OTP Bank Plc.

Summary of the first nine months 2022 results

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

Budapest, 10 November 2022

CONSOLIDATED FINANCIAL HIGHLIGHTS[1] AND SHARE DATA

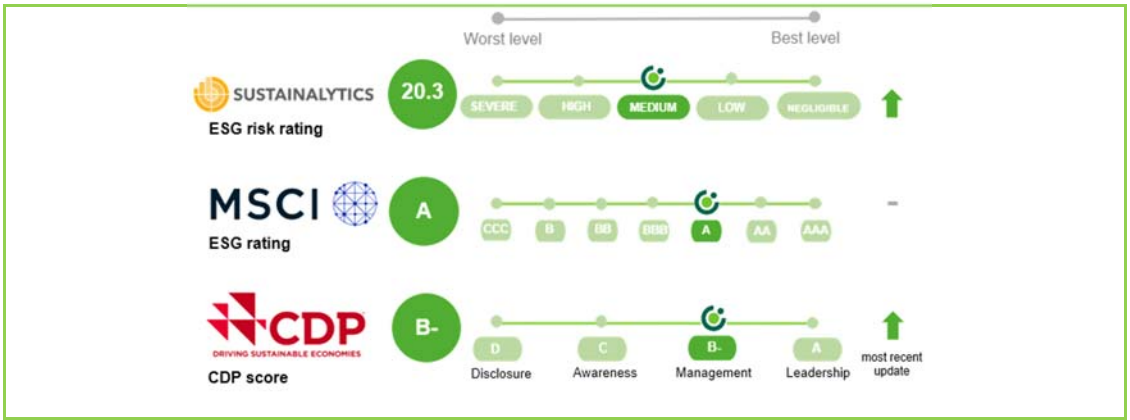
Main components of the adjusted Statement of recognised income in HUF million	9M 2021	9M 2022	Y-o-Y	3Q 2021	2021	2Q 2022	3Q 2022	Q-o-Q	Y-o-Y
Consolidated profit after tax	**335,321**	**231,897**	**-31%**	**120,173**	**456,428**	**76,057**	**189,246**	**149%**	**57%**
Adjustments (total)	-38,257	-207,229	442%	-7,119	-40,474	-86,071	871		
Consolidated adjusted profit after tax	**373,578**	**439,126**	**18%**	**127,293**	**496,902**	**162,128**	**188,374**	**16%**	**48%**
Profit before tax	440,273	508,641	16%	151,023	587,853	175,374	215,189	23%	42%
Operating profit	483,506	645,330	33%	176,010	660,391	207,209	247,152	19%	40%
Total income	950,702	1,205,424	27%	333,097	1,313,124	393,939	450,285	14%	35%
Net interest income	636,484	797,080	25%	222,685	884,012	266,417	290,884	9%	31%
Net fees and commissions	238,235	287,591	21%	86,016	325,548	95,792	106,075	11%	23%
Other net non-interest income	75,983	120,753	59%	24,396	103,563	31,730	53,327	68%	119%
Operating expenses	-467,196	-560,095	20%	-157,087	-652,733	-186,730	-203,133	9%	29%
Total risk costs	-43,233	-136,688	216%	-24,988	-72,538	-31,836	-31,963	0%	28%
Corporate taxes	-66,695	-69,515	4%	-23,730	-90,951	-13,246	-26,815	102%	13%
Main components of the adjusted balance sheet, closing balances in HUF million	2021	9M 2022	YTD	3Q 2021	2021	2Q 2022	3Q 2022	Q-o-Q	Y-o-Y
Total assets	27,553,384	34,022,405	23%	26,180,508	27,553,384	30,822,224	34,022,405	10%	30%
Total customer loans (net, FX-adjusted)	**17,615,900**	**19,479,826**	**11%**	**16,869,906**	**17,615,900**	**18,618,974**	**19,479,826**	**5%**	**15%**
Total customer loans (gross, FX-adjusted)	**18,674,746**	**20,634,650**	**10%**	**17,934,833**	**18,674,746**	**19,761,283**	**20,634,650**	**4%**	**15%**
Performing (Stage 1+2) customer loans (gross, FX-adjusted)	17,659,065	19,563,503	11%	16,964,190	17,659,065	18,713,329	19,563,503	5%	15%
Allowances for possible loan losses (FX-adjusted)	-1,058,846	-1,154,824	9%	-1,064,927	-1,058,846	-1,142,310	-1,154,824	1%	8%
Total customer deposits (FX-adjusted)	**23,214,576**	**25,814,547**	**11%**	**22,036,351**	**23,214,576**	**24,478,463**	**25,814,547**	**5%**	**17%**
Issued securities	436,325	587,987	35%	498,312	436,325	405,398	587,987	45%	18%
Subordinated loans	278,334	317,367	14%	270,448	278,334	302,379	317,367	5%	17%
Total shareholders' equity	3,036,766	3,452,448	14%	2,700,692	3,036,766	3,168,305	3,452,448	9%	28%
Indicators based on adjusted earnings	9M 2021	9M 2022	Y-o-Y	3Q 2021	2021	2Q 2022	3Q 2022	Q-o-Q	Y-o-Y
ROE (from profit after tax))	16.9%	10.1%	-6.8%p	17.3%	17.0%	10.2%	22.9%	12.7%p	5.6%p
ROE (from adjusted profit after tax)	18.8%	19.1%	0.2%p	18.3%	18.5%	21.7%	22.8%	1.1%p	4.5%p
ROA (from adjusted profit after tax)	2.0%	1.9%	-0.1%p	2.0%	2.0%	2.2%	2.3%	0.1%p	0.3%p
Operating profit margin	2.63%	2.84%	0.21%p	2.73%	2.62%	2.77%	3.00%	0.22%p	0.26%p
Total income margin	5.18%	5.31%	0.13%p	5.17%	5.21%	5.27%	5.46%	0.19%p	0.29%p
Net interest margin	3.47%	3.51%	0.04%p	3.46%	3.51%	3.57%	3.53%	-0.04%p	0.07%p
Cost-to-asset ratio	2.54%	2.47%	-0.08%p	2.44%	2.59%	2.50%	2.46%	-0.04%p	0.02%p
Cost/income ratio	49.1%	46.5%	-2.7%p	47.2%	49.7%	47.4%	45.1%	-2.3%p	-2.0%p
Provision for impairment on loan losses-to-average gross loans ratio	0.23%	0.75%	0.52%p	0.38%	0.30%	0.36%	0.55%	0.19%p	0.17%p
Total risk cost-to-asset ratio	0.24%	0.60%	0.37%p	0.39%	0.29%	0.43%	0.39%	-0.04%p	0.00%p
Effective tax rate	15.1%	13.7%	-1.5%p	15.7%	15.5%	7.6%	12.5%	4.9%p	-3.3%p
Net loan/(deposit+retail bond) ratio (FX-adjusted)	77%	76%	-1%p	77%	76%	76%	76%	-1%p	-1%p
Capital adequacy ratio (consolidated, IFRS) - Basel3	17.0%	17.8%	0.8%p	17.0%	19.1%	17.9%	17.8%	-0.1%p	0.8%p
Tier1 ratio - Basel3	15.4%	16.4%	1.0%p	15.4%	17.5%	16.4%	16.4%	0.0%p	1.0%p
Common Equity Tier 1 ('CET1') ratio - Basel3	15.4%	16.4%	1.0%p	15.4%	17.5%	16.4%	16.4%	0.0%p	1.0%p
Share Data	9M 2021	9M 2022	Y-o-Y	3Q 2021	2021	2Q 2022	3Q 2022	Q-o-Q	Y-o-Y
EPS diluted (HUF) (from profit after tax)	1,306	861	-34%	468	1,738	282	702	149%	50%
EPS diluted (HUF) (from adjusted profit after tax)	1,457	1,633	12%	496	1,896	603	701	16%	41%
Closing price (HUF)	18,200	7,908	-57%	18,200	16,600	8,422	7,908	-6%	-57%
Highest closing price (HUF)	18,750	18,600	-1%	18,750	19,400	12,330	9,520	-23%	-49%
Lowest closing price (HUF)	12,920	7,854	-39%	15,570	12,920	8,354	7,854	-6%	-50%
Market Capitalization (EUR billion)	14.1	5.3	-63%	14.1	12.6	5.9	5.3	-12%	-63%
Book Value Per Share (HUF)	11,315	12,330	9%	9,645	10,846	11,315	12,330	9%	28%
Tangible Book Value Per Share (HUF)	10,680	11,748	10%	9,010	10,190	10,766	11,748	9%	30%
Price/Book Value	1.6	0.6	-60%	1.9	1.5	0.7	0.6	-14%	-66%
Price/Tangible Book Value	1.7	0.7	-60%	2.0	1.6	0.8	0.7	-14%	-67%
P/E (trailing, from after tax profit)	12.5	6.3	-50%	12.5	10.2	8.3	6.3	-24%	-50%
P/E (trailing, from adjusted profit after tax)	11.3	3.9	-65%	11.3	9.4	4.7	3.9	-16%	-65%
Average daily turnover (EUR million)	16	27	68%	14	22	25	12	-51%	-14%
Average daily turnover (million share)	0.4	0.9	144%	0.3	0.5	1.0	0.6	-41%	97%

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

ACTUAL CREDIT RATINGS

S&P GLOBAL	
OTP Bank and OTP Mortgage Bank – FX long-term issuer credit rating	BBB
MOODY'S	
OTP Bank – FX long term deposits	Baa1
OTP Bank – Dated subordinated FX debt	Ba1
OTP Mortgage Bank – Covered bonds	A1
SCOPE	
OTP Bank – Issuer rating	BBB+
OTP Bank – Dated subordinated FX debt	BB+

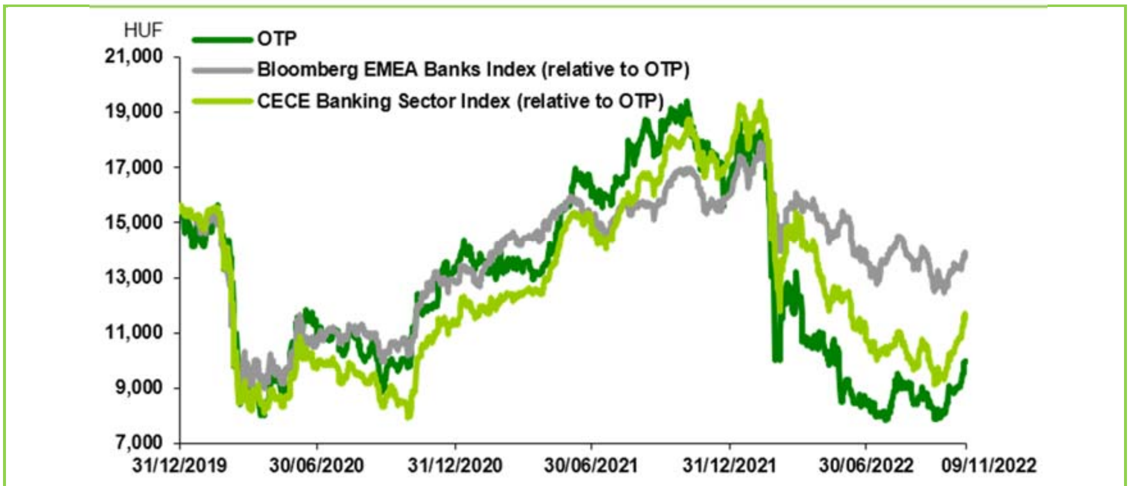
ACTUAL ESG RATINGS



AWARDS

After 2021, **Global Finance** magazine chose OTP Bank as the best bank in Hungary again this year. The OTP Group also received the regional recognition of "Best Bank of Central and Eastern Europe", and the Montenegrin and Slovenian subsidiary banks of the OTP Group also proved to be the best at the local level.
In the **Euromoney** Awards for Excellence 2022 competition, OTP Bank received the "Best Bank in Hungary" award. In addition, the Albanian, Bulgarian, Moldovan and Serbian subsidiary banks of the OTP Group also proved to be the best at the local level. In the annual ranking of **The Banker** magazine, which belongs to the Financial Times group, OTP Group became the "best bank in Central and Eastern Europe". In addition, the OTP Group's Hungarian, Montenegrin, Croatian and Slovenian subsidiary banks received the "Bank of the Year" award.

SHARE PRICE PERFORMANCE



SUMMARY – OTP BANK'S RESULTS FOR FIRST NINE MONTHS OF 2022

The Summary of the first nine months 2022 results of OTP Bank Plc. has been prepared on the basis of its non-audited separate and consolidated IFRS financial statements for the I-III. quarters ended 30 September 2022 or derived from that. However, for the purpose of including the group level consolidated eligible profit of the period in the regulatory capital and to comply with the provisions of Article 26 (2) of CRR, OTP Bank will submit the documents specifically prepared for this purpose as required by the legislation (OTP Group management representation letter, special purpose review report) to the Supervisory Authority until the deadline.

EXECUTIVE SUMMARY: SUMMARY OF THE FIRST NINE MONTHS OF 2022

In 2Q the Hungarian GDP increased by 6.5% y-o-y and according to the expectation of the Ministry of Finance the annual growth rate may hover around 4%. Regarding 2023, uncertainties increased around most of the macroeconomic indicators mainly due the development of energy prices and the outcome of negotiations about EU funds. The Ministry still considers recession being avoidable and forecasts a growth around 1%.

In order to contain inflation during 3Q the base rate in total was hiked by 525 bps. With lifting the policy rate to 13% on 27 September, the Monetary Council suggested that the tightening cycle came to end, however the strict monetary conditions were still to remain in place for a longer period of time. On 14 October another tightening measure came into force and the 1-day Central Bank deposit rate jumped to 18%. Following that step during the last 2 weeks local benchmark yields tightened meaningfully and the 10-year government yield closed at 10.08% at the end of October, whereas the 3M Bubor stood at 16.76%. While the ytd weakening of HUF was massive in international comparison and in early October it closed around 435 to EUR, following the above measures of NBH there was a positive correction and the EUR/HUF exchange rate closed below 410 at the end of October.

The Government announced series of measures with the aim of containing monthly instalments, accordingly the rate cap on floater-based mortgages was extended until 30 June 2023, and in case of SMEs a significantly lower reference rate is going to be applied from 15 November, also until 30 June 2023. Furthermore, the Széchenyi Card Program was extended and lots of production companies will be eligible for energy price subsidies (for details see: Post Balance Sheet Events).

On 12 August S&P revised its outlook on the 'BBB' sovereign rating from stable into negative, Moody's and Fitch didn't change their respective ratings on Hungary.

As for OTP Group most of the economies demonstrated favourable 2Q GDP statistics, their growth rates hovered between 4-12%. At the same time the Russian, Ukrainian and Moldovan economies already suffered setbacks.

In case of Russia and Ukraine the protracted war induced different trends: while the GDP contraction of the Russian economy is going to be lower than expected, around -4%, for the coming years analysts are forecasting recession. In Ukraine, on the contrary, GDP may drop by around 35%, and growth prospects are moderating with the protracting war. Despite inflation in both countries exceeds 10%, the CBR cut rates in several steps, most recently on 17 September reducing the base rate by 50 bps to 7.5%. In Ukraine the base rate has been 25% since the beginning of June. Regarding the cross-currency developments, RUB was hovering in the 51-60 range against USD, whereas the official UAH-rate was set at 36.6 in mid-July.

Consolidated earnings: HUF 439 billion nine months adjusted profit after tax (3Q: HUF 188 billion), q-o-q flat risk costs amid stable portfolio quality, ytd 11% increase in FX-adjusted performing loan volumes (+13% without the Russian and Ukrainian volumes and the Albanian acquisition), improving cost-to-income ratio

Apart from some major negative one-offs (windfall tax in Hungary, goodwill impairment in Russia) the nine months profit after tax was shaped mainly by risk cost developments and increasing core banking revenues supported by the still dynamic business activity. OTP Group posted HUF 231.9 billion profit after tax in 1-9M (3Q: HUF 189.2 billion).

The quarterly earnings and balance sheet dynamics were distorted by cross currency moves similar to the previous quarter: in 3Q the HUF weakened against RUB by around 20%, whereas the magnitude of depreciation against other currencies hovered around 5%; the HUF appreciated only against UAH q-o-q.

The purchase of Alpha Bank Albania was completed on 18 July and 3Q figures already incorporated both the P&L and balance sheet figures. On 8 September ECB gave its approval to the purchase of the Slovenian Nova KBM, currently the management is waiting for the final approval of the local Competition Authority. On 3 October 2022 involved parties reiterated their commitment for the acquisition of Ipoteka Bank in Uzbegistan through signing a Memorandum of Understanding.

Considering OTP's exposures to Russia and Ukraine at the end of 3Q 2022, it is important to note that volumes in Russia grew even in RUB term q-o-q and the increase was further accelerated by the weakness of HUF. In Ukraine, on the contrary, net loan volumes declined in UAH which was somewhat moderated by the stronger HUF against UAH. Accordingly:

- the combined weight of Ukrainian and Russian assets out of total consolidated assets comprised 7.4%;
- the combined weight of net loans in Ukraine and Russia comprised 7%;
- the volume of gross intragroup funding towards Ukraine comprised HUF 91 billion and HUF 89 billion towards Russia. (the q-o-q increase reflects the impact of the weaker HUF);
- under an unexpected and extremely negative scenario of deconsolidating the Ukrainian entity and writing down the outstanding gross intragroup funding as well, the effect for the consolidated CET1 ratio would be -3 bp, whereas in the case of Russia the impact would be -137 bps.

