0%	10%	7%
90+ days past due loans/gross customer loans	18.8%	19.1%	19.9%	20.8%	0.9%	2.0%	1.6%
Total provisions/90+ days past due loans	76.6%	80.0%	80.3%	78.6%	-1.7%	2.0%	-1.4%
Consolidated capital adequacy - Basel2	2Q 2012	4Q 2012	1Q 2013	2Q 2013	Q-o-Q	Y-o-Y	YTD
Capital adequacy ratio (consolidated, IFRS)	17.9%	19.7%	19.7%	20.2%	0.5%	2.3%	0.5%
Tier1 ratio	14.4%	16.0%	15.5%	16.6%	1.1%	2.2%	0.6%
Core Tier1 ratio	13.1%	14.7%	14.2%	15.3%	1.1%	2.1%	0.6%
Leverage (Total Assets/Shareholder's Equity)	7x	6.7x	6.8x	6.6x			
Regulatory capital (consolidated)	1,427,744	1,473,525	1,511,374	1,492,259	-1%	5%	1%
o/w Tier1 Capital	1,153,637	1,203,019	1,191,152	1,232,015	3%	7%	2%
o/w Core Tier1 Capital	1,048,213	1,098,882	1,088,511	1,129,065	4%	8%	3%
Hybrid Tier1 Capital	105,425	104,136	102,641	102,949	0%	-2%	-1%
Tier2 Capital	274,479	270,849	320,566	260,589	-19%	-5%	-4%
Deductions from the regulatory capital	-372	-343	-343	-345	1%	-7%	1%
Consolidated risk weighted assets (RWA) (Credit&Market&Operational risk)	7,986,641	7,496,894	7,678,664	7,399,512	-4%	-7%	-1%
o/w RWA (Credit risk)	6,094,912	6,015,748	6,194,583	5,945,498	-4%	-2%	-1%
RWA (Market & Operational risk)	1,891,729	1,481,146	1,484,081	1,454,014	-2%	-23%	-2%
Closing exchange rate of the HUF (in forint)	2Q 2012	4Q 2012	1Q 2013	2Q 2013	Q-o-Q	Y-o-Y	YTD
HUF/EUR	288	291	304	295	-3.0%	2.4%	1%
HUF/CHF	240	241	250	239	-4%	0%	-1%
HUF/USD	229	221	237	226	-5%	-1%	2%
HUF/100JPY	288	257	252	229	-9%	-21%	-11%

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

OTP BANK'S HUNGARIAN CORE BUSINESS

OTP Core Statement of recognized income:

Main components of the Statement of recognised income in HUF million	1H 2012	1H 2013	Y-o-Y	2Q 2012	1Q 2013	2Q 2013	Q-o-Q	Y-o-Y
After-tax profit without the banking levy, dividends and net cash transfer	47,059	59,740	27%	22,760	21,893	37,846	73%	66%
Corporate income tax	-5,921	-15,402	160%	-3,330	-11,913	-3,489	-71%	5%
Pre-tax profit	52,979	75,141	42%	26,090	33,806	41,336	22%	58%
Operating profit	108,240	97,039	-10%	52,126	45,477	51,562	13%	-1%
Total income	197,641	192,214	-3%	97,032	91,699	100,515	10%	4%
Net interest income	147,386	136,054	-8%	71,248	67,688	68,366	1%	-4%
Net fees and commissions	42,611	43,180	1%	22,182	19,657	23,523	20%	6%
Other net non-interest income	7,644	12,980	70%	3,602	4,353	8,626	98%	139%
Operating expenses	-89,401	-95,175	6%	-44,906	-46,223	-48,953	6%	9%
Total risk costs	-50,909	-25,277	-50%	-24,261	-12,129	-13,148	8%	-46%
Provisions for possible loan losses	-49,635	-25,465	-49%	-23,492	-11,672	-13,793	18%	-41%
Other provisions	-1,274	188	-115%	-768	-457	645	-241%	-184%
Total one-off items	-4,352	3,379	-178%	-1,776	458	2,921	538%	-265%
Revaluation result of FX swaps	-2,556	742	-129%	-1,356	432	310	-28%	-123%
Gain on the repurchase of own Upper and Lower Tier2 Capital	1,124	0	-100%	0	0	0		
Revaluation result of the treasury share swap agreement	-2,920	2,637	-190%	-420	26	2,611	9938%	-722%
Revenues by Business Lines								
RETAIL								
Total income	155,868	146,884	-6%	76,392	71,795	75,088	5%	-2%
Net interest income	117,094	108,273	-8%	56,181	54,231	54,041	0%	-4%
Net fees and commissions	37,383	36,761	-2%	19,388	16,597	20,163	21%	4%
Other net non-interest income	1,391	1,850	33%	822	967	884	-9%	7%
CORPORATE								
Total income	15,720	18,371	17%	8,236	8,506	9,865	16%	20%
Net interest income	10,447	12,125	16%	5,353	5,755	6,370	11%	19%
Net fees and commissions	4,867	5,705	17%	2,642	2,469	3,237	31%	22%
Other net non-interest income	406	541	33%	240	283	258	-9%	7%
Treasury ALM								
Total income	23,560	24,861	6%	11,560	10,753	14,109	31%	22%
Net interest income	19,845	15,656	-21%	9,714	7,702	7,954	3%	-18%
Net fees and commissions	298	24	-92%	93	-24	48	-301%	-49%
Other net non-interest income	3,417	9,181	169%	1,753	3,074	6,107	99%	248%
Indicators (%)	1H 2012	1H 2013	Y-o-Y	2Q 2012	1Q 2013	2Q 2013	Q-o-Q	Y-o-Y
ROE	8.2%	10.1%	1.9%	7.9%	7.5%	13.0%	5.4%	5.0%
ROA	1.5%	2.0%	0.5%	1.5%	1.4%	2.5%	1.0%	1.0%
Operating profit margin (operating profit / avg. total assets)	3.4%	3.2%	-0.2%	3.3%	2.9%	3.3%	0.4%	0.0%
Total income margin	6.21%	6.32%	0.11%	6.19%	5.93%	6.52%	0.60%	0.34%
Net interest margin	4.63%	4.47%	-0.15%	4.54%	4.37%	4.44%	0.06%	-0.11%
Net fee and commission margin	1.3%	1.4%	0.1%	1.4%	1.3%	1.5%	0.3%	0.1%
Net other non-interest income margin	0.2%	0.4%	0.2%	0.2%	0.3%	0.6%	0.3%	0.3%
Operating costs to total assets ratio	2.8%	3.1%	0.3%	2.9%	3.0%	3.2%	0.2%	0.3%
Cost/income ratio	45.2%	49.5%	4.3%	46.3%	50.4%	48.7%	-1.7%	2.4%
Cost of risk/average gross loans	2.89%	1.62%	-1.27%	2.82%	1.46%	1.74%	0.28%	-1.08%
Cost of risk/average gross loans (FX adjusted)	2.93%	1.62%	-1.31%	2.82%	1.47%	1.75%	0.28%	-1.07%
Effective tax rate	11.2%	20.5%	9.3%	12.8%	35.2%	8.4%	-26.8%	-4.3%

- ***1H after tax profit improved by 27% y-o-y as a result of diminishing risk costs (-50%), government bonds' gains and one-off profits***
- ***2Q profit expanded by 73% q-o-q due to declining corporate income tax burden and increasing revenues***
- ***Moderate portfolio deterioration, the worsening of FX mortgages slowed q-o-q, the provision coverage ratio remained high (2Q 2013: 80.7%, +2.4 ppts y-o-y)***
- ***Both loan and deposit volumes decreased (-2% and -4% q-o-q); the net loan-to-deposit ratio was at 71%***

P&L developments

Without the effect of the banking tax and the one-off payment compensating the underperformance of the financial transaction tax **OTP Core** posted a net profit of HUF 59.7 billion in the first half of 2013, underpinning a 27% y-o-y increase. Decelerating portfolio deterioration coupled with a 50% decline in risk cost played a key role in the improvement, in addition gains realised on the available-for-sale government bonds reached HUF 6.6 billion in the first six months of 2013, which strengthened the non-interest income line. Furthermore, HUF 3.4 billion one-off profit was realised in 1H 2013 related to the treasury share swap agreement and the revaluation of FX swaps. In the base period on the contrary, a loss of HUF 4.4 billion was booked, mainly in relation to the same items.

The after-tax profit for the second quarter reached HUF 37.8 billion (up by 73% q-o-q and 66% y-o-y). The increasing profit was strongly supported by a decrease in the corporate tax burden (effective tax rate in 2Q 2013: 8%, -27 ppts q-o-q, -4 ppts y-o-y), stemming from the tax-shield effect of the revaluation of subsidiary investments (the amount of tax shield effect in HUF billion: 2Q 2012: 2.6 tax savings, 1Q 2013: 4.2 additional tax payment, 2Q 2013: 4.3 tax savings). The revaluation was triggered by the fluctuating closing rates of the forint. Besides, pre-tax profit advanced by 22% q-o-q and by 58% y-o-y. Beyond the one-off profit of the treasury share swap agreement, this improvement was fuelled by the 20% expansion of net fees, additionally other non-interest income doubled partly due to higher gains on the Hungarian government bond portfolio (1Q 2013: HUF 3.1 billion, 2Q: HUF 3.6 billion), but also to the better other FX results.

Operating income for the first 6 months deteriorated by 10% y-o-y. On the income side the net interest result melted down by 8% as a result of the following developments: deposit margins narrowed amid the declining yield environment, loan portfolio shrank, and regulatory ceiling for interest rates on loans had an unfavourable effect, too. Furthermore the fixed exchange rate scheme available for FX mortgage borrowers had a negative impact of HUF 2.2 billion on net interest income in 1H 2013 (mostly recognised in the first quarter). By the end of June 2013, 30% of eligible borrowers of OTP Core and OTP Flat Lease signed 35,831 FX protection contracts, as a result loan volumes under FX protection reached HUF 254 billion that is 49% of the performing FX mortgage portfolio. The deterioration of the net interest income was partly offset by the gains realised on the available-for-sale government bond portfolio in 1H 2013 in the amount of HUF 6.6 billion, that made other net non-interest income expand by 70% y-o-y. Operating income was unfavourably influenced by operating costs increasing by 6% y-o-y – mostly on the back of rising personnel expenses.

The risk costs for the first half year moderated by 50%. The portfolio deterioration in 1H 2013 was slightly faster than in 2H 2012, though this pace was still much slower than in 1H 2012 (FX adjusted DPD90+ loan formation in HUF billion was in 1Q 2012: 20, 2Q: 34, 3Q: 12, 4Q: 10, 1Q 2013: 14, 2Q: 18). At the same time the coverage ratio of DPD90+ loans remained high at 80.7%, up by 2.4 ppts y-o-y.

The DPD90+ ratio increased to 17.6% by the end of June 2013. During the second quarter the deterioration of FX mortgages decelerated q-o-q (DPD90+ ratio of mortgage loans in 1Q 2012: 14.5%, 2Q: 16.2%, 3Q: 16.9%, 4Q: 17.6%, 1Q 2013: 19.2%, 2Q: 19.9%), similarly the deterioration of consumer loans slowed somewhat (DPD90+ rate 1Q 2012: 23.1%, 2Q: 23.6%, 3Q: 24.2%, 4Q: 24.8%, 1Q 2013: 25.5%, 2Q: 25.9%). On the contrary, loans to large companies slightly worsened after an improvement in previous quarters (DPD90+ rate 1Q 2012: 14.7%, 2Q: 16.1%, 3Q: 15.4%, 4Q: 13.1%, 1Q 2013: 12.7%, 2Q: 13.3%), while the quality of municipal loans remained steadily good (DPD90+ rate 1Q 2012: 0.2%, 2Q: 0.2%, 3Q: 0.3%, 4Q: 0.6%, 1Q 2013: 0.6%, 2Q: 0.5%).

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

Main components of the balance sheet (closing balances, in HUF million)	2Q 2012	4Q 2012	1Q 2013	2Q 2013	Q-o-Q	Y-o-Y	YTD
Total Assets	6,262,420	6,229,359	6,320,945	6,039,763	-4%	-4%	-3%
Net customer loans	2,924,459	2,807,565	2,797,362	2,678,599	-4%	-8%	-5%
Net customer loans (FX adjusted)	**2,934,433**	**2,809,643**	**2,748,746**	**2,678,599**	**-3%**	**-9%**	**-5%**
Gross customer loans	3,336,029	3,234,343	3,244,415	3,122,786	-4%	-6%	-3%
Gross customer loans (FX adjusted)	**3,347,546**	**3,236,526**	**3,185,160**	**3,122,786**	**-2%**	**-7%**	**-4%**
Retail loans	2,224,766	2,176,664	2,136,220	2,108,228	-1%	-5%	-3%
Retail mortgage loans (incl. home equity)	1,662,088	1,617,969	1,579,882	1,552,708	-2%	-7%	-4%
Retail consumer loans	442,265	438,016	436,435	434,239	-1%	-2%	-1%
SME loans	120,414	120,680	119,903	121,281	1%	1%	0%
Corporate loans	1,122,780	1,059,862	1,048,940	1,014,558	-3%	-10%	-4%
Loans to medium and large corporates	824,519	792,937	793,340	791,241	0%	-4%	0%
Municipal loans	298,260	266,925	255,600	223,317	-13%	-25%	-16%
Provisions	-411,570	-426,779	-447,053	-444,187	-1%	8%	4%
Provisions (FX adjusted)	**-413,112**	**-426,883**	**-436,414**	**-444,187**	**2%**	**8%**	**4%**
Deposits from customers + retail bonds	3,722,929	3,863,322	3,948,102	3,758,889	-5%	1%	-3%
Deposits from customers + retail bonds (FX adjusted)	**3,732,003**	**3,872,944**	**3,922,352**	**3,758,889**	**-4%**	**1%**	**-3%**
Retail deposits + retail bonds	2,657,068	2,572,854	2,464,040	2,380,957	-3%	-10%	-7%
Household deposits + retail bonds	2,355,227	2,262,032	2,150,259	2,065,145	-4%	-12%	-9%
o/w: Retail bonds	316,503	230,626	165,732	124,057	-25%	-61%	-46%
SME deposits	301,841	310,822	313,781	315,812	1%	5%	2%
Corporate deposits	1,074,934	1,300,090	1,458,312	1,377,932	-6%	28%	6%
Deposits of medium and large corporates	895,067	1,060,312	1,163,790	1,152,088	-1%	29%	9%
Municipal deposits	179,867	239,778	294,521	225,844	-23%	26%	-6%
Liabilities to credit institutions	583,235	403,947	411,899	324,357	-21%	-44%	-20%
Issued securities without retail bonds	230,791	249,012	255,865	298,093	17%	29%	20%
Total shareholders' equity	1,160,773	1,195,655	1,163,898	1,180,452	1%	2%	-1%
Loan Quality (%)	2Q 2012	4Q 2012	1Q 2013	2Q 2013	Q-o-Q	Y-o-Y	YTD
90+ days past due loan volume	525,566	521,062	548,268	550,618	0%	5%	6%
90+ days past due loans/gross customer loans	15.8%	16.1%	16.9%	17.6%	0.7%	1.9%	1.5%
Total provisions/90+ days past due loans	78.3%	81.9%	81.5%	80.7%	-0.9%	2.4%	-1.2%
Market Share (%)	2Q 2012	4Q 2012	1Q 2013	2Q 2013	Q-o-Q	Y-o-Y	YTD
Loans	18.8%	19.0%	18.8%	18.6%	-0.2%	-0.2%	-0.4%
Deposits	22.7%	23.0%	23.1%	22.9%	-0.2%	0.2%	0.0%
Total Assets	26.8%	26.6%	26.6%	26.7%	0.1%	-0.1%	0.1%
Indicators (%)	2Q 2012	4Q 2012	1Q 2013	2Q 2013	Q-o-Q	Y-o-Y	YTD
Net loans to (deposits + retail bonds) (FX adjusted)	79%	73%	70%	71%	1%	-7%	-1%
Leverage (Shareholder's Equity/Total Assets)	18.5%	19.2%	18.4%	19.5%	1.1%	1.0%	0.4%
Leverage (Total Assets/Shareholder's Equity)	5,4x	5,2x	5,4x	5,1x			
Capital adequacy ratio (OTP Bank, non-consolidated, HAS)	18.6%	20.4%	21.2%	22.5%	1.3%	3.9%	2.0%
Tier1 ratio (OTP Bank, non-consolidated, HAS)	16.7%	19.3%	20.2%	21.3%	1.1%	4.6%	2.0%

Balance sheet trends

During the second quarter FX-adjusted gross loans of OTP Core decreased by 2% q-o-q (-7% y-o-y) mainly as a result of further contraction in the mortgage portfolio (-2% q-o-q, -7% y-o-y) and shrinking municipal volumes due to the debt consolidation of Hungarian local governments (-13% q-o-q, -25% y-o-y). Deposits fell, too q-o-q: further erosion of retail deposits was coupled with the unfavourable seasonality of municipal deposits. As a result, the "net loan-to-(deposit+retail bond)" ratio slightly advanced (2Q 2013: 71%, FX adjusted +1 ppt q-o-q, -7 ppts y-o-y).

Loan demand in the retail segment is still missing momentum, thus the decrease in the mortgage portfolio continued. Nevertheless, OTP's market share in mortgage sales remained outstanding (2Q 2013: 33%, 1H: 32%), additionally new disbursement of 2Q 2013 strengthened both q-o-q and y-o-y (+64% and +12%, respectively), primarily due to the strong sales of housing loans. However, sales for the first half of 2013 significantly lagged behind the level of the previous year (1H 2013 loan disbursement: HUF 24 billion, -60% y-o-y) as a result of the base effect of the extra demand for refinancing loans generated by the early repayment scheme in 1Q 2012.

Despite the outstanding market share in new sales (2Q 2013: 52%, 1H: 54%) there was no meaningful expansion in cash loans either. OTP Bank's sales performance remained on the previous year's level (in HUF billion 1H 2012: 23.9, 1H 2013: 23.8), the cash loan portfolio contracted similarly to the total consumer loan book.

Loans to middle and large companies remained stable in the second quarter, while the SME portfolio grew a bit. On annual level only loans to micro and small enterprises expanded by 1%. At the same time, the volume of OTP's loans[3] to Hungarian

[3] The calculation is based on the supervisory balance sheet of the Hungarian Financial Supervisory Authority: estimated FX adjusted

enterprises expanded further (+2% y-o-y), while the portfolio of the Hungarian financial institutions excluding OTP dropped by 10%. Consequently, the market share of OTP Bank in corporate loans disbursed to Hungarian companies increased to 11.1% (+0.2 ppt q-o-q, +1.2 ppts y-o-y).

The municipal loan portfolio declined as a result of the debt consolidation by the central government. In December 2012, the State provided a non-refundable subsidy to municipalities with less than 5 thousands inhabitants for the total repayment of their outstanding obligations (loans, bonds, bills of exchange) as at 12 December 2012. In case of OTP Bank HUF 28.8 billion total debt of 957 municipalities was repaid[4]. Furthermore the debt consolidation of municipalities with more than 5 thousands inhabitants was completed by end of June 2013. At OTP Bank the total amount of loans to 192 municipalities with more than 5 thousands inhabitants represented HUF 245 billion by end-2012. Out of this portfolio the debt consolidation covered volumes of HUF 142.6 billion equivalent (at exchange rates as of 31 December 2012). HUF 41.5 billion equivalent of debt was prepaid, while HUF 101.2 billion equivalent was refinanced by a loan originated by OTP Bank for the Government Debt Management Agency[5]. Terms and conditions of the refinancing loan were set as a weighted average of the tenors and spreads of the refinanced municipal loans and bonds.

The deposit base of OTP Core (together with retail bonds) decreased by 4% q-o-q, however grew by 1% y-o-y. The q-o-q decline is partly reasoned by the seasonality of local government deposits: the timing of local tax collection has a negative effect on the deposit volumes in second and fourth quarters. Furthermore, retail deposits continued their descent as the lower yield environment increased the popularity of alternative saving forms (i.e. investment funds and government bonds).

The portfolio of issued securities (without retail bonds) grew by 17% q-o-q and 29% y-o-y respectively. The fundamental reason for the increase was that the volume of senior notes issued for Hungarian institutional investors grew (2Q 2013 closing amount: HUF 89 billion, +4 billion q-o-q, +20 billion y-o-y). There was no bond issuance in the international capital markets in the last 12 months[6].

change of the portfolio of „Loans to enterprises – Non-financial and other financial enterprises".

[4] Calculated with exchange rates as of 27 December 2012 the FX-composition of the repaid debt was the following (in HUF billion equivalent): HUF-denominated: 24.2, CHF-denominated: 4.4 and EUR-denominated: 0.1.

[5] Calculated with exchange rates as of 31 December 2012 the FX-composition of the prepaid debt was the following (in HUF billion equivalent): HUF-denominated: 35.1, CHF-denominated: 5.6 and EUR-denominated: 0.1. FX-composition of the refinanced municipal debt and that of the refinancing loan (in HUF billion equivalent): HUF-denominated: 37.9, CHF-denominated: 52.9 and EUR-denominated: 10.3.

