

OTP Bank Plc.

Relevant information of the consolidated and separate financial statements for the year ended 2018

According to paragraph 3:272 (3) of Act V., 2013 on the Civil Code, and with regard to the Annual General Meeting to be held on 12 April 2019 the Board of Directors of the OTP Bank Plc. releases the relevant information of the consolidated and separate financial statements prepared in accordance with International Financial Reporting Standards for the year ended 2018, and the report on relevant information of the Board of Directors and the Supervisory Board hereunder.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(in HUF mn)

	2018	2017
Cash, amounts due from banks and balances with the National Banks	1,547,272	1,198,045
Placements with other banks, net of loss allowance for placements	420,606	462,180
Financial assets at fair value through profit or loss	181,356	344,417
Securities at fair value through other comprehensive income	1,883,849	2,174,718
Loans at amortized cost and at fair value	8,066,593	6,987,834
Associates and other investments	17,591	12,269
Securities at amortized cost	1,740,520	1,310,331
Property and equipment	253,773	237,321
Intangible assets and goodwill	166,711	176,069
Investment properties	38,115	35,385
Derivative financial assets designated as hedge accounting	15,201	10,277
Deferred tax assets	20,769	29,419
Other assets	<u>237,932</u>	<u>211,963</u>
TOTAL ASSETS	<u>14,590,288</u>	<u>13,190,228</u>
Amounts due to banks, the Hungarian Government, deposits from the National Banks and other banks	392,706	472,068
Deposits from customers	11,285,085	10,233,471
Liabilities from issued securities	417,966	250,320
Derivative financial liabilities held for trading	73,316	69,874
Derivative financial liabilities designated as hedge accounting	7,407	17,199
Deferred tax liabilities	6,865	9,271
Other liabilities	498,857	421,942
Subordinated bonds and loans	<u>81,429</u>	<u>76,028</u>
TOTAL LIABILITIES	<u>12,763,631</u>	<u>11,550,173</u>
Share capital	28,000	28,000
Retained earnings and reserves	1,864,204	1,671,879
Treasury shares	(67,999)	(63,289)
Non-controlling interest	<u>2,452</u>	<u>3,465</u>
TOTAL SHAREHOLDERS' EQUITY	<u>1,826,657</u>	<u>1,640,055</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>14,590,288</u>	<u>13,190,228</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
(in HUF mn)

	2018	2017
Interest Income:		
Loans	576,053	521,121
Placements with other banks	72,401	42,686
Amounts due from banks and balances with the National Banks	421	1,444
Securities at fair value through other comprehensive income	37,912	34,442
Securities at amortized cost	59,899	56,343
Other	<u>11,272</u>	<u>10,479</u>
Total Interest Income	<u>757,958</u>	<u>666,515</u>
Interest Expense:		
Amounts due to banks, the Hungarian Government, deposits from the National Banks and other banks	(47,979)	(46,475)
Deposits from customers	(69,387)	(50,995)
Liabilities from issued securities	(6,343)	(5,727)
Subordinated bonds and loans	(2,169)	(2,259)
Other	<u>(7,357)</u>	<u>(7,303)</u>
Total Interest Expense	<u>(133,235)</u>	<u>(112,759)</u>
NET INTEREST INCOME	<u>624,723</u>	<u>553,756</u>
Loss allowance on loans and placements	(39,287)	(40,848)
NET INTEREST INCOME AFTER LOSS ALLOWANCE ON LOANS AND PLACEMENTS	<u>585,436</u>	<u>512,908</u>
Income from fees and commissions	338,081	315,606
Expense from fees and commissions	<u>(60,405)</u>	<u>(54,413)</u>
Net profit from fees and commissions	<u>277,676</u>	<u>261,193</u>
Foreign exchange gains, net	40,615	21,870
Gains on securities, net	1,345	7,930
Gains on financial assets /liabilities measured at fair value through profit or loss	597	-
Dividend income	5,736	4,152
Release of loss allowance on securities at fair value through other comprehensive income and on securities at amortized cost	608	10
Other operating income	39,422	65,469
Other operating expense	<u>(25,995)</u>	<u>(51,240)</u>
Net operating gain	<u>62,328</u>	<u>48,191</u>
Personnel expenses	(251,041)	(213,886)
Depreciation and amortization	(51,475)	(48,988)
Goodwill impairment	(5,962)	(504)
Other administrative expenses	<u>(264,803)</u>	<u>(236,072)</u>
Other administrative expenses	<u>(573,281)</u>	<u>(499,450)</u>
PROFIT BEFORE INCOME TAX	<u>352,159</u>	<u>322,842</u>
Income tax expense	<u>(33,837)</u>	<u>(41,503)</u>
NET PROFIT FOR THE PERIOD	<u>318,322</u>	<u>281,339</u>
From this, attributable to:		
Non-controlling interest	<u>89</u>	<u>197</u>
Owners of the company	<u>318,233</u>	<u>281,142</u>
Consolidated earnings per share (in HUF)		
Basic	<u>1,215</u>	<u>1,074</u>
Diluted	<u>1,215</u>	<u>1,074</u>