In both cases OTP management applies a „going concern" approach, however in Russia the management is still considering all strategic options.

In 1-9M 2022 the total volume of adjustment items amounted to -HUF 207 billion of which +HUF 1 billion occurred in 3Q:

- -HUF 8.2 billion (after tax) related to the administrative costs arising from the liquidation of Sberbank Hungary. Earlier the Bank expected 100% recovery after its paid-in contribution to the National Deposit Insurance Fund (NDIF). Due to the uncertainty about the timing of the realization of this recovery, this claim was booked at its expected net present value in 2Q with -HUF 2.5 billion (after tax), thus a 9.57% discount was applied. This amount was increased in 3Q by the above mentioned costs;
- -HUF 3,7 billion effect of acquisitions (after tax). Most of this amount were related to the acquisition and integration processes in Albania and Slovenia. This amount also incorporates the positive impact of badwill of around HUF 3 billion, as well as some negative items in case of the Albanian acquisition,
- -HUF 0.8 billion (after tax) related to the Russian government bonds held by OTP Core and DSK Bank;
- -HUF 0.7 billion (after tax) as a potential impact of the extension of the cap on the Hungarian variable rate mortgages until 31 December 2022;
- +HUF 11.5 billion (after tax) related to the OTP-MOL own share swap agreement as a results mainly of the dividends distributed by MOL in July. Thus, for the first nine months +HUF 3 billion was booked on that line, o/w -HUF 8.5 billion in 1Q as a result of the announcement of the MOL dividends and reflecting the share price changes and the updated model calculation for future dividend pay-outs;
- +HUF 1.8 billion (after tax) goodwill impairment charges at certain subsidiaries;
- +HUF 1 billion dividends and net cash transfer.

In case of the Hungarian mortgage and SME loans the one off impact of the extended / introduced rate cape effective until 30 June 2023 will be booked only in the 4Q 2022 P&L. Assuming the current rate environment the expected negative P&L impact might be around HUF 21 billion for mortgages and HUF 21-26 billion for SME exposures (before tax).

The consolidation of Alpha Bank in Albania didn't have a meaningful impact either on consolidated bottom line earnings or on particular P&L lines.

The nine months consolidated adjusted profit after tax comprised HUF 439.1 billion, +18% y-o-y. Thus, the adjusted 1-9M ROE stood at 19.1% (without the results of the Russian and Ukrainian subsidiaries the nine months adjusted ROE would be 22.1%).

The positive trends manifested in 2Q in Russia and Ukraine continued at both subsidiaries, as a result the cumulative ytd loss in Ukraine declined to HUF 26 billion, whereas the Russian results turned into a profit of HUF 24 billion for the first nine months due to the significant provision write-back in 3Q.

In the first nine months the Group realized HUF 645 billion operating income (+33% y-o-y). Total income for that period advanced by 27% y-o-y, within that the net interest income increased by 25%, whereas net fee and commission income grew somewhat slower, by 21% y-o-y and other net non-interest income surged by 59%.

The FX-adjusted NII advanced by 16% y-o-y, similar to the previous periods it was induced by the increasing performing loan volumes, at the same time the higher interest rate environment in a couple of countries also had a positive impact. The consolidated nine months net interest margin (3.51%) improved by 4 bps y-o-y.

1-9M operating expenses grew by 20% y-o-y in HUF terms and by 13% on an FX-adjusted basis. As a result, the consolidated cost-to-income ratio declined by 2.7% pps y-o-y to 46.5% (47.7% without the Russian and Ukrainian operations).

In 3Q OTP Group posted HUF 188.4 billion adjusted profit after tax, +16% q-o-q. The adjusted quarterly ROE stood at 22.8% (20.1% without the Russian and Ukrainian operations).

Apart from the Romanian subsidiary in 3Q all Group members achieved positive earnings and due to their strong performance a few subsidiaries (in Bulgaria, Croatia, Serbia, Slovenia, Montenegro and Albania) have not only reached, but even pierced their whole year profit of 2021 by 3Q 2022. The single most meaningful q-o-q improvement could be witnessed in Russia and at the Other Hungarian subsidiaries. In case of the Russian subsidiary, against the massive risk costs booked in previous quarters in 3Q there was a significant provision release, while at the latter there was an asset sale by OTP Bank's private equity operation (PortfoLion) and the proceeds were booked on consolidated level within Other non-interest revenues.

OTP Core suffered HUF 26 billion set back q-o-q mainly due to risk costs surging by HUF 23 billion in 3Q.

In 3Q OTP Group posted HUF 247 billion operating income (+19% q-o-q in HUF terms, +16% FX-adjusted). Total income grew by 14% q-o-q, within that the net interest income advanced by 9% (+6% FX-adjusted) supported by q-o-q leaping performing loan volumes and the weaker HUF. The consolidated 3Q NIM eroded by 4 bps q-o-q and reached 3.53%; without the Russian and Ukrainian operations the NIM dropped by 13 bps q-o-q to 3.03%. In 3Q the net interest margin grew q-o-q in Bulgaria, Serbia, Slovenia and Moldova, as well as in Ukraine and Russia. In the NIM improvement the higher rate environment was instrumental, whereas in Russia declining liability costs and a more favourable asset composition had its positive impact. At OTP Core, however the 3Q NIM dropped by 23 bps q-o-q. On one hand the steeply increasing reference rate impact will kick in only with some delay in case of corporate loans, whereas the deposit repricing is faster. Furthermore, during the last couple of years OTP Core used its access liquidity for purchasing fixed-rated local Government securities – thus helping financing the public debt –, as a result it could place only a smaller amount ot of its deposits predominantly made by institutional clients into the high yielding Central Bank deposit facilities.

The consolidated 3Q net fee and commission income advanced by 11% in HUF (+7% FX-adjusted) as a result of strengthening business activity and stronger transaction volumes amid higher inflation environment. Similar to 2Q, in countries with significant weight of tourism in their economies (Croatia, Montenegro, Albania), net F&C advanced in a spectacular way both q-o-q and y-o-y. Other net non-interest income in 3Q surged by 68% q-o-q mainly due to Other Hungarian subsidiaries and the stronger Russian contribution.

3Q operating expenses in HUF terms grew by 9% (+5% FX-adjusted). Apart from Slovenia all other operations across the Group witnessed q-o-q increase in HUF terms. Within the three major expense items personal costs grew by 15% q-o-q, amortization by 6% and administrative expenses by 2%, respectively.

The consolidated 3Q cost-to-income ratio improved by 2.3% pps y-o-y and stood at 45.1%.

The FX-adjusted consolidated performing (Stage 1+2) loan volumes increased by 5% in 3Q q-o-q (without the Albanian acquisition by 4%), following a 3% increase in 2Q. As a result, the loan volume growth reached 11% (HUF 1,904 billion) in the first nine months, o/w Alpha Bank comprised HUF 101 billion. Without the Ukrainian, Russian and Albanian volumes the consolidated loan portfolio advanced by 5% q-o-q and 13% ytd.

Due to the Russian-Ukrainian conflict the loan portfolio kept further eroding in those two countries: ytd there was a 19% and 16% decline. In 3Q the Russian performing book eroded by 1% q-o-q, the Ukrainian portfolio dropped further (-11% q-o-q).

The fastest q-o-q performing loan growth in 3Q was posted at the Croatian operation (+10%) and at OTP Core (+7% q-o-q). The outstandingly high q-o-q loan book extension in Albania (+41%) was distorted by the consolidation of Alpha Bank, without it the q-o-q growth was 4%. Beside the Russian and Ukrainian portfolio, in Moldova the outstanding book also shrank q-o-q.

As for the major segments, in 3Q the performing mortgage and consumer volumes increased by 4% and 2% q-o-q, whereas large corporate volumes expanded more dynamically, by 8%. SME loans demonstrated a moderate quarterly expansion at 1% q-o-q. The large corporate exposure grew the fastest q-o-q at OTP Core (+16%) and in Croatia (+18%). In Russia despite the q-o-q 3% growth of consumer exposures the overall book shrank by 1% as the corporate book kept further eroding (-32% q-o-q, -64% y-o-y).

The FX-adjusted deposits grew by 5% q-o-q, as a result for the first nine months volumes expanded by 11% (+HUF 2,585 billion of which the newly consolidated Alpha Bank in Albania comprised HUF 225 billion). Deposit volumes in Russia and Ukraine declined by 7% and 2% q-o-q, respectively, as a result the deposit book in those two countries increased by 8% and 4% ytd, respectively.

The consolidated net loan-to-deposit ratio remained practically flat q-o-q at 76%.

In July the Group issued EUR 400 million MREL-eligible “green” Senior Preferred bonds within the framework of its EMTN Program updated in late May 2022 followed by an USD 60 million private placement in September. On 24 October OTP Bank launched a HUF-denominated MREL eligible bond auction targeting local private banking clients.

The Stage 3 ratio under IFRS 9 was 5.2% at the end of 3Q underpinning a marginal q-o-q decrease. Apart from Russia, Ukraine, Moldova and also Albania as a result of acquisition in all other Group members there was a q-o-q decrease in the Stage 3 ratio. The own coverage of Stage 3 exposures was 65%. The consolidated Stage 2 ratio stood at 11.5% at the end of 3Q (-0.2 pp q-o-q).

At the end of 3Q 2022 the Hungarian participation rate in the payment moratorium effective until 31 December 2022 including also the agricultural companies was minimal (the latter is effective until the end of 2023): at OTP Core 2.9% of gross loan volumes were under the moratorium, whereas at Merkantil Group the rate was 4%.

In the first nine months of 2022 the total volume of credit risk costs reached -HUF 101.5 billion (3Q: -HUF 27.3 billion), whereas without the Russian and Ukrainian operations the nine months figure would be +HUF 11 billion. As a result the nine months credit risk cost rate stood at 0.75% (3Q: 0.55%).

Updated Management Guidance for 2022

Based on the results of the first nine months the management's expectations for the 2022 performance of the Group without the Russian and Ukrainian operations have improved for a number of indicators, accordingly:

- ***Performing (Stage 1+2) organic loan volume growth might reach 15% y-o-y (FX-adjusted) following the 13% ytd expansion;***

- ***The net interest margin may stabilize;***

  (2021: 3.09%, 1Q 2022: 3.05%, 2Q: 3.16%, 3Q: 3.03%, 1-9M: 3.08%)

- ***The operating cost efficiency ratio might improve compared to 2021 level;***

  (Cost / income ratio: 2021: 51.1%, 1Q 2022: 47.6%, 2Q: 48.4%, 3Q: 47.1%, 1-9M: 47.7%)

- ***The credit risk cost ratio may be lower than the 2021 level;***

  (2021: 0.19%, 1Q 2022: -0.41%, 2Q: -0.28%, 3Q: 0.36%, 1-9M: -0.09%)

- ***The adjusted profitability indicator (ROE) may exceed the 2021 level of 18%.***

  (2021: 17.9%, 1Q 2022: 23.4%, 2Q: 23.0%, 3Q: 20.1%, 1-9M: 22.1%)

The Russian subsidiary is expected to deliver positive earnings for the rest of 2022, though its magnitude might be smaller than in 3Q. The performance of the Ukrainian subsidiary will be mainly shaped by the evolution of its risk profile.

Consolidated capital adequacy ratio (in accordance with BASEL III)

At the end of September 2022, the consolidated CET1 ratio under the accounting scope of consolidation according to IFRS was 16.4% (remained stable q-o-q and increased by 1 pp y-o-y). This ratio equals to the Tier 1 ratio. The acquisition of Alpha Bank in Albania had a negative effect 16 bps on the CET1 ratio.

By the end of 2022 the effective regulatory minimum requirement for the consolidated Tier 1 capital adequacy ratio is 10.7% which also incorporates the effective SREP rate, whereas the minimum CET1 requirement is 8.8%.

The components of the capital requirements were shaped by the following recent changes:

- According to the decision of NBH, the effective SREP rate is 125% from March 2022.
- Effective from 1 July 2020 the original level of O-SII capital buffer (2%) was modified to 0% by the NBH until 31 December 2021. The gradual rebuilding started on 1 January 2022, its current level is 0.5% and by 31 December 2023 it will gradually reach 2%.
- The effective rate of the anticyclical capital buffer is currently 0% in Hungary. In Bulgaria the local central bank prescribed a 1.0% buffer from 4Q 2022, whereas in Romania the local central bank required a 0.5% buffer, thus on the consolidated base the institution-specific anticyclical capital buffer will increase to 0.20%.
- In the course of 2023 the consolidated institution-specific anticyclical capital buffer requirements are expected to increase further, as in Bulgaria the local relevant buffer requirement effective from 1 January 2023 is going to be increased to 1.5% and from October to 2.0%, while in Croatia from 31 March to 0.5% and in Hungary from 1 July 2023 to 0.5% as well, respectively. With all these changes taking effect, on consolidated level the anticyclical capital buffer is expected to increase to 0.62%.

The risk weighted assets (RWA) under the accounting scope of consolidation increased by HUF 1,868 billion q-o-q; of that HUF 695 billion is explained by the HUF depreciation, whereas the purchase of Alpha Bank in Albania increased RWA by an additional HUF 234 billion q-o-q. The consolidated regulatory capital grew by HUF 313 billion q-o-q mainly as a result of the incorporation of the nine months eligible profit (HUF 203 billion after the deduction of the calculated dividend, +HUF 166 billion q-o-q). The weaker HUF inflated the consolidated regulatory capital q-o-q, too, mainly as a result of higher revaluation reserves booked in the comprehensive income (+HUF 130 billion). In 3Q HUF 28 billion dividend was deducted from the earnings. However, this amount shall not be considered as an indication from the management for the proposed dividend amount after 2022. The deducted dividend was determined in accordance with the Commission Delegated Regulation (EU) No. 241/2014. Article 2. (7) Paragraph.

Credit rating, shareholder structure, awards

In 3Q 2022 there was no change in OTP's rating with the major agencies, accordingly OTP Bank Plc.'s long-term issuer credit rating by S&P Global Ratings was 'BBB', however on 11 August the outlook changed from stable to negative. As for Moody's the long-term FX deposit rating of OTP Bank Plc. remained 'Baa1' and the dated subordinated FX debt rating was 'Ba1'. OTP Bank's Counterparty Risk Assessment (CRA) was 'Baa1', OTP Mortgage Bank Ltd.'s CRA was equally 'Baa1', and its mortgage bond rating was 'A1'. OTP Bank Plc' issuer rating at Scope Ratings was 'BBB+' and the subordinated debt rating 'BB+', respectively; both ratings had stable outlook.

Since 23 March 2022 OTP's Russian subsidiary had no rating from Fitch.

Regarding the ownership structure of the Bank, on 30 September 2022 the following investors had more than 5% influence (voting rights) in the Company: MOL (the Hungarian Oil and Gas Company, 8.58%) and Groupama Group (5.10%).

In 2022 OTP Bank was awarded by Euromoney as the Best Bank in CEE, and also as the Best Bank in Hungary, Bulgaria, Montenegro and Albania. OTP Bank was also awarded by Global Finance as the Best Bank in CEE and the Best Bank in Hungary. Furthermore, OTP was the best private banking service provider amongst *emerging markets* countries.

DISCLAIMER – RISKS RELATING TO THE RUSSIAN-UKRAINIAN ARMED CONFLICT

On 24 February 2022 Russia launched a military operation against Ukraine which is still ongoing at the date of this Report. Until now many countries, as well as the European Union imposed sanctions due to the armed conflict on Russia and Russian businesses and citizens.

The armed conflict and the international sanctions influence the business and economic activities significantly all around the world. There are a number of factors associated with the Russian-Ukrainian armed conflict and the international sanctions as well as their impact on global economies that could have a material adverse effect on (among other things) the profitability, capital and liquidity of financial institutions such as the OTP Group.

The armed conflict and the international sanctions cause significant economic damage to the affected parties and in addition they cause disruptions in the global economic processes, of which the precise consequences (inter alia the effects on energy and grain markets, the global transport routes and international trade as well as tourism) are difficult to be estimated at the moment.

It remains unclear how this will evolve through 2022 and the OTP Group continues to monitor the situation closely. However, the OTP Group's ability to conduct business may be adversely affected by disruptions to its infrastructure, business processes and technology services. This may cause significant customer detriment, costs to reimburse losses incurred by the OTP Group’s customers, and reputational damage.

Furthermore, the OTP Group relies on models to support a broad range of business and risk management activities, including informing business decisions and strategies, measuring and limiting risk, valuing exposures, conducting stress testing and assessing capital adequacy. Models are, by their nature, imperfect and incomplete representations of reality because they rely on assumptions and inputs, and as such assumptions may later potentially prove to be incorrect, this can affect the accuracy of their outputs. This may be exacerbated when dealing with unprecedented scenarios, such as the Russian-Ukrainian armed conflict and the international sanctions, due to the lack of reliable historical reference points and data.

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

DISCLAIMER – THE COVID-19 PANDEMIC AND THE VOLATILE ECONOMIC ENVIRONMENT IN THE POST-COVID-19 ERA

Since the outbreak of the COVID-19 pandemic, OTP Group has regularly updated its forecasts in light of the pandemic and the impact of the pandemic on the operations of OTP Group. However, the continuance of new waves of the pandemic emerging may require further revision by OTP Group to such macroeconomic scenarios and its estimations of credit impairments.