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

OTP FUND MANAGEMENT (HUNGARY)

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

Main components of P&L account in HUF mn	1H 2012	1H 2013	Y-o-Y	2Q 2013	1Q 2013	2Q 2013	Q-o-Q	Y-o-Y
After tax profit w/o dividends, net cash transfer and banking tax	476	1,392	192%	-50	788	603	-23%	
Corporate income tax	-54	-273	403%	55	-85	-188	121%	-440%
Profit before income tax	531	1,665	214%	-106	874	791	-9%	-849%
Operating income	531	1,665	214%	-106	874	791	-9%	-849%
Total income	1,262	2,597	106%	306	1,221	1,375	13%	349%
Net interest income	27	0	-100%	9	0	0	-59%	-100%
Net fee and commission income	1,280	2,533	98%	313	1,191	1,343	13%	329%
Other net non-interest income	-45	63	-240%	-16	31	33	6%	-306%
Operating expenses	-731	-932	27%	-412	-348	-584	68%	42%
Other provisions	0	0		0	0	0	0%	0%
Main components of balance sheet closing balances in HUF mn	**2012**	**1H 2013**	**YTD**	**2Q 2013**	**1Q 2013**	**2Q 2013**	**Q-o-Q**	**Y-o-Y**
Total assets	8,633	8,940	4%	8,291	9,084	8,940	-2%	8%
Total shareholders' equity	7,115	4,636	-35%	3,567	4,063	4,636	14%	30%
Asset under management in HUF bn	**2012**	**1H 2013**	**YTD**	**2Q 2013**	**1Q 2013**	**2Q 2013**	**Q-o-Q**	**Y-o-Y**
Assets under management, total (w/o duplicates)	**993**	**1,299**	**31%**	**966**	**1,219**	**1,299**	**7%**	**35%**
Retail investment funds (closing, w/o duplicates)	594	908	53%	590	821	908	11%	54%
Volume of managed assets (closing, w/o duplicates)	400	392	-2%	375	399	392	-2%	4%
Volume of investment funds (with duplicates)	**796**	**1,003**	**26%**	**708**	**923**	**1,003**	**9%**	**42%**
money market	375	413	10%	366	415	413	-1%	13%
bond	112	294	163%	103	223	294	32%	185%
mixed	11	14	20%	11	13	14	8%	28%
security	196	87	-56%	114	94	87	-7%	-24%
guaranteed	81	100	23%	86	101	100	-1%	16%
other	21	96	362%	28	78	96	22%	244%

OTP Fund Management posted an almost three times higher after tax profit over the comparable period a year earlier, representing HUF 1.4 billion after tax profit in 1H 2013 (excluding the special banking tax on financial institutions). The y-o-y improvement of the 2Q earnings was practically influenced by a one-off item: the Hungarian FSA obliged the company to refund HUF 597 million considered as undue expenses to OTP Private Pension Fund in 2Q 2012. Without this item, the adjusted 2Q 2012 net result would have represented HUF 433 million, the quarterly profit would increase by 39% y-o-y, while 1H net result would improve by 45%.

The series of rate cuts started in August 2012 made people channel their savings from deposits into investment funds, triggering improving profitability in the fund management sector. The accelerated interest of investors enhanced by the rate cuts of the central bank was primarily reflected in the yearly capital inflows. Accordingly, the asset of Hungarian investment funds expanded heavily, by 35% y-o-y. Within that bond funds and money market funds attracted most of the fresh money, while equity funds were hit by redemptions.

The volume of investment funds managed by OTP Fund Management increased by 42% y-o-y, primarily due to significant capital inflows. Within that substantial asset growth was observed in case of bond and derivative funds (OTP Optima, OTP Supra, OTP Maxima), while equity funds suffered withdrawals (OTP Quality, OTP Planeta).

Accordingly, assets under management without duplication increased to HUF 1.300 billion y-o-y, within that the y-o-y expansion of retail funds (without duplications) was remarkable (+54%). As a favourable consequence of the increasing asset base net fee and commission income doubled on a yearly basis (excluding the effect of the HFSA decision the increase would have been 35% y-o-y).

The performance of the income side offset the y-o-y 27% increase of operating expenses. Within that personal expenses were lower by 2% than the level of the base period, while depreciation costs increased by 6% y-o-y. The 58% increase in operating cost mainly reflects a one-off item: in April 2013 the FSA obliged the company to refund HUF 125 million, considered as undue charges, to OTP Voluntary Pension Fund.

Despite the expansion of the whole investment fund market OTP Fund Management retained its leading position, the company's market share (without duplication) represented 27.6% by end-June 2013, while the number of clients increased by over 25 thousand y-o-y.

The other two consolidated fund management companies within the Group (in the Ukraine and Romania) posted HUF 49 million profits in 1H 2013.

MERKANTIL GROUP (HUNGARY)

Performance of Merkantil Bank and Car:

Main components of P&L account in HUF mn	1H 2012	1H 2013	Y-o-Y	2Q 2012	1Q 2013	2Q 2013	Q-o-Q	Y-o-Y
After tax profit w/o dividends, net cash transfers and one-offs	1,447	851	-41%	451	689	163	-76%	-64%
Income tax	86	88	2%	-79	150	-62	-141%	-21%
Profit before income tax	1,361	763	-44%	530	539	225	-58%	-58%
Operating profit	4,404	2,906	-34%	2,203	1,887	1,019	-46%	-54%
Total income	7,505	5,977	-20%	3,803	3,394	2,584	-24%	-32%
Net interest income	7,884	7,213	-9%	3,900	3,670	3,543	-3%	-9%
Net fees and commissions	-1,472	-1,455	-1%	-716	-754	-701	-7%	-2%
Other net non-interest income	1,093	220	-80%	620	478	-258	-154%	-142%
Operating expenses	-3,101	-3,071	-1%	-1,601	-1,506	-1,565	4%	-2%
Total risk costs	-3,044	-2,143	-30%	-1,673	-1,348	-794	-41%	-53%
Provision for possible loan losses	-2,956	-2,645	-11%	-1,631	-1,294	-1,351	4%	-17%
Other provision	-87	502	-677%	-41	-54	557		
Main components of balance sheet closing balances in HUF mn	**2012**	**1H 2013**	**YTD**	**2Q 2012**	**1Q 2013**	**2Q 2013**	**Q-o-Q**	**Y-o-Y**
Total assets	242,982	267,330	10%	252,616	243,388	267,330	10%	6%
Gross customer loans	267,744	245,284	-8%	285,234	257,663	245,284	-5%	-14%
Gross customer loans (FX-adjusted)	266,632	245,284	-8%	284,896	250,968	245,284	-2%	-14%
Retail loans	4,041	4,889	21%	3,034	4,056	4,889	21%	61%
Corporate loans	39,777	45,334	14%	35,625	40,851	45,334	11%	27%
Car financing loans	222,814	195,061	-12%	246,237	206,061	195,061	-5%	-21%
Allowances for possible loan losses	-47,891	-32,871	-31%	-56,226	-38,456	-32,871	-15%	-42%
Allowances for possible loan losses (FX-adjusted)	-47,839	-32,871	-31%	-56,207	-38,147	-32,871	-14%	-42%
Deposits from customers	4,276	5,108	19%	4,135	4,318	5,108	18%	24%
Deposits from customers (FX-adjusted)	4,276	5,108	19%	4,135	4,318	5,108	18%	24%
Retail deposits	1,321	2,183	65%	1,241	1,595	2,183	37%	76%
Corporate deposits	2,955	2,925	-1%	2,894	2,723	2,925	7%	1%
Liabilities to credit institutions	172,987	194,995	13%	187,756	171,520	194,995	14%	4%
Total shareholders' equity	26,293	26,446	1%	26,327	26,265	26,446	1%	0%
Loan Quality	**1H 2012**	**1H 2013**	**Y-o-Y**	**2Q 2012**	**1Q 2013**	**2Q 2013**	**Q-o-Q**	**Y-o-Y**
90+ days past due loan volume (in HUF million)	61,364	35,685	-41.8%	61,364	41,606	35,685	-14.2%	-41.8%
90+ days past due loans/gross customer loans (%)	21.5%	14.5%	-7.0%	21.5%	16.1%	14.5%	-1.6%	-7.0%
Cost of risk/average gross loans (%)	2.01%	2.08%	0.07%	2.28%	2.00%	2.16%	0.16%	-0.12%
Cost of risk/average gross loans (FX-adjusted) (%)	2.06%	2.08%	0.02%	2.30%	2.03%	2.18%	0.16%	-0.11%
Total provisions/90+ days past due loans (%)	91.6%	92.1%	0.5%	91.6%	92.4%	92.1%	-0.3%	0.5%
Performance Indicators (%)	**1H 2012**	**1H 2013**	**Y-o-Y**	**2Q 2012**	**1Q 2013**	**2Q 2013**	**Q-o-Q**	**Y-o-Y**
ROA	1.1%	0.7%	-0.4%	0.7%	1.1%	0.3%	-0.9%	-0.5%
ROE	11.3%	6.5%	-4.8%	7.0%	10.6%	2.5%	-8.2%	-4.5%
Net interest margin	6.06%	5.70%	-0.36%	6.12%	6.12%	5.57%	-0.55%	-0.55%
Cost/income ratio	41.3%	51.4%	10.1%	42.1%	44.4%	60.6%	16.2%	18.5%

- ***In the first half of 2013 Merkantil Group realized HUF 851 million profit after tax***
- ***Loan quality deteriorated further; the quarterly decline in DPD90+ ratio is due to sale of problem loan portfolio to Factoring***
- ***New car financing loan disbursement kept on growing***

Merkantil Bank and Car's aggregated 1H 2013 after tax result totalled to HUF 851 million (excluding special tax on financial institutions), representing a 41% decline compared to the base period.

The 34% decline of semi-annual operating result was influenced by total income, since operating expenses remained flat on yearly basis. Within total revenues, net interest income dropped by 9%. Both the continuously shrinking interest-bearing assets and the further increasing intra-group funding spreads were a drag on net interest revenues. Net fee and commission expenses practically did not change in the first half of 2013 in yearly comparison.

In the second quarter the q-o-q setback of other revenues was due to the sale of receivables 100% covered by provisions. The write-off of those receivables was booked on other revenues line, while the provision release affected other provisions.

Although the ratio of DPD90+ loans fell by 1.6 ppts q-o-q to 14.5%, the underlying credit quality further worsened with a pace similar to that seen in previous quarters. The improvement of the DPD90+ ratio is reasoned by the continued sale of non-performing loans: in 2Q a non-performing book of HUF 6.5 billion, 100% covered by provisions were sold. The provision coverage ratio came down slightly to 92.1% (-0.3 ppt q-o-q), but its level remained satisfactorily high.

The FX-adjusted car financing loan book continued eroding: it fell by 21% y-o-y and 5% q-o-q. The relatively fast pace of decline is explained by the sale of non-performing loan portfolios (in the last 12 months altogether in the amount of HUF 30 billion). New loan disbursements fall by 15% y-o-y in 1H 2013. Although new car loan sales kept on growing (+7%), new big ticket leasing sales volumes plunged by 40%.

IFRS REPORTS OF THE MAIN SUBSIDIARIES

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

OTP BANK RUSSIA

Performance of OTP Bank Russia:

Main components of P&L account in HUF mn	1H 2012	1H 2013	Y-o-Y	2Q 2012	1Q 2013	2Q 2013	Q-o-Q	Y-o-Y
After tax profit w/o dividends, net cash transfers and one-offs	22,375	10,355	-54%	11,043	7,731	2,625	-66%	-76%
Income tax	-6,496	-3,006	-54%	-3,206	-2,244	-762	-66%	-76%
Profit before income tax	28,871	13,362	-54%	14,249	9,975	3,387	-66%	-76%
Operating profit	58,773	68,143	16%	31,657	36,121	32,022	-11%	1%
Total income	93,714	109,724	17%	48,488	56,453	53,271	-6%	10%
Net interest income	82,704	96,991	17%	41,197	49,985	47,006	-6%	14%
Net fees and commissions	9,259	11,619	25%	5,581	5,721	5,898	3%	6%
Other net non-interest income	1,751	1,115	-36%	1,710	747	368	-51%	-78%
Operating expenses	-34,941	-41,581	19%	-16,830	-20,332	-21,250	5%	26%
Total risk costs	-29,902	-54,781	83%	-17,408	-26,146	-28,635	10%	64%
Provision for possible loan losses	-29,370	-55,232	88%	-17,133	-26,258	-28,973	10%	69%
Other provision	-533	451	-185%	-275	112	338	201%	-223%
Main components of balance sheet closing balances in HUF mn	**2012**	**1H 2013**	**YTD**	**2Q 2012**	**1Q 2013**	**2Q 2013**	**Q-o-Q**	**Y-o-Y**
Total assets	1,027,763	1,074,034	5%	896,738	1,109,618	1,074,034	-3%	20%
Gross customer loans	843,424	845,873	0%	671,719	911,029	845,873	-7%	26%
Gross customer loans (FX-adjusted)	805,901	845,873	5%	667,025	825,620	845,873	2%	27%
Retail and SME loans	769,918	814,884	6%	622,699	794,669	814,884	3%	31%
Corporate loans	29,563	26,298	-11%	35,383	25,442	26,298	3%	-26%
Car financing loans	6,420	4,691	-27%	8,943	5,510	4,691	-15%	-48%
Allowances for possible loan losses	-129,491	-167,560	29%	-94,493	-163,658	-167,560	2%	77%
Allowances for possible loan losses (FX-adjusted)	-123,491	-167,560	36%	-93,808	-148,027	-167,560	13%	79%
Deposits from customers	590,958	581,032	-2%	471,311	616,214	581,032	-6%	23%
Deposits from customer (FX-adjusted)	570,113	581,032	2%	468,485	562,782	581,032	3%	24%
Retail and SME deposits	454,031	445,539	-2%	386,465	440,891	445,539	1%	15%
Corporate deposits	116,082	135,493	17%	82,020	121,891	135,493	11%	65%
Liabilities to credit institutions	75,112	130,476	74%	89,693	112,074	130,476	16%	45%
Issued securities	118,063	112,053	-5%	138,117	115,967	112,053	-3%	-19%
Subordinated debt	16,399	16,346	0%	16,540	17,397	16,346	-6%	-1%
Total shareholders' equity	191,883	192,037	0%	156,497	208,875	192,037	-8%	23%
Loan Quality	**1H 2012**	**1H 2013**	**Y-o-Y**	**2Q 2012**	**1Q 2013**	**2Q 2013**	**Q-o-Q**	**Y-o-Y**
90+ days past due loan volume (in HUF million)	99,315	174,631	75.8%	99,315	170,741	174,631	2.3%	75.8%
90+ days past due loans/gross customer loans (%)	14.8%	20.6%	5.9%	14.8%	18.7%	20.6%	1.9%	5.9%
Cost of risk/average gross loans (%)	8.43%	13.19%	4.76%	9.86%	12.14%	13.23%	1.09%	3.37%
Total provisions/90+ days past due loans (%)	95.1%	96.0%	0.8%	95.1%	95.9%	96.0%	0.1%	0.8%
Performance Indicators (%)	**1H 2012**	**1H 2013**	**Y-o-Y**	**2Q 2012**	**1Q 2013**	**2Q 2013**	**Q-o-Q**	**Y-o-Y**
ROA	5.1%	2.0%	-3.1%	4.9%	2.9%	1.0%	-2.0%	-3.9%
ROE	29.9%	10.9%	-19.0%	28.1%	15.6%	5.3%	-10.4%	-22.8%
Total income margin	21.36%	21.06%	-0.30%	21.39%	21.42%	19.57%	-1.85%	-1.82%
Net interest margin	18.85%	18.61%	-0.23%	18.18%	18.97%	17.27%	-1.70%	-0.91%
Cost/income ratio	37.3%	37.9%	0.6%	34.7%	36.0%	39.9%	3.9%	5.2%
Net loans to deposits (FX-adjusted)	122%	117%	-6%	122%	120%	117%	-4%	-6%
FX rates (in HUF)	**1H 2012**	**1H 2013**	**Y-o-Y**	**2Q 2012**	**1Q 2013**	**2Q 2013**	**Q-o-Q**	**Y-o-Y**
HUF/RUB (closing)	7.54	6.91	-8%	7.54	7.65	6.91	-10%	-8%
HUF/RUB (average)	7.44	7.27	-2%	7.38	7.38	7.15	-3%	-3%

- ***HUF 10.4 billion profit for 1H 2013 is about half of the 1H 2012 results, the 2Q profit is one-third of the 1Q PAT***
- ***Operating profit improved by 16% y-o-y***
- ***Further portfolio quality deterioration, risk cost surged by 83% y-o-y, while provision coverage improved (96.0%)***
- ***Significant consumer loan portfolio growth on the yearly basis***
- ***Slightly higher cost/income ratio, 1H 2013: 37.9%, +0.6 ppt y-o-y***

After tax profit of **OTP Bank Russia** for 1H 2013 amounted to HUF 10.4 billion which is less than half of the 1H 2012 profit. The HUF 2.6 billion PAT for the second quarter is about one-third of the profit booked in the 1Q.

Total income in the first half of 2013 increased by 17%, net interest income grew by 17% and net fees and commissions income surged by 25% during the same period. The dynamic increase of total income was fuelled by the growth of the loan portfolio, while net interest margin deteriorated (1H 2013: 18.6%, -0.2 ppt y-o-y) and net F&C margin improved (2.23%, +0.1 ppt y-o-y). The slight moderation of NIM is reasoned by the volatile, but on the whole somewhat decreasing interest on loans, the small increase of funding costs and the missing interest income due to the deteriorating loan portfolio quality. Net fee income increase is driven by the still outstandingly strong dynamics of the credit card business and the consumer loans related insurance fee income. The operating profit grew by 16%, yet profit before tax dropped by 54% y-o-y in the first half year due to the 83% surge in risk cost.

2Q 2013 profit after tax dropped significantly both on quarterly (-66%) and yearly basis (-76%). Notwithstanding the FX-adjusted growth of the loan book, which was only 2% q-o-q due to the seasonality in POS lending, the net interest income decreased by 3% in RUB terms. This could not be offset by the 6% growth of net F&C income, thus quarterly total income decreased by 2.6% in local currency. There is a slight decrease of interest on POS loans to be observed, but the main reason for the q-o-q 1.7 ppts decrease of NIM (2Q 2013: 17.27%) is the missing interest income on non-performing loans. The quarterly increase of net fee and commission income in the second quarter (q-o-q +6%, y-o-y +9% in RUB) was mainly driven by the strong credit card sales, which was partly counterbalanced with the higher loans related fees (paid to agents).

Operating expenses increased in the first half year of 2013 (+19% y-o-y), which is reasoned by the stronger business activity and the 2Q 2013 advisory expenses related to the transformation project. Accordingly, 2Q operating expenses grew by 5% q-o-q. As a result, cost/income ratio of the bank slightly worsened (1H 2013: 37.9%, +0.6 ppt y-o-y; 2Q 2013: 39.9%, +3.9 ppts q-o-q).

Risk cost grew substantially in 1H 2013 (+83%), but the quarterly growth in 2Q was meaningful, too (+10%). The portfolio quality deterioration is the reason behind the higher risk cost. The DPD90+ ratio exceeded 20% by the end of June. Due to the intensive provisioning, the coverage of DPD90+ loans further improved (2Q 2013: 96.0%, +0.1 ppt q-o-q, +0.8 ppt y-o-y).

Consumer loans are still the main products of the Bank, the FX-adjusted book grew by 36% y-o-y, while the quarterly growth was 3%. With regards to POS loans, due to the low season and the sale of bad loans the portfolio shrank by 3% q-o-q; however, compared to end-June 2012 it grew by 30%. The bank maintained its No. 2 position in this market segment. Notwithstanding the strengthening market competition, the credit card segment showed robust growth in 2Q 2013 (+46% y-o-y, +8% q-o-q). Currently the bank is the seventh largest player in this segment; the number of cards sent to potential clients reached almost 1 million. Since 2H 2012 cash loan disbursements have started picking up again and continued in 2Q 2013 as well; the portfolio grew by 5% q-o-q (+23% y-o-y).

Other retail and corporate lending products are on a contracting trend, nevertheless in 2Q the large corporate segment showed q-o-q 3% growth. Among the corporate banking products the Russian bank rather focuses on trade finance, bank guarantee and documentary businesses.

In 2Q 2013 FX-adjusted total deposits grew by 24% on the yearly basis, while the quarterly growth was 3%. Due to the slightly higher offered interest rates retail deposits grew compared to 2Q 2012 (+19%). True, offered interest rates decreased both for term and sight deposits in the course of 2Q 2013, nevertheless, q-o-q growth was still around 1%. Corporate deposits kept growing (+65% y-o-y, +11% q-o-q), due to the higher interest rates on term deposits. As a result of the increasing deposit base, FX-adjusted net loan-to-deposit ratio decreased y-o-y by 6 ppts to 117%. The quarterly improvement was significant, too (-4 ppts). The Russian bank made no bond issuance in the last 12 months.

