

OTP Bank Romania, lower net profit, 22 million RON in 2020

OTP Bank Romania reports a lower net profit, of 22 million RON, for 2020, and the operational profit has reached 163 million RON, following the growth of 10% of the total income, in comparison with the previous year, according to a press release sent by the bank.

According to the report published in Budapest, in which the bank's results are presented as consolidated, adjusted in concordance with the Group's standards, OTP Bank Romania registered a consolidated profit, after tax, of 22 million RON in 2020, smaller than the results of the previous year, as a result of the risk costs growth generated by the COVID-19 pandemic.

During last year, provisions related to the credit risks have gone up by 80% based on the incertitude determined by the pandemic. The majority of provisions for covering these risks were made during the first half of last year.

The operational profit in 2020 reached 163 million RON, following the 10% growth of the total income, in comparison with 2019. At the same time, operational costs have gone up by 20% from the previous year, as a result of implementing the Apollo growth strategy, launched in 2019. The IT and digital development launched by OTP Bank in 2020 had an important contribution to the general growth of IT spending, while staff spending has gone up by 21% from the previous year, based on the growth of the total number of employees by 13%.

Net income from interest has gone up by 10% at an annual level, reaching a total of 451 million RON, being supported by a dynamic expansion of credit volumes, while the interest margin has gone down by 15 points from the previous year.

Supported by a growth of lending activity, performance credit volumes have gone up by 13% at an annual level.

In the press release it is mentioned that OTP Bank Romania is an extremely active player in the guaranteed financing programs by the Government, and as a result, the loans for micro and small and medium-sized enterprises has gone up by 15%, while the corporate segment contributed to a 9% growth year-on-year.

OTP Bank Romania, subsidiary of OTP Group, is a financial services integrated, self-financed supplier. The bank ranks 9th, based on assets, among the banking players in Romania, since December 2018.