Over the last 2 years, the COVID-19 pandemic severely impacted the evolution of the global economy. The supply-chain and logistic relationships were disrupted by periodic lockdowns and social distancing requirements and the supply of several key raw materials dropped significantly, leading to a more volatile economic environment compared to previous years. Raw material and energy prices rose steeply, leading to higher inflation and interest rates in some of OTP Group’s operating countries. The conflict between Russian and Ukraine and the subsequent implementation of sanctions on Russia have accelerated supply shortages and resulted in higher energy prices and more broad-based inflation. Several major central banks have already raised or are considering raising interest rates earlier than previously expected. The Hungarian central bank recently hiked rates. The risk of local currency devaluations versus EUR or USD has increased and could lead to a more volatile operating environment for OTP Group.

This volatile environment could cause financial difficulties for OTP Group’s customers. The deteriorating credit quality of OTP Group’s customers may in particular result in increasing defaults and arrears in monthly payments on loans, higher credit impairments on the loan portfolios of OTP Group. Furthermore, lower demand for, and origination of, new loans could have a material adverse effect on the OTP Group’s results of operations.

The OTP Group’s activities and the profitability of its operations are strongly affected by the macroeconomic environment and the domestic and international perception of the economies in which it operates.

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

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

POST-BALANCE SHEET EVENTS

Hungary

- On 27 September 2022 the National Bank of Hungary hiked the base rate by 125 bps to 13%, followed by a similar hike of the one week deposit rate on 29 September, to 13%. The Monetary Council signalled that it decided to stop the cycle of base rate hikes after the step in September, but tight monetary conditions will be maintained over a prolonged period. According to the central bank's communication, tightening liquidity and further enhancing monetary transmission will be in the central bank's focus in the future.
- On 14 October the Monetary Council raised the overnight collateralised lending rate to 25% and suspended the one-week collateralised loan. Furthermore, in the current turbulent period in financial markets, in order to ensure market stability, the central bank announced targeted and temporary instruments and measures:
  - From 14 October 2022, the central bank will announce one-day (T/N) foreign exchange swap instrument and overnight (O/N) deposit quick tenders on a daily basis at higher interest rate levels than before (18% rate in the case of O/N deposit, and 17% rate in the case of the FX swap facility).
  - For the coming months the central bank committed to directly meeting major foreign currency liquidity needs arising from covering the energy import.

  Furthermore, the central bank said that it will not hold one-week deposit tender, variable rate, maximum 6-month deposit tender and discount bill auction until different decision is made.
- The details of the extension of the interest rate cap scheme were published on 14 October 2022 in the Gazette. Firstly, the interest rate cap was extended by an additional 6 month, until the end of June 2023. Secondly, from 1 November 2022 the provisions of the interest rate cap shall be applied to the market based mortgages with up to 5 years interest rate repricing period, too.
- On 22 October 2022 the Government announced the following decisions:
  - Starting from 15 November until 30 June 2023, the interest rate of certain MSE loans will also be capped. Details were laid down by Government Decree 415/2022 (X. 26.) published on 26 October. Accordingly, the provisions shall be applied to HUF denominated, non-subsidized, floating rate loans to micro and small enterprises and financial lease contracts, excluding overdraft loan agreements. In this period, the reference rate of these exposures cannot be higher than the relevant reference rate as specified in the contract as at 28 June 2022 (on 28 June the 3M BUBOR stood at 7,77%). The financial burden of the MSE rate cap must be shouldered by the banks. The Government added that with the extension of the rate cap scheme, the further prolongation of the payment moratorium is not justified.
  - The so-called Széchenyi Card scheme will continue in 2023, too: after the end of the current phase of the scheme offering subsidized loans with fixed rate of maximum 3.5%, subsidized loans with max. 5% interest rate will be available from 2023 for the following purposes: investment, working capital, overdraft, tourism, agriculture, and loans to micro companies.
  - From 2 November the Government will launch a factory rescue programme with HUF 150 billion subsidy earmarked in the first round for large corporates to support their investments into energy efficiency improving projects.
  - The Government said that together with the Hungarian Banking Accociation, it will shapen an incentive programme that will create a link between the banks' banking tax burden and their lending activity, so that the more active banks will pay less in banking taxes.

Serbia

- Effective from 6 October 2022 the Serbian national bank hiked the base rate by 50 bps to 4.0%.
- On 2 November 2022, it was announced that a 2-year financing agreement of around EUR 2.4 billion was signed between Serbia and the IMF.

Slovenia

- Effective from 27 October 2022 the ECB hiked the base rate by 75 bps to 1.50% in the Eurozone.

Romania

- Effective from 6 October 2022 the Romanian central bank hiked the base rate by 75 bps to 6.25%.

Russia

- On 26 October 2022 a presidential decree reinforced the effect of an earlier decree banning the sale of foreign-owned stake in 45 banks including OTP Bank Russia, until the end of 2022.

Albania

- On 5 October 2022, the Albanian national bank raised the key interest rate by 50 bp to 2.25%.
- On 2 November 2022, a further interest rate increase of 50 bps took place, thereby raising the base interest rate to 2.75%.

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

in HUF million	9M 2021	9M 2022	Y-o-Y	3Q 2021	2021	2Q 2022	3Q 2022	Q-o-Q	Y-o-Y
Consolidated profit after tax	**335,321**	**231,897**	**-31%**	**120,173**	**456,428**	**76,057**	**189,246**	**149%**	**57%**
Adjustments (total)	**-38,257**	**-207,229**	**442%**	**-7,119**	**-40,474**	**-86,071**	**871**		
Consolidated adjusted profit after tax	**373,578**	**439,126**	**18%**	**127,293**	**496,901**	**162,128**	**188,374**	**16%**	**48%**
Banks total[1]	359,561	397,121	10%	127,814	468,962	151,003	167,041	11%	31%
OTP Core (Hungary)[2]	167,499	217,819	30%	59,730	213,377	74,850	48,932	-35%	-18%
DSK Group (Bulgaria)[3]	66,047	76,478	16%	24,072	76,790	28,521	26,892	-6%	12%
OBH (Croatia)[4]	25,194	37,811	50%	10,897	33,448	11,815	14,922	26%	37%
OTP Bank Serbia[5]	20,688	32,451	57%	5,929	32,104	10,921	10,671	-2%	80%
SKB Banka (Slovenia)	12,454	18,511	49%	4,957	16,822	4,746	8,828	86%	78%
OTP Bank Romania[6]	993	-1,050		-783	4,253	768	-58		-93%
OTP Bank Ukraine[7]	28,832	-25,968		11,105	39,024	146	8,286		-25%
OTP Bank Russia[8]	24,189	23,722	-2%	6,780	37,624	12,470	38,473	209%	467%
CKB Group (Montenegro)[9]	5,375	4,523	-16%	2,259	4,140	1,521	4,232	178%	87%
OTP Bank Albania[10]	3,910	7,221	85%	1,540	5,522	2,485	2,476	0%	61%
OTP Bank Moldova	4,380	5,602	28%	1,327	5,858	2,760	3,386	23%	155%
Leasing	6,522	7,509	15%	1,771	7,998	1,438	1,699	18%	-4%
Merkantil Group (Hungary)[11]	6,522	7,509	15%	1,771	7,998	1,438	1,699	18%	-4%
Asset Management	3,003	3,959	32%	1,049	6,321	1,344	1,376	2%	31%
OTP Asset Management (Hungary)	2,863	3,760	31%	1,000	6,116	1,280	1,324	3%	32%
Foreign Asset Management Companies (Ukraine, Romania, Bulgaria)[12]	140	199	43%	49	205	64	52	-19%	5%
Other Hungarian Subsidiaries	6,105	25,045	310%	-2,789	10,205	5,607	18,023	221%	-746%
Other Foreign Subsidiaries[13]	300	17	-94%	-62	50	41	-13		-79%
Corporate Centre[14]	-701	2,329		-11	2,887	1,672	-611		
Eliminations	-1,211	3,146		-480	479	1,022	859	-16%	
Profit after tax of the Hungarian operation[15]	181,208	99,067	-45%	55,697	227,013	4,090	75,949		36%
Adjusted profit after tax of the Hungarian operation[15]	180,794	259,846	44%	59,126	240,524	85,189	72,114	-15%	22%
Profit after tax of the Foreign operation[16]	154,114	132,830	-14%	64,476	229,414	71,967	113,297	57%	76%
Adjusted profit after tax of the Foreign operation[16]	192,784	179,280	-7%	68,167	256,377	76,938	116,261	51%	71%
Share of Hungarian contribution to the adjusted profit after tax	48%	59%	11%p	46%	48%	53%	38%	-14%p	-8%p
Share of Foreign contribution to the adjusted profit after tax	52%	41%	-11%p	54%	52%	47%	62%	14%p	8%p

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

CONSOLIDATED, UNAUDITED IFRS REPORTS OF OTP BANK PLC.

CONSOLIDATED STATEMENT OF RECOGNIZED INCOME

Main components of the adjusted Statement of recognized income in HUF million	9M 2021	9M 2022	Y-o-Y	3Q 2021	2021	2Q 2022	3Q 2022	Q-o-Q	Y-o-Y
Consolidated profit after tax	**335,321**	**231,897**	**-31%**	**120,173**	**456,428**	**76,057**	**189,246**	**149%**	**57%**
Adjustments (total, after corporate income tax)	**-38,257**	**-207,229**	**442%**	**-7,119**	**-40,474**	**-86,071**	**871**		
Dividends and net cash transfers (after tax)	813	1,208	49%	299	729	159	1,018	540%	241%
Goodwill/investment impairment charges (after tax)	-718	-54,514		0	1,909	0	1,765		
Special tax on financial institutions (after tax)	-18,882	-88,180	367%	-5	-18,893	-67,875	-78	-100%	
Expected one-off negative effect of the debt repayment moratorium in Hungary (after tax)	-14,784	-2,488	-83%	-9,197	-15,040	-1,793	-698	-61%	-92%
Expected one-off effect of the extension of the interest rate cap for certain retail loans in Hungary (after tax)	0	-10,141		0	0	-10,141	0	-100%	
Effect of the winding up of Sberbank Hungary (after tax)	0	-10,690		0	0	-2,508	-8,182	226%	
Effect of acquisitions (after tax)	-8,809	-9,576	9%	-4,619	-15,506	-3,375	-3,670	9%	-21%
Result of the treasury share swap agreement (after tax)	4,123	2,952	-28%	6,403	6,326	-23	11,478		79%
Impairments on Russian government bonds at OTP Core and DSK Bank booked in 2022 (after tax)	0	-35,800		0	0	-514	-762	48%	
Consolidated adjusted profit after tax	**373,578**	**439,126**	**18%**	**127,293**	**496,902**	**162,128**	**188,374**	**16%**	**48%**
Profit before tax	**440,273**	**508,641**	**16%**	**151,023**	**587,853**	**175,374**	**215,189**	**23%**	**42%**
Operating profit	**483,506**	**645,330**	**33%**	**176,010**	**660,391**	**207,209**	**247,152**	**19%**	**40%**
Total income	**950,702**	**1,205,424**	**27%**	**333,097**	**1,313,124**	**393,939**	**450,285**	**14%**	**35%**
Net interest income	**636,484**	**797,080**	**25%**	**222,685**	**884,012**	**266,417**	**290,884**	**9%**	**31%**
Net fees and commissions	**238,235**	**287,591**	**21%**	**86,016**	**325,548**	**95,792**	**106,075**	**11%**	**23%**
Other net non-interest income	**75,983**	**120,753**	**59%**	**24,396**	**103,563**	**31,730**	**53,327**	**68%**	**119%**
Foreign exchange result, net	35,799	65,438	83%	17,631	44,251	18,067	20,628	14%	17%
Gain/loss on securities, net	11,145	-493		1,460	9,726	-2,855	-1,769	-38%	
Net other non-interest result	29,039	55,808	92%	5,304	49,586	16,518	34,468	109%	550%
Operating expenses	**-467,196**	**-560,095**	**20%**	**-157,087**	**-652,733**	**-186,730**	**-203,133**	**9%**	**29%**
Personnel expenses	-240,894	-278,556	16%	-81,213	-340,201	-90,471	-104,256	15%	28%
Depreciation	-53,951	-61,838	15%	-18,258	-72,816	-21,119	-22,422	6%	23%
Other expenses	-172,352	-219,700	27%	-57,615	-239,716	-75,140	-76,455	2%	33%
Total risk costs	**-43,233**	**-136,688**	**216%**	**-24,988**	**-72,538**	**-31,836**	**-31,963**	**0%**	**28%**
Provision for impairment on loan losses	-24,905	-101,512	308%	-14,560	-46,006	-16,060	-27,288	70%	87%
Other provision	-18,328	-35,176	92%	-10,427	-26,532	-15,776	-4,675	-70%	-55%
Corporate taxes	**-66,695**	**-69,515**	**4%**	**-23,730**	**-90,951**	**-13,246**	**-26,815**	**102%**	**13%**
INDICATORS	9M 2021	9M 2022	Y-o-Y	3Q 2021	2021	2Q 2022	3Q 2022	Q-o-Q	Y-o-Y
ROE (from after tax profit)	16.9%	10.1%	-6.8%p	17.3%	17.0%	10.2%	22.9%	12.7%p	5.6%p
ROE (from adjusted profit after tax)	18.8%	19.1%	0.2%p	18.3%	18.5%	21.7%	22.8%	1.1%p	4.5%p
ROA (from adjusted profit after tax)	2.0%	1.9%	-0.1%p	2.0%	2.0%	2.2%	2.3%	0.1%p	0.3%p
Operating profit margin	2.63%	2.84%	0.21%p	2.73%	2.62%	2.77%	3.00%	0.22%p	0.26%p
Total income margin	5.18%	5.31%	0.13%p	5.17%	5.21%	5.27%	5.46%	0.19%p	0.29%p
Net interest margin	3.47%	3.51%	0.04%p	3.46%	3.51%	3.57%	3.53%	-0.04%p	0.07%p
Net fee and commission margin	1.30%	1.27%	-0.03%p	1.34%	1.29%	1.28%	1.29%	0.00%p	-0.05%p
Net other non-interest income margin	0.41%	0.53%	0.12%p	0.38%	0.41%	0.42%	0.65%	0.22%p	0.27%p
Cost-to-asset ratio	2.54%	2.47%	-0.08%p	2.44%	2.59%	2.50%	2.46%	-0.04%p	0.02%p
Cost/income ratio	49.1%	46.5%	-2.7%p	47.2%	49.7%	47.4%	45.1%	-2.3%p	-2.0%p
Provision for impairment on loan losses-to-average gross loans ratio	0.23%	0.75%	0.52%p	0.38%	0.30%	0.36%	0.55%	0.19%p	0.17%p
Total risk cost-to-asset ratio	0.24%	0.60%	0.37%p	0.39%	0.29%	0.43%	0.39%	-0.04%p	0.00%p
Effective tax rate	15.1%	13.7%	-1.5%p	15.7%	15.5%	7.6%	12.5%	4.9%p	-3.3%p
Non-interest income/total income	33%	34%	1%p	33%	33%	32%	35%	3%p	2%p
EPS base (HUF) (from profit after tax)	1,306	861	-34%	468	1,739	282	702	149%	50%
EPS diluted (HUF) (from profit after tax)	1,306	861	-34%	468	1,738	282	702	149%	50%
EPS base (HUF) (from adjusted profit after tax)	1,457	1,633	12%	496	1,896	603	701	16%	41%
EPS diluted (HUF) (from adjusted profit after tax)	1,457	1,633	12%	496	1,896	603	701	16%	41%
Comprehensive Income Statement	9M 2021	9M 2022	Y-o-Y	3Q 2021	2021	2Q 2022	3Q 2022	Q-o-Q	Y-o-Y
Consolidated after tax profit	335,321	231,898	-31%	120,173	456,428	76,057	189,246	149%	57%
Fair value changes of financial instruments measured at fair value through other comprehensive income	-12,968	-138,902	971%	-7,133	-44,877	-22,101	-36,449	65%	411%
Foreign currency translation difference	13,735	446,380		68,364	61,729	315,416	129,880	-59%	90%
Change of actuarial costs (IAS 19)	99	-68		0	42	-37	-31	-16%	
Net comprehensive income	**336,187**	**539,308**	**60%**	**181,404**	**473,322**	**369,336**	**282,646**	**-23%**	**56%**
o/w Net comprehensive income attributable to equity holders	335,539	537,237	60%	181,048	472,281	367,080	281,707	-23%	56%
Net comprehensive income attributable to non controlling interest	648	2,071	220%	356	1,041	2,256	939	-58%	164%
Average exchange rate[1] of the HUF (in HUF)	9M 2021	9M 2022	Y-o-Y	3Q 2021	2021	2Q 2022	3Q 2022	Q-o-Q	Y-o-Y
HUF/EUR	357	385	8%	354	359	386	403	5%	14%
HUF/CHF	327	381	17%	327	332	376	415	10%	27%
HUF/USD	298	363	22%	300	303	362	401	11%	33%