The number of employees increased q-o-q by 6% to 5,542 people by the end of the second quarter, the number of branches decreased by 1 to 145. The number of active point of sale decreased by 3.5% q-o-q and topped 31 thousand by the end of 2Q.

DSK GROUP (BULGARIA)

Performance of DSK Group:

Main components of P&L account in HUF mn	1H 2012	1H 2013	Y-o-Y	2Q 2012	1Q 2013	2Q 2013	Q-o-Q	Y-o-Y
After tax profit w/o dividends, net cash transfers and one-offs	15,607	19,931	28%	5,717	9,033	10,898	21%	91%
Income tax	-1,885	-2,270	20%	-777	-1,105	-1,165	5%	50%
Profit before income tax	17,492	22,201	27%	6,495	10,138	12,063	19%	86%
Operating profit	31,119	28,342	-9%	15,580	14,413	13,929	-3%	-11%
Total income	48,515	46,364	-4%	24,377	23,329	23,035	-1%	-6%
Net interest income	38,571	36,376	-6%	19,054	18,372	18,004	-2%	-6%
Net fees and commissions	8,280	8,897	7%	4,351	4,144	4,754	15%	9%
Other net non-interest income	1,664	1,091	-34%	973	813	277	-66%	-72%
Operating expenses	-17,396	-18,022	4%	-8,798	-8,916	-9,106	2%	4%
Total provisions	-13,627	-6,141	-55%	-9,085	-4,275	-1,866	-56%	-79%
Provision for possible loan losses	-13,628	-6,141	-55%	-9,085	-4,275	-1,866	-56%	-79%
Other provision	1	0	-110%	0	0	0	120%	-68%
Main components of balance sheet closing balances in HUF mn	**2012**	**1H 2013**	**YTD**	**2Q 2012**	**1Q 2013**	**2Q 2013**	**Q-o-Q**	**Y-o-Y**
Total assets	1,292,031	1,334,178	3%	1,321,827	1,370,973	1,334,178	-3%	1%
Gross customer loans	1,143,861	1,134,817	-1%	1,132,236	1,173,277	1,134,817	-3%	0%
Gross customer loans (FX-adjusted)	1,159,124	1,134,817	-2%	1,159,409	1,138,063	1,134,817	0%	-2%
Retail loans	903,219	899,689	0%	914,473	893,586	899,689	1%	-2%
Corporate loans	255,905	235,128	-8%	244,936	244,477	235,128	-4%	-4%
Allowances for possible loan losses	-178,538	-186,757	5%	-159,153	-190,819	-186,757	-2%	17%
Allowances for possible loan losses (FX-adjusted)	-180,932	-186,757	3%	-162,976	-185,075	-186,757	1%	15%
Deposits from customers	979,054	1,008,416	3%	968,859	1,025,908	1,008,416	-2%	4%
Deposits from customer (FX-adjusted)	992,369	1,008,416	2%	990,647	994,680	1,008,416	1%	2%
Retail deposits	873,453	882,698	1%	859,737	878,421	882,698	0%	3%
Corporate deposits	118,916	125,718	6%	130,911	116,259	125,718	8%	-4%
Liabilities to credit institutions	36,356	43,895	21%	24,642	48,860	43,895	-10%	78%
Subordinated debt	43,901	44,475	1%	101,150	45,849	44,475	-3%	-56%
Total shareholders' equity	209,187	217,634	4%	209,039	227,375	217,634	-4%	4%
Loan Quality	**1H 2012**	**1H 2013**	**Y-o-Y**	**2Q 2012**	**1Q 2013**	**2Q 2013**	**Q-o-Q**	**Y-o-Y**
90+ days past due loan volume (in HUF million)	203,310	225,804	11.1%	203,310	222,901	225,804	1.3%	11.1%
90+ days past due loans/gross customer loans (%)	18.0%	19.9%	1.94%	18.0%	19.0%	19.9%	0.90%	1.94%
Cost of risk/average gross loans (%)	2.33%	1.09%	-1.24%	3.19%	1.50%	0.65%	-0.85%	-2.54%
Cost of risk/average (FX-adjusted) gross loans	2.36%	1.08%	-1.28%	3.16%	1.51%	0.66%	-0.85%	-2.50%
Total provisions/90+ days past due loans (%)	78.3%	82.7%	4.4%	78.3%	85.6%	82.7%	-2.9%	4.4%
Performance Indicators (%)	**1H 2012**	**1H 2013**	**Y-o-Y**	**2Q 2012**	**1Q 2013**	**2Q 2013**	**Q-o-Q**	**Y-o-Y**
ROA	2.3%	3.1%	0.7%	1.7%	2.8%	3.2%	0.5%	1.5%
ROE	15.0%	18.8%	3.8%	11.0%	16.8%	19.6%	2.9%	8.6%
Total income margin	7.27%	7.12%	-0.15%	7.37%	7.11%	6.83%	-0.27%	-0.54%
Net interest margin	5.78%	5.59%	-0.20%	5.76%	5.60%	5.34%	-0.26%	-0.42%
Cost/income ratio	35.9%	38.9%	3.0%	36.1%	38.2%	39.5%	1.3%	3.4%
Net loan to deposit ratio (FX-adjusted)	101%	94%	-7%	101%	96%	94%	-2%	-7%
FX rates (in HUF)	**1H 2012**	**1H 2013**	**Y-o-Y**	**2Q 2012**	**1Q 2013**	**2Q 2013**	**Q-o-Q**	**Y-o-Y**
HUF/BGN (closing)	151.2	150.9	0%	151.2	155.6	150.9	-3%	0%
HUF/BGN (average)	151.2	151.4	0%	150.4	151.6	151.2	0%	1%

- ***As a result of the outstanding 2Q profit the 6M profit grew by 28%, driven by halving risk costs; operating result declined***
- ***Leaping new consumer loan disbursement in 2Q after the launch of lending campaign; total gross loans remained stable q-o-q even with shrinking corporate loan volumes***
- ***In 2Q the acceleration of portfolio quality deterioration coupled with declining coverage ratio, but it remained stably above 80%***

DSK Group reached HUF 20 billion after tax profit in 1H 2013, piercing that in the base period by 28%. The Bank reached record quarterly profit of HUF 10.9 billion in 2Q, underpinned by the lowest quarterly risk cost since the beginning of the crisis.

The semi-annual operating result was down by 9% y-o-y. The 4% erosion in total revenues was stemming mainly from the 6% reduction of net interest income. The change in interest accrual methodology starting from last October (the Bank does not accrue interest on DPD180+ loans and also terminated the related provisioning) played a significant role in the setback of semi-annual net interest revenues. The quarterly net interest margin was compressed by 26 bps, almost one fifth of the decline is explained by the FX rate changes used for calculating HUF financials. Furthermore, lower interest revenues earned on increasing liquid assets, as well as a cash loan campaign launched in the second quarter with promotional interest rates had negative impact on margins, too.

The 7% increase of semi-annual net fees and commissions was supported by strong fee income in relation to outstanding new consumer loan origination that peaked in 2Q as a result of the lending campaign. Other revenues fell by 34%, driven by the non-realized securities loss incurred in the second quarter mainly due to the increasing Bulgarian government securities' benchmark yields.

Semi-annual operating expenses grew by 4%. Within that, personnel expenses expanded by 7%, whereas other costs were pushed up mainly by higher supervisory fees, telecommunication expenses and deductible taxes.

In the second quarter the DPD90+ loan formation reached its highest level in 5 quarters. The ratio of loans with more than 90 days of arrears stood at 19.9% (+0.9 ppt q-o-q). Both household loans and corporate exposures were characterized by deteriorating credit quality.

Risk cost dropped by 55% y-o-y in the first half of the year. Risk cost fell in the second quarter to its lowest level since the onset of the crisis. Consequently, provision coverage ratio came down during the second quarter, but its level of 82.7% is significantly above that a year ago (+4.4 ppts).

The loan book contracted by 2% y-o-y. In the second quarter corporate loans melted down by 4% q-o-q, but total gross loans did not decline as a result of strong consumer loan disbursements. A lending campaign focusing on BGN consumer loans was in place from April to June, backed by promotional interest rates. Its success was attested by outstanding dynamics of new disbursements, and the Bank's significantly increased its market share within new retail loan flows. Even mortgage loan sales showed an uptick in 2Q, but this was only enough to compensate for the redemptions; volumes did not grew.

The FX-adjusted deposits expanded by 1% q-o-q and 2% y-o-y, even with offered deposit rates permanently below the market average. Household deposits that make up the majority of total volumes stagnated q-o-q, coupled with a slight decrease of market share.

The capital position of DSK Bank remained very strong, by the end of June the capital adequacy ratio climbed further and stood at 19.1%.

OTP BANK UKRAINE

Performance of OTP Bank Ukraine:

Main components of P&L Account in HUF mn	1H 2012	1H 2013	Y-o-Y	2Q 2012	1Q 2013	2Q 2013	Q-o-Q	Y-o-Y
After tax profit w/o dividends and net cash transfer	-4,074	1,848	-145%	-1,473	1,613	235	-85%	-116%
Corporate income tax	-1,634	-1,850	13%	-913	-1,542	-308	-80%	-66%
Profit before income tax	-2,440	3,698	-252%	-560	3,155	543	-83%	-197%
Operating profit	13,157	18,031	37%	6,506	9,314	8,717	-6%	34%
Total income	28,138	33,684	20%	14,210	16,577	17,107	3%	20%
Net interest income	21,719	25,743	19%	10,815	13,016	12,727	-2%	18%
Net fees and commissions	5,295	6,967	32%	2,760	2,653	4,313	63%	56%
Other net non-interest income	1,124	974	-13%	635	907	67	-93%	-89%
Operating expenses	-14,981	-15,653	4%	-7,704	-7,263	-8,391	16%	9%
Total risk costs	-15,597	-14,333	-8%	-7,065	-6,160	-8,173	33%	16%
Provision for possible loan losses	-15,836	-13,650	-14%	-6,923	-5,575	-8,075	45%	17%
Other provision	239	-683	-386%	-142	-585	-98	-83%	-31%
Main components of balance sheet closing balances in HUF mn	**2012**	**1H 2013**	**YTD**	**2Q 2012**	**1Q 2013**	**2Q 2013**	**Q-o-Q**	**Y-o-Y**
Total assets	653,603	678,010	4%	720,325	698,705	678,010	-3%	-6%
Gross customer loans	683,478	687,058	1%	727,239	717,579	687,058	-4%	-6%
Gross customer loans (FX-adjusted)	696,889	687,058	-1%	717,237	683,813	687,058	0%	-4%
Retail loans	315,425	309,331	-2%	317,978	307,992	309,331	0%	-3%
Corporate loans	344,250	336,924	-2%	360,130	340,317	336,924	-1%	-6%
Car financing loans	37,214	40,803	10%	39,130	35,505	40,803	15%	4%
Allowances for possible loan losses	-196,132	-199,077	2%	-198,302	-211,040	-199,077	-6%	0%
Allowances for possible loan losses (FX-adjusted)	-200,119	-199,077	-1%	-195,748	-201,148	-199,077	-1%	2%

Main components of balance sheet closing balances in HUF mn	2012	1H 2013	YTD	2Q 2012	1Q 2013	2Q 2013	Q-o-Q	Y-o-Y
Deposits from customers	243,132	249,154	2%	267,123	261,718	249,154	-5%	-7%
Deposits from customer (FX-adjusted)	247,325	249,154	1%	264,322	249,843	249,154	0%	-6%
Retail and SME deposits	170,493	172,569	1%	168,843	170,210	172,569	1%	2%
Corporate deposits	76,831	76,585	0%	95,479	79,633	76,585	-4%	-20%
Liabilities to credit institutions	242,571	239,397	-1%	285,722	237,318	239,397	1%	-16%
Subordinated debt	42,925	43,840	2%	44,698	45,972	43,840	-5%	-2%
Total shareholders' equity	112,464	114,914	2%	112,232	120,060	114,914	-4%	2%
Loan Quality	1H 2012	1H 2013	Y-o-Y	2Q 2012	1Q 2013	2Q 2013	Q-o-Q	Y-o-Y
90+ days past due loan volume (in HUF million)	250,423	267,063	7%	250,423	267,861	267,063	0%	7%
90+ days past due loans/gross customer loans (%)	34.4%	38.9%	4.4%	34.4%	37.3%	38.9%	1.5%	4.4%
Cost of risk/average gross loans (%)	4.17%	4.02%	-0.16%	3.83%	3.23%	4.61%	1.38%	0.79%
Cost of risk/average (FX-adjusted) gross loans	4.34%	3.98%	-0.37%	3.82%	3.27%	4.73%	1.45%	0.90%
Total provisions/90+ days past due loans (%)	79.2%	74.5%	-4.6%	79.2%	78.8%	74.5%	-4.2%	-4.6%
Performance Indicators (%)	1H 2012	1H 2013	Y-o-Y	2Q 2012	1Q 2013	2Q 2013	Q-o-Q	Y-o-Y
ROA	-1.1%	0.6%	1.7%	-0.8%	0.97%	0.1%	-0.8%	0.9%
ROE	-7.1%	3.3%	10.3%	-5.4%	5.63%	0.8%	-4.8%	6.2%
Total income margin	7.55%	10.20%	2.65%	7.77%	9.94%	9.97%	0.03%	2.20%
Net interest margin	5.83%	7.80%	1.97%	5.91%	7.81%	7.42%	-0.39%	1.50%
Cost/income ratio	53.2%	46.5%	-6.8%	54.2%	43.8%	49.0%	5.2%	-5.2%
Net loans to deposit ratio (FX-adjusted)	197%	196%	-1%	197%	193%	196%	3%	-1%
FX rates	1H 2012	1H 2013	Y-o-Y	2Q 2012	1Q 2013	2Q 2013	Q-o-Q	Y-o-Y
HUF/UAH (closing)	28.36	27.73	-2%	28.36	29.17	27.73	-5%	-2%
HUF/UAH (average)	28.34	27.75	-2%	28.49	27.66	27.83	1%	-2%

- ***HUF 1.8 billion net profit in 1H backed by y-o-y 37% higher operating profit and by 8% lower risk cost***
- ***Consumer lending is supported by strong demand: growing number of applications and bigger available ticket size resulted in higher volumes***
- ***Parallel with the decline of the overall loan portfolio the DPD90+ ratio increased to 38.9%, its coverage stood at 74.5% (y-o-y -4.6 ppts)***
- ***Local currency lending is financed by stable retail term deposits***

OTP Bank Ukraine posted HUF 1.8 billion after tax profit in 1H 2013, comparing favourably to the loss of HUF 4 billion realized a year ago. The decline of 2Q net profit was stemming mainly from the 33% increase of risk cost and from the erosion of operating income due to higher operating expenses.

Semi-annual before tax profit was HUF 3.7 billion supported by the favourable operating income generation and decline of provisioning (-8% y-o-y).

The 20% growth of the income side was underpinned by remarkable increase of net interest income. Within that net interest income on high margin consumer loans could offset the lower interest revenues earned on performing mortgage and SME loans.

Net fees and commission increased by 32% y-o-y, reflecting the higher deposit and transaction related fees, as well as the favourable development of card related fees. Besides, the booked insurance fees on consumer loans with payment protection policies were showing a yearly improvement, too.

Operating expenses grew by 7% (FX-adjusted) on a yearly basis. Parallel with the strong activity in POS and cash lending, personal expenses showed a moderate increase (+2% y-o-y). The agent-based distribution is gaining ground against the traditional branch-based operation, the number of selling agents increased further and reached almost 3.000 people. 7 branches were closed over the last quarter. Furthermore, other expenses were pushed up by 17% y-o-y, mainly due to higher collection-related advisory fees and other supervisory fees.

The 1H 2013 provision level is below the base period, however the 2Q provisioning grew by 33% q-o-q. Mainly the corporate loan portfolio deteriorated, though the required high coverage ratio on consumer loans also called for higher risk costs. The increase in the DPD90+ ratio was higher than in 1Q 2013 (quarterly FX-adjusted DPD90+ volume growth in HUF billion: 1Q 2013: 4.0, 2Q 2013: 17.8), thus provision coverage ratio moderated by 4.2 ppts and dropped to 74.5% by the end of 1H.

As a result of promotion campaigns and the development of distribution channels (ie. co-operation agreements with nationwide retail chains) the sale of consumer loans is highly successful. Against the y-o-y 4% decline of the total loan book, the consumer portfolio showed a dynamic growth (2Q 2013 closing volume HUF 54 billion, +115% y-o-y, +24% q-o-q). Within the consumer segment, the POS loan volumes advanced by 10% q-o-q. As a result of higher available ticket size and bigger number of applications the cash loan portfolio also kept growing steadily (+60% q-o-q). The cross sale of credit cards restarted again from mid-February, the quality of the book is gradually improving and the payment discipline is better for newly disbursed credit card loans; the volume increased by 29% q-o-q.

Since the focus of distribution shifted more towards consumer lending, the outstanding volume of both mortgages and corporate loans declined further in 2Q 2013.

In order to provide enough hryvnia liquidity for the growing need of consumer lending, starting from 2012 the bank launched deposit campaigns focusing on household clients. Due to attractive deposit rates the retail term deposits advanced by 3% y-o-y. The volume of corporate deposits grew by 20% y-o-y. As a result, the net loan-to-deposit ratio stood at 196% by end-June.

The capital adequacy of the bank reached 20.6% (+0.3 ppt q-o-q) on 30 June 2013.

OTP BANK ROMANIA

Performance of OTP Bank Romania:

Main components of P&L account in HUF mn	1H 2012	1H 2013	Y-o-Y	2Q 2012	1Q 2013	2Q 2013	Q-o-Q	Y-o-Y
After tax profit w/o dividends, net cash transfers and one-offs	-242	-2,266	836%	921	-731	-1,536	110%	-267%
Income tax	0	0		0	0	0	-200%	
Profit before income tax	-242	-2,266	836%	921	-731	-1,536	110%	-267%
Operating profit	3,671	3,045	-17%	1,460	1,205	1,840	53%	26%
Total income	10,502	9,667	-8%	4,998	4,503	5,164	15%	3%
Net interest income	8,580	7,744	-10%	3,973	4,345	3,399	-22%	-14%
Net fees and commissions	846	940	11%	426	450	490	9%	15%
Other net non-interest income	1,076	983	-9%	599	-291	1,275	-538%	113%
Operating expenses	-6,831	-6,622	-3%	-3,538	-3,299	-3,324	1%	-6%
Total risk costs	-3,913	-5,311	36%	-540	-1,935	-3,376	74%	526%
Provision for possible loan losses	-3,893	-5,198	34%	-535	-1,925	-3,272	70%	512%
Other provision	-20	-113	461%	-5	-10	-103	922%	
Main components of balance sheet closing balances in HUF mn	**2012**	**1H 2013**	**YTD**	**2Q 2012**	**1Q 2013**	**2Q 2013**	**Q-o-Q**	**Y-o-Y**
Total assets	461,458	477,170	3%	453,223	502,188	477,170	-5%	5%
Gross customer loans	392,608	393,452	0%	379,506	409,111	393,452	-4%	4%
Gross customer loans (FX-adjusted)	393,742	393,452	0%	383,588	393,793	393,452	0%	3%
Retail loans	306,226	306,592	0%	287,790	305,265	306,592	0%	7%
Corporate loans	87,516	86,860	-1%	95,798	88,527	86,860	-2%	-9%
Allowances for possible loan losses	-45,583	-50,637	11%	-36,960	-49,572	-50,637	2%	37%
Allowances for possible loan losses (FX-adjusted)	-45,705	-50,637	11%	-37,355	-47,685	-50,637	6%	36%
Deposits from customers	155,348	176,681	14%	137,958	191,886	176,681	-8%	28%
Deposits from customers (FX-adjusted)	157,007	176,681	13%	140,951	184,971	176,681	-4%	25%
Retail deposits	130,109	148,925	14%	106,855	148,909	148,925	0%	39%
Corporate deposits	26,898	27,755	3%	34,096	36,061	27,755	-23%	-19%
Liabilities to credit institutions	239,464	233,405	-3%	248,149	243,306	233,405	-4%	-6%
Total shareholders' equity	32,581	30,953	-5%	34,320	33,778	30,953	-8%	-10%
Loan Quality	**1H 2012**	**1H 2013**	**Y-o-Y**	**2Q 2012**	**1Q 2013**	**2Q 2013**	**Q-o-Q**	**Y-o-Y**
90+ days past due loan volume (in HUF million)	55,495	71,273	28%	55,495	70,220	71,273	1%	28%
90+ days past due loans/gross customer loans (%)	14.6%	18.1%	3.5%	14.6%	17.2%	18.1%	1.0%	3.5%
Cost of risk/average gross loans (%)	2.02%	2.67%	0.64%	0.56%	1.95%	3.27%	1.32%	2.71%
Cost of risk/average gross loans (FX-adjusted) (%)	2.08%	2.66%	0.58%	0.56%	1.98%	3.33%	1.35%	2.77%
Loan Quality	**1H 2012**	**1H 2013**	**Y-o-Y**	**2Q 2012**	**1Q 2013**	**2Q 2013**	**Q-o-Q**	**Y-o-Y**
Total provisions/90+ days past due loans (%)	66.6%	71.0%	4.4%	66.6%	70.6%	71.0%	0.5%	4.4%
Performance Indicators (%)	**1H 2012**	**1H 2013**	**Y-o-Y**	**2Q 2012**	**1Q 2013**	**2Q 2013**	**Q-o-Q**	**Y-o-Y**
ROA	-0.1%	-1.0%	-0.9%	0.8%	-0.6%	-1.3%	-0.6%	-2.1%
ROE	-1.6%	-14.4%	-12.8%	10.7%	-8.9%	-19.0%	-10.1%	-29.7%
Total income margin	4.62%	4.15%	-0.47%	4.46%	3.79%	4.23%	0.44%	-0.23%
Net interest margin	3.78%	3.33%	-0.45%	3.55%	3.66%	2.78%	-0.87%	-0.76%
Cost/income ratio	65.0%	68.5%	3.5%	70.8%	73.2%	64.4%	-8.9%	-6.4%
Net loans to deposits (FX-adjusted)	246%	194%	-52%	246%	187%	194%	7%	-52%
FX rates (in HUF)	**1H 2012**	**1H 2013**	**Y-o-Y**	**2Q 2012**	**1Q 2013**	**2Q 2013**	**Q-o-Q**	**Y-o-Y**
HUF/RON (closing)	68	66	-2%	68	69	66	-4%	-2%
HUF/RON (average)	67	67	0%	66	68	67	0%	1%

- ***Higher semi-annual loss induced by deteriorating operating result and increasing risk cost***
- ***Cash loan sales performance strengthened further***
- ***The pace of loan quality deterioration matched the average of the previous quarters; higher risk costs coupled with improving provision coverage q-o-q***
- ***Deposit volumes contracted in 2Q, although household deposits grew further***

OTP Bank Romania realized HUF 2.3 billion loss in 1H 2013 against a loss of HUF 0.2 billion in the base period.