**CONSOLIDATED STATEMENT OF
COMPREHENSIVE INCOME**
(in HUF mn)

	2018	2017
NET PROFIT FOR THE PERIOD	318,322	281,339
Items that may be reclassified subsequently to profit or loss:		
Fair value adjustment of securities at fair value through other comprehensive income	(29,460)	15,677
Derivative financial instruments designated as cash flow hedge	(9)	-
Net investment hedge in foreign operations	(3,253)	155
Foreign currency translation difference	10,007	(20,535)
Items that will not be reclassified subsequently to profit or loss:		
Fair value changes of equity instruments at fair value through other comprehensive income	9,137	-
Change of actuarial costs related to employee benefits	(65)	(241)
Subtotal	<u>(13,643)</u>	<u>(4,944)</u>
NET COMPREHENSIVE INCOME	<u>304,679</u>	<u>276,395</u>
From this, attributable to:		
Non-controlling interest	(134)	173
Owners of the company	<u>304,813</u>	<u>276,222</u>

SEPARATE STATEMENT OF FINANCIAL POSITION
(in HUF mn)

	2018	2017
Cash, amounts due from banks and balances with the National Bank of Hungary	360,855	399,124
Placements with other banks, net of allowance for placement losses	1,074,840	978,098
Financial assets at fair value through profit or loss	155,042	303,927
Securities at fair value through other comprehensive income	1,451,905	1,735,902
Loans	2,618,863	2,145,046
Investments in subsidiaries, associates and other investments	1,177,573	967,414
Securities at amortised cost	1,431,789	1,043,779
Property and equipment	70,442	65,286
Intangible assets	39,883	32,877
Investment properties	2,333	2,374
Derivative financial assets designated as hedge accounting	12,221	10,148
Deferred tax assets	1,241	7,991
Other assets	<u>109,201</u>	<u>79,916</u>
TOTAL ASSETS	<u>8,506,188</u>	<u>7,771,882</u>
Amounts due to banks and Hungarian Government, deposits from the National Bank of Hungary and other banks	738,036	694,533
Deposits from customers	5,741,498	5,192,869
Liabilities from issued securities	46,694	60,304
Financial liabilities at fair value through profit or loss	32,231	-
Held for trading derivative financial liabilities	82,838	79,545
Derivative financial liabilities designated as hedge accounting	6,925	17,179
Other liabilities	236,570	193,360
Subordinated bonds and loans	<u>110,454</u>	<u>108,835</u>
TOTAL LIABILITIES	<u>6,995,246</u>	<u>6,346,625</u>
Share capital	28,000	28,000
Retained earnings and reserves	1,484,906	1,406,797
Treasury shares	<u>(1,964)</u>	<u>(9,540)</u>
TOTAL SHAREHOLDERS' EQUITY	<u>1,510,942</u>	<u>1,425,257</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>8,506,188</u>	<u>7,771,882</u>

SEPARATE STATEMENT OF PROFIT OR LOSS
(in HUF mn)