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

CONSOLIDATED BALANCE SHEET

Main components of the adjusted balance sheet, in HUF million	3Q 2021	4Q 2021	2Q 2022	3Q 2022	Q-o-Q	Y-o-Y	YTD
TOTAL ASSETS	**26,180,508**	**27,553,384**	**30,822,224**	**34,022,405**	**10%**	**30%**	**23%**
Cash, amounts due from Banks and balances with the National Banks	2,241,691	2,556,035	2,312,422	3,598,087	56%	61%	41%
Placements with other banks, net of allowance for placement losses	1,896,258	1,584,860	1,765,735	1,776,713	1%	-6%	12%
Securities at fair value through profit or loss	305,830	341,397	462,603	562,021	21%	84%	65%
Securities at fair value through other comprehensive income	2,196,056	2,224,510	2,103,518	2,024,180	-4%	-8%	-9%
Net customer loans	14,868,037	15,743,922	17,886,074	19,479,826	9%	31%	24%
Net customer loans (FX-adjusted[1])	**16,869,906**	**17,615,900**	**18,618,974**	**19,479,826**	**5%**	**15%**	**11%**
Gross customer loans	15,742,171	16,634,454	18,988,181	20,634,650	9%	31%	24%
Gross customer loans (FX-adjusted[1])	**17,934,833**	**18,674,746**	**19,761,283**	**20,634,650**	**4%**	**15%**	**10%**
Gross performing (Stage 1+2) customer loans (FX-adjusted[1])	**16,964,190**	**17,659,065**	**18,713,329**	**19,563,503**	**5%**	**15%**	**11%**
o/w Retail loans	9,366,204	9,604,857	9,959,530	10,211,780	3%	9%	6%
Retail mortgage loans (incl. home equity)	4,354,729	4,486,156	4,746,433	4,918,308	4%	13%	10%
Retail consumer loans	4,266,555	4,384,806	4,402,877	4,477,381	2%	5%	2%
SME loans	744,921	733,895	810,221	816,091	1%	10%	11%
Corporate loans	6,321,806	6,772,800	7,402,233	7,991,061	8%	26%	18%
Leasing	1,276,180	1,281,407	1,351,566	1,360,662	1%	7%	6%
Allowances for loan losses	-874,134	-890,532	-1,102,107	-1,154,824	5%	32%	30%
Allowances for loan losses (FX-adjusted[1])	-1,064,927	-1,058,846	-1,142,310	-1,154,824	1%	8%	9%
Associates and other investments	48,361	67,223	78,838	75,308	-4%	56%	12%
Securities at amortized costs	3,466,531	3,891,335	4,802,056	5,039,491	5%	45%	30%
Tangible and intangible assets, net	664,204	689,290	690,193	732,144	6%	10%	6%
o/w Goodwill, net	104,056	105,640	67,976	70,397	4%	-32%	-33%
Tangible and other intangible assets, net	560,148	583,650	622,218	661,748	6%	18%	13%
Other assets	493,538	454,811	720,784	734,635	2%	49%	62%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**26,180,508**	**27,553,384**	**30,822,224**	**34,022,405**	**10%**	**30%**	**23%**
Amounts due to banks, the National Governments, deposits from the National Banks and other banks, and Financial liabilities designated at fair value through profit or loss	1,667,300	1,608,533	1,700,991	1,781,495	5%	7%	11%
Deposits from customers	19,677,002	21,068,644	23,552,123	25,814,547	10%	31%	23%
Deposits from customers (FX-adjusted[1])	**22,036,351**	**23,214,576**	**24,478,463**	**25,814,547**	**5%**	**17%**	**11%**
o/w Retail deposits	15,148,759	15,832,552	16,215,532	16,680,001	3%	10%	5%
Household deposits	12,711,660	13,222,829	13,536,992	13,918,872	3%	9%	5%
SME deposits	2,437,098	2,609,723	2,678,539	2,761,129	3%	13%	6%
Corporate deposits	6,880,082	7,373,629	8,245,308	9,110,945	10%	32%	24%
Accrued interest payable related to customer deposits	7,511	8,396	17,622	23,602	34%	214%	181%
Liabilities from issued securities	498,312	436,325	405,398	587,987	45%	18%	35%
o/w Retail bonds	0	0	0	0			
Liabilities from issued securities without retail bonds	498,312	436,325	405,398	587,987	45%	18%	35%
Other liabilities	1,366,754	1,124,782	1,693,028	2,068,560	22%	51%	84%
Subordinated bonds and loans	270,448	278,334	302,379	317,367	5%	17%	14%
Total shareholders' equity	**2,700,692**	**3,036,766**	**3,168,305**	**3,452,448**	**9%**	**28%**	**14%**
Indicators	3Q 2021	4Q 2021	2Q 2022	3Q 2022	Q-o-Q	Y-o-Y	YTD
Loan/deposit ratio (FX-adjusted[1])	81%	80%	81%	80%	-1%p	-1%p	0%p
Net loan/(deposit + retail bond) ratio (FX-adjusted[1])	77%	76%	76%	76%	-1%p	-1%p	0%p
Stage 1 loan volume under IFRS 9	12,898,377	13,561,883	15,757,527	17,199,233	9%	33%	27%
Stage 1 loans under IFRS9/gross customer loans	81.9%	81.5%	83.0%	83.4%	0.4%p	1.4%p	2%
Own coverage of Stage 1 loans under IFRS 9	1.1%	1.0%	1.1%	1.0%	0.0%p	0.0%p	0%
Stage 2 loan volume under IFRS 9	2,031,644	2,194,620	2,221,787	2,364,270	6%	16%	8%
Stage 2 loans under IFRS9/gross customer loans	12.9%	13.2%	11.7%	11.5%	-0.2%p	-1.4%p	-2%
Own coverage of Stage 2 loans under IFRS 9	10.4%	10.0%	12.4%	11.8%	-0.6%p	1.4%p	2%
Stage 3 loan volume under IFRS 9	812,149	877,951	1,008,866	1,071,147	6%	32%	22%
Stage 3 loans under IFRS9/gross customer loans	5.2%	5.3%	5.3%	5.2%	-0.1%p	0.0%p	0%
Own coverage of Stage 3 loans under IFRS 9	64.4%	60.5%	65.4%	65.0%	-0.4%p	0.6%p	5%
90+ days past due loan volume	543,700	535,445	662,967	711,262	7%	31%	33%
90+ days past due loans/gross customer loans	3.5%	3.2%	3.5%	3.4%	0.0%p	0.0%p	0.2%p
Consolidated capital adequacy - Basel3	3Q 2021	4Q 2021	2Q 2022	3Q 2022	Q-o-Q	Y-o-Y	YTD
Capital adequacy ratio (consolidated, IFRS)	17.0%	19.1%	17.9%	17.8%	-0.1%p	0.8%p	-1.3%p
Tier 1 ratio	15.4%	17.5%	16.4%	16.4%	0.0%p	1.0%p	-1.1%p
Common Equity Tier 1 ('CET1') capital ratio	15.4%	17.5%	16.4%	16.4%	0.0%p	1.0%p	-1.1%p
Regulatory capital (consolidated)	2,767,985	3,191,765	3,515,020	3,828,083	9%	38%	20%
o/w Tier1 Capital	2,510,558	2,926,882	3,226,731	3,526,063	9%	40%	20%
o/w Common Equity Tier 1 capital	2,510,558	2,926,882	3,226,731	3,526,063	9%	40%	20%
Tier2 Capital	257,428	264,883	288,289	302,020	5%	17%	14%
o/w Hybrid Tier2	0	0	0	0			
Consolidated risk weighted assets (RWA) (Credit&Market&Operational risk)	16,295,902	16,691,315	19,629,309	21,497,011	10%	32%	29%
o/w RWA (Credit risk)	14,540,450	14,992,797	17,737,686	19,533,294	10%	34%	30%
RWA (Market & Operational risk)	1,755,452	1,698,518	1,891,623	1,963,717	4%	12%	16%
Closing exchange rate of the HUF (in HUF)	3Q 2021	4Q 2021	2Q 2022	3Q 2022	Q-o-Q	Y-o-Y	YTD
HUF/EUR	361	369	397	421	6%	17%	14%
HUF/CHF	332	357	398	439	10%	32%	23%
HUF/USD	311	326	380	429	13%	38%	32%

[1] For the FX-adjustment, the closing cross currency rates for the current period were used in order to calculate the HUF equivalent of loan and deposit volumes in the base periods.

OTP CORE (OTP BANK'S HUNGARIAN CORE BUSINESS)

OTP Core Statement of recognized income:

Main components of the Statement of recognised income in HUF million	9M 2021	9M 2022	Y-o-Y	3Q 2021	2021	2Q 2022	3Q 2022	Q-o-Q	Y-o-Y
Profit after tax without received dividend	**154,131**	**-31,718**	**-121%**	**56,249**	**174,143**	**-6,207**	**53,124**	**-956%**	**-6%**
Dividend received from subsidiaries	32,065	107,907	237%	1,257	44,310	1,758	0	-100%	-100%
Profit after tax	**186,196**	**76,189**	**-59%**	57,506	218,453	-4,449	53,124		-8%
Adjustments (total, after tax)	18,698	-141,630		-2,225	5,075	-79,298	4,192		
Adjusted profit after tax	**167,499**	**217,819**	**30%**	**59,730**	**213,377**	**74,850**	**48,932**	**-35%**	**-18%**
Profit before tax	198,750	252,037	27%	70,084	253,972	86,665	59,088	-32%	-16%
Operating profit	193,967	253,066	30%	72,912	257,182	83,137	78,862	-5%	8%
Total income	397,405	496,940	25%	142,989	546,215	165,857	165,277	0%	16%
Net interest income	261,651	324,770	24%	93,082	369,309	111,736	109,388	-2%	18%
Net fees and commissions	112,338	131,268	17%	41,094	150,578	44,717	45,285	1%	10%
Other net non-interest income	23,416	40,902	75%	8,813	26,328	9,404	10,604	13%	20%
Operating expenses	-203,438	-243,874	20%	-70,077	-289,034	-82,720	-86,415	4%	23%
Total risk costs	4,783	-1,029		-2,828	-3,210	3,529	-19,775		599%
Provision for impairment on loan losses	6,651	18,968	185%	-2,198	-1,116	12,782	-10,888		395%
Other provisions	-1,868	-19,998	971%	-631	-2,094	-9,254	-8,887	-4%	
Corporate income tax	-31,251	-34,218	9%	-10,353	-40,594	-11,816	-10,156	-14%	-2%
Indicators (adjusted)	9M 2021	9M 2022	Y-o-Y	3Q 2021	2021	2Q 2022	3Q 2022	Q-o-Q	Y-o-Y
ROE	12.1%	14.5%	2.4%p	12.5%	11.6%	14.9%	9.6%	-5.3%p	-2.8%p
ROA	1.8%	1.8%	0.0%p	1.8%	1.6%	1.9%	1.2%	-0.7%p	-0.6%p
Operating profit margin	2.1%	2.1%	0.1%p	2.2%	2.0%	2.1%	1.9%	-0.2%p	-0.3%p
Total income margin	4.24%	4.18%	-0.06%p	4.26%	4.22%	4.22%	3.94%	-0.28%p	-0.33%p
Net interest margin	2.79%	2.73%	-0.06%p	2.77%	2.85%	2.84%	2.61%	-0.23%p	-0.17%p
Net fee and commission margin	1.20%	1.10%	-0.09%p	1.23%	1.16%	1.14%	1.08%	-0.06%p	-0.15%p
Net other non-interest income margin	0.25%	0.34%	0.09%p	0.26%	0.20%	0.24%	0.25%	0.01%p	-0.01%p
Operating costs to total assets ratio	2.2%	2.1%	-0.1%p	2.1%	2.2%	2.1%	2.1%	0.0%p	0.0%p
Cost/income ratio	51.2%	49.1%	-2.1%p	49.0%	52.9%	49.9%	52.3%	2.4%p	3.3%p
Provision for impairment on loan losses / average gross loans[1]	-0.18%	-0.44%	-0.25%p	0.17%	0.02%	-0.89%	0.70%	1.59%p	0.53%p
Effective tax rate	15.7%	13.6%	-2.1%p	14.8%	16.0%	13.6%	17.2%	3.6%p	2.4%p

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

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

Main components of balance sheet closing balances in HUF million	3Q 2021	4Q 2021	2Q 2022	3Q 2022	Q-o-Q	Y-o-Y	YTD
Total Assets	13,462,791	14,207,399	15,780,401	16,804,154	6%	25%	18%
Net customer loans	5,061,229	5,310,327	5,736,304	6,219,047	8%	23%	17%
Net customer loans (FX-adjusted)	**5,193,093**	**5,440,758**	**5,805,130**	**6,219,047**	**7%**	**20%**	**14%**
Gross customer loans	5,284,666	5,549,248	5,963,029	6,459,603	8%	22%	16%
Gross customer loans (FX-adjusted)	**5,425,573**	**5,687,205**	**6,036,089**	**6,459,603**	**7%**	**19%**	**14%**
Stage 1+2 customer loans (FX-adjusted)	5,243,346	5,428,445	5,763,697	6,180,524	7%	18%	14%
Retail loans	3,308,123	3,321,114	3,432,782	3,479,086	1%	5%	5%
Retail mortgage loans (incl. home equity)	1,595,569	1,613,434	1,639,349	1,670,948	2%	5%	4%
Retail consumer loans	1,240,216	1,246,734	1,275,870	1,297,277	2%	5%	4%
SME loans	472,338	460,945	517,563	510,861	-1%	8%	11%
Corporate loans	1,935,223	2,107,331	2,330,915	2,701,438	16%	40%	28%
Provisions	-223,437	-238,921	-226,725	-240,556	6%	8%	1%
Provisions (FX-adjusted)	**-232,480**	**-246,447**	**-230,959**	**-240,556**	**4%**	**3%**	**-2%**
Deposits from customers + retail bonds	9,276,637	10,124,795	11,121,691	11,674,728	5%	26%	15%
Deposits from customers + retail bonds (FX-adjusted)	**9,628,966**	**10,469,682**	**11,300,146**	**11,674,728**	**3%**	**21%**	**12%**
Retail deposits + retail bonds	6,011,328	6,438,555	6,675,459	6,631,143	-1%	10%	3%
Household deposits + retail bonds	4,710,066	5,016,786	5,228,908	5,199,364	-1%	10%	4%
o/w: Retail bonds	0	0	0	0			
SME deposits	1,301,262	1,421,769	1,446,551	1,431,778	-1%	10%	1%
Corporate deposits	3,617,638	4,031,128	4,624,687	5,043,585	9%	39%	25%
Liabilities to credit institutions	1,287,653	1,117,086	1,407,901	1,505,928	7%	17%	35%
Issued securities without retail bonds	582,692	531,471	504,979	508,128	1%	-13%	-4%
Total shareholders' equity	1,768,700	2,011,932	1,981,527	2,007,462	1%	13%	0%
Loan Quality	3Q 2021	4Q 2021	2Q 2022	3Q 2022	Q-o-Q	Y-o-Y	YTD
Stage 1 loan volume under IFRS 9 (in HUF million)	4,159,188	4,327,232	4,972,140	5,408,424	9%	30%	25%
Stage 1 loans under IFRS 9/gross customer loans	78.7%	78.0%	83.4%	83.7%	0.3%p	5.0%p	5.7%p
Own coverage of Stage 1 loans under IFRS 9	1.0%	1.0%	0.7%	0.9%	0.1%p	-0.1%p	-0.2%p
Stage 2 loan volume under IFRS 9 (in HUF million)	947,335	966,727	720,614	772,100	7%	-18%	-20%
Stage 2 loans under IFRS 9/gross customer loans	17.9%	17.4%	12.1%	12.0%	-0.1%p	-6.0%p	-5.5%p
Own coverage of Stage 2 loans under IFRS 9	9.3%	8.9%	8.9%	8.7%	-0.2%p	-0.6%p	-0.2%p
Stage 3 loan volume under IFRS 9 (in HUF million)	178,142	255,288	270,275	279,079	3%	57%	9.3%
Stage 3 loans under IFRS 9/gross customer loans	3.4%	4.6%	4.5%	4.3%	-0.2%p	0.9%p	-0.3%p
Own coverage of Stage 3 loans under IFRS 9	54.0%	42.7%	46.8%	45.6%	-1.2%p	-8.4%p	2.9%p
90+ days past due loan volume (in HUF million)	128,323	136,003	158,321	164,570	4%	28%	21.0%
90+ days past due loans/gross customer loans	2.4%	2.5%	2.7%	2.5%	-0.1%p	0.1%p	0.1%p
Market Share	3Q 2021	4Q 2021	2Q 2022	3Q 2022	Q-o-Q	Y-o-Y	YTD
Loans	24.3%	24.4%	24.6%	25.2%	0.6%p	0.9%p	0.8%p
Deposits	26.0%	28.2%	29.2%	28.9%	-0.4%p	2.9%p	0.7%p
Total Assets	27.6%	26.9%	27.8%	27.8%	0.0%p	0.3%p	0.9%p
Performance Indicators	3Q 2021	4Q 2021	2Q 2022	3Q 2022	Q-o-Q	Y-o-Y	YTD
Net loans to (deposits + retail bonds) (FX adjusted)	54%	52%	51%	53%	2%p	-1%p	1%p
Leverage (closing Shareholder's Equity/Total Assets)	13.1%	14.2%	12.6%	11.9%	-0.6%p	-1.2%p	-2.2%p
Leverage (closing Total Assets/Shareholder's Equity)	7.6x	7.1x	8.0x	8.4x	0.4x	0.8x	1.3x
Capital adequacy ratio (OTP Bank, non-consolidated, Basel3, IFRS)	22.1%	25.1%	20.9%	19.7%	-1.1%p	-2.4%p	-5.3%p
Common Equity Tier1 ratio (OTP Bank, non-consolidated, Basel3, IFRS)	18.8%	21.8%	17.8%	16.7%	-1.1%p	-2.1%p	-5.0%p

P&L developments

In the first nine months of 2022 **OTP Core** suffered an after tax loss of HUF 31.7 billion without dividends received from subsidiaries, against the HUF 154.1 billion positive result realized in the corresponding period of last year.