The semi-annual operating result declined by 17% y-o-y, reflecting basically the declining net interest income; on operating expenses the bank reached 3% saving.

The semi-annual net interest margin narrowed by 45 basis points y-o-y; simultaneously with 10% erosion in net interest revenues. The latter is explained by loan quality deterioration that had a negative impact on interest revenues, and elevated interest expenses mainly in relation to deposit collection. In the second quarter net interest income was down by 22%, attributable to the volatile swap revaluation result which is recognised on this line. Excluding the effect of this swap revaluation result, net interest income would have declined by a mere 1% q-o-q.

The 11% growth of semi-annual net fee and commission income was due to higher deposit- and transaction-related fee revenues.

The quarterly development of other net non-interest income reflects significant volatility. In the second quarter FX result improved q-o-q, while following the revision of accounting methodology; certain items booked on other revenues line in previous quarter were reclassified in 2Q as risk costs. This move in itself accounts for HUF 0.6 billion from the total quarterly increment of other revenues.

Thanks mainly to lower rental fees, training costs and savings in personnel expenses, 1H operating expenses declined by 3% compared to the base period.

Loan quality deterioration continued in 2Q 2013: the DPD90+ ratio reached 18.1% (+1ppt q-o-q). The FX-adjusted non-performing loan formation was close to the average of the preceding four quarters. The credit quality worsened primarily in the mortgage loan segment. The provision coverage ratio edged up by 0.5 ppt in the second quarter as risk cost leaped in quarterly comparison.

Due to continuous cash loan campaigns and the on-going development of sales channels, new cash loan disbursement strengthened further in the second quarter. Consumer loan volumes expanded by 20% q-o-q and 86% y-o-y on an FX-adjusted basis, consequently. Mortgage loan volumes kept on eroding slowly. The aggregated volume of loans to micro- and small companies and corporate loans expanded by 3% y-o-y, although in the second quarter volumes melted down slightly in both segments. As a result, the total gross loans stagnated in 2Q, but grew by 3% y-o-y adjusted for the FX-effect.

Deposit volumes grew by one-fourth in the last twelve months, fuelled mainly by successful deposit collection and retention campaigns in the previous quarters. FX-adjusted deposits contracted by 4% during the second quarter. Household deposits kept on increasing (+3% q-o-q), however, parallel with general market trends, the Bank lowered deposit rates. In addition to this, the Bank put more emphasis on selling alternative forms of retail savings products like investment units. Along with the Bank's improving liquidity position, pricing steps have been made to bring down funding costs even in the corporate segment. During the second quarter corporate deposits melted down by 23%, while deposits of micro and small enterprises came down by 6% q-o-q.

OTP BANKA HRVATSKA (CROATIA)

Performance of OTP banka Hrvatska:

Main components of P&L account in HUF mn	1H 2012	1H 2013	Y-o-Y	2Q 2012	1Q 2013	2Q 2013	Q-o-Q	Y-o-Y
After tax profit w/o dividends, net cash transfers and one-offs	1,032	1,434	39%	275	507	927	83%	237%
Income tax	-259	-378	46%	-69	-159	-219	38%	219%
Profit before income tax	1,291	1,812	40%	344	666	1,146	72%	233%
Operating profit	4,067	3,671	-10%	2,154	1,537	2,134	39%	-1%
Total income	11,357	10,983	-3%	5,801	5,221	5,761	10%	-1%
Net interest income	8,286	7,896	-5%	4,194	3,905	3,991	2%	-5%
Net fees and commissions	2,234	2,324	4%	1,173	1,081	1,243	15%	6%
Other net non-interest income	836	763	-9%	434	235	528	124%	22%
Operating expenses	-7,290	-7,312	0%	-3,646	-3,684	-3,628	-2%	-1%

Main components of P&L account in HUF mn	1H 2012	1H 2013	Y-o-Y	2Q 2012	1Q 2013	2Q 2013	Q-o-Q	Y-o-Y
Total risk costs	-2,776	-1,859	-33%	-1,810	-871	-987	13%	-45%
Provision for possible loan losses	-2,363	-1,827	-23%	-1,453	-803	-1,024	28%	-29%
Other provision	-413	-32	-92%	-358	-69	37	-154%	-110%
Main components of balance sheet closing balances in HUF mn	**2012**	**1H 2013**	**YTD**	**2Q 2012**	**1Q 2013**	**2Q 2013**	**Q-o-Q**	**Y-o-Y**
Total assets	519,570	528,905	2%	489,253	546,208	528,905	-3%	8%
Gross customer loans	351,410	376,522	7%	350,537	377,857	376,522	0%	7%
Gross customer loans (FX-adjusted)	356,978	376,522	5%	359,007	368,495	376,522	2%	5%
Retail loans	229,307	233,018	2%	228,293	232,275	233,018	0%	2%
Corporate loans	126,857	142,920	13%	129,656	135,522	142,920	5%	10%
Car financing loans	814	584	-28%	1,058	698	584	-16%	-45%
Allowances for possible loan losses	-23,740	-26,159	10%	-22,844	-25,516	-26,159	3%	15%
Allowances for possible loan losses (FX-adjusted)	-24,304	-26,159	8%	-23,540	-25,143	-26,159	4%	11%
Deposits from customers	407,754	406,933	0%	385,455	424,543	406,933	-4%	6%
Deposits from customer (FX-adjusted)	414,946	406,933	-2%	393,823	413,213	406,933	-2%	3%
Retail deposits	367,632	367,508	0%	352,069	368,227	367,508	0%	4%
Corporate deposits	47,314	39,426	-17%	41,753	44,987	39,426	-12%	-6%
Liabilities to credit institutions	37,832	43,223	14%	33,301	42,857	43,223	1%	30%
Subordinated debt	1,489	1,510	1%	1,473	1,554	1,510	-3%	2%
Total shareholders' equity	59,813	62,700	5%	56,622	62,511	62,700	0%	11%
Loan Quality	**1H 2012**	**1H 2013**	**Y-o-Y**	**2Q 2012**	**1Q 2013**	**2Q 2013**	**Q-o-Q**	**Y-o-Y**
90+ days past due loan volume (in HUF million)	34,589	47,511	37.4%	34,589	41,338	47,511	14.9%	37.4%
90+ days past due loans/gross customer loans (%)	9.9%	12.6%	2.8%	9.9%	10.9%	12.6%	1.7%	2.8%
Cost of risk/average gross loans	1.31%	1.01%	-0.29%	1.64%	0.89%	1.09%	0.20%	-0.55%
Cost of risk/average (FX-adjusted) gross loans	1.32%	1.00%	-0.32%	1.62%	0.90%	1.10%	0.21%	-0.52%
Total provisions/90+ days past due loans (%)	66.0%	55.1%	-11.0%	66.0%	61.7%	55.1%	-6.7%	-11.0%
Performance Indicators (%)	**1H 2012**	**1H 2013**	**Y-o-Y**	**2Q 2012**	**1Q 2013**	**2Q 2013**	**Q-o-Q**	**Y-o-Y**
ROA	0.4%	0.6%	0.1%	0.2%	0.4%	0.7%	0.3%	0.5%
ROE	3.6%	4.7%	1.1%	1.9%	3.4%	5.9%	2.6%	4.0%
Total income margin	4.48%	4.22%	-0.26%	4.71%	3.97%	4.30%	0.33%	-0.41%
Net interest margin	3.27%	3.04%	-0.23%	3.40%	2.97%	2.98%	0.01%	-0.43%
Cost/income ratio	64.2%	66.6%	2.4%	62.9%	70.6%	63.0%	-7.6%	0.1%
Net loans to deposits (FX-adjusted)	85%	86%	1%	85%	83%	86%	3%	1%
FX rates (in HUF)	**1H 2012**	**1H 2013**	**Y-o-Y**	**2Q 2012**	**1Q 2013**	**2Q 2013**	**Q-o-Q**	**Y-o-Y**
HUF/HRK (closing)	38.37	39.63	3%	38.37	40.05	39.63	-1%	3%
HUF/HRK (average)	39.20	39.11	0%	39.10	39.09	39.14	0%	0%

- ***After tax profit in 1H advanced by 39% with decreasing operating profit and moderating provisioning***
- ***FX-adjusted gross loans advanced by 5% due to strong corporate lending activity***
- ***DPD90+ ratio deteriorated to 12.6%, while the coverage diminished remarkably***

OTP banka Hrvatska posted HUF 1.4 billion after tax profit in 1H 2013 against HUF 1.0 billion in the base period. The main reason for the rising earnings in 2Q was the q-o-q 39% higher operating result which was weakened by increasing risk costs (+13%).

The net interest income fell by 5% in 1H. Beside the increasing loan book, the declining reference rates resulted in reducing interest income, however the pricing of deposits hasn't pursued this change to that degree, thus the 1H net interest margin shrank by 23 basis points.

The net fee income in the first half of the year improved by 4% y-o-y and grew by 15% q-o-q due to seasonal effects. The 1H net non-interest revenues lagged behind the base period by 9%, although in 2Q other revenues surged by 124% q-o-q due to higher foreign currency exchange result.

Operating costs remained stable in 1H.

The ratio of loans with more than 90 days of delay reached 12.6% at the end of 2Q, underpinning a y-o-y 2.8 ppts increase (+1.7 ppts q-o-q). The volume of DPD90+ loans jumped in 2Q in relation to few corporate exposures. At the same time 1H risk costs moderated by third y-o-y, the coverage ratio of overdue loans fell to 55.1% (-11.0 ppts y-o-y, -6.7 ppts q-o-q).

The FX-adjusted gross loan portfolio advanced (+5% y-o-y, +2% q-o-q). Retail loans stagnated q-o-q because of low demand for loans. The corporate segment, however grew by 13% in the first half of the year and by 5% during the second quarter. The quarterly increase was mainly stemming from the municipal segment – the Bank places particular emphasis on lending to state-backed companies with guarantees and adequate collaterals.

The FX-adjusted deposit book declined by 2% q-o-q, the retail volumes stagnated, while corporate deposits fell by 12%. Thus the net loan-to-deposit rate increased by 3 ppts to 86% q-o-q.

Capital adequacy ratio of the Bank was stable at 16% (regulatory minimum at 12%).

OTP BANKA SLOVENSKO (SLOVAKIA)

Performance of OTP Banka Slovensko*:

Main components of P&L account in HUF mn	1H 2012	1H 2013	Y-o-Y	2Q 2012	1Q 2013	2Q 2013	Q-o-Q	Y-o-Y
After tax profit w/o dividends, net cash transfers and one-offs	311	739	138%	72	710	29	-96%	-60%
Income tax	-69	-165	138%	-26	-83	-82	-1%	210%
Profit before income tax	380	904	138%	98	793	111	-86%	13%
Operating profit	1,666	1,714	3%	792	828	886	7%	12%
Total income	7,141	7,031	-2%	3,552	3,479	3,552	2%	0%
Net interest income	5,953	5,880	-1%	3,051	2,906	2,974	2%	-3%
Net fees and commissions	1,467	1,549	6%	736	759	790	4%	7%
Other net non-interest income	-278	-398	43%	-234	-186	-212	14%	-10%
Operating expenses	-5,476	-5,317	-3%	-2,761	-2,651	-2,666	1%	-3%
Total risk costs	-1,286	-810	-37%	-694	-35	-775		12%
Provision for possible loan losses	-1,328	-843	-37%	-699	-61	-781		12%
Other provision	42	32	-23%	5	26	6	-76%	23%
Main components of balance sheet closing balances in HUF mn	**2012**	**1H 2013**	**YTD**	**2Q 2012**	**1Q 2013**	**2Q 2013**	**Q-o-Q**	**Y-o-Y**
Total assets	374,224	385,794	3%	384,066	410,160	385,794	-6%	0%
Gross customer loans	291,991	302,532	4%	287,152	306,199	302,532	-1%	5%
Gross customer loans (FX-adjusted)	295,878	302,532	2%	294,036	296,987	302,532	2%	3%
Retail and SME loans	225,280	234,453	4%	220,299	226,279	234,453	4%	6%
Corporate loans	70,071	67,577	-4%	73,178	70,208	67,577	-4%	-8%
Allowances for possible loan losses	-21,042	-21,129	0%	-18,736	-21,804	-21,129	-3%	13%
Allowances for possible loan losses (FX-adjusted)	-21,321	-21,129	-1%	-19,187	-21,149	-21,129	0%	10%
Deposits from customers	299,014	308,262	3%	293,193	316,604	308,262	-3%	5%
Deposits from customer (FX-adjusted)	303,020	308,262	2%	300,118	307,027	308,262	0%	3%
Retail and SME deposits	278,540	279,407	0%	267,748	280,170	279,407	0%	4%
Corporate deposits	24,480	28,855	18%	32,370	26,857	28,855	7%	-11%
Liabilities to credit institutions	6,074	6,067	0%	6,162	11,076	6,067	-45%	-2%
Issued securities	28,296	27,419	-3%	40,437	36,279	27,419	-24%	-32%
Subordinated debt	8,464	8,586	1%	8,380	8,841	8,586	-3%	2%
Total shareholders' equity	26,993	26,993	0%	28,464	28,119	26,993	-4%	-5%
Loan Quality	**1H 2012**	**1H 2013**	**Y-o-Y**	**2Q 2012**	**1Q 2013**	**2Q 2013**	**Q-o-Q**	**Y-o-Y**
90+ days past due loan volume (in HUF million)	33,014	36,373	10.2%	33,014	36,535	36,373	-0.4%	10.2%
90+ days past due loans/gross customer loans (%)	11.5%	12.0%	0.5%	11.5%	11.9%	12.0%	0.1%	0.5%
Cost of risk/average gross loans (%)	0.91%	0.57%	-0.34%	0.97%	0.08%	1.03%	0.95%	0.06%
Cost of risk/average (FX-adjusted) gross loans (%)	0.92%	0.57%	-0.35%	0.96%	0.08%	1.05%	0.96%	0.09%
Total provisions/90+ days past due loans (%)	56.8%	58.1%	1.3%	56.8%	59.7%	58.1%	-1.6%	1.3%
Performance Indicators (%)	**1H 2012**	**1H 2013**	**Y-o-Y**	**2Q 2012**	**1Q 2013**	**2Q 2013**	**Q-o-Q**	**Y-o-Y**
ROA	0.2%	0.4%	0.2%	0.1%	0.7%	0.0%	-0.7%	0.0%
ROE	2.1%	5.5%	3.4%	1.0%	10.5%	0.4%	-10.0%	-0.6%
Total income margin	3.73%	3.73%	0.00%	3.75%	3.60%	3.58%	-0.02%	-0.17%
Net interest margin	3.11%	3.12%	0.01%	3.22%	3.01%	3.00%	-0.01%	-0.23%
Cost/income ratio	76.7%	75.6%	-1.1%	77.7%	76.2%	75.1%	-1.1%	-2.7%
Net loans to deposits	92%	91%	0%	92%	90%	91%	1%	0%
Net loans to deposits (FX-adjusted)	92%	91%	0%	92%	90%	91%	1%	0%
FX rates (in HUF)	**1H 2012**	**1H 2013**	**Y-o-Y**	**2Q 2012**	**1Q 2013**	**2Q 2013**	**Q-o-Q**	**Y-o-Y**
HUF/EUR (closing)	296	295	0%	296	304	295	-3%	0%
HUF/EUR (average)	296	296	0%	294	297	296	0%	0%

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

- ***HUF 739 million after tax profit in 1H, without banking tax***
- ***Slightly deteriorating loan portfolio quality y-o-y, improving provision coverage (2Q 2013: 58.1%)***
- ***Further strengthening retail focus: consumer loans doubled on the yearly basis***
- ***Growing deposit base y-o-y, FX-adjusted net loan-to-deposit ratio was 91% in 2Q***

In 1H 2013 **OTP Banka Slovensko** posted HUF 739 million after tax profit without the banking tax, compared to the HUF 311 million in the same period last year. Apart from the 3% improvement of operating income, the material improvement of the half year profit was due to the 37% drop of risk cost, related to a one-off positive element on this line in 1Q 2013.

In 1H 2013 the slight decrease of the total assets caused a y-o-y 2% decline of total income, with margins remaining stable. The slight decrease of net interest income was counterbalanced with the growth of net F&C income, however, net non-interest income grew by HUF 120 million y-o-y, mainly related to the revaluation of FX-swaps. Owing to the 3% y-o-y drop of operating expenses operating profit grew by 3%. The yearly drop of operating expenses is partly reasoned by the abolishment of the contribution to the deposit protection fund in lieu of the higher banking tax. As a result the cost/income ratio improved a bit (1H 2013: 75.6%, -1.1 ppts y-o-y).

With regards to 2Q 2013, the operating profit increased by 7% q-o-q and 12% y-o-y. The growth of retail loan portfolio supported both interest and fees and commissions income: the former grew by 2% q-o-q, the latter by 4% respectively; while income margins hardly changed. The improvement of F&C income was also fuelled by the active early redemption of mortgage loans. Cost/income ratio showed a bit of improvement (2Q 2013: 75.1%, -1.1 ppts q-o-q, -2.7 ppts y-o-y).

The half year risk cost decreased by 37% y-o-y, but this is hardly comparable to the base figure, because in 1Q 2013 a one-off provision release decreased this line in the amount of HUF 424 million. In the course of 2Q 2013 risk cost increased by 12% y-o-y. The provision coverage of 90+ days past due loans improved by 1.3 ppts y-o-y, but decreased by 1.2 ppts q-o-q (2Q 2013: 58.1%). There was a small increase in the DPD90+ ratio (2Q 2013: 12.0%). The quarterly comparability of portfolio quality and coverage indicators is affected by the fact, that during 2Q EUR 2.8 million worth problem loans were sold to third parties.

The yearly development of loan volumes was in line with the preceding year trend, the retail focus strengthened. In yearly comparison FX-adjusted total loans grew by 3%, within that retail and SME loan growth was 6%, while the corporate and municipal loan portfolio dropped by 8%. Within the retail portfolio mortgage loans increase was meaningful (+7%), while the consumer loan portfolio doubled (+114%) compared to end-June 2012. The total loan portfolio increased by 2% q-o-q with consumer loan disbursement remaining strong (+35%). The mortgage loan segment produced a 3% growth in 2Q after the slight decline in the first quarter of the year, owing to the successful spring campaign.

FX-adjusted deposit base grew by 3% y-o-y and stagnated q-o-q. Beside the strong competition on the retail deposit market normalisation of interest rates on the deposits could be observed, too; nevertheless, sight deposits showed some growth (+1% q-o-q). Corporate and municipal deposits (more or less due to the overall volume) showed higher volatility: after the 10% growth in the first quarter they grew again by 7%, mainly due to the 20% surge of municipal deposits. Net loans-to-deposits ratio stood at 91% at the end of June, no significant change compared to the previous periods.

In the second quarter of 2013 the number of branches did not change, the bank operated with 68 branches. Number of employees grew by 20 to 658 people q-o-q.