	2018	2017
<i><u>Interest Income:</u></i>		
Loans	141,536	120,960
Placements with other banks, net of allowance for placement losses	69,947	47,776
Securities at fair value through other comprehensive income	31,628	30,100
Securities at amortised cost	47,342	44,737
Amounts due from banks and balances with National Bank of Hungary	<u>280</u>	<u>1,403</u>
Total Interest Income	<u>290,733</u>	<u>244,976</u>
<i><u>Interest Expense:</u></i>		
Amounts due to banks and Hungarian Government, deposits from the National Bank of Hungary and other banks	(53,993)	(56,893)
Deposits from customers	(26,634)	(9,244)
Liabilities from issued securities	(157)	(151)
Subordinated bonds and loans	<u>(2,994)</u>	<u>(3,033)</u>
Total Interest Expense	<u>(83,778)</u>	<u>(69,321)</u>
NET INTEREST INCOME	<u>206,955</u>	<u>175,655</u>
Loss allowance on loan and placement losses	(7,822)	(7,775)
NET INTEREST INCOME AFTER LOSS ALLOWANCE ON LOAN AND PLACEMENT LOSSES	<u>199,133</u>	<u>167,880</u>
Income from fees and commissions	212,556	206,759
Expenses from fees and commissions	<u>(34,339)</u>	<u>(30,355)</u>
Net profit from fees and commissions	<u>178,217</u>	<u>176,404</u>
Foreign exchange gains	9,510	4,555
Gains on securities, net	1,960	7,946
Losses on loans at fair value through profit or loss	625	-
Gains on derivative instruments, net	3,706	2,030
Dividend income	68,481	82,638
Other operating income	5,179	9,990
Net other operating expenses	<u>(5,023)</u>	<u>71,359</u>
Net operating expense	<u>84,438</u>	<u>178,518</u>
Personnel expenses	(104,819)	(90,444)
Depreciation and amortization	(21,232)	(20,486)
Other administrative expenses	<u>(151,104)</u>	<u>(141,455)</u>
Other administrative expenses	<u>(277,155)</u>	<u>(252,385)</u>
PROFIT BEFORE INCOME TAX	<u>184,633</u>	<u>270,417</u>
Income tax expense	<u>(11,191)</u>	<u>(18,867)</u>
NET PROFIT FOR THE PERIOD	<u>173,442</u>	<u>251,550</u>
Earnings per share (in HUF)		
Basic	<u>621</u>	<u>902</u>
Diluted	<u>621</u>	<u>902</u>

**SEPARATE STATEMENT OF COMPREHENSIVE
(in HUF mn)**

	2018	2017
NET PROFIT FOR THE PERIOD	<u>173,442</u>	<u>251,550</u>
Items that may be reclassified subsequently to profit or loss:		
Fair value adjustment of securities at fair value through other comprehensive income	(28,868)	18,174
Deferred tax related to fair value adjustment of securities at fair value through other comprehensive income	2,771	(1,636)
Fair value adjustment of Cash-flow hedge	<u>949</u>	<u>-</u>
Total	<u>(25,148)</u>	<u>16,538</u>
NET COMPREHENSIVE INCOME	<u>148,294</u>	<u>268,088</u>

The Board of Directors of the Bank proposes to the General Meeting HUF 219 dividend per share (219% of the face value of the shares) for the fiscal year 2018. The exact amount of dividend payable to the shareholders will be calculated and paid in pursuance of the Articles of Association of the Bank, the Company will distribute the amount of dividend calculated on treasury shares to shareholders entitled to receive dividend.

Dividend payment will start on 3 June 2019 in pursuance of the procedure defined in the Company's Articles of Association.

The written documents of the General Meeting shall be available for inspection by the shareholders from 21 of March 2019 at the Budapest Branch Office of OTP Bank (H-1051 Budapest V. Deák Ferenc u. 7-9.) and on the website of the Budapest Stock Exchange (www.bet.hu), on the website operated by the National Bank of Hungary (www.kozzetetelek.hu) and of the Bank (www.otpbank.hu).

Board of Directors of OTP Bank Plc.