In the period under review, the largest negative adjustment items comprised the effect of goodwill / investment impairment (-HUF 112.7 billion after tax due to the Russian goodwill write-off and the investment impairment in relation to the Russian, Ukrainian and Moldovan subsidiaries), the special banking taxes (-HUF 85.2 billion after tax), and the impairments on Russian government bonds held by OTP Bank (-HUF 30.7 billion after tax). Besides, OTP Core realized HUF 108 billion dividends from Group members outside the scope of OTP Core.

Between January and September 2022 OTP Core generated HUF 217.8 billion adjusted after tax profit, 30% more than a year ago. The higher reading was mainly due to higher business volumes, whereas the net interest margin slightly contracted.

The adjusted 3Q profit hit HUF 48.9 billion, marking a 35% q-o-q decline mainly due to higher risk costs and increasing operating costs, whereas revenues stagnated overall.

The 9M operating profit advanced by 30%, within that the net interest income expansion was predominantly explained by the stronger business activity: the deposit inflows provided a stable financing source for both the sustained lending growth and the continued expansion of liquid assets. Despite the rising interest rate environment[3] the cumulated net interest margin narrowed by 6 bps to 2.73%, partly because most retail loans have fixed interest rate for at least five years. Moreover, securities' average interest rate level rose only modestly in the third quarter, too, because long-term Hungarian government bonds, which make up a large part of the securities portfolio, carry fixed interest rates till maturity.

3Q total income stagnated q-o-q, within that the net interest income showed a 2% setback mainly on the back of the continued shift of corporate deposits from sight to term, but the faster repricing of corporate deposits than the variable rate corporate loans (repricing typically in every 3 or 6 months) played a negative role, too. Furthermore, on the liabilities side the share of corporate time deposits carrying higher average interest rates increased. The average total assets went up by 6% q-o-q, driven mainly by the expansion of higher rate corporate term depsit volumes. Due to the above factors the quarterly net interest margin contracted by 23 bps to 2.61%.

The cumulated net fees and commissions surged by 17%, mainly supported by stronger revenues from deposit-, transaction-, and card-related fees, while income from securities' sales declined. In the third quarter net fees increased by 1% q-o-q. As an unfavourable development, effective from July 2022 the cap on financial transaction tax per transaction went up from HUF 6 to 10 thousand, and starting from August the levy was applicable to certain securities transactions, too.

The cumulated other income leaped by 75%, in which a base effect played a role too: in 2Q 2021 a significant negative FX result was booked.

In the first nine months, operating expenses grew by 20% y-o-y. Within that, personnel expenses rose on account of 4% higher average headcount in the first nine month, and the implemented wage increases. As a favourable development, starting from 1 January 2022 the Government reduced employers' contributions by altogether 4 pps (abolishing the 1.5% vocational training contribution and cutting employers' social contributions by 2.5 pps). Amortization increased by 8%. Within other costs, those were mainly the real-estate-related costs (partly because of moving into the new office building), overhead costs and higher supervisory fees (largely due to the increase in deposit protection fee effective from the end of 2021) that increased.

In the first nine months altogether HUF 1 billion total risk costs emerged. Within that, the positive amount of provision for impairment on loan losses was HUF 19 billion, whereas the other risk costs came in at -HUF 20 billion.

As for the positive cumulated provision amount for impairment on loan losses, it was mainly due to the releases booked in the first two quarters of the year. It was also positive that in the first nine months of 2022 OTP Factoring continued to realize recoveries on retail claims. In 3Q, however, altogether HUF 11 billion loan loss provisions were created, mostly because of the revision of the macro parameters in the IFRS 9 models.

Other risk costs occurred mainly in 2Q and 3Q, most of them were impairments on government bonds, and a smaller part was related to litigations.

The Bank has been steadily monitoring its exposures using strict principles, under which it regularly reviews its large corporate portfolio in order to assess the exposure to the military conflict between Russia and Ukraine, to the jump in energy prices, to the increasing rate environment and other specific risk factors. Therefore, certain corporate exposures were shifted into the Stage 2 category. Borrowers who left the moratorium in November 2021 and resumed normal payment were moved back into Stage 1 from Stage 2, reducing the Stage 2 volume by more than HUF 200 billion in 2Q. In the first nine months the Stage 2 ratio declined by 5.5 pps, while the Stage 3

[3] The 3M BUBOR jumped from 176 bps at the end of September 2021 to 421 bps by the end of December, and to 13.3% bps by the end of September 2022, and went further up to 16.8% by the end of October.

ratio sank 0.3 pp; both ratios showed a moderation in quarterly comparison, too.

Although the Stage 1+2 portfolio’s cumulative own provision coverage dropped by 0.7 pp ytd, to 1.8%, this is still way above the pre-pandemic level of 1.3% at the end of 2019. The own provision coverage of Stage 3 loans rose by 2.9 pps ytd, to 45.6%.

The volume of more than 90 days past due loans grew by HUF 36 billion (1Q: 10, 2Q: 16, 3Q: 10) in the first nine months of 2022, after dropping by HUF 1 billion in full year 2021 (FX-adjusted, without sales/write-offs and the effect of revaluation of OTP Factoring's claims). In the first nine months of 2022, HUF 10 billion non-performing loans were sold/written off.

Pursuant to the interest rate cap scheme on variable rate retail mortgage loans, from the beginning of this year until 30 June 2023 the reference rate of these loans cannot be higher than the relevant reference rate as at the end of October 2021. From November 2022 until the middle of 2023 the rate cap scheme was extended to market based fixed rate retail mortgages with up to 5 years rate reset period. Furthermore, from the middle of November 2022 until 30 June 2023 the reference rates of certain variable rate loans to micro and small enterprises were also capped at the reference rate levels prevailing end of June 2022.

Eligible borrowers could apply for the extended payment moratorium (expiring at the end of this year) until end-July. Additionally, starting from September 2022 to the end of 2023, agricultural companies can enjoy a payment moratorium on their working capital and investment loans; eligible borrowers shall decide whether to join the scheme or not. At the end of September 2022, HUF 185 billion worth of loans were subject to these payment holidays (of which HUF 40 billion agricultural companies), making up 2.9% of OTP Core’s total gross loan volume.

Balance sheet trends

OTP Core’s total assets grew by 6% q-o-q and 25% y-o-y. The liability side expansion was largely the result of deposit inflows; on the asset side this materialized in the volume growth of both financial and other liquid assets and loans.

At the end of September the Bank held most of its central bank deposits in the one-week deposit facility; its average amount in 3Q was around HUF 1,850 billion. From October the central bank’s policy toolset has been changed significantly: firstly, at the beginning of October the central bank introduced the 2 months deposit- and the discount bill facility, and the mandatory reserve requirement for banks was raised to at least 5%. Secondly, from 14 October the national bank started to hold one-day FX swap and overnight deposit quick tenders on a daily basis at higher interest rate levels than before (18% rate in the case of O/N deposit, and 17% rate in the case of the FX swap facility). Furthermore, the overnight collateralised lending rate was hiked by 950 bps to 25%. The central bank also announced that it will not hold one-week deposit tender, variable rate, maximum 6-month deposit tender and discount bill auction until different decision is made.

Performing (Stage 1+2) loans grew by 18% y-o-y (FX-adjusted). Again, much of this growth came from the government's and the national bank’s subsidized loan programmes (baby loan, CSOK housing loan, green mortgage loan, home renovation loan, Funding for Growth Go, Széchenyi Card scheme). Performing loans increased by 7% over the third quarter.

Both in y-o-y and q-o-q comparison, the growth was driven by the corporate segment (+40% y-o-y, +16% q-o-q). After the phasing out of the *FGS Go!* scheme, in July 2021 the Government introduced subsidized loan facilities for micro and small enterprises through the *KAVOSZ Széchenyi Card* programme. The *Széchenyi Card Go!* came to an end at the end of June 2022, then from August till the end of the year, it is the *Széchenyi Card MAX* programme that offers customers preferential rate loans with maximum 3.5% interest rate and a handling fee of fixed 2% payable by the client (on top of these, the Government pays an interest subsidy and 0.5% handling fee to the banks). Under the *Széchenyi Card Go! and MAX* schemes, by the end of September 2022 OTP Bank signed loan agreements worth HUF 460 billion in total, of which HUF 25 billion under the *MAX* structure available since August. The Government announced that the Széchenyi Card scheme will continue into 2023, too: the fixed 3.5% rate loans available until year-end will be replaced by fixed 5% rate loans.

As to the retail consumer lending segment, the contracted amount of baby loans was HUF 42 billion in the first quarter, HUF 51 billion in 2Q and HUF 42 billion in 3Q; the latter is consistent with a market share of 42.0%. Baby loan volumes stood at HUF 770 billion at the end of September. The Government decided to extend the baby loan programme by one year, till the end of next year.

Performing cash loan volumes rose by 3% q-o-q and 5% y-o-y. The origination of new cash loans increased by 10% y-o-y in the January-September period, but dropped 16% q-o-q from the high 2Q base. OTP’s market share in cash loan placements reached 37.9% in the first nine months of 2022 (2021: 38.4%).

To help borrowers take advantage of the home renovation subsidy, OTP made available both the mortgage-backed subsidized home renovation loan and the Bank's own unsecured home renovation cash loan product. Since its launch in 2021, loan requests for the unsecured product amounted to HUF 28 billion, and those for the secured product surpassed HUF 62 billion.

Cumulated mortgage loan applications remained flat at last year’s level, but the demand showed a spectacular shift towards subsidized products (+77% y-o-y); within that the green housing loans with preferential interest rates available at the beginning of the year were particularly popular. On the contrary, demand for market-based mortgage loans halved.

Regarding the quarterly trajectory of the overall demand for mortgage loans, in 2Q the new applications already dropped 38% q-o-q from the all-time high 1Q level, and contracted further in 3Q (-20% q-o-q).

OTP Bank's market share in new mortgage loan contracted amounts was 33.1% in the first nine months of 2022 (full-year 2021: 31.5%). The volume of performing mortgage loans expanded by 2% q-o-q, and 5% y-o-y.

The recent months' increase in market-based interest rates for newly disbursed housing loans materially lagged behind the rise in long-term benchmark yields. Thus, at OTP Bank the average interest rate of the new flow implied a negative spread compared to the benchmark yields prevailing at the time of disbursement in case of market-based housing loans with long rate fixation periods. At the end of October OTP Bank simplified its mortgage loan product offering: in the case of market based products it put the emphasis on the more predictable products with fixed rate throughout the whole lifetime.

The increase in customer deposit volumes continued (+3% q-o-q, +21% y-o-y, FX-adjusted). Those were corporate deposits that fuelled growth on both time horizons (+9% q-o-q, +39% y-o-y). The 5% q-o-q increase in retail deposits in the first quarter was boosted by the PIT refund in February; then they eroded by 1% both in 2Q and 3Q, too. The net loan/deposit ratio rose by 2 pps q-o-q to 53%, even though it is 1 pp lower than a year ago.

The Bank issued two bonds in the third quarter: in July a EUR 400 million Senior Preferred 'green' bond with 3 years maturity and callable after 2 years, then in September a USD 60 million Senior Preferred 'green' bond. These bonds amounted to HUF 194 billion at the end of 3Q and were presented on the liability side of Corporate Centre, not that of OTP Core.

OTP FUND MANAGEMENT (HUNGARY)

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

Main components of P&L account in HUF million	9M 2021	9M 2022	Y-o-Y	3Q 2021	2021	2Q 2022	3Q 2022	Q-o-Q	Y-o-Y
Adjusted profit after tax	2,863	3,760	31%	1,000	6,116	1,280	1,324	3%	32%
Income tax	-366	-539	47%	-160	-788	-174	-195	12%	22%
Profit before income tax	3,229	4,299	33%	1,160	6,904	1,454	1,519	4%	31%
Operating profit	3,229	4,457	38%	1,160	6,918	1,447	1,608	11%	39%
Total income	5,520	6,902	25%	2,026	10,044	2,299	2,607	13%	29%
Net fees and commissions	5,279	6,575	25%	1,833	9,799	2,102	2,317	10%	26%
Other net non-interest income	241	327	36%	193	245	197	291	48%	51%
Operating expenses	-2,291	-2,445	7%	-867	-3,125	-852	-999	17%	15%
Other provisions	0	-158	-100%	0	-14	7	-90		-100%
Main components of balance sheet closing balances in HUF million	2021	9M 2022	YTD	3Q 2021	2021	2Q 2022	3Q 2022	Q-o-Q	Y-o-Y
Total assets	24,988	20,839	-17%	21,644	24,988	20,147	20,839	3%	-4%
Total shareholders' equity	12,792	11,337	-11%	9,539	12,792	10,013	11,337	13%	19%
Asset under management in HUF billion	2021	9M 2022	YTD	3Q 2021	2021	2Q 2022	3Q 2022	Q-o-Q	Y-o-Y
Assets under management, total (w/o duplicates)[1]	**1,331**	**1,458**	**10%**	**1,295**	**1,331**	**1,256**	**1,458**	**16%**	**13%**
Volume of investment funds (closing, w/o duplicates)	942	1,086	15%	913	942	882	1,086	23%	19%
Volume of managed assets (closing)	389	372	-4%	382	389	374	372	0%	-2%
Volume of investment funds (closing, with duplicates)[2]	**1,479**	**1,565**	**6%**	**1,390**	**1,479**	**1,365**	**1,565**	**15%**	**13%**
bond	444	502	13%	425	444	425	502	18%	18%
mixed	345	300	-13%	280	345	311	300	-4%	7%
equity	342	290	-15%	314	342	284	290	2%	-8%
absolute return fund	300	274	-9%	324	300	274	274	0%	-15%
money market	4	148		4	4	25	148	496%	
commodity market	37	49	34%	35	37	46	49	7%	43%
guaranteed	5	0	-100%	8	5	0	0		-100%

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

In the first nine months of 2022, **OTP Fund Management** generated HUF 3.8 billion profit, 31% more than in the same period of 2021. Out of the first-nine-month profit, HUF 1.3 billion was made in the 3Q (+3% q-o-q).

Net fees and commissions jumped by 25% y-o-y in 9M 2022, as the increase in assets under management generated higher income from fees; while sales fees declined by 18% y-o-y.

Other income jumped by 36% y-o-y in the reporting period, owing to the positive revaluation result of the investment units in the company's own books.

9M 2022 operating expenses grew by 7%. Within that, personnel expenses fell by 8% y-o-y because of lower bonus payments, but material costs surged by 33% owing to IT and office equipment investment in relation to renovations, and higher expert fees in this period.

Other risk costs in the reporting period were predominantly related to the accounting of provisions for future personnel costs.

In Hungary's fund management market, investment fund volumes were shaped by rising inflation, the interest rate hikes of Hungarian National Bank, and the rising government bond yields in the past 9M. In the case of OTP Fund Management, those were the short-term bond funds and money market funds that benefited from significant capital inflow, while equity funds were driven by volatile market sentiment. As a result, the total wealth managed by OTP Fund Management (with duplications) grew further q-o-q by 15%, hitting a record high of HUF 1,565 billion.

The Company is maintaining its leading position in the securities market; its market share stood at 25.9% at the end of September 2022.