OTP BANKA SRBIJA (SERBIA)

Performance of OTP banka Srbija:

Main components of P&L account in HUF mn	1H 2012	1H 2013	Y-o-Y	2Q 2012	1Q 2013	2Q 2013	Q-o-Q	Y-o-Y
After tax profit w/o dividends, net cash transfers and one-offs	-1,292	-1,646	27%	-836	-834	-811	-3%	-3%
Income tax	0	0	-100%	0	0	0		-100%
Profit before income tax	-1,292	-1,646	27%	-836	-834	-811	-3%	-3%
Operating profit	-84	27	-131%	-90	10	17	73%	-119%
Total income	3,351	3,664	9%	1,781	1,824	1,840	1%	3%
Net interest income	1,345	2,198	63%	755	1,142	1,056	-7%	40%
Net fees and commissions	811	790	-3%	407	385	404	5%	-1%
Other net non-interest income	1,195	676	-43%	618	297	379	28%	-39%
Operating expenses	-3,436	-3,637	6%	-1,871	-1,814	-1,823	0%	-3%

Main components of P&L account in HUF mn	1H 2012	1H 2013	Y-o-Y	2Q 2012	1Q 2013	2Q 2013	Q-o-Q	Y-o-Y
Total risk costs	-1,207	-1,672	39%	-745	-844	-828	-2%	11%
Provision for possible loan losses	-1,248	-1,562	25%	-754	-771	-792	3%	5%
Other provision	41	-110	-372%	9	-73	-37	-50%	-506%
Main components of balance sheet closing balances in HUF mn	**2012**	**1H 2013**	**YTD**	**2Q 2012**	**1Q 2013**	**2Q 2013**	**Q-o-Q**	**Y-o-Y**
Total assets	122,994	101,439	-18%	111,512	116,520	101,439	-13%	-9%
Gross customer loans	90,026	90,286	0%	81,729	94,601	90,286	-5%	10%
Gross customer loans (FX-adjusted)	91,015	90,286	-1%	84,073	90,674	90,286	0%	7%
Retail loans	38,735	40,884	6%	37,561	39,113	40,884	5%	9%
Corporate loans	52,280	49,403	-6%	46,512	51,561	49,403	-4%	6%
Allowances for possible loan losses	-26,404	-27,282	3%	-24,339	-28,400	-27,282	-4%	12%
Allowances for possible loan losses (FX-adjusted)	-26,716	-27,282	2%	-25,129	-27,143	-27,282	1%	9%
Deposits from customers	38,268	43,199	13%	34,422	41,636	43,199	4%	25%
Deposits from customers (FX-adjusted)	38,751	43,199	11%	35,387	40,098	43,199	8%	22%
Retail deposits	30,069	32,022	6%	27,920	30,516	32,022	5%	15%
Corporate deposits	8,682	11,177	29%	7,467	9,582	11,177	17%	50%
Liabilities to credit institutions	17,088	10,857	-36%	9,469	5,813	10,857	87%	15%
Subordinated debt	37,561	8,316	-78%	37,256	27,091	8,316	-69%	-78%
Total shareholders' equity	25,171	35,576	41%	27,602	38,340	35,576	-7%	29%
Loan Quality	**1H 2012**	**1H 2013**	**Y-o-Y**	**2Q 2012**	**1Q 2013**	**2Q 2013**	**Q-o-Q**	**Y-o-Y**
90+ days past due loan volume (in HUF million)	47,313	45,646	-4%	47,313	48,436	45,646	-6%	-4%
90+ days past due loans/gross customer loans (%)	57.9%	50.6%	-7.3%	57.9%	51.2%	50.6%	-0.6%	-7.3%
Cost of risk/average gross loans (%)	2.91%	3.49%	0.58%	3.66%	3.39%	3.43%	0.05%	-0.22%
Cost of risk/average gross loans (FX-adjusted) (%)	3.00%	3.48%	0.48%	3.63%	3.44%	3.51%	0.07%	-0.12%
Total provisions/90+ days past due loans (%)	51.4%	59.8%	8.3%	51.4%	58.6%	59.8%	1.1%	8.3%
Performance Indicators (%)	**1H 2012**	**1H 2013**	**Y-o-Y**	**2Q 2012**	**1Q 2013**	**2Q 2013**	**Q-o-Q**	**Y-o-Y**
ROA	-2.2%	-3.0%	-0.7%	-2.9%	-2.8%	-2.99%	-0.2%	-0.1%
ROE	-9.394%	-10.9%	-1.5%	-12.9%	-10.7%	-8.81%	1.8%	4.1%
Net interest margin	2.32%	3.95%	1.6%	2.64%	3.87%	3.89%	0.02%	1.25%
Cost/income ratio	102.5%	99.3%	-3.2%	105.1%	99.5%	99.1%	-0.4%	-6.0%
Gross loans to deposits	237%	209%	-28.4%	237%	227%	209%	-18%	-28%
Net loans to deposits	167%	146%	-20.9%	167%	159%	146%	-13%	-21%
Net loans to deposits (FX-adjusted)	167%	146%	-20.7%	167%	158%	146%	-13%	-21%
FX rates (in HUF)	**1H 2012**	**1H 2013**	**Y-o-Y**	**2Q 2012**	**1Q 2013**	**2Q 2013**	**Q-o-Q**	**Y-o-Y**
HUF/RSD (closing)	2.49	2.59	4%	2.49	2.73	2.59	-5%	4%
HUF/RSD (average)	2.67	2.65	-1%	2.59	2.66	2.64	-1%	2%

- ***The operation remained in red with slightly positive operating result***
- ***1H net interest income grew significantly y-o-y***
- ***The DPD90+ ratio diminished further, the coverage elevated despite stable risk cost***
- ***Gross loans advanced by 7% y-o-y, consumer loans by 23% respectively (adjusted for the FX effect)***

OTP banka Srbija posted HUF 1.6 billion net loss in 1H 2013 against the negative result of HUF 1.3 billion in the base period. The 2Q loss remained on the same level as 1Q outcome with stable operating result and risk costs.

The operating result turned into positive territory in 1H, although it was minimal. The 1H total revenues expanded by 9% y-o-y, fuelled by net interest revenues that increased by 63%. The surge of the 1H net interest revenues was caused by the expansion of consumer loans and by increase of performing loans. The 1H net interest margin improved by 1.6 ppts y-o-y.

Apart from the marginal y-o-y erosion of 1H net fee income, other net non-interest revenues dipped by 43% y-o-y, mainly due to higher suspended interest collection in base period, which was booked on this line of income statement.

The 1H operating expenses advanced by 6% y-o-y, driven mainly by higher personnel- and marketing expenses, and additional costs emerged in 1Q in relation to litigations.

The favourable tendencies in portfolio quality have continued: the DPD90+ ratio was down by 7.3 ppts y-o-y to 50.6%, while the coverage ratio improved significantly. The 25% y-o-y rise of risk costs has contributed to this performance, too.

Adjusted for the FX-effect, total gross loan portfolio expanded by 7% y-o-y and stagnated q-o-q. In the retail segment the Bank focused its lending activity on consumer loans, which grew by 23% y-o-y and 9% q-o-q due to the success of new loan products introduced in April. The large company loan book advanced by 6% in yearly comparison.

FX-adjusted deposits mounted by 22% in yearly comparison, while q-o-q they grew by 8%. All deposit segments extended in quarterly comparison with the large companies' deposits showing the biggest gain (+20%).

The FX-adjusted net loan-to-deposit ratio dropped to 146% underpinning a 13% q-o-q and 21% y-o-y improvement.

The capital adequacy ratio of the Bank stood at 40.6%, which notably exceeds the regulatory minimum of 12%.

CRNOGORSKA KOMERCIJALNA BANKA (MONTENEGRO)

Performance of CKB:

Main components of P&L account in HUF mn	1H 2012	1H 2013	Y-o-Y	2Q 2012	1Q 2013	2Q 2013	Q-o-Q	Y-o-Y
After tax profit w/o dividends and net cash transfer	-355	414	-217%	-667	101	313	211%	-147%
Corporate income tax	-13	0	-100%	-13	0	0		-100%
Pre-tax profit	-342	414	-221%	-654	101	313	211%	-148%
Operating profit	1,336	1,697	27%	742	634	1,063	68%	43%
Total income	4,951	5,081	3%	2,538	2,342	2,739	17%	8%
Net interest income	3,660	3,784	3%	1,853	1,802	1,981	10%	7%
Net fees and commissions	1,160	1,128	-3%	633	459	669	46%	6%
Other net non-interest income	131	169	29%	52	81	88	9%	70%
Operating expenses	-3,615	-3,384	-6%	-1,796	-1,709	-1,676	-2%	-7%
Total risk costs	-1,678	-1,282	-24%	-1,396	-533	-750	41%	-46%
Provision for possible loan losses	-1,395	-1,606	15%	-1,025	-531	-1,075	103%	5%
Other provision	-283	324	-214%	-371	-2	326		-188%
Main components of balance sheet closing balances in HUF mn	**2012**	**1H 2013**	**YTD**	**2Q 2012**	**1Q 2013**	**2Q 2013**	**Q-o-Q**	**Y-o-Y**
Total assets	208,633	198,081	-5%	210,701	214,744	198,081	-8%	-6%
Gross customer loans	147,244	156,447	6%	152,521	156,959	156,447	0%	3%
Gross customer loans (FX-adjusted)	149,200	156,447	5%	156,194	152,244	156,447	3%	0%
Retail loans	66,145	67,488	2%	67,694	66,810	67,488	1%	0%
Corporate loans	83,055	88,959	7%	88,500	85,434	88,959	4%	1%
Car financing loans	0	0		0	0	0		
Allowances for possible loan losses	-46,252	-48,479	5%	-44,500	-48,862	-48,479	-1%	9%
Allowances for possible loan losses (FX-adjusted)	-46,867	-48,479	3%	-45,572	-47,394	-48,479	2%	6%
Deposits from customers	157,924	146,374	-7%	154,747	162,864	146,374	-10%	-5%
Deposits from customers (FX-adjusted)	160,070	146,374	-9%	158,268	157,868	146,374	-7%	-8%
Retail deposits	123,357	120,551	-2%	122,709	123,379	120,551	-2%	-2%
Corporate deposits	36,714	25,823	-30%	35,558	34,489	25,823	-25%	-27%
Liabilities to credit institutions	21,671	20,236	-7%	23,335	22,317	20,236	-9%	-13%
Subordinated debt	2,041	5,045	147%	4,325	2,132	5,045	137%	17%
Total shareholders' equity	17,048	17,688	4%	18,137	17,913	17,688	-1%	-2%
Loan Quality	**1H 2012**	**1H 2013**	**Y-o-Y**	**2Q 2012**	**1Q 2013**	**2Q 2013**	**Q-o-Q**	**Y-o-Y**
90+ days past due loan volume (in HUF million)	60,467	66,655	10.2%	60,467	64,267	66,655	3.7%	10.2%
90+ days past due loans/gross customer loans (%)	39.6%	42.6%	3.0%	39.6%	40.9%	42.6%	1.7%	3.0%
Cost of risk/average gross loans (%)	1.76%	2.13%	0.37%	2.66%	1.41%	2.75%	1.34%	0.09%
Cost of risk/average (FX-adjusted) gross loans (%)	1.79%	2.12%	0.33%	2.63%	1.43%	2.79%	1.37%	0.16%
Total provisions/90+ days past due loans (%)	73.6%	72.7%	-0.9%	73.6%	76.0%	72.7%	-3.3%	-0.9%
Performance Indicators (%)	**1H 2012**	**1H 2013**	**Y-o-Y**	**2Q 2012**	**1Q 2013**	**2Q 2013**	**Q-o-Q**	**Y-o-Y**
ROA	-0.3%	0.4%	0.7%	-1.3%	0.2%	0.6%	0.4%	1.9%
ROE	-4.2%	4.8%	9.0%	-14.3%	2.3%	7.1%	4.7%	21.4%
Total income margin	4.49%	5.04%	0.55%	4.80%	4.49%	5.32%	0.83%	0.52%
Net interest margin	3.32%	3.75%	0.43%	3.50%	3.45%	3.85%	0.40%	0.35%
Cost/income ratio	73.0%	66.6%	-6.4%	70.8%	73.0%	61.2%	-11.8%	-9.6%
Net loans to deposits (FX-adjusted)	70%	74%	4%	70%	66%	74%	7%	4%
FX rates (in HUF)	**1H 2012**	**1H 2013**	**Y-o-Y**	**2Q 2012**	**1Q 2013**	**2Q 2013**	**Q-o-Q**	**Y-o-Y**
HUF/EUR (closing)	288.2	295.2	2%	288.2	304.3	295.2	-3%	2%
HUF/EUR (average)	295.5	296.2	0%	294.2	296.6	295.9	0%	1%

- ***HUF 414 million 1H 2013 net earnings as a result of improving operating profit and lower risk costs y-o-y***
- ***Deposit base shrank by 9% y-o-y, in line with management objectives, mainly due to withdrawal of corporate deposits***
- ***The loan book advanced by 5% y-o-y (FX-adjusted) supported by the corporate and municipal segment***

The Montenegrin **CKB Bank** posted HUF 414 million after tax profit in 1H 2013, reversing the year earlier loss of HUF 355 million. The y-o-y performance to a large extent was driven by the decline in risk costs and the improving operating income. Other risk cost related to malpractices before 2009 and recognised in 2012 was partially released as underlying legal disputes were closed, to some extent offsetting the higher provisioning on non-performing corporate loans. On a quarterly basis higher loan loss provisioning was booked driven by the higher volume of 90+ days overdue corporate loans.

The 1H 2013 operating profit increased by 27% y-o-y, despite the stagnation of the loan market the stable income stream coupled with lower operating expenses. Regarding the income side the net interest income increased by 3%, since the bank managed to pay lower interest on interbank deposits thus the negative effect of portfolio deterioration on interest income was partially counterweighted.

The management realized a 6% y-o-y (FX-adjusted) saving on operating expenses. The decline was shaped by the 6% y-o-y increase of other expenses, due to higher rental and contractor fees and significantly lower personal costs (-14%). Accordingly, the cost income ratio of the bank improved by 6.4 ppts to 66.6%, while the branch network (31 branches) and number of active employees (2Q 2013: 446 people, y-o-y +5 people) remained basically unchanged.

Despite the 15% increase of risk cost being the main driver of the quarterly bottom-line earnings, the coverage of 90+ days overdue loans (72.7%) moderated slightly (-0.9 ppt y-o-y). Whereas the increase of DPD90+ (42.6%, +3.0 ppts y-o-y) volumes was basically related to mortgage loans and corporate segment.

The total loan book in euro terms stagnated y-o-y, while on a quarterly basis advanced by 3%, reflecting the strengthening of consumer lending focus. Within the consumer segment cash loans showed an outstanding growth (+11% y-o-y, and +6% q-o-q), supported by retail campaigns and new product offerings. The volume of corporate loans basically stagnated on a yearly basis, while in 2Q enhanced by 4% q-o-q due to some one-off corporate transactions.

The deposit book decreased by 8% y-o-y (FX-adjusted), mainly as a result of lower corporate volumes. In 2Q 2013 the shrinking deposit base reflected the impact of withdrawals by two corporate clients. The retail deposit volumes kept on eroding slowly, showing 2% decline on a yearly and a quarterly basis as well, the latter was induced by the quarterly withdrawal of retail sight deposits. Along with the improving liquidity position of the bank, pricing steps were made in conformity with management intention to bring down deposit volumes in the coming period.

By March 2013 CKB's capital adequacy ratio, due to regulatory changes, was close to the regulatory minimum (10%). In order to maintain the stable capital and liquidity position CKB received EUR 10 million subordinated loan from OTP Bank in April 2013. Accordingly, by the end of June 2013 CKB's capital adequacy level reached 13.4%.

STAFF LEVEL AND OTHER INFORMATION

The closing staff number of OTP Group (including the number of employed selling agents) was 36,776 as of 30 June 2013. During 1H 2013 there was an increase in Russia and the Ukraine in the headcount of agents as consumer lending increased further in the wake of partnering up with new retail chains. OTP Group provides services through almost 1,400 branches in 9 countries of the CEE-region. In Hungary, OTP Bank has an extensive distribution network, which includes around 380 branches and 2,006 ATM terminals. The bank (Hungary) has almost 50 thousands POS terminals at the same time.

	30/06/2013				31/12/2012			
	Branches	ATM	POS	Headcount (closing)	Branches	ATM	POS	Headcount (closing)
OTP Core	380	2,006	50,173	8,549	380	1,956	49,385	8,507
OTP Bank Russia (w/o employed agents)	145	210	2,697	5,290	146	255	2,697	5,177
DSK Group[1]	380	863	4,330	4,532	381	878	4,196	4,736
OTP Bank Ukraine (w/o employed agents)	142	160	360	3,079	150	164	358	3,052
OTP Bank Romania	89	125	1,282	920	89	122	1,323	970
OTP banka Hrvatska	103	221	1,546	991	103	222	1,261	984
OTP Banka Slovenko	68	114	190	658	70	113	193	639
OTP banka Srbija	51	138	2,772	672	51	151	2,959	660
CKB	31	80	4,528	446	31	79	4,272	422
Foreign subsidiaries, total	**1,009**	**1,911**	**17,705**	**16,588**	**1,021**	**1,984**	**17,259**	**16,639**
Other Hungarian and foreign subsidiaries				920				840
OTP Group total (w/o employed agents)				**26,056**				**25,986**
OTP Bank Russia – employed agents				*8,361*				*8,339*
OTP Bank Ukraine – employed agents				*2,359*				*2,107*
OTP Group total (aggregated)	**1,389**	**3,917**	**67,878**	**36,776**	**1,401**	**3,940**	**66,644**	**36,431**

1 Regarding the headcount of DSK Group, ytd decline reflects a change in calculation methodology.

PERSONAL AND ORGANIZATIONAL CHANGES

The Annual General Meeting elected Mr Dominique Uzel to the member of the Bank's Supervisory Board until the closing AGM of the fiscal year 2013 but latest until April 30, 2014. In the first half of the year 2013 there was no change in the composition of the Board of Directors and the Auditor of the Bank.

ASSET-LIABILITY MANAGEMENT

Similar to previous quarters OTP Group maintained a strong and safe liquidity position…

The primary objective of OTP Group in terms of asset-liability management has not changed, i.e. to ensure that the Group's liquidity is maintained at a safe level. Refinancing sources of the European Central Bank are still available for OTP, thus the refinancing risk of maturing mortgage bonds is low. As a result of the high level of liquidity reserves, the Group could safely function without FX-denominated fund raising. With total maturities of EUR 310 million in 1H 2013 liquidity reserves of OTP Group remained steadily above the safety level. As of 30 June 2013, the gross liquidity buffer was above EUR 5.6 billion equivalent, which is significantly higher than the maturing debt within one year and the reserves required to protect against possible liquidity shocks. The CHF and USD liquidity need of the Group stemming from its FX lending activity has further shrunk due to the steady decline of FX loan volumes. The Bank had to refinance only EUR 150 million long term FX-swaps to maintain its FX liquidity reserves at safe levels (by June 2013 at EUR 1.2 billion).

The outstanding volume of issued securities dropped by 9% q-o-q and 28% y-o-y respectively. The volume decline in both periods was driven by the moderating Hungarian household-targeted bond issuances. Furthermore, in 4Q 2012 RUB 4 billion (approx. HUF 28 billion) local bonds were redeemed ahead of maturity as investors exercised their put option. Also, Slovakian and Hungarian covered bonds became due (mainly in 2H 2012) with a face value of HUF 25 billion. Those redemptions were partly off-set by the issuances of institutional investor-targeted Hungarian forint bonds: their outstanding volume reached HUF 89 billion by 2Q 2013 (+4 billion q-o-q and 20 billion y-o-y).

The volume of Lower Tier2 and Upper Tier2 issues basically stagnated q-o-q and y-o-y. During the last twelve months OTP Group's repurchase activity focused on the Upper Tier 2 (Perpetual). In 3Q 2012 the Group bought back EUR 2.4 million, while in 2Q 2013 EUR 11.4 million.

… and kept its interest-rate risk exposures low.

Interest-rate risk exposure of OTP Group is determined primarily by the positions of OTP Bank Plc. and OTP Mortgage Bank Ltd. Due to the HUF liabilities on OTP Bank's balance sheet, which respond to yield changes only to a moderate extent, the Bank has an interest-rate risk exposure resulting from its business operations. The Bank regards the reduction and closing of this exposure as a strategic matter. Consequently it has been reducing its interest-rate risk exposure through the purchase of fixed-rate government securities in order to offset the negative impact of declining yields on net interest income.

The Bank maintains a closed interest-rate position in EUR and CHF; consequently the recent yield volatility has not caused significant changes in the FX interest income.

Market Risk Exposure of OTP Group

At end of June 2013 the consolidated capital requirement of the trading book positions, the counterparty risk and the FX risk exposure represented HUF 47.5 billion in total, primarily due to the capital requirement of the FX risk exposure at HUF 30 billion.

OTP Group is an active participant of the international FX and derivative market. Open FX positions of group members are restricted to individual and global net open position limits (overnight and intraday), and to stop-loss limits. The open positions of the group members outside Hungary except the Bulgarian DSK Bank – the EUR/BGN exposure of DSK under the current exchange rate regime does not represent real risk – were negligible measured against either the balance sheet total or the regulatory capital. Therefore the group level FX exposure was concentrated at OTP Bank. Thus the main part of the FX exposure booked at OTP Bank – in line with the previous years' practice – was the strategic open FX position kept to hedge the currency risk of the expected FX-denominated net earnings (EUR 310 million for 2 years) of the main foreign subsidiaries.

STATEMENT ON CORPORATE GOVERNANCE PRACTICE

Corporate governance practice

OTP Bank Plc., being registered in Hungary, has a corporate governance policy that accords with the provisions of the Hungarian Act on Companies. As the company conducts banking operations, it also complies with the statutory regulations pertaining to credit institutions.
Beyond fulfilling the statutory requirements, as a listed company on the Budapest Stock Exchange (BSE), it also makes an annual declaration on its compliance with the BSE's Corporate Governance Recommendations. After being approved by the General Meeting, this declaration is published on the websites of both the Stock Exchange (www.bet.hu) and the Bank (www.otpbank.hu).

System of internal controls

OTP Bank Plc., as a provider of financial and investment services, operates a closely regulated and state-supervised system of internal controls.

The Company has detailed risk management regulations applicable to all types of risks, which are in compliance with the legal regulations on prudent banking operations. Its risk management system extends to cover the identification of risks, the assessment and analysis of their impact, elaboration of the required action plans and the monitoring of their effectiveness and results.

To ensure effective internal auditing, the Company's internal control system is structured along both vertical and horizontal lines. The system of internal checks and balances comprises a combination of process-integrated, management and independent internal audit functions. The independent internal audit organisation promotes the safe course of business, efficient operation and the minimising of risks, besides monitoring compliance with the statutory regulation. It regularly prepares objective and impartial reports on risk management operations, internal control mechanisms and corporate governance functions, for the executive boards and management.

In line with the regulations of the European Union and the applicable Hungarian laws, the Bank has established an independent organisational unit with the task of identifying and managing compliance risks.

General meeting

The General Meeting is the supreme governing body of OTP Bank Plc. The regulations pertaining to its operation are set forth in the Company's Bylaws, and comply fully both with general and special statutory requirements. Information regarding the General Meeting is published in the Corporate Governance Report.

Committees

Members of the Board of Directors
Dr. Sándor Csányi – Chairman
Dr. Antal Pongrácz – Vice Chairman
Mihály Baumstark
Dr. Tibor Bíró
Péter Braun
Tamás Erdei
Dr. István Gresa
Zsolt Hernádi
Dr. István Kocsis[7]
Dr. László Utassy
Dr. József Vörös

Members of the Supervisory Board
Tibor Tolnay – Chairman
Dr. Gábor Horváth – Vice Chairman
Antal Kovács
András Michnai
Dominique Uzel[8]
Gellért Vági Márton

[7] Membership suspended since 3 October 2012

[8] Elected on 26 April 2013

The résumés of the committee and board members are available on the website of OTP Bank and in the Corporate Governance Report/Annual Report.

Operation of the executive boards

OTP Bank Plc. has a dual governance structure, in which the Board of Directors is the Company's executive body, while the Supervisory Board performs oversight tasks.

In order to assist the performance of the governance functions the Board of Directors operates, as permanent committees, the Executive Committee, the Subsidiary Integration and Direction Committee and the Remuneration Committee. To ensure effective operation the Bank also has a number of permanent and special committees.

The Bank gives an account of the activities of the executive boards and the committees every year in its Corporate Governance Declaration.

The Board of Directors so far held three meetings, while the Supervisory Board gathered four times in 1H 2013.

ENVIRONMENTAL POLICY, ENVIRONMENTAL PROJECTS

The OTP Group is committed to protect the environment. The company's goals and tasks are prevention, responsible thinking and completely law-abiding attitude. In accordance with OTP Bank's Corporate Social Responsibility strategy, the Bank feels responsibility for harmonization in the principles of sustainable development through the function of economy.

OTP Group's environmental effect

The OTP Group, as a banking service provider, has a smaller direct effect on environment than the indirect impacts which are stemming from services (influence of lending and investment activity) and the importance of attitude shaping that takes effect on millions of clients and on 35,000 colleagues. Thus the company's indirect environmental effects and possibilities are in connection with the function of responsible provider and employer. The environmental effects and activity of the bank operation are extending to the following areas: resource utilization, waste management, procurement. Actions in 2012 and 1H 2013 were basically determined by Bank Group's endeavour to maintain operating expenses. That is the reason why the Bank further restricted new investments.

Environment management and indices

Environment protection affects several departments in the Group, even the financial providers with relatively smaller direct environmental load. The parent company disposes of specialists and Environmental Protection Regulations which adaptation and the supporting actions resulted that the following became uniform and conscious inside the Bank: handling of environmental tasks, integration of environmental aspects and commitment for environment protection. The fulfilment of environmentally conscious operation can be measured well on individual areas. The application of environmental indices facilitates the documentation and examination of changing and developing environmental activity. Corporate Social Responsibility Report has been published since 2006 in which we regularly report about our actions in environment protection. Our company is regarding and publishing annually in CSR report the following environmental indices: energy consumption (GJ), water consumption (m^3), originated waste (t), quantity of applied materials (t).

Actions

The started programs with the aim of conscious and moderate resource use have been continued in the first half of 2013. The Bank continuously investigates from existing experience the further applications of renewable energy resources (heat pump, solar thermal collector, geothermal energy). In addition, OTP Group modernizes their systems continuously. The applied technologies and practices provide the economical utilization within the confines of rationally available possibilities. Currently two-thirds of the Bank's branches (in 270 branches) have been renewed which resulted that lighting instruments (front lighting, signs, advertisements in branches) fully work with LED technology, which means 85% savings for the Bank.

The Bank have printed the marketing publications and brochures on recycled paper so far and continuously working on possibilities that extend the usage of environment-friendly materials and development of environmentally conscious operation for further areas. Accordingly the Bank has replaced the material of client's bank statement with recycled paper since April this year. This changing affects all of the retail bank statements.

In 2013 the electronic appearance of compulsory announcements for clients was set off in branches and on electronic channels in favour of reduction of unnecessary paper and printer ink consumption.

More and more OTP Group member company emphasizes involvement and attention of colleagues in favour of natural resources' protection. Our employees' consciousness of environment protection has been regularly supported and extended by information, central programs and developments.

Both on group and group member basis our Company endeavour to go on general social and environmental expectations beyond keeping regulations in force. The determination is to decrease environmental load beside improvement of environmental performance. For more information visit: www.otpbank.hu/csr

FINANCIAL DATA

SEPARATE AND CONSOLIDATED IFRS STATEMENT OF FINANCIAL POSITION

in HUF million	OTP Bank			Consolidated		
	30/06/2013	31/12/2012	Change	30/06/2012	31/12/2012	Change
Cash amounts due from banks and balances with the National Bank of Hungary	158,625	245,548	-35%	501,916	602,521	-17%
Placements with other banks, net of allowance for placement losses	797,608	665,417	20%	352,003	356,866	-1%
Financial assets at fair value through profit or loss	235,894	243,015	-3%	215,750	222,874	-3%
Securities available-for-sale	1,754,300	1,953,871	-10%	1,388,768	1,411,177	-2%
Loans, net of allowance for loan losses	2,262,522	2,356,291	-4%	6,319,088	6,464,191	-2%
Associates and other investments	659,651	661,352	0%	7,323	7,936	-8%
Securities held-to-maturity	518,472	371,992	39%	596,802	429,303	39%
Property, equipment and intangible assets	109,241	109,649	0%	487,151	489,142	0%
Other assets	39,827	32,686	22%	179,809	129,456	39%
TOTAL ASSETS	**6,536,140**	**6,639,821**	**2%**	**10,048,610**	**10,113,466**	**1%**
Amounts due to banks, the Hungarian Government, deposits from the National Bank of Hungary and other banks	843,772	826,968	2%	519,405	534,324	-3%
Deposits from customers	3,508,543	3,500,790	0%	6,602,506	6,550,708	1%
Liabilities from issued securities	233,484	335,963	-31%	535,428	643,123	-17%
Financial liabilities at fair value through profit or loss	198,453	259,211	-23%	87,895	122,032	-28%
Other liabilities	254,471	232,557	9%	479,319	457,231	5%
Subordinated bonds and loans	317,403	303,750	4%	298,717	291,495	2%
TOTAL LIABILITIES	**5,356,126**	**5,459,239**	**-2%**	**8,523,270**	**8,598,913**	**-1%**
Share capital	28,000	28,000	0%	28,000	28,000	0%
Retained earnings and reserves	1,159,390	1,157,516	7%	1,547,854	1,534,572	-52%
Treasury shares	-7,376	-4,934	-49%	-56,244	-53,802	-5%
Non-controlling interest				5,730	5,783	-1%
TOTAL SHAREHOLDERS' EQUITY	**1,180,014**	**1,180,582**	**0%**	**1,525,340**	**1,514,553**	**1%**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**6,536,140**	**6,639,821**	**-2%**	**10,048,610**	**10,113,466**	**-1%**

SEPARATE AND CONSOLIDATED IFRS STATEMENT OF RECOGNIZED INCOME

in HUF million	OTP Bank			Consolidated		
	1H 2013	1H 2012	Change	1H 2013	1H 2012	Change
Loans	97,872	110,241	-11%	394,689	399,851	-1%
Placements with other banks	153,624	180,309	-15%	134,003	177,135	-24%
Amounts due from banks and balances with the National Banks	2,125	3,589	-41%	2,207	3,753	-41%
Securities held for trading	0	784	-100%	416	879	-53%
Securities available-for-sale	56,262	61,345	-8%	39,896	41,612	-4%
Securities held-to-maturity	13,617	4,166	227%	15,244	3,527	332%
Total interest income	*323,500*	*360,434*	*-10%*	*586,455*	*626,757*	*-6%*
Amounts due to banks, the Hungarian Government, deposits from the National Banks and other banks	157,786	167,850	-6%	121,038	153,352	-21%
Deposits from customers	57,523	70,557	-18%	108,638	117,958	-8%
Liabilities from issued securities	8,731	13,612	-36%	19,189	28,396	-32%
Subordinated bonds and loans	8,419	8,643	-3%	5,721	6,302	-9%
Other entrepreneurs				1,614	1,607	0%
Total interest expense	*232,459*	*260,662*	*-11%*	*256,200*	*307,615*	*-17%*
NET INTEREST INCOME	**91,041**	**99,772**	**-9%**	**330,255**	**319,142**	**3%**
Provision for impairment on loan and placement losses	9,659	20,529	-53%	113,657	106,335	7%
NET INTEREST INCOME AFTER PROVISION FOR POSSIBLE LOAN AND PLACEMENT LOSSES	**81,382**	**79,243**	**3%**	**216,598**	**212,807**	**2%**
Income from fees and commissions	70,080	55,926	25%	118,041	96,347	23%
Foreign exchange gains, net	5,116	-5,409	195%	7,102	-4,089	274%
Net losses / gains on securities	9,349	-9,944	194%	8,162	-3,844	312%
Gains on real estate transactions	39	0		1,088	366	197%
Dividend income	38,463	43,567	-12%	2,712	2,706	0%
Other income	1,319	2,635	-50%	11,071	13,704	-19%
Non-interest income	*124,366*	*86,775*	*43%*	*148,176*	*105,190*	*41%*
Expense from fees and commissions	11,802	10,250	15%	26,359	22,984	15%
Personnel expenses	43,974	39,329	12%	102,884	93,519	10%
Depreciation and amortization	10,490	10,376	1%	23,482	22,973	2%
Other expenses	99,569	89,826	11%	150,560	118,996	27%
Non-interest expenses	*165,835*	*149,781*	*11%*	*303,285*	*258,472*	*17%*
PROFIT BEFORE INCOME TAX	**39,913**	**16,237**	**146%**	**61,489**	**59,525**	**3%**
Income tax	-1,144	-6,690	83%	9,677	5,623	72%
PROFIT AFTER INCOME TAX	**41,057**	**22,927**	**79%**	**51,812**	**53,902**	**-4%**
Non-controlling interest				-232	-451	-49
NET PROFIT FOR THE YEAR	**41,057**	**22,927**	**79%**	**51,580**	**53,451**	**-4%**

SEPARATE AND CONSOLIDATED IFRS STATEMENT OF CASH FLOWS

in HUF million	OTP Bank			Consolidated		
	30/06/2013	30/06/2012	Change	30/06/2012	30/06/2012	Change
OPERATING ACTIVITIES						
Profit before income tax	39,913	16,237	146%	61,489	59,525	3%
Adjustments to reconcile income before income taxes to net cash provided by operating activities						
Income tax paid	-1,992	-2,400	17%	-13,988	-12,488	-12%
Depreciation and amortization	10,490	10,376	1%	23,482	22,973	2%
Provision for impairment / Release of provision	20,285	51,804	-61%	112,330	109,142	3%
Share-based payment	2,881	2,540	13%	2,881	2,540	13%
Unrealized (losses) / gains on fair value adjustment of securities held for trading	-21	-1,844	99%	-26	-1,784	99%
Unrealized losses on fair value adjustment of derivative financial instruments	17,630	16,337	8%	16,983	8,234	106%
Changes in operating assets and liabilities	5,513	-41,990	113%	17,907	268,750	-93%
Net cash provided by operating activities	**94,699**	**51,060**	**85%**	**221,058**	**456,892**	**-52%**
INVESTING ACTIVITIES	**0**	**0**	**0%**	**0**	**0**	**0%**
Net cash used in investing activities	**-70,830**	**-240,614**	**71%**	**-166,234**	**-361,134**	**54%**
FINANCING ACTIVITIES						
Net cash used in financing activities	**-108,920**	**197,763**	**-155%**	**-154,359**	**-115,841**	**-33%**
Net increase in cash and cash equivalents	**-85,051**	**8,209**		**-99,535**	**-20,083**	**-396%**
Cash and cash equivalents at the beginning of the period	164,385	146,208	12%	331,929	315,177	5%
Cash and cash equivalents at the end of the period	**79,334**	**154,417**	**-49%**	**232,394**	**295,094**	**-21%**
Analysis of cash and cash equivalents						
Cash, amounts due from banks and balances with the National Banks	245,548	226,976	8%	602,521	595,986	1%
Compulsory reserve established by the National Banks	-81,163	-80,768	0%	-270,592	-280,809	4%
Cash and cash equivalents at the beginning of the period	**164,385**	**146,208**	**12%**	**331,929**	**315,177**	**5%**
Cash, amounts due from banks and balances with the National Banks	158,625	235,841	-33%	501,916	560,263	-10%
Compulsory reserve established by the National Banks	-79,291	-81,424	3%	-269,522	-265,169	-2%
Cash and cash equivalents at the end of the period	**79,334**	**154,417**	**-49%**	**232,394**	**295,094**	**-21%**

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY (IFRS)

in HUF million	Share capital	Capital reserve	Share-based payment reserve	Retained earnings and reserves	Put option reserve	Treasury shares	Non-controlling interest	Total
Balance as at 1 January 2012	**28,000**	**52**	**6,215**	**1,488,296**	**-55,468**	**-54,386**	**5,601**	**1,418,310**
Net profit for the year	--	--	--	53,451		--	451	53,902
Other comprehensive income				-25,430			-836	-26,266
Share-based payment	--	--	2,540			--	--	2,540
Treasury shares								0
Dividend for the year 2011	--	--	--	-28,000		--	--	-28,000
Treasury shares								
– loss on sale						1,835		1,835
– gain on sale				-108				-108
– volume change						-1,478		-1,478
Payment to ICES holders				-699				-699
Balance as at 30 June 2012	**28,000**	**52**	**8,755**	**1,487,510**	**-55,468**	**-54,029**	**5,216**	**1,420,036**

in HUF million	Share capital	Capital reserve	Share-based payment reserve	Retained earnings and reserves	Put option reserve	Treasury shares	Non-controlling interest	Total
Balance as at 1 January 2013	**28,000**	**52**	**10,800**	**1,579,188**	**-55,468**	**-53,802**	**5,783**	**1,514,553**
Net profit for the year	--	--	--	51,580		--	232	51,812
Other comprehensive income				-7,294			-285	-7,579
Share-based payment	--	--	2,881			--	--	2,881
Treasury shares								0
Dividend for the year 2012	--	--	--	-33,600		--	--	-33,600
Treasury shares								
– loss on sale						7,786		7,786
– gain on sale				631				631
– volume change						-10,228		-10,228
Payment to ICES holders				-916				-916
Balance as at 30 June 2013	**28,000**	**52**	**13,681**	**1,589,589**	**-55,468**	**-56,244**	**5,730**	**1,525,340**

Ownership structure of OTP Bank Plc.

as at 30 June 2013

Description of owner	Total equity					
	1 January 2013			30 June 2013		
	%[1]	%[2]	Qty	%[1]	%[2]	Qty
Domestic institution/company	10.93%	11.10%	30,612,195	12.81%	12.99%	35,879,459
Foreign institution/company	51.16%	51.94%	143,234,419	61.85%	62.69%	173,168,449
Domestic individual	9.96%	10.11%	27,880,066	9.33%	9.46%	26,117,777
Foreign individual	1.12%	1.14%	3,145,920	1.10%	1.12%	3,093,308
Employees, senior officers	1.84%	1.87%	5,157,202	1.80%	1.82%	5,034,786
Treasury shares	1.50%	0.00%	4,207,443	1.35%	0.00%	3,774,141
Government held owner[3]	4.88%	4.96%	13,675,713	4.96%	5.02%	13,874,245
International Development Institutions[4]	0.00%	0.00%	0	0.00%	0.00%	0
Other[5]	18.60%	18.89%	52,087,052	6.81%	6.90%	19,057,845
TOTAL	**100.00%**	**100.00%**	**280,000,010**	**100.00%**	**100.00%**	**280,000,010**

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

Number of treasury shares held in the year under review

	1 January	31 March	30 June	30 September	31 December
Company	2,133,883	2,023,532	1,700,581		
Subsidiaries	2,073,560	2,073,560	2,073,560		
TOTAL	4,207,443	4,097,092	3,774,141		

Shareholders with over/around 5% stake

Name	Number of shares	Voting rights	Beneficial ownership
Megdet, Timur and Ruszlan Rahimkulov	24,861,495	8.88%	9.00%
MOL (Hungarian Oil and Gas Company Plc.)	24,000,000	8.57%	8.69%
Groupama Group	23,228,306	8.30%	8.41%
Lazard Group	15,451,450	5.52%	5.59%

Senior officers, strategic employees and their shareholding of OTP shares

Type[1]	Name	Position	No. of shares held
IT	Dr. Sándor Csányi [2]	Chairman and CEO	255,500
IT	Mihály Baumstark	member	16,000
IT	Dr. Tibor Bíró	member	44,980
IT	Péter Braun	member	543,905
IT	Tamás Erdei	member	6,439
IT	Dr. István Gresa	member	72,557
IT	Zsolt Hernádi	member	16,000
IT	Dr. István Kocsis[3]	member	13,670
IT	Dr. Antal Pongrácz	Deputy Chairman, Deputy CEO	214,400
IT	Dr. László Utassy	member	281,000
IT	Dr. József Vörös	member	133,200
FB	Tibor Tolnay	Chairman	54
FB	Dr. Gábor Horváth	member	10,000
FB	Antal Kovács	member, Deputy CEO	23,000
FB	András Michnai	member	16,000
FB	Dominique Uzel	member	0
FB	Dr. Márton Gellért Vági	member	0
SP	László Bencsik	Chief Financial and Strategic Officer, Deputy CEO	4,780
SP	Daniel Gyuris	Deputy CEO	0
SP	Ákos Takáts	Deputy CEO	195,614
SP	László Wolf	Deputy CEO	637,182
TOTAL No. of shares held by management:			**2,484,281**

[1] Employee in strategic position (SP), Board Member (IT), Supervisory Board Member (FB)
[2] Number of OTP shares owned by Mr Csányi directly or indirectly: 2,755,500
[3] Membership suspended since 3 October 2012

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

a) Contingent liabilities

	30/06/2013	30/06/2012
Commitments to extend credit	1,260,283	1,076,264
Guarantees arising from banking activities	322,308	297,923
Confirmed letters of credit	14,287	13,228
Legal disputes (disputed value)[2]	50,913	10,514,123
Contingent liabilities related to OTP Mortgage Bank	--	--
Other	116,968	60,925
Total:	**1,764,759**	**11,962,463**

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

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

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

	End of reference period	Current period opening	Current period closing
Bank	7,996	8,032	8,076
Consolidated	33,946	36,431	36,776