MERKANTIL GROUP (HUNGARY)

Performance of Merkantil Group:

Main components of P&L account in HUF million	9M 2021	9M 2022	Y-o-Y	3Q 2021	2021	2Q 2022	3Q 2022	Q-o-Q	Y-o-Y
Adjusted profit after tax	6,522	7,509	15%	1,771	7,998	1,438	1,699	18%	-4%
Income tax	-905	-1,071	18%	-307	-918	-292	-263	-10%	-14%
Profit before income tax	7,427	8,580	16%	2,078	8,916	1,730	1,962	13%	-6%
Operating profit	8,588	9,434	10%	2,892	11,961	3,126	3,438	10%	19%
Total income	16,770	17,228	3%	5,585	23,291	5,809	6,135	6%	10%
Net interest income	15,207	15,396	1%	5,279	20,680	5,011	5,576	11%	6%
Net fees and commissions	84	623	639%	48	116	267	214	-20%	348%
Other net non-interest income	1,479	1,209	-18%	258	2,495	531	346	-35%	34%
Operating expenses	-8,183	-7,794	-5%	-2,693	-11,330	-2,684	-2,698	1%	0%
Total provisions	-1,161	-854	-26%	-814	-3,045	-1,395	-1,476	6%	81%
Provision for impairment on loan losses	-1,155	169		-772	-3,093	-1,190	-691	-42%	-11%
Other provision	-6	-1,022		-42	48	-205	-785	284%	
Main components of balance sheet closing balances in HUF million	**2021**	**9M 2022**	**YTD**	**3Q 2021**	**2021**	**2Q 2022**	**3Q 2022**	**Q-o-Q**	**Y-o-Y**
Total assets	782,222	949,564	21%	779,722	782,222	804,518	949,564	18%	22%
Gross customer loans	444,549	527,323	19%	438,180	444,549	513,282	527,323	3%	20%
Gross customer loans (FX-adjusted)	447,737	527,323	18%	441,817	447,737	515,023	527,323	2%	19%
Stage 1+2 customer loans (FX-adjusted)	434,667	512,908	18%	430,441	434,667	498,848	512,908	3%	19%
Retail loans	4,868	3,504	-28%	5,545	4,868	3,881	3,504	-10%	-37%
Corporate loans	46,915	119,056	154%	49,377	46,915	102,266	119,056	16%	141%
Leasing	382,884	390,349	2%	375,518	382,884	392,701	390,349	-1%	4%
Allowances for possible loan losses	-14,230	-11,681	-18%	-13,079	-14,230	-11,038	-11,681	6%	-11%
Allowances for possible loan losses (FX-adjusted)	-14,324	-11,681	-18%	-13,218	-14,324	-11,074	-11,681	5%	-12%
Deposits from customers	8,198	6,507	-21%	9,007	8,198	7,423	6,507	-12%	-28%
Deposits from customer (FX-adjusted)	8,198	6,507	-21%	9,007	8,198	7,423	6,507	-12%	-28%
Retail deposits	5,166	4,015	-22%	5,385	5,166	4,474	4,015	-10%	-25%
Corporate deposits	3,032	2,492	-18%	3,622	3,032	2,948	2,492	-15%	-31%
Liabilities to credit institutions	688,675	852,959	24%	694,917	688,675	709,467	852,959	20%	23%
Total shareholders' equity	59,246	57,428	-3%	57,927	59,246	55,970	57,428	3%	-1%
Loan Quality	**9M 2021**	**9M 2022**	**Y-o-Y**	**3Q 2021**	**2021**	**2Q 2022**	**3Q 2022**	**Q-o-Q**	**Y-o-Y**
Stage 1 loan volume under IFRS 9 (in HUF million)	333,331	464,104	39%	333,331	334,732	454,530	464,104	2%	39%
Stage 1 loans under IFRS 9/gross customer loans	76.1%	88.0%	11.9%p	76.1%	75.3%	88.6%	88.0%	-0.5%p	11.9%p
Own coverage of Stage 1 loans under IFRS 9	0.2%	0.4%	0.1%p	0.2%	0.4%	0.3%	0.4%	0.1%p	0.1%p
Stage 2 loan volume under IFRS 9 (in HUF million)	93,624	48,804	-48%	93,624	96,982	42,679	48,804	14%	-48%
Stage 2 loans under IFRS 9/gross customer loans	21.4%	9.3%	-12.1%p	21.4%	21.8%	8.3%	9.3%	0.9%p	-12.1%p
Own coverage of Stage 2 loans under IFRS 9	4.7%	5.6%	0.9%p	4.7%	5.3%	5.4%	5.6%	0.2%p	0.9%p
Stage 3 loan volume under IFRS 9 (in HUF million)	11,225	14,414	28%	11,225	12,836	16,074	14,414	-10%	28%
Stage 3 loans under IFRS 9/gross customer loans	2.6%	2.7%	0.2%p	2.6%	2.9%	3.1%	2.7%	-0.4%p	0.2%p
Own coverage of Stage 3 loans under IFRS 9	70.4%	50,8%	-19.6%p	70.4%	60.0%	45.9%	50.8%	4.9%p	-19.6%p
Provision for impairment on loan losses/average gross loans	0.36%	-0.05%	-0.40%p	0.68%	0.71%	0.97%	0.52%	-0.44%p	-0.16%p
90+ days past due loan volume (in HUF million)	6,317	3,479	-45%	6,317	5,852	3,563	3,479	-41%	-45%
90+ days past due loans/gross customer loans	1.4%	0.7%	-0.8%p	1.4%	1.3%	0.7%	0.7%	0.0%p	-0.8%p
Performance Indicators	**9M 2021**	**9M 2022**	**Y-o-Y**	**3Q 2021**	**2021**	**2Q 2022**	**3Q 2022**	**Q-o-Q**	**Y-o-Y**
ROA	1.2%	1.2%	0.1%p	0.9%	1.0%	0.7%	0.8%	0.0%p	-0.1%p
ROE	15.9%	17.5%	1.6%p	12.3%	14.3%	10.4%	11.8%	1.4%p	-0.5%p
Total income margin	2.98%	2.85%	-0.12%p	2.80%	3.05%	2.97%	2.81%	-0.15%p	0.02%p
Net interest margin	2.70%	2.55%	-0.15%p	2.64%	2.71%	2.56%	2.56%	0.00%p	-0.09%p
Operating costs / Average assets	1.5%	1.3%	-0.2%p	1.3%	1.5%	1.4%	1.2%	-0.1%p	-0.1%p
Cost/income ratio	48.8%	45.2%	-3.6%p	48.2%	48.6%	46.2%	44.0%	-2.2%p	-4.3%p

In the first nine months of 2022, **Merkantil Group** posted HUF 7.5 billion adjusted profit after tax (+15% y-o-y), which brought its nine-month ROE to 17.5%. Its profit grew by 18% q-o-q in the third quarter.

Nine-month net interest income was stable, while net interest margin narrowed by 15 bps. In the third quarter net interest income expanded by 11% q-o-q, in accordance with growing total assets; margin was stable.

Nine-month net fees and commissions rose y-o-y and other net non-interest income dropped y-o-y, owing to technical reasons relating to Merkantil Bank (starting from 2022, some other income items were reclassified as net fees and commissions).

Operating expenses dropped by 5% y-o-y in nine months, but rose by 1% q-o-q in the third quarter.

Nine-month total risk cost has declined; within that, HUF 1.5 billion was set aside for total risk cost in the third quarter, largely in relation to the revision of the risk model parameters, and the reclassification of agricultural loans subject to the moratorium into a riskier category.

The volume of 90 days past due loans grew by HUF 1 billion in the first nine months (FX-adjusted, without sales/write-offs). The HUF 1.7 billion drop in Stage 3 loan volumes stemmed from the repayment of HUF 1.2 billion worth of exposure. The ratio of Stage 3 loans declined by 0.4 pp, to 2.7% q-o-q, and the share of Stage 2 loans rose by 0.9 pp q-o-q. The own provision coverage of Stage 3 loans fell to 50.8% y-o-y. The own provision coverage of Stage 2 loans stood at 5.6% (+0.9 pp y-o-y, and +0.2 pp q-o-q).

The nine-month loan dynamics was materially influenced by an interbank deal, which increased Merkantil Group's loan volumes, but was eliminated at consolidated level: in relation to the M12 office building, Merkantil Leasing disbursed loan to another group member, which is recorded under corporate loans. Without this amount, FX-adjusted performing (Stage 1+2) loans grew by 8% y-o-y, mostly because corporate loan volumes (largely non-agricultural capital goods) expanded by 40%.

After the FGS Go! programme ended, the government introduced preferential, subsidized funding for micro and small enterprises through the KAVOSZ Széchenyi Card system from early July 2021. Under the programme, Merkantil Bank signed loan agreements worth more than HUF 71 billion by the end of September (1Q: HUF 49 billion; 2Q: HUF 16 billion; 3Q: HUF 6 billion).

In the first nine months, the volume of newly extended car loans grew by 6% y-o-y, and capital goods financing surged by 46%.

Merkantil Bank is market leader in new loan placements.

IFRS REPORTS OF THE MAIN SUBSIDIARIES

In the following parts of the report the foreign subsidiaries' adjusted financial data are presented. The calculation method of performance indices can be found in the Supplementary data annex.

DSK GROUP (BULGARIA)

Performance of DSK Group:

Main components of P&L account in HUF million	9M 2021	9M 2022	Y-o-Y	3Q 2021	2021	2Q 2022	3Q 2022	Q-o-Q	Y-o-Y
Adjusted profit after tax	66,047	76,478	16%	24,072	76,790	28,521	26,892	-6%	12%
Income tax	-7,472	-7,924	6%	-3,135	-8,454	-3,006	-2,543	-15%	-19%
Profit before income tax	73,520	84,401	15%	27,207	85,244	31,528	29,435	-7%	8%
Operating profit	79,215	97,306	23%	27,612	106,241	31,474	36,944	17%	34%
Total income	131,438	160,520	22%	45,123	178,470	53,518	59,225	11%	31%
Net interest income	83,243	100,740	21%	28,174	112,869	32,558	38,289	18%	36%
Net fees and commissions	40,001	50,901	27%	14,290	54,508	17,118	18,410	8%	29%
Other net non-interest income	8,194	8,879	8%	2,660	11,093	3,842	2,526	-34%	-5%
Operating expenses	-52,223	-63,214	21%	-17,512	-72,230	-22,044	-22,281	1%	27%
Total provisions	-5,696	-12,905	127%	-404	-20,997	54	-7,509		
Provision for impairment on loan losses	-6,246	-11,808	89%	-1,130	-18,938	-173	-5,998		431%
Other provision	551	-1,097	-299%	726	-2,059	226	-1,511	-768%	-308%
Main components of balance sheet closing balances in HUF million	2021	9M 2022	YTD	3Q 2021	2021	2Q 2022	3Q 2022	Q-o-Q	Y-o-Y
Total assets	4,627,132	5,880,783	27%	4,458,065	4,627,132	5,131,234	5,880,783	15%	32%
Gross customer loans	2,922,886	3,727,038	28%	2,770,544	2,922,886	3,440,373	3,727,038	8%	35%
Gross customer loans (FX-adjusted)	3,339,540	3,727,038	12%	3,240,185	3,339,540	3,655,179	3,727,038	2%	15%
Stage 1+2 customer loans (FX-adjusted)	3,132,916	3,529,370	13%	3,015,912	3,132,916	3,455,907	3,529,370	2%	17%
Retail loans	1,837,824	2,055,565	12%	1,769,630	1,837,824	1,976,659	2,055,565	4%	16%
Corporate loans	1,060,667	1,191,139	12%	1,021,895	1,060,667	1,217,252	1,191,139	-2%	17%
Leasing	234,425	282,665	21%	224,387	234,425	261,996	282,665	8%	26%
Allowances for possible loan losses	-193,180	-222,410	15%	-189,732	-193,180	-205,926	-222,410	8%	17%
Allowances for possible loan losses (FX-adjusted)	-220,640	-222,410	1%	-221,818	-220,640	-218,741	-222,410	2%	0%
Deposits from customers	3,785,300	4,863,893	28%	3,673,419	3,785,300	4,260,004	4,863,893	14%	32%
Deposits from customers (FX-adjusted)	4,354,790	4,863,893	12%	4,330,856	4,354,790	4,540,535	4,863,893	7%	12%
Retail deposits	3,838,540	4,017,965	5%	3,712,875	3,838,540	3,918,606	4,017,965	3%	8%
Corporate deposits	516,250	845,928	64%	617,981	516,250	621,929	845,928	36%	37%
Liabilities to credit institutions	86,606	158,011	82%	43,367	86,606	97,696	158,011	62%	264%
Total shareholders' equity	699,375	771,207	10%	675,320	699,375	704,528	771,207	9%	14%
Loan Quality	9M 2021	9M 2022	Y-o-Y	3Q 2021	2021	2Q 2022	3Q 2022	Q-o-Q	Y-o-Y
Stage 1 loan volume under IFRS 9 (in HUF million)	2,334,242	3,242,871	39%	2,334,242	2,454,806	2,973,580	3,242,871	9%	39%
Stage 1 loans under IFRS 9/gross customer loans	84.3%	87.0%	2.8%p	84.3%	84.0%	86.4%	87.0%	0.6%p	2.8%p
Own coverage of Stage 1 loans under IFRS 9	1.0%	1.1%	0.1%p	1.0%	1.0%	1.0%	1.1%	0.1%p	0.1%p
Stage 2 loan volume under IFRS 9 (in HUF million)	244,451	286,499	17%	244,451	287,157	279,183	286,499	3%	17%
Stage 2 loans under IFRS 9/gross customer loans	8.8%	7.7%	-1.1%p	8.8%	9.8%	8.1%	7.7%	-0.4%p	-1.1%p
Own coverage of Stage 2 loans under IFRS 9	14.9%	16.8%	1.9%p	14.9%	15.5%	16.7%	16.8%	0.2%p	1.9%p
Stage 3 loan volume under IFRS 9 (in HUF million)	191,851	197,668	3%	191,851	180,922	187,610	197,668	5%	3%
Stage 3 loans under IFRS 9/gross customer loans	6.9%	5.3%	-1.6%p	6.9%	6.2%	5.5%	5.3%	-0.1%p	-1.6%p
Own coverage of Stage 3 loans under IFRS 9	67.9%	69.9%	2.0%p	67.9%	68.2%	69.0%	69.9%	1.0%p	2.0%p
Provision for impairment on loan losses/average gross loans	0.32%	0.48%	0.17%p	0.17%	0.70%	0.02%	0.67%	0.64%p	0.50%p
90+ days past due loan volume (in HUF million)	125,769	133,095	6%	125,769	114,362	119,860	133,095	11%	6%
90+ days past due loans/gross customer loans	4.5%	3.6%	-1.0%p	4.5%	3.9%	3.5%	3.6%	0.1%p	-1.0%p
Performance Indicators	9M 2021	9M 2022	Y-o-Y	3Q 2021	2021	2Q 2022	3Q 2022	Q-o-Q	Y-o-Y
ROA	2.0%	2.0%	0.0%p	2.2%	1.8%	2.3%	2.0%	-0.3%p	-0.2%p
ROE	13.9%	14.6%	0.7%p	14.6%	11.8%	17.0%	14.5%	-2.5%p	-0.1%p
Total income margin	4.06%	4.28%	0.22%p	4.11%	4.07%	4.31%	4.32%	0.01%p	0.21%p
Net interest margin	2.57%	2.68%	0.11%p	2.56%	2.58%	2.62%	2.79%	0.17%p	0.23%p
Operating costs / Average assets	1.61%	1.68%	0.07%p	1.59%	1.65%	1.78%	1.62%	-0.15%p	0.03%p
Cost/income ratio	39.7%	39.4%	-0.4%p	38.8%	40.5%	41.2%	37.6%	-3.6%p	-1.2%p
Net loans to deposits (FX-adjusted)	70%	72%	2%p	70%	72%	76%	72%	-4%p	2%p
FX rates (in HUF)	9M 2021	9M 2022	Y-o-Y	3Q 2021	2021	2Q 2022	3Q 2022	Q-o-Q	Y-o-Y
HUF/BGN (closing)	184.3	215.5	17%	184.3	188.7	202.9	215.5	6%	17%
HUF/BGN (average)	182.3	196.8	8%	180.9	186.2	197.1	206.0	5%	14%

In the first nine months of 2022 **DSK Group** generated HUF 76.5 billion profit after tax, 16% more than a year earlier. Based on average shareholders' equity and nine-month profit, ROE was 14.6%. Of the profit made in the reporting period, HUF 26.9 billion (-6% q-o-q) was generated in the third quarter.

Operating profit in January-September increased by 23% in HUF (+14% in BGN), thanks to a 22% growth in total income (+13% in BGN). Net interest income surged by 21% y-o-y (+12% in BGN), supported by growing volumes and improving margin. Nine-month net fees and commissions hiked by 27% (+18% in BGN), owing to strengthening business activity. Nine-month operating expenses grew by 21% in HUF (by 12% in local currency), primarily because personnel and utility costs increased in the high-inflation environment, and the deposit protection fee was raised.

In the third quarter, operating profit improved by +17% q-o-q (+12% in BGN), as income grew by 11% q-o-q while operating expenses remained stable. Net interest income grew dynamically, by 18% q-o-q (+13% in BGN), mostly because of the rising yield environment and the continued increase in volumes. Interest margin increased by 17 bps q-o-q, to 2.79%, driven mainly by the rise in interest rates on the asset side. Net fees and commissions grew by 8% q-o-q in the third quarter, as a result of higher transaction volumes. The 34% q-o-q decline in other income predominantly stemmed from the revaluation of swap and repo deals.

Cost efficiency indicators have barely changed; the cost/income ratio remained below 40% in the first nine months (3Q: 37.6%).

In the first nine months, HUF 12.9 billion total risk cost weighed on profit, more than twice as much as in the base period. The jump in risk costs in the third quarter can be attributable to the revision of the IFRS 9 macro parameters. Another reason was the higher loan loss provisions in the retail and corporate segments, simultaneously with the expansion of loan volumes. The increase in other risk costs in the third quarter was related to interbank placements.

Loan portfolio quality remained stable; the ratio of Stage 2 loans rose by 0.4 pp q-o-q, to 7.7%, and the ratio of Stage 3 loans edged down 0.1 pp q-o-q, to 5.3%. The own provision coverage of both Stage 2 and Stage 3 loans has increased q-o-q.

Performing (Stage 1+2) loans grew by 13% y-o-y and by 2% q-o-q (FX-adjusted). Retail loan volumes grew by 4% q-o-q, due to the increase in new mortgage loan placements. The disbursement of new cash loans dropped q-o-q in the third quarter, yet the existing volume grew by 3% q-o-q. Corporate performing loan volumes declined in the third quarter (-2% q-o-q), owing to the lower new disbursements and the higher repayments. New leasing deals sustained their growth in the third quarter, thus the performing loan book maintained its strong dynamics both y-o-y and q-o-q.