Security issuances on Group level in the course of 2H 2012 and 1H 2013

Issuer	Type of security	Security name	Date of issue	Date of maturity	Ccy	Outstanding consolidated debt (in original currency or HUF million) 30/06/2013	Outstanding consolidated debt (in HUF million) 30/06/2013
OTP Bank Plc.	Retail bond	OTP 2013/XIII	06/07/2012	06/07/2013	HUF	5,676	5,676
OTP Bank Plc.	Retail bond	OTP_EUR_1_2013_XIV	13/07/2012	13/07/2013	EUR	4,762,100	1,406
OTP Bank Plc.	Retail bond	OTP_EUR_2_2014_XIV	13/07/2012	13/07/2014	EUR	184,500	54
OTP Bank Plc.	Corporate bond	OTPX 2018C	16/07/2012	18/07/2018	HUF	3,725	3,725
OTP Bank Plc.	Corporate bond	OTPX 2015E	16/07/2012	20/07/2015	HUF	390	390
OTP Bank Plc.	Corporate bond	OTPX 2022B	16/07/2012	18/07/2022	HUF	265	265
OTP Bank Plc.	Retail bond	OTP 2013/XIV	20/07/2012	20/07/2013	HUF	9,339	9,339
OTP Bank Plc.	Retail bond	OTP_EUR_1_2013_XV	03/08/2012	03/08/2013	EUR	13,052,400	3,853
OTP Bank Plc.	Retail bond	OTP_EUR_2_2014_XV	03/08/2012	03/08/2014	EUR	220,600	65
OTP Bank Plc.	Retail bond	OTP 2013/XV	10/08/2012	10/08/2013	HUF	5,752	5,752
OTP Bank Plc.	Retail bond	OTP_EUR_1_2013_XVI	17/08/2012	17/08/2013	EUR	7,625,500	2,251
OTP Bank Plc.	Retail bond	OTP_EUR_2_2014_XVI	17/08/2012	17/08/2014	EUR	182,800	54
OTP Bank Plc.	Retail bond	OTP 2013/XVI	24/08/2012	24/08/2013	HUF	3,576	3,576
OTP Bank Plc.	Retail bond	OTP_EUR_1_2013_XVII	31/08/2012	31/08/2013	EUR	8,902,700	2,628
OTP Bank Plc.	Retail bond	OTP_EUR_2_2014_XVII	31/08/2012	31/08/2014	EUR	458,600	135
OTP Bank Plc.	Retail bond	OTP 2013/XVII	07/09/2012	07/09/2013	HUF	4,043	4,043
OTP Bank Plc.	Retail bond	OTP_EUR_1_2013_XVIII	14/09/2012	14/09/2013	EUR	8,416,400	2,484
OTP Bank Plc.	Retail bond	OTP_EUR_2_2014_XVIII	14/09/2012	31/08/2014	EUR	306,100	90
OTP Bank Plc.	Retail bond	OTP 2013/XVIII	21/09/2012	21/09/2013	HUF	3,593	3,593
OTP Bank Plc.	Retail bond	OTP_EUR_1_2013_XIX	28/09/2012	28/09/2013	EUR	4,614,700	1,362
OTP Bank Plc.	Retail bond	OTP_EUR_2_2014_XIX	28/09/2012	28/09/2014	EUR	284,300	84
OTP Bank Plc.	Retail bond	OTP 2013/XIX	05/10/2012	05/10/2013	HUF	2,393	2,393
OTP Bank Plc.	Retail bond	OTP_EUR_1_2013_XX	12/10/2012	12/10/2013	EUR	7,203,900	2,126
OTP Bank Plc.	Retail bond	OTP_EUR_2_2014_XX	12/10/2012	12/10/2014	EUR	216,100	64
OTP Bank Plc.	Retail bond	OTP 2013/XX	19/10/2012	19/10/2013	HUF	2,268	2,268
OTP Bank Plc.	Retail bond	OTP_EUR_1_2013_XXI	26/10/2012	26/10/2013	EUR	5,786,500	1,708
OTP Bank Plc.	Retail bond	OTP_EUR_2_2014_XXI	26/10/2012	26/10/2014	EUR	472,000	139
OTP Bank Plc.	Corporate bond	OTPX 2018D	29/10/2012	26/10/2018	HUF	3,130	3,130
OTP Bank Plc.	Corporate bond	OTPX 2022C	29/10/2012	28/10/2022	HUF	310	310
OTP Bank Plc.	Corporate bond	OTPRF_2022_E	29/10/2012	31/10/2022	HUF	50	50
OTP Bank Plc.	Corporate bond	OTPX 2015G	08/11/2012	16/11/2015	HUF	435	435
OTP Bank Plc.	Retail bond	OTP_EUR_1_2013_XXII	09/11/2012	09/11/2013	EUR	5,267,400	1,555
OTP Bank Plc.	Retail bond	OTP_EUR_2_2014_XXII	09/11/2012	09/11/2014	EUR	204,400	60
OTP Bank Plc.	Retail bond	OTP 2013/XXI	12/11/2012	12/11/2013	HUF	4,101	4,101
OTP Bank Plc.	Retail bond	OTP 2013/XXII	23/11/2012	23/11/2013	HUF	2,988	2,988
OTP Bank Plc.	Retail bond	OTP_EUR_1_2013_XXIII	23/11/2012	23/11/2013	EUR	9,126,000	2,694
OTP Bank Plc.	Retail bond	OTP_EUR_2_2014_XXIII	23/11/2012	23/11/2014	EUR	373,300	110
OTP Bank Plc.	Retail bond	OTP 2013/XXIII	07/12/2012	07/12/2013	HUF	1,835	1,835
OTP Bank Plc.	Retail bond	OTP_EUR_1_2013_XXIV	07/12/2012	07/12/2013	EUR	10,291,800	3,038
OTP Bank Plc.	Retail bond	OTP_EUR_2_2014_XXIV	07/12/2012	07/12/2014	EUR	410,000	121
OTP Bank Plc.	Retail bond	OTP 2013/XXIV	21/12/2012	21/12/2013	HUF	1,567	1,567
OTP Bank Plc.	Retail bond	TBSZ_4_2015_II	21/12/2012	15/12/2015	HUF	48	48
OTP Bank Plc.	Retail bond	OTP_EUR_1_2013_XXV	21/12/2012	21/12/2013	EUR	4,202,400	1,240
OTP Bank Plc.	Corporate bond	OTPX 2015F	21/12/2012	16/11/2015	EUR	2,073,900	612

Issuer	Type of security	Security name	Date of issue	Date of maturity	Ccy	Outstanding consolidated debt (in original currency or HUF million) 30/06/2013	Outstanding consolidated debt (in HUF million) 30/06/2013
OTP Bank Plc.	Retail bond	OTP_EUR_2_2014_XXV	21/12/2012	21/12/2014	EUR	364,400	108
OTP Bank Plc.	Corporate bond	OTPX 2018E	28/12/2012	28/12/2018	HUF	3,250	3,250
OTP Bank Plc.	Corporate bond	OTPX 2016E	28/12/2012	27/12/2016	HUF	395	395
OTP Bank Plc.	Corporate bond	OTPX 2022D	28/12/2012	27/12/2022	HUF	350	350
OTP Bank Plc.	Corporate bond	OTPX 2015H	28/12/2012	27/12/2015	HUF	170	170
OTP Bank Plc.	Corporate bond	OTPRF_2022_F	28/12/2012	28/12/2022	HUF	28	28
OTP Bank Plc.	Retail bond	OTP 2014/I	11/01/2013	11/01/2014	HUF	3,466	3,466
OTP Bank Plc.	Retail bond	OTP_EUR_1_2014_I	11/01/2013	11/01/2014	EUR	3,411,000	1,007
OTP Bank Plc.	Retail bond	OTP_EUR_2_2015_I	11/01/2013	11/01/2015	EUR	161,200	48
OTP Bank Plc.	Retail bond	TBSZ_4_2016_I	18/01/2013	15/12/2016	HUF	158	158
OTP Bank Plc.	Retail bond	OTP_EUR_1_2014_II	25/01/2013	25/01/2014	EUR	2,591,600	765
OTP Bank Plc.	Retail bond	OTP_EUR_2_2015_II	25/01/2013	25/01/2015	EUR	171,200	51
OTP Bank Plc.	Retail bond	OTP 2014/II	01/02/2013	01/02/2014	HUF	1,482	1,482
OTP Bank Plc.	Retail bond	OTP_EUR_1_2014_III	01/02/2013	01/02/2014	EUR	2,734,100	807
OTP Bank Plc.	Retail bond	OTP_EUR_2_2015_III	01/02/2013	01/02/2015	EUR	158,100	47
OTP Bank Plc.	Retail bond	OTP_EUR_1_2014_IV	15/02/2013	15/02/2014	EUR	4,079,000	1,204
OTP Bank Plc.	Retail bond	OTP_EUR_2_2015_IV	15/02/2013	15/02/2015	EUR	158,300	47
OTP Bank Plc.	Retail bond	OTP 2014/III	01/03/2013	01/03/2014	HUF	2,854	2,854
OTP Bank Plc.	Retail bond	OTP_EUR_1_2014_V	01/03/2013	01/03/2014	EUR	3,850,300	1,136
OTP Bank Plc.	Retail bond	OTP_EUR_2_2015_V	01/03/2013	01/03/2015	EUR	263,100	78
OTP Bank Plc.	Corporate bond	OTPX 2019D	22/03/2013	21/03/2019	HUF	4,500	4,500
OTP Bank Plc.	Corporate bond	OTPX 2016F	22/03/2013	24/03/2016	HUF	670	670
OTP Bank Plc.	Corporate bond	OTPX 2023A	22/03/2013	24/03/2023	HUF	395	395
OTP Bank Plc.	Corporate bond	OTPRF_2023_A	22/03/2013	24/03/2023	HUF	17	17
OTP Bank Plc.	Retail bond	OTP_EUR_1_2014_VI	22/03/2013	22/03/2014	EUR	3,217,300	950
OTP Bank Plc.	Retail bond	OTP_EUR_2_2015_VI	22/03/2013	22/03/2015	EUR	197,600	58
OTP Bank Plc.	Retail bond	OTP_DNT_HUF 131007	05/04/2013	07/10/2013	HUF	2,741	2,741
OTP Bank Plc.	Retail bond	OTP 2014/IV	05/04/2013	05/04/2014	HUF	1,561	1,561
OTP Bank Plc.	Retail bond	OTP_DC_EUR 130705	05/04/2013	05/07/2013	EUR	5,190,100	1,532
OTP Bank Plc.	Retail bond	OTP_DC_USD 130715	05/04/2013	05/07/2013	USD	4,399,200	995
OTP Bank Plc.	Retail bond	OTP_EUR_1_2014_VII	05/04/2013	05/04/2014	EUR	1,387,200	409
OTP Bank Plc.	Retail bond	OTP_EUR_2_2015_VII	05/04/2013	05/04/2015	EUR	383,700	113
OTP Bank Plc.	Retail bond	OTP_EUR_1_2014_VIII	19/04/2013	19/04/2014	EUR	3,044,400	899
OTP Bank Plc.	Retail bond	OTP_EUR_2_2015_VIII	19/04/2013	19/04/2015	EUR	312,600	92
OTP Bank Plc.	Retail bond	OTP 2014/V	26/04/2013	26/04/2014	HUF	1,196	1,196
OTP Bank Plc.	Retail bond	OTP_EUR_1_2014_IX	10/05/2013	10/05/2014	EUR	5,932,200	1,751
OTP Bank Plc.	Retail bond	OTP_EUR_2_2015_IX	10/05/2013	10/05/2015	EUR	738,600	218
OTP Bank Plc.	Retail bond	OTP 2014/VI	24/05/2013	24/05/2014	HUF	1,292	1,292
OTP Bank Plc.	Retail bond	OTP_EUR_1_2014_X	24/05/2013	24/05/2014	EUR	2,374,500	701
OTP Bank Plc.	Retail bond	OTP_EUR_2_2015_X	24/05/2013	24/05/2015	EUR	363,800	107
OTP Bank Plc.	Retail bond	OTP_DNT_HUF 131129	31/05/2013	29/11/2013	HUF	1,241	1,241
OTP Bank Plc.	Retail bond	OTP_DC_EUR 130829	31/05/2013	29/08/2013	EUR	6,888,800	2,033
OTP Bank Plc.	Retail bond	OTP_DC_USD 130829	31/05/2013	29/08/2013	USD	7,916,000	1,790
OTP Bank Plc.	Retail bond	OTP_EUR_1_2014_XI	07/06/2013	07/06/2014	EUR	2,616,600	772
OTP Bank Plc.	Retail bond	OTP_EUR_2_2015_XI	07/06/2013	07/06/2015	EUR	390,300	115
OTP Bank Plc.	Retail bond	OTP 2014/VII	14/06/2013	14/06/2014	HUF	788	788
OTP Bank Plc.	Retail bond	OTP_EUR_1_2014_XII	21/06/2013	21/06/2014	EUR	2,213,200	653
OTP Bank Plc.	Retail bond	OTP_EUR_2_2015_XII	21/06/2013	21/06/2015	EUR	211,500	62
OTP Bank Plc.	Corporate bond	OTPX 2019E	28/06/2013	24/06/2019	HUF	3,550	3,550
OTP Bank Plc.	Corporate bond	OTPX 2023B	28/06/2013	26/06/2023	HUF	295	295
OTP Bank Plc.	Retail bond	OTP_EUR_1_2014_XIII	28/06/2013	28/06/2014	EUR	1,395,500	412
OTP Bank Plc.	Retail bond	OTP_EUR_2_2015_XIII	28/06/2013	28/06/2015	EUR	274,200	81
OTP Banka Slovensko	Mortgage bond	OTP XXV.	28/09/2012	28/09/2016	EUR	7,962,000	2,350

Security redemptions on Group level in the course of 2H 2012 and 1H 2013

Issuer	Type of security	Security name	Date of issue	Date of maturity	Ccy	Outstanding consolidated debt (in original currency or HUF million) 30/06/2012	Outstanding consolidated debt (in HUF million) 30/06/2012
OTP Bank Plc.	Retail bond	OTP 2012/XIV	15/07/2011	14/07/2012	HUF	8,637	8,637
OTP Bank Plc.	Retail bond	OTP 2012/XV	29/07/2011	28/07/2012	HUF	9,491	9,491
OTP Bank Plc.	Retail bond	OTP DC EUR 120801 5%	27/04/2012	01/08/2012	EUR	15,894,100	4,581
OTP Bank Plc.	Retail bond	OTP DC USD 120801 5%	27/04/2012	01/08/2012	USD	9,933,000	2,276
OTP Bank Plc.	Retail bond	OTP EUR 2012/I	05/08/2011	04/08/2012	EUR	2,987,300	861
OTP Bank Plc.	Retail bond	OTP 2012/XVI	12/08/2011	11/08/2012	HUF	13,805	13,805
OTP Bank Plc.	Retail bond	OTP EUR 2012/II	12/08/2011	11/08/2012	EUR	4,445,100	1,281
OTP Bank Plc.	Retail bond	OTP 2012/XVII	26/08/2011	25/08/2012	HUF	6,369	6,369
OTP Bank Plc.	Retail bond	OTP EUR 2012/III	26/08/2011	25/08/2012	EUR	7,442,900	2,145
OTP Bank Plc.	Retail bond	OTP 2012/XVIII	09/09/2011	08/09/2012	HUF	13,132	13,132
OTP Bank Plc.	Retail bond	OTP EUR 2012/IV	09/09/2011	08/09/2012	EUR	11,509,900	3,317
OTP Bank Plc.	Retail bond	OTP 2012/Ax	11/09/2009	11/09/2012	HUF	1,663	1,663
OTP Bank Plc.	Retail bond	OTP 2012/XIX	23/09/2011	22/09/2012	HUF	9,354	9,354
OTP Bank Plc.	Retail bond	OTP EUR 2012/V	23/09/2011	22/09/2012	EUR	3,739,500	1,078
OTP Bank Plc.	Retail bond	OTP 2012/XX	07/10/2011	06/10/2012	HUF	7,316	7,316
OTP Bank Plc.	Retail bond	OTP EUR 2012/VI	07/10/2011	06/10/2012	EUR	7,867,200	2,267
OTP Bank Plc.	Retail bond	OTP 2012/XXI	21/10/2011	20/10/2012	HUF	7,993	7,993
OTP Bank Plc.	Retail bond	OTP EUR 2012/VII	21/10/2011	20/10/2012	EUR	5,730,300	1,652
OTP Bank Plc.	Retail bond	OTP DNT HUF 2012B	27/04/2012	31/10/2012	HUF	5,486	5,486
OTP Bank Plc.	Retail bond	OTP 2012/XXII	07/11/2011	06/11/2012	HUF	18,308	18,308
OTP Bank Plc.	Retail bond	OTP EUR 2012/VIII	07/11/2011	06/11/2012	EUR	3,665,000	1,056
OTP Bank Plc.	Retail bond	OTP 2012/XXIII	18/11/2011	17/11/2012	HUF	14,255	14,255
OTP Bank Plc.	Retail bond	OTP EUR 2012/IX	18/11/2011	17/11/2012	EUR	8,097,800	2,334
OTP Bank Plc.	Retail bond	OTP EUR 2012/X	25/11/2011	24/11/2012	EUR	4,137,400	1,192
OTP Bank Plc.	Retail bond	OTP 2012/XXIV	02/12/2011	01/12/2012	HUF	8,814	8,814
OTP Bank Plc.	Retail bond	OTP EUR 2012/XI	02/12/2011	01/12/2012	EUR	3,889,300	1,121
OTP Bank Plc.	Retail bond	OTP 2012/XXV	16/12/2011	15/12/2012	HUF	18,727	18,727
OTP Bank Plc.	Retail bond	OTP EUR 2012/XII	16/12/2011	15/12/2012	EUR	2,859,800	824
OTP Bank Plc.	Retail bond	OTP EUR 2012/XIII	29/12/2011	28/12/2012	EUR	1,004,600	290
OTP Bank Plc.	Retail bond	OTP 2013/I	06/01/2012	05/01/2013	HUF	8,884	8,884
OTP Bank Plc.	Retail bond	OTP EUR 1 2013/I	13/01/2012	12/01/2013	EUR	1,109,400	320
OTP Bank Plc.	Retail bond	OTP 2013/II	20/01/2012	19/01/2013	HUF	21,789	21,789
OTP Bank Plc.	Retail bond	OTP EUR 1 2013/II	27/01/2012	26/01/2013	EUR	1,859,000	536
OTP Bank Plc.	Retail bond	OTP 2013/III	26/06/2009	02/02/2013	HUF	12,779	12,779
OTP Bank Plc.	Retail bond	OTP EUR 1 2013/III	10/02/2012	09/02/2013	EUR	1,018,700	294
OTP Bank Plc.	Retail bond	OTP 2013/IV	17/02/2012	16/02/2013	HUF	17,335	17,335
OTP Bank Plc.	Retail bond	OTP EUR 1 2013/IV	24/02/2012	23/02/2013	EUR	1,084,900	313
OTP Bank Plc.	Retail bond	OTP 2013/V	02/03/2012	02/03/2013	HUF	9,179	9,179
OTP Bank Plc.	Retail bond	OTP EUR 1 2013/V	09/03/2012	09/03/2013	EUR	836,700	241
OTP Bank Plc.	Retail bond	OTP 2013/VI	23/03/2012	23/03/2013	HUF	8,349	8,349
OTP Bank Plc.	Retail bond	OTP EUR 1 2013/VI	23/03/2012	23/03/2013	EUR	757,600	218
OTP Bank Plc.	Retail bond	OTP 2013/VII	06/04/2012	06/04/2013	HUF	10,297	10,297
OTP Bank Plc.	Retail bond	OTP EUR 1 2013/VII	06/04/2012	06/04/2013	EUR	1,168,600	337
OTP Bank Plc.	Retail bond	OTP EUR 1 2013/VIII	20/04/2012	20/04/2013	EUR	2,355,600	679
OTP Bank Plc.	Retail bond	OTP 2013/VIII	21/04/2012	21/04/2013	HUF	10,786	10,786
OTP Bank Plc.	Retail bond	OTP EUR 1 2013/IX	04/05/2012	04/05/2013	EUR	2,948,900	850
OTP Bank Plc.	Retail bond	OTP 2013/IX	11/05/2012	11/05/2013	HUF	10,846	10,846
OTP Bank Plc.	Retail bond	OTP EUR 1 2013/X	11/05/2012	11/05/2013	EUR	524,900	151
OTP Bank Plc.	Retail bond	OTP 2013/X	25/05/2012	11/05/2013	HUF	5,058	5,058
OTP Bank Plc.	Retail bond	OTP EUR 1 2013/XI	25/05/2012	25/05/2013	EUR	874,600	252
OTP Bank Plc.	Retail bond	OTP 2013/XI	08/06/2012	08/06/2013	HUF	5,635	5,635
OTP Bank Plc.	Retail bond	OTP EUR 1 2013/XII	08/06/2012	08/06/2013	EUR	1,117,200	322
OTP Bank Plc.	Retail bond	OTP 2013/XII	22/06/2012	22/06/2013	HUF	4,542	4,542
OTP Bank Plc.	Retail bond	OTP EUR 1 2013/XIII	22/06/2012	22/06/2013	EUR	2,338,800	674
OTP Bank Plc.	Retail bond	OTP 3Y EURHUF	25/06/2010	25/06/2013	HUF	2,087	2,087
OTP Banka Slovensko	Mortgage bond	OTP	15/10/2003	15/10/2012	EUR	16,596,960	4,784
OTP Banka Slovensko	Mortgage bond	OTP XIX.	02/11/2009	02/11/2012	EUR	9,762,000	2,814
OTP Banka Slovensko	Mortgage bond	OTP XXI.	20/05/2010	20/05/2013	EUR	9,856,000	2,841
OTP Mortgage Bank	Mortgage bond	OJB2012_III	19/11/2004	15/08/2012	HUF	14,353	14,353
OTP Mortgage Bank	Mortgage bond	OJB2012/VII	25/05/2011	15/08/2012	HUF	0	0
OTP Mortgage Bank	Mortgage bond	OJB2013_III	29/05/2009	29/05/2013	HUF	0	0

RELATED-PARTY TRANSACTIONS

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

Compensations in HUF million	1H 2012	1H 2013	Y-o-Y	2Q 2012	1Q 2013	2Q 2013	Q-o-Q	Y-o-Y
Total	**6,369**	**8,088**	**27%**	**3,269**	**3,661**	**4,427**	**21%**	**35%**
Short-term employee benefits	4,071	5,261	29%	2,099	1,886	3,375	79%	61%
Share-based payment	1,584	2,308	46%	792	1,516	792	-48%	0%
Other long-term employee benefits	595	519	-13%	339	259	260	0%	-23%
Termination benefits	109		-100%	29				-100%
Redundancy payments	10		-100%	10				-100%
Loans provided to companies owned by members of the management[1] or their family members (normal course of business)	35,193	35,456	1%	35,193	37,175	35,456	-5%	1%
Credit lines of the members of Board of Directors and the Supervisory Board and their close family members (at normal market conditions)	112	508	354%	112	487	508	4%	354%
Commitments to extend credit and guarantees	364	1,161	219%	364	994	1,161	17%	219%
Loans provided to unconsolidated subsidiaries	10,807	982	-91%	10,807	1,282	982	-23%	-91%

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

SUPPLEMENTARY DATA

FOOTNOTES OF THE TABLE 'CONSOLIDATED AFTER TAX PROFIT BREAKDOWN BY SUBSIDIARIES (IFRS)

General note: regarding OTP Core and other subsidiaries, profit after tax is calculated without received dividends and net cash transfers. Regarding dividends and net cash transfers received from non-group member companies, it is shown on a separate line in one sum in the table, regardless to the particular receiver or payer group member company.