The deposit book has grown by an FX-adjusted 12% since the end of last year; within that, it increased by 7% q-o-q in the third quarter, mostly due to deposits from large corporate clients.

The Bulgarian operation's liquidity position is stable; the net loan/deposit ratio was 72% at the end of September.

The Bank's digital developments helped the expansion of Mobilbank's user base: the number of users increased by 23% in the first nine months of this year. Nearly a fifth of customers using DSK's products and services are also active users of the Bank's digital services.

OTP BANK CROATIA

Performance of OTP Bank Croatia:

Main components of P&L account in HUF million	9M 2021	9M 2022	Y-o-Y	3Q 2021	2021	2Q 2022	3Q 2022	Q-o-Q	Y-o-Y
Adjusted profit after tax	25,194	37,811	50%	10,897	33,448	11,815	14,922	26%	37%
Income tax	-5,415	-8,347	54%	-2,458	-7,618	-2,669	-3,328	25%	35%
Profit before income tax	30,609	46,158	51%	13,355	41,065	14,484	18,250	26%	37%
Operating profit	33,270	36,817	11%	12,394	43,422	12,486	14,399	15%	16%
Total income	66,455	74,667	12%	23,373	88,736	24,966	27,996	12%	20%
Net interest income	45,098	51,289	14%	15,292	60,933	16,997	18,885	11%	23%
Net fees and commissions	13,654	18,339	34%	5,328	18,183	5,970	7,547	26%	42%
Other net non-interest income	7,702	5,038	-35%	2,753	9,619	1,999	1,565	-22%	-43%
Operating expenses	-33,184	-37,849	14%	-10,979	-45,313	-12,480	-13,598	9%	24%
Total provisions	-2,662	9,341	-451%	961	-2,357	1,998	3,852	93%	301%
Provision for impairment on loan losses	-280	11,142		2,067	1,767	2,944	4,412	50%	114%
Other provision	-2,382	-1,801	-24%	-1,105	-4,124	-945	-561	-41%	-49%
Main components of balance sheet closing balances in HUF million	**2021**	**9M 2022**	**YTD**	**3Q 2021**	**2021**	**2Q 2022**	**3Q 2022**	**Q-o-Q**	**Y-o-Y**
Total assets	2,576,445	3,262,501	27%	2,443,668	2,576,445	2,915,357	3,262,501	12%	34%
Gross customer loans	1,811,376	2,385,416	32%	1,720,305	1,811,376	2,077,630	2,385,416	15%	39%
Gross customer loans (FX-adjusted)	2,068,733	2,385,416	15%	2,008,372	2,068,733	2,207,604	2,385,416	8%	19%
Stage 1+2 customer loans (FX-adjusted)	1,903,484	2,262,451	19%	1,831,871	1,903,484	2,059,200	2,262,451	10%	24%
Retail loans	999,779	1,127,286	13%	974,612	999,779	1,083,015	1,127,286	4%	16%
Corporate loans	771,981	970,351	26%	716,766	771,981	820,998	970,351	18%	35%
Leasing	131,724	164,815	25%	140,493	131,724	155,187	164,815	6%	17%
Allowances for possible loan losses	-109,575	-112,694	3%	-110,656	-109,575	-111,110	-112,694	1%	2%
Allowances for possible loan losses (FX-adjusted)	-125,105	-112,694	-10%	-129,087	-125,105	-118,071	-112,694	-5%	-13%
Deposits from customers	1,899,671	2,441,411	29%	1,813,473	1,899,671	2,142,403	2,441,411	14%	35%
Deposits from customers (FX-adjusted)	2,188,165	2,441,411	12%	2,138,594	2,188,165	2,284,464	2,441,411	7%	14%
Retail deposits	1,635,194	1,809,777	11%	1,618,342	1,635,194	1,672,376	1,809,777	8%	12%
Corporate deposits	552,971	631,634	14%	520,252	552,971	612,089	631,634	3%	21%
Liabilities to credit institutions	228,733	208,730	-9%	199,574	228,733	232,795	208,730	-10%	5%
Total shareholders' equity	351,023	407,809	16%	349,931	351,023	373,623	407,809	9%	17%
Loan Quality	**9M 2021**	**9M 2022**	**Y-o-Y**	**3Q 2021**	**2021**	**2Q 2022**	**3Q 2022**	**Q-o-Q**	**Y-o-Y**
Stage 1 loan volume under IFRS 9 (in HUF million)	1,389,070	1,966,492	42%	1,389,070	1,448,458	1,693,876	1,966,492	16%	42%
Stage 1 loans under IFRS 9/gross customer loans	80.7%	82.4%	1.7%p	80.7%	80.0%	81.5%	82.4%	0.9%p	1.7%p
Own coverage of Stage 1 loans under IFRS 9	0.8%	0.5%	-0.3%p	0.8%	0.6%	0.5%	0.5%	0.0%p	-0.3%p
Stage 2 loan volume under IFRS 9 (in HUF million)	180,622	295,960	64%	180,622	218,754	244,349	295,960	21%	64%
Stage 2 loans under IFRS 9/gross customer loans	10.5%	12.4%	1.9%p	10.5%	12.1%	11.8%	12.4%	0.6%p	1.9%p
Own coverage of Stage 2 loans under IFRS 9	5.3%	6.3%	1.0%p	5.3%	5.9%	5.2%	6.3%	1.1%p	1.0%p
Stage 3 loan volume under IFRS 9 (in HUF million)	150,612	122,965	-18%	150,612	144,163	139,405	122,965	-12%	-18%
Stage 3 loans under IFRS 9/gross customer loans	8.8%	5.2%	-3.6%p	8.8%	8.0%	6.7%	5.2%	-1.6%p	-3.6%p
Own coverage of Stage 3 loans under IFRS 9	59.8%	69.1%	9.3%p	59.8%	61.4%	64.9%	69.1%	4.2%p	9.3%p
Provision for impairment on loan losses/average gross loans	0.02%	-0.74%	-0.76%p	-0.49%	-0.11%	-0.60%	-0.78%	-0.18%p	-0.30%p
90+ days past due loan volume (in HUF million)	79,252	79,025	0%	79,252	73,826	78,791	79,025	0%	0%
90+ days past due loans/gross customer loans	4.6%	3.3%	-1.3%p	4.6%	4.1%	3.8%	3.3%	-0.5%p	-1.3%p
Performance Indicators	**9M 2021**	**9M 2022**	**Y-o-Y**	**3Q 2021**	**2021**	**2Q 2022**	**3Q 2022**	**Q-o-Q**	**Y-o-Y**
ROA	1.4%	1.8%	0.4%p	1.8%	1.4%	1.7%	1.9%	0.2%p	0.1%p
ROE	10.2%	13.8%	3.6%p	12.8%	10.0%	13.2%	15.1%	1.9%p	2.3%p
Total income margin	3.79%	3.57%	-0.23%p	3.86%	3.73%	3.64%	3.58%	-0.06%p	-0.28%p
Net interest margin	2.58%	2.45%	-0.13%p	2.53%	2.56%	2.48%	2.41%	-0.06%p	-0.11%p
Operating costs / Average assets	1.89%	1.81%	-0.09%p	1.81%	1.90%	1.82%	1.74%	-0.08%p	-0.07%p
Cost/income ratio	49.9%	50.7%	0.8%p	47.0%	51.1%	50.0%	48.6%	-1.4%p	1.6%p
Net loans to deposits (FX-adjusted)	88%	93%	5%p	88%	89%	91%	93%	2%p	5%p
FX rates (in HUF)	**9M 2021**	**9M 2022**	**Y-o-Y**	**3Q 2021**	**2021**	**2Q 2022**	**3Q 2022**	**Q-o-Q**	**Y-o-Y**
HUF/HRK (closing)	48.1	56.0	16%	48.1	49.1	52.7	56.0	6%	16%
HUF/HRK (average)	47.3	49.7	5%	47.2	47.6	51.1	53.6	5%	14%

The **Croatian Bank** posted HUF 37.8 billion adjusted profit after tax for 9M 2022 (+50% y-o-y), surpassing its 2021 full-year profit by 13%. This brought 9M 2022 ROE to 13.8%. Out of that, almost HUF 15 billion was generated in 3Q 2022 (+26% q-o-q).

The nine-month profit was basically driven by positive credit risk costs, but the 11% y-o-y improvement in operating profit also helped.

Nine-month net interest income increased by 14% y-o-y, primarily driven by the dynamic FX-adjusted growth of performing (Stage 1+2) loans (+10% q-o-q, and +24% y-o-y), while net interest margin narrowed (9M 2022: 2.45%). In 3Q 2022, there was a one-off item in retail products that supported the 11% q-o-q increase of interest income: simultaneously with the improvement in retail volumes' credit risk classification, the previously created provisions were released, and off-balance-sheet interest income was recognized; this explains nearly a third of the q-o-q increase in net interest income.

Furthermore, net fees and commissions grew by 34% in 9M, mainly because the receding pandemic allowed economic activity and tourism to bounce back, starting from the second quarter of 2021. The 26% q-o-q expansion in 3Q 2022 can be linked to higher merchant commission on card transactions, mostly owing to the summer tourism season. Guarantee fees, as well as income from deposit and account management fees also increased.

Other income contracted by 35% y-o-y, partly because of the high basis (owing to the positive revaluation result in relation to the revaluation of Visa shares), and in part due to the lower income from foreign currency exchange.

9M 2022 operating expenses rose by 14% y-o-y (+6% in local currency), amid double-digit inflation and y-o-y stagnant headcount. Furthermore, Croatia's euro adoption induced higher IT expenses, expert and supervisory fees, while real estate maintenance costs also increased. Meanwhile, savings were realized y-o-y on marketing expenses. The nine-month cost/income ratio stood at 50.7% (+0.8 pp y-o-y).

In 9M 2022, HUF 9.3 billion positive risk cost supported profit, including HUF 3.9 billion in 3Q. A significant part of the latter can be linked to mortgage loans that had been in Stage 3 category and are no longer subject to the moratorium; they were reclassified as performing loans. Besides, Stage 3 corporate loan volumes also declined.

As a result, in 9M the share of Stage 3 loans in the portfolio further reduced by 1.6 pps q-o-q; it stood at 5.2% at the end of September, while their own coverage ratio grew to 69.1% (+9.3 pps y-o-y, and 4.2 pps q-o-q). In 9M 2022, HUF 3.7 billion (FX-adjusted) worth of non-performing loans were sold/written off.

Performing (Stage 1+2) loans expanded by 24% y-o-y, and by 10% q-o-q (FX-adjusted). In the retail segment, the share of subsidized housing loans for first-home-buyers, in a scheme resumed on 21 March 2022, remained high. The quarterly volume of cash loan disbursements remained at the previous quarter's level; in the past nine months they were 4% higher than in the same period of last year. Corporate loan portfolios expanded the most: by 18% q-o-q and y-o-y by 35%.

The FX-adjusted deposit book increased by 14% y-o-y and 7% q-o-q, driven by retail demand deposits and deposits from large corporations. The Croatian bank's liquidity position remained stable; the FX-adjusted net loan/deposit ratio stood at 93% at the end of September.

OTP BANK SERBIA

Performance of OTP Bank Serbia:

Main components of P&L account in HUF million	9M 2021	9M 2022	Y-o-Y	3Q 2021	2021	2Q 2022	3Q 2022	Q-o-Q	Y-o-Y
Adjusted profit after tax	20,688	32,451	57%	5,929	32,104	10,921	10,671	-2%	80%
Income tax	-1,515	-4,838	219%	431	-3,610	-1,678	-1,619	-3%	-476%
Profit before income tax	22,203	37,290	68%	5,498	35,714	12,598	12,290	-2%	124%
Operating profit	30,548	39,370	29%	10,447	40,754	12,745	15,671	23%	50%
Total income	61,583	73,111	19%	20,680	83,494	24,137	27,495	14%	33%
Net interest income	46,454	53,465	15%	15,429	62,497	17,530	20,147	15%	31%
Net fees and commissions	10,374	12,914	24%	3,530	14,410	4,385	4,834	10%	37%
Other net non-interest income	4,754	6,733	42%	1,722	6,586	2,222	2,514	13%	46%
Operating expenses	-31,035	-33,742	9%	-10,233	-42,740	-11,392	-11,824	4%	16%
Total provisions	-8,345	-2,080	-75%	-4,949	-5,040	-146	-3,381		-32%
Provision for impairment on loan losses	-3,411	-1,468	-57%	-3,056	-387	-107	-2,949		-4%
Other provision	-4,934	-612	-88%	-1,893	-4,653	-39	-432		-77%
Main components of balance sheet closing balances in HUF million	**2021**	**9M 2022**	**YTD**	**3Q 2021**	**2021**	**2Q 2022**	**3Q 2022**	**Q-o-Q**	**Y-o-Y**
Total assets	2,224,715	2,823,591	27%	2,095,131	2,224,715	2,532,691	2,823,591	11%	35%
Gross customer loans	1,715,347	2,176,508	27%	1,596,993	1,715,347	2,012,888	2,176,508	8%	36%
Gross customer loans (FX-adjusted)	1,959,959	2,176,508	11%	1,867,321	1,959,959	2,138,082	2,176,508	2%	17%
Stage 1+2 customer loans (FX-adjusted)	1,903,407	2,117,359	11%	1,812,182	1,903,407	2,077,629	2,117,359	2%	17%
Retail loans	899,266	960,130	7%	876,055	899,266	942,150	960,130	2%	10%
Corporate loans	907,196	1,053,440	16%	838,715	907,196	1,034,286	1,053,440	2%	26%
Leasing	96,946	103,790	7%	97,413	96,946	101,193	103,790	3%	7%
Allowances for possible loan losses	-44,587	-53,857	21%	-46,844	-44,587	-48,731	-53,857	11%	15%
Allowances for possible loan losses (FX-adjusted)	-50,984	-53,857	6%	-54,819	-50,984	-51,769	-53,857	4%	-2%
Deposits from customers	1,238,864	1,516,365	22%	1,164,796	1,238,864	1,327,031	1,516,365	14%	30%
Deposits from customers (FX-adjusted)	1,422,861	1,516,365	7%	1,371,821	1,422,861	1,412,955	1,516,365	7%	11%
Retail deposits	863,048	878,663	2%	831,733	863,048	862,283	878,663	2%	6%
Corporate deposits	559,813	637,702	14%	540,088	559,813	550,672	637,702	16%	18%
Liabilities to credit institutions	584,453	825,544	41%	552,800	584,453	762,635	825,544	8%	49%
Total shareholders' equity	306,630	373,435	22%	293,157	306,630	341,316	373,435	9%	27%
Loan Quality	**9M 2021**	**9M 2022**	**Y-o-Y**	**3Q 2021**	**2021**	**2Q 2022**	**3Q 2022**	**Q-o-Q**	**Y-o-Y**
Stage 1 loan volume under IFRS 9 (in HUF million)	1,417,889	1,995,891	41%	1,417,889	1,542,170	1,843,294	1,995,891	8%	41%
Stage 1 loans under IFRS 9/gross customer loans	88.8%	91.7%	2.9%p	88.8%	89.9%	91.6%	91.7%	0.1%p	2.9%p
Own coverage of Stage 1 loans under IFRS 9	0.9%	0.6%	-0.2%p	0.9%	0.7%	0.6%	0.6%	0.1%p	-0.2%p
Stage 2 loan volume under IFRS 9 (in HUF million)	132,025	121,469	-8%	132,025	123,754	112,699	121,469	8%	-8%
Stage 2 loans under IFRS 9/gross customer loans	8.3%	5.6%	-2.7%p	8.3%	7.2%	5.6%	5.6%	0.0%p	-2.7%p
Own coverage of Stage 2 loans under IFRS 9	7.0%	6.3%	-0.7%p	7.0%	6.1%	5.7%	6.3%	0.5%p	-0.7%p
Stage 3 loan volume under IFRS 9 (in HUF million)	47,080	59,149	26%	47,080	49,423	56,895	59,149	4%	26%
Stage 3 loans under IFRS 9/gross customer loans	2.9%	2.7%	-0.2%p	2.9%	2.9%	2.8%	2.7%	-0.1%p	-0.2%p
Own coverage of Stage 3 loans under IFRS 9	53.2%	56.5%	3.3%p	53.2%	53.6%	55.7%	56.5%	0.8%p	3.3%p
Provision for impairment on loan losses/average gross loans	0.30%	0.10%	-0.19%p	0.78%	0.02%	0.02%	0.56%	0.54%p	-0.23%p
90+ days past due loan volume (in HUF million)	29,963	41,748	39%	29,963	33,405	39,966	41,748	4%	39%
90+ days past due loans/gross customer loans	1.9%	1.9%	0.0%p	1.9%	1.9%	2.0%	1.9%	-0.1%p	0.0%p
Performance Indicators	**9M 2021**	**9M 2022**	**Y-o-Y**	**3Q 2021**	**2021**	**2Q 2022**	**3Q 2022**	**Q-o-Q**	**Y-o-Y**
ROA	1.4%	1.8%	0.4%p	1.2%	1.6%	1.8%	1.6%	-0.2%p	0.4%p
ROE	10.0%	13.2%	3.2%p	8.3%	11.4%	13.4%	11.9%	-1.5%p	3.6%p
Total income margin	4.08%	3.99%	-0.08%p	4.04%	4.07%	3.98%	4.07%	0.10%p	0.04%p
Net interest margin	3.07%	2.92%	-0.15%p	3.01%	3.05%	2.89%	2.99%	0.10%p	-0.03%p
Operating costs / Average assets	2.05%	1.84%	-0.21%p	2.00%	2.09%	1.88%	1.75%	-0.13%p	-0.25%p
Cost/income ratio	50.4%	46.2%	-4.2%p	49.5%	51.2%	47.2%	43.0%	-4.2%p	-6.5%p
Net loans to deposits (FX-adjusted)	132%	140%	8%p	132%	134%	148%	140%	-8%p	8%p
FX rates (in HUF)	**9M 2021**	**9M 2022**	**Y-o-Y**	**3Q 2021**	**2021**	**2Q 2022**	**3Q 2022**	**Q-o-Q**	**Y-o-Y**
HUF/RSD (closing)	3.1	3.6	17%	3.1	3.1	3.4	3.6	6%	17%
HUF/RSD (average)	3.0	3.2	5%	3.0	3.0	3.3	3.4	5%	14%

Based on its closing exchange rate, the RSD has appreciated against the HUF both y-o-y and q-o-q (+17% and +6%, respectively). The RSD's average exchange rate strengthened by 5% both y-o-y in the first nine months and q-o-q in the third quarter. Therefore, the balance sheet and P&L dynamics in HUF terms differ from the ones calculated in local currency.