(1) OTP Core, Corporate Centre and foreign banks aggregated, excluding one-timers.

(2) OTP Core is an economic unit for measuring the result of core business activity of OTP Group in Hungary. Financials for OTP Core are calculated from the consolidated financial statements of the companies engaged in OTP Group's underlying banking operation in Hungary. These companies include OTP Bank Hungary Plc., OTP Mortgage Bank Ltd, OTP Building Society Ltd, OTP Factoring Ltd, OTP Financing Netherlands Ltd and OTP Holding Ltd. The consolidated accounting result of these companies are segmented into OTP Core and Corporate Centre, the latter being a virtual entity responsible for rendering debt and capital market related services to the subsidiaries across OTP Group.

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

(4) From 4Q 2008 figures are based on the aggregated financial statements of OTP Bank JSC and LLC OTP Leasing Ukraine, from 4Q 2009 the result of LLC OTP Factoring Ukraine was also aggregated, while in 4Q 2010 the financial statement and balance sheet of LLC OTP Credit was also added.

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

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

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

(8) From 2011 on Balance Sheet contains consolidated data of OTP Banka Slovensko and OTP Faktor Slovensko s.r.o., adjusted for loans sold to OTP Bank Plc. and OTP Factoring Ltd., and the related interbank financing in the net amount of the sold loans. The recoveries of sold loans to OTP Faktoring are recognised in the P&L accounts as risk cost decreasing elements since 2011. From 2012 on P&L data and related indices are adjusted for the special banking tax.

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

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

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

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

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

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

CALCULATION OF ADJUSTED LINES OF IFRS PROFIT AND LOSS STATEMENTS PRESENTED IN THE REPORT

In order to present Group level trends in a comprehensive way in the Interim Management Report, the presented consolidated and separate profit and loss statements of the Report were adjusted in the following way, and the adjusted P&Ls are shown and analysed in the Report. Consolidated accounting figures together with Separate accounting figures of OTP Bank are still disclosed in the Financial Data section of the Report.

- As non-recurring results, the after tax effect of the following items are shown separately on the Statement of Recognised Income: received dividends, received and paid cash transfers, goodwill write-offs, the tax shield effect of investment write-offs, special tax on financial institutions, the one-timer payment compensating the underperformance of the financial transaction tax in 2013, the loss from early repayment of FX mortgage loans in Hungary, the revaluation result on FX purchased from the National Bank of Hungary to cover the FX need of early repayments and the special banking tax refund related to the early repayments.
- Other non-interest income elements stemming from provisioning release in connection with loans originated before the acquisitions of the subsidiaries have been reclassified to and deducted from the volume of provisions for possible loan losses in the income statement.
- Other non-interest income is shown together with gains/losses on real estate transactions, but without the above mentioned income from the release of pre-acquisition provisions and without received cash transfers. However other non-interest expenses stemming from non-financial activities are added to the adjusted net other non-interest income line, therefore the latter incorporates the net amount of other non-interest income from non-financial activities.
- Out of other expenses, other provisions are deducted and shown separately as other risk costs in the adjusted income statement. Other provisions contain provisioning on off-balance sheet liabilities and on legal contests, provisioning on securities, shares and other investments as well as provisioning on other assets.
- Other administrative expenses have been adjusted in the following way in order to create a category comprising 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, which are quasi marketing expenses but kept as paid cash transfer on the P&L –, Other non-interest expenses, Special tax on financial institutions and the one-timer payment compensating the underperformance of the financial transaction tax.
- From 4Q 2010 onwards, the fee expenses paid by Merkantil Group to car dealers (’dealer fees’) were registered as interest expense in the accounting income statement. Earlier this item had been booked as fee expense. In order to create a comparable time series, since 4Q 2010 dealer fees have been reclassified from net interest income to net fees and commissions – both on the consolidated and on a standalone level.
- Within the aggregated income statement of Merkantil Bank and Car, other risk cost related to leasing companies – as investments of the Merkantil Group – is eliminated. The reason behind is that this provisioning is eliminated in the consolidated income statement of OTP Group, and only the net result of the leasing companies is making part of OTP Group’s consolidated net earnings.
- Cost/income ratio, net interest margin, risk cost to average gross loans as well as ROA and ROE ratios are calculated on the basis of the adjusted profit and loss statement, excluding adjustment items such as received dividends and net cash transfers, the after tax effect of the goodwill write-downs, the effect of special banking tax, the loss from early repayment of FX mortgage loans in Hungary and the revaluation result on FX purchased from the National Bank of Hungary to cover the FX need of early repayments. Cost/income ratio is calculated from operating costs, excluding other risk costs.
- OTP Group is hedging the revaluation result of the FX provisions on its FX loans by keeping hedging open FX positions. In its accounting statement of income, the revaluation of FX provisions is part of the risk costs (within line “Provision for loan losses”), whereas the revaluation of the hedging open FX positions is made through other non-interest income (within line “Foreign exchange result, net”). The two items have the same absolute amount but an opposite sign. As an adjustment to the accounting statement of income, these items are eliminated from the adjusted P&L. By modifying only the structure of the income statement, this correction does not have any impact on the bottom line net profits.
- In 3Q 2012 and in 2Q 2013, seven subsidiaries of OTP Real Estate Ltd. were for the first time consolidated into OTP Group. The cumulated loss of the companies’ previous operation was recognised as Other expenses in the accounting P&L, while loan loss and other provisioning earlier made by OTP Bank and OTP Real Estate in relation to these companies were released. By influencing only the structure of the income statement, the net effect of these two entries was neutral to consolidated net earnings. As an adjustment to the accounting statement of income, these items are eliminated from the adjusted P&L.
- Tax deductible transfers paid by Hungarian group members in 2H 2012 were reclassified from Other

non-interest expenses to Corporate income tax. As a result, the net P&L effect of the transfers (ie. the paid transfer less the related tax allowances) is recognised in the corporate income tax line of the adjusted P&L. Thus these transfers had no material P&L effect in the adjusted P&L in 2H 2012.

- From 2012 credit institutions' contribution tax started to be recognised in the accounting P&L of OTP Group and OTP Core as OTP Core's burden share in the fixed exchange rate scheme provided to Hungarian FX mortgage debtors. The paid contribution tax equals 50% of the forgiveness provided on the interest payments of the clients. In the adjusted P&L the tax is reclassified from other (administrative) expenses and to a lesser extent from other risk cost to net interest income.
- The financial transaction tax paid from the beginning of 2013 in Hungary is reclassified from other (administrative) expenses to net fees and commissions.
- Within the report, FX-adjusted statistics for business volumes are disclosed. For FX adjustment, the closing cross currency rates for the current period were used to calculate the HUF equivalent of loan and deposit volumes in the base periods. Thus the FX adjusted volumes will be different from those published earlier.

ADJUSTMENTS OF CONSOLIDATED IFRS P&L LINES

in HUF million	1Q 12	2Q 12	1H 12	3Q 12	4Q 12 Audited	2012 Audited	1Q 13	2Q 13	1H 13
Net interest income	**162,243**	**156,899**	**319,142**	**160,627**	**165,697**	**645,466**	**167,955**	**162,301**	**330,255**
(-) Agent fees paid to car dealers by Merkantil Group	-704	-652	-1,356	-680	-732	-2,768	-624	-552	-1,176
(+) Credit institutions' contribution tax paid in relation to the fixed exchange rate scheme	0	0	0	0	-442	-442	-2,161	-30	-2,191
(+) Other risk costs recognised in relation to the fixed exchange rate scheme							-98	64	-33
Net interest income (adj.) with one-offs	**162,947**	**157,551**	**320,498**	**161,307**	**165,988**	**647,792**	**166,320**	**162,887**	**329,207**
(-) Revaluation result of FX swaps at OTP Core (booked within net interest income)	-1,200	-1,356	-2,556	29	0	-2,528	432	310	742
Net interest income (adj.) without one-offs	**164,147**	**158,907**	**323,054**	**161,278**	**165,988**	**650,319**	**165,888**	**162,577**	**328,465**
Net fees and commissions	**34,782**	**38,581**	**73,363**	**39,693**	**41,282**	**154,338**	**42,189**	**49,494**	**91,683**
(+) Agent fees paid to car dealers by Merkantil Group	-704	-652	-1,356	-680	-732	-2,768	-624	-552	-1,176
(+) Financial Transaction Tax							-5,752	-6,165	-11,917
Net fees and commissions (adj.)	**34,078**	**37,929**	**72,007**	**39,013**	**40,550**	**151,570**	**35,813**	**42,777**	**78,590**
Foreign exchange result on Consolidated IFRS P&L	**-7,236**	**3,147**	**-4,089**	**601**	**6,659**	**3,171**	**12,487**	**-5,385**	**7,102**
(-) Revaluation result of FX positions hedging the revaluation of FX provisions	-11,659	-3,187	-14,846	-5,103	3,256	-16,692	9,954	-12,006	-2,052
Foreign exchange result (adj.) with one-offs	**4,423**	**6,334**	**10,757**	**5,704**	**3,402**	**19,863**	**2,533**	**6,621**	**9,153**
Foreign exchange result (adj.) without one-offs	**4,423**	**6,334**	**10,757**	**5,704**	**3,402**	**19,863**	**2,533**	**6,621**	**9,153**
Gain/loss on securities, net	**-1,446**	**-2,398**	**-3,844**	**3,057**	**551**	**-236**	**4,043**	**4,118**	**8,161**
Gain/loss on securities, net (adj.) with one-offs	**-1,446**	**-2,398**	**-3,844**	**3,057**	**551**	**-236**	**4,043**	**4,118**	**8,161**
(-) Revaluation result of the treasury share swap agreement (booked as Gain on securities, net (adj.) at OTP Core)	-2,501	-2,685	-5,185	223	31	-4,932	26	295	321
Gain/loss on securities, net (adj.) without one-offs	**1,054**	**287**	**1,341**	**2,834**	**521**	**4,696**	**4,017**	**3,823**	**7,840**
Gains and losses on real estate transactions	**214**	**152**	**366**	**407**	**358**	**1,131**	**499**	**589**	**1,088**
(+) Other non-interest income	**7,428**	**6,276**	**13,704**	**5,178**	**5,105**	**23,986**	**4,910**	**6,160**	**11,070**
(-) Received cash transfers	2	0	2	1	11	14	9	4	13
(-) Non-interest income from the release of pre-acquisition provisions	232	47	279	45	91	416	22	36	58
(+) Other non-interest expenses	-734	-1,793	-2,527	-3,649	-956	-7,132	-760	-2,128	-2,888
(+) Release of loan loss provisioning related to the consolidation of the subsidiaries of OTP Real Estate Ltd.	0	0	0	307	0	307	0	224	224
(+) Release of other provisioning related to the consolidation of the subsidiaries of OTP Real Estate Ltd.	0	0	0	1,657	0	1,657	0	254	254
Net other non-interest result (adj.) with one-offs	**6,674**	**4,587**	**11,262**	**3,855**	**4,403**	**19,520**	**4,618**	**5,059**	**9,677**
(-) 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)	1,124	0	1,124	291	0	1,415	0	970	970
Net other non-interest result (adj.) without one-offs	**5,550**	**4,587**	**10,137**	**3,564**	**4,403**	**18,105**	**4,618**	**4,088**	**8,707**

in HUF million	1Q 12	2Q 12	1H 12	3Q 12	4Q 12 Audited	2012 Audited	1Q 13	2Q 13	1H 13
Provision for possible loan losses	**-47,006**	**-59,329**	**-106,335**	**-53,001**	**-67,644**	**-226,980**	**-64,311**	**-49,346**	**-113,657**
(+) Non-interest income from the release of pre-acquisition provisions	232	47	279	45	91	416	22	36	58
(-) Revaluation result of FX provisions	11,659	3,187	14,846	5,103	-3,256	16,692	-9,954	12,006	2,052
(-) Loss from early repayment of FX mortgage loans in Hungary	4,409	0	4,409	0	0	4,409	0	0	0
(-) Revaluation result on FX purchased from the National Bank of Hungary to cover the FX need of early repayments	-5,278	0	-5,278	0	0	-5,278	0	0	0
(-) Release of loan loss provisioning related to the consolidation of the subsidiaries of OTP Real Estate Ltd.	0	0	0	307	0	307	0	224	224
Provision for possible loan losses (adj.)	**-57,564**	**-62,469**	**-120,033**	**-58,366**	**-64,296**	**-242,695**	**-54,335**	**-61,540**	**-115,875**
Other expenses	**-77,577**	**-41,420**	**-118,997**	**-45,438**	**-57,198**	**-221,633**	**-83,416**	**-67,143**	**-150,559**
(-) Other provisions	-1,177	-1,630	-2,807	-551	-5,982	-9,340	-768	2,096	1,328
(-) Paid cash transfers	-652	-752	-1,404	-3,199	-6,177	-10,780	-686	-2,792	-3,478
(+) Sponsorships, subsidies and cash transfers to public benefit organisations	-510	-495	-1,004	-2,867	-5,966	-9,837	-390	-2,676	-3,066
(-) Other non-interest expenses	-734	-1,793	-2,527	-3,649	-956	-7,132	-760	-2,128	-2,888
(-) Special tax on financial institutions	-35,539	-94	-35,633	-221	100	-35,754	-35,808	-351	-36,160
(-) Special banking tax refund	-1,323	0	-1,323	0	0	-1,323	0	0	0
(-) Tax deductible transfers	0	0	0	-2,434	-5,748	-8,182	0	-2,400	-2,400
(-) Credit institutions' contribution tax paid in relation to the fixed exchange rate scheme	0	0	0	0	-442	-442	-2,161	-30	-2,191
(-) Financial Transaction Tax							-5,752	-6,165	-11,917
(-) One-timer payment compensating the underperformance of the Financial Transaction Tax							0	-16,238	-16,238
Other expenses (adj.)	**-38,663**	**-37,645**	**-76,308**	**-38,252**	**-43,958**	**-158,517**	**-37,872**	**-41,810**	**-79,682**
Other risk costs	**-1,177**	**-1,630**	**-2,807**	**-551**	**-5,982**	**-9,340**	**-768**	**2,096**	**1,328**
(-) Release of other provisioning related to the consolidation of the subsidiaries of OTP Real Estate Ltd.	0	0	0	1,657	0	1,657	0	254	254
(-) Other risk costs recognised in relation to the fixed exchange rate scheme							-98	64	-33
Other risk costs (adj.)	**-1,177**	**-1,630**	**-2,807**	**-2,208**	**-5,982**	**-10,997**	**-671**	**1,778**	**1,107**
After tax dividends and net cash transfers	**-648**	**1,952**	**1,304**	**-3,102**	**-6,165**	**-7,963**	**-674**	**-78**	**-752**
(-) Sponsorships, subsidies and cash transfers to public benefit organisations	-510	-495	-1,004	-2,867	-5,966	-9,837	-390	-2,676	-3,066
(-) Dividend income of swap counterparty shares kept under the treasury share swap agreement		2,265	2,265	0	0	2,265		2,316	2,316
After tax dividends and net cash transfers	**-138**	**182**	**43**	**-235**	**-199**	**-391**	**-284**	**282**	**-2**
Income taxes	**-532**	**-5,092**	**-5,623**	**-10,066**	**-7,399**	**-23,088**	**-10,636**	**959**	**-9,677**
(-) Corporate tax impact of the strategic open FX position	0	0	0	0	0	0	0	0	0
(-) Corporate tax impact of the sale of OTP Garancia Group	0	0	0	0	0	0	0	0	0
(-) Corporate tax impact of goodwill/investment impairment charges	0	3,977	3,977	0	0	3,977	0	1,379	1,379
(-) Corporate tax impact of the special tax on financial institutions	6,516	18	6,533	42	5	6,580	6,581	81	6,662
(-) Corporate tax impact of the loss from early repayment of FX mortgage loans in Hungary	-838	0	-838	0	0	-838	0	0	0
(-) Corporate tax impact of the special banking tax refund	251	0	251	0	0	251	0	0	0
(-) Corporate tax impact of the revaluation of FX purchased from the National Bank of Hungary to cover the FX need of early repayments	1,003	0	1,003	0	0	1,003	0	0	0
(+) Tax deductible transfers	0	0	0	-2,434	-5,748	-8,182	0	-2,400	-2,400
(-) Corporate tax impact of the one-timer payment compensating the underperformance of the Financial Transaction Tax							0	3,085	3,085
Corporate income tax (adj.)	**-7,464**	**-9,086**	**-16,550**	**-12,541**	**-13,152**	**-42,243**	**-17,217**	**-5,985**	**-23,202**

METHODOLOGICAL CHANGE IN THE CALCULATION OF OTP GROUP'S NET COMPREHENSIVE INCOME

From the current interim report going forward the following methodological change is applied with respect to the calculation of OTP Group's net comprehensive income.

Under the old methodology the Group's net comprehensive income included net profits and other comprehensive income elements attributable to equity holders only. Whereas according to the new method comprehensive income includes the net profit and other income elements attributable to non-controlling interests, too. The total comprehensive income is then split between equity holders and non-controlling interests. The following table summarises the financials according to the old method.

STATEMENT OF OTP GROUP'S NET COMPREHENSIVE INCOME – OLD METHOD

Comprehensive Income Statement	1H 2012	1H 2013	Y-o-Y	2Q 2012	1Q 2013	2Q 2013	Q-o-Q	Y-o-Y
Net comprehensive income	**28,021**	**44,286**	**58%**	**38,185**	**54,049**	**-9,763**	**-118%**	**-126%**
Net profit attributable to equity holders	**53,451**	**51,580**	**-4%**	**40,842**	**11,033**	**40,547**	**268%**	**-1%**
Consolidated after tax profit	53,902	51,812	-4%	41,074	11,233	40,579	261%	-1%
(-) Net profit attributable to non-controlling interest	451	232	-48%	232	200	32	-84%	-86%
Other net comprehensive income elements	**-25,430**	**-7,294**	**-71%**	**-2,657**	**43,016**	**-50,310**	**-217%**	**1793%**
Fair value adjustment of securities available-for-sale (recognised directly through equity)	28,387	-4,149	-115%	17,769	-2,669	-1,480	-45%	-108%
Fair value adjustment of derivative financial instruments designated as cash-flow hedge	264	263	0%	132	131	132	1%	0%
Fair value adjustment of strategic open FX position hedging net investment in foreign operations	5,720	-1,052	-118%	1,851	-3,228	2,176	-167%	18%
Foreign currency translation difference	-59,801	-2,356	-96%	-22,409	48,782	-51,138	-205%	128%

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