In the first nine months of 2022, the **Serbian Banking Group** posted HUF 32.5 billion adjusted profit after tax, surpassing its performance in 2021. The nine-month profit was shaped by two factors: operating profit grew by 29% y-o-y, and risk costs fell to a quarter of the level seen a year ago. Its third-quarter profit of HUF 10.7 billion is consistent with 2% q-o-q decline.

In April 2021, the banking group's integration was completed, the network was rationalized, and IT systems were synchronized. During this process, the network was reduced by 85 branches since September 2019 (including 13 branches in the third quarter of 2022) and by 77 ATMs. At the end of September, the integrated bank had a network of 155 branches and 270 ATMs. The network had 2,638 employees at the end of September 2022; this is 594 (or 18%) less than at the start of the integration (-3% ytd).

The new bank continues to have the largest share of the lending market. According to the latest data available, it was the second largest market player on total assets with 14% market share at the end of June.

Operating expenses stagnated both q-o-q and y-o-y in local currency, within this there were no significant changes compared to the base in 3Q either, despite the growing inflationary pressure. The cost synergies resulting from the acquisition were consistently realized, the cost efficiency indicators have improved both q-o-q and y-o-y. The 9M 2022 cost/income ratio (46.3%) is currently one of the lowest among Group members.

The nine-month net interest income grew by 6% y-o-y (FX-adjusted), owing to the bigger performing volumes (just like in previous periods), but the effect of the rising yield environment began to spill over into the portfolio, through the predominantly variable-rate loan portfolio and the growing deposit book. 9M 2022 net interest margin (2.94%) narrowed by 16 bps y-o-y compared to the base period, at the same time, there was already a q-o-q improvement of 10 bps in 3Q.

Net fees and commissions grew by an FX-adjusted 15% y-o-y in the first nine months. The improvement is broad-based: the deposit, cash transaction and securities commissions all increased.

The nine-month volume of risk cost fell to its quarter, from more than HUF 8 billion in the previous year to HUF 2 billion. Within that, HUF 3 billion loan loss provision was recorded in 3Q 2022, predominantly related to the revision of the IFRS 9 impairment model parameters.

The basic credit quality trends show a favorable picture: the decline in the ratio of Stage 3 loans continued (-0.1 pp q-o-q), their own coverage increased by 3.3 pps y-o-y to 56.5%. In 3Q 2022 the DPD90+ volume stagnated q-o-q, HUF 0.7 billion (FX-adjusted) worth of non-performing loans were sold/written off. This brought the DPD90+ ratio to 1.9% by the end of September.

The performing (Stage 1+2) loan portfolio expanded further in 3Q (+2% q-o-q, and +17% y-o-y, FX-adjusted) driven by the housing loan program supported by the marketing campaign, strong personal loan disbursements, and the growth of large corporate loans. In an annual comparison, the large corporate volumes grew most dynamically (+27%).

The deposit book's growth (11% y-o-y and 7% q-o-q, FX-adjusted) was supported mainly by an increase in retail demand deposits and deposits from large corporations. The Bank's net loan/deposit ratio dropped by 8 pps q-o-q to 140% by the end of September.

SKB BANKA (SLOVENIA)

Performance of SKB Banka (Slovenia):

Main components of P&L account in HUF million	9M 2021	9M 2022	Y-o-Y	3Q 2021	2021	2Q 2022	3Q 2022	Q-o-Q	Y-o-Y
Adjusted profit after tax	12,454	18,511	49%	4,957	16,822	4,746	8,828	86%	78%
Income tax	-2,763	-4,389	59%	-1,088	-3,838	-1,028	-2,115	106%	94%
Profit before income tax	15,217	22,900	50%	6,045	20,660	5,774	10,943	90%	81%
Operating profit	14,142	16,402	16%	5,379	19,595	5,672	6,585	16%	22%
Total income	31,277	36,353	16%	10,636	42,354	12,214	13,079	7%	23%
Net interest income	20,630	23,091	12%	6,875	27,673	7,475	8,685	16%	26%
Net fees and commissions	9,608	11,757	22%	3,424	13,258	4,203	3,864	-8%	13%
Other net non-interest income	1,039	1,506	45%	337	1,423	537	530	-1%	57%
Operating expenses	-17,135	-19,951	16%	-5,257	-22,759	-6,543	-6,493	-1%	24%
Total provisions	1,076	6,498	504%	666	1,065	102	4,358		555%
Provision for impairment on loan losses	1,147	6,908	502%	739	1,819	199	4,615		525%
Other provision	-71	-410	478%	-73	-754	-97	-258	165%	252%
Main components of balance sheet closing balances in HUF million	**2021**	**9M 2022**	**YTD**	**3Q 2021**	**2021**	**2Q 2022**	**3Q 2022**	**Q-o-Q**	**Y-o-Y**
Total assets	1,433,206	1,740,849	21%	1,378,540	1,433,206	1,570,887	1,740,849	11%	26%
Gross customer loans	984,605	1,277,832	30%	950,168	984,605	1,162,360	1,277,832	10%	34%
Gross customer loans (FX-adjusted)	1,124,862	1,277,832	14%	1,111,333	1,124,862	1,234,799	1,277,832	3%	15%
Stage 1+2 customer loans (FX-adjusted)	1,109,963	1,263,730	14%	1,096,145	1,109,963	1,221,055	1,263,730	3%	15%
Retail loans	543,955	579,287	6%	538,907	543,955	570,052	579,287	2%	7%
Corporate loans	375,385	489,224	30%	365,600	375,385	456,141	489,224	7%	34%
Leasing	190,623	195,219	2%	191,638	190,623	194,862	195,219	0%	2%
Allowances for possible loan losses	-16,271	-15,286	-6%	-16,368	-16,271	-16,839	-15,286	-9%	-7%
Allowances for possible loan losses (FX-adjusted)	-18,596	-15,286	-18%	-19,156	-18,596	-17,893	-15,286	-15%	-20%
Deposits from customers	1,213,698	1,472,090	21%	1,164,077	1,213,698	1,342,965	1,472,090	10%	26%
Deposits from customers (FX-adjusted)	1,389,718	1,472,090	6%	1,365,026	1,389,718	1,428,295	1,472,090	3%	8%
Retail deposits	1,025,755	1,078,556	5%	1,016,735	1,025,755	1,064,934	1,078,556	1%	6%
Corporate deposits	363,964	393,534	8%	348,291	363,964	363,361	393,534	8%	13%
Liabilities to credit institutions	15,565	151	-99%	13,359	15,565	1,986	151	-92%	-99%
Total shareholders' equity	179,515	199,635	11%	173,037	179,515	185,640	199,635	8%	15%
Loan Quality	**9M 2021**	**9M 2022**	**Y-o-Y**	**3Q 2021**	**2,021**	**2Q 2022**	**3Q 2022**	**Q-o-Q**	**Y-o-Y**
Stage 1 loan volume under IFRS 9 (in HUF million)	807,210	1,137,856	41%	807,210	846,646	1,029,769	1,137,856	10%	41%
Stage 1 loans under IFRS 9/gross customer loans	85.0%	89.0%	4.1%p	85.0%	86.0%	88.6%	89.0%	0.5%p	4.1%p
Own coverage of Stage 1 loans under IFRS 9	0.5%	0.2%	-0.3%p	0.5%	0.3%	0.3%	0.2%	-0.1%p	-0.3%p
Stage 2 loan volume under IFRS 9 (in HUF million)	129,994	125,874	-3%	129,994	124,932	119,662	125,874	5%	-3%
Stage 2 loans under IFRS 9/gross customer loans	13.7%	9.9%	-3.8%p	13.7%	12.7%	10.3%	9.9%	-0.4%p	-3.8%p
Own coverage of Stage 2 loans under IFRS 9	4.4%	3.0%	-1.3%p	4.4%	5.0%	4.8%	3.0%	-1.8%p	-1.3%p
Stage 3 loan volume under IFRS 9 (in HUF million)	12,964	14,101	9%	12,964	13,027	12,929	14,101	9%	9%
Stage 3 loans under IFRS 9/gross customer loans	1.4%	1.1%	-0.3%p	1.4%	1.3%	1.1%	1.1%	0.0%p	-0.3%p
Own coverage of Stage 3 loans under IFRS 9	53.4%	66.4%	12.9%p	53.4%	56.1%	62.9%	66.4%	3.5%p	12.9%p
Provision for impairment on loan losses/average gross loans	-0.17%	-0.83%	-0.67%p	-0.31%	-0.20%	-0.07%	-1.51%	-1.43%p	-1.19%p
90+ days past due loan volume (in HUF million)	3,874	5,205	34%	3,874	4,353	4,938	5,205	5%	34%
90+ days past due loans/gross customer loans	0.4%	0.4%	0.0%p	0.4%	0.4%	0.4%	0.4%	0.0%p	0.0%p
Performance Indicators	**9M 2021**	**9M 2022**	**Y-o-Y**	**3Q 2021**	**2,021**	**2Q 2022**	**3Q 2022**	**Q-o-Q**	**Y-o-Y**
ROA	1.2%	1.6%	0.4%p	1.5%	1.2%	1.3%	2.1%	0.9%p	0.7%p
ROE	10.0%	13.5%	3.5%p	11.7%	10.0%	10.5%	18.2%	7.7%p	6.5%p
Total income margin	3.11%	3.19%	0.08%p	3.12%	3.13%	3.25%	3.15%	-0.10%p	0.03%p
Net interest margin	2.05%	2.03%	-0.03%p	2.02%	2.04%	1.99%	2.09%	0.10%p	0.07%p
Operating costs / Average assets	1.71%	1.75%	0.05%p	1.54%	1.68%	1.74%	1.56%	-0.18%p	0.02%p
Cost/income ratio	54.8%	54.9%	0.1%p	49.4%	53.7%	53.6%	49.6%	-3.9%p	0.2%p
Net loans to deposits (FX-adjusted)	80%	86%	6%p	80%	80%	85%	86%	1%p	6%p
FX rates (in HUF)	**9M 2021**	**9M 2022**	**Y-o-Y**	**3Q 2021**	**2,021**	**2Q 2022**	**3Q 2022**	**Q-o-Q**	**Y-o-Y**
HUF/EUR (closing)	360.5	421.4	17%	360.5	369.0	396.8	421.4	6%	17%
HUF/EUR (average)	356.5	375.1	5%	353.8	358.5	385.5	402.9	5%	14%

The balance sheet and P/L figures of OTP's Slovenian operation do not yet include data for Nova KBM d.d., the acquisition is likely to be completed in the fourth quarter of 2022, after approval by the local competition authority.

OTP Group's **Slovenian subsidiary** recorded almost HUF 18.5 billion adjusted profit after-tax in the first nine months of 2022, 49% more than in the base period. Its nine-month ROE was 13.5% (+3.5 pps y-o-y). It was predominantly the sixfold y-o-y growth in positive credit risk costs behind profit improvement, but operating profit also increased by 16%. In the third quarter, profit after tax hit HUF 8.8 billion, almost twice as much as in the previous quarter.

Profit dynamic was distorted by the HUF's nine-month average exchange rate weakening versus EUR (-8% y-o-y).

The improvement in the nine-month operating profit stemmed from the 16% increase in total income; operating expenses expanded by similar pace y-o-y.

The rise in nine-month net interest income (4% in EUR) was driven by the dynamic growth of performing loan volumes, as well as by the placement of excess liquidity at higher yield. In the first nine months, net interest margin shrank 3 bps y-o-y, to 2.03%, yet it remained above the sector average. The interest rate environment increased in the third quarter with ECB hiking its key policy rate to 1.25%, while the 3M EURIBOR rose by an average of 84 bps q-o-q. As a result of higher interest environment, net interest margin improved by 10 bps q-o-q, to 2.09% in the third quarter.

The 22% y-o-y increase in nine-month net fees and commissions (+14% in EUR) largely stemmed from an improvement in transactional fee income (transfers, ATMs, safe deposit services). Fees on securities transactions and on card use have also risen. However, the practice of charging extra fees from retail and corporate customers above a certain deposit threshold started in 2021, ended in August.

Within the 16% (8% in EUR) y-o-y increase in operating expenses, personnel costs grew as a combined effect of wage inflation and the nearly stagnant headcount, while administrative expenses were mostly driven by higher annual fees to supervisory authorities, as well as by rising IT and utility bills.

The quality of the portfolio remained stable: the 3Q ratio of Stage 3 loans was unchanged at 1.1% (-0.3 pp y-o-y), while the Stage 2 ratio dropped further (to 9.9%). Despite the substantial impairment reversal in the third quarter, the own provision coverage of Stage 3 loans improved further, and exceeded 66%. Similarly to the previous two quarters, credit risk costs remained in positive territory in the third quarter, and their volume has even grown (+HUF 4.6 billion). This was due to a methodological change: based on the forward-looking IFRS 9 model, the sharp fall in the PD parameter has led to the release of about EUR 11 million impairment.

The FX-adjusted volume of Stage 1+2 loans expanded by 4% q-o-q and 15% y-o-y; within that, corporate loan growth was outstanding (+7% q-o-q, +33% y-o-y). The Bank's market share has marginally dropped in cash and mortgage loans, but improved in the corporate segment.

As the FX-adjusted deposit stock's growth rate (3% q-o-q and 8% y-o-y) lagged behind that of loans, the net loan/deposit ratio rose to 86% (+6 pps y-o-y). Similarly to loans, deposits also grew faster in the corporate segment. As part of the optimization of excess liquidity, the size of interbank exposure has markedly decreased on the liability side. Moreover, the Bank repaid its EUR 50 million TLTRO obligation to the ECB. In June and September the Bank received EUR 30 million and EUR 50 million subordinated loan (Tier2) from OTP Bank.

OTP BANK ROMANIA

Performance of OTP Bank Romania:

Main components of P&L account in HUF million	9M 2021	9M 2022	Y-o-Y	3Q 2021	2021	2Q 2022	3Q 2022	Q-o-Q	Y-o-Y
Adjusted profit after tax	993	-1,050		-783	4,253	768	-58		
Income tax	-960	-784	-18%	-367	-1,444	-553	-231	-58%	-37%
Profit before income tax	1,953	-265		-416	5,697	1,320	173	-87%	
Operating profit	6,296	11,464	82%	3,197	8,937	4,006	4,911	23%	54%
Total income	34,380	44,283	29%	12,083	46,699	14,243	15,972	12%	32%
Net interest income	26,355	37,812	43%	9,399	36,270	12,976	13,996	8%	49%
Net fees and commissions	2,970	3,443	16%	903	4,143	1,181	1,107	-6%	23%
Other net non-interest income	5,054	3,028	-40%	1,781	6,285	86	870	914%	-51%
Operating expenses	-28,084	-32,819	17%	-8,885	-37,762	-10,237	-11,062	8%	24%
Total provisions	-4,343	-11,729	170%	-3,613	-3,240	-2,685	-4,738	76%	31%
Provision for impairment on loan losses	-6,084	-8,712	43%	-3,468	-6,821	-2,644	-4,230	60%	22%
Other provision	1,741	-3,017		-145	3,581	-41	-508		250%
Main components of balance sheet closing balances in HUF million	**2021**	**9M 2022**	**YTD**	**3Q 2021**	**2021**	**2Q 2022**	**3Q 2022**	**Q-o-Q**	**Y-o-Y**
Total assets	1,438,484	1,829,378	27%	1,325,709	1,438,484	1,658,507	1,829,378	10%	38%
Gross customer loans	1,035,400	1,328,309	28%	973,080	1,035,400	1,223,443	1,328,309	9%	37%
Gross customer loans (FX-adjusted)	1,185,669	1,328,309	12%	1,141,972	1,185,669	1,300,164	1,328,309	2%	16%
Stage 1+2 customer loans (FX-adjusted)	1,117,915	1,261,933	13%	1,078,656	1,117,915	1,234,889	1,261,933	2%	17%
Retail loans	573,622	614,375	7%	552,008	573,622	616,883	614,375	0%	11%
Corporate loans	491,166	582,400	19%	475,215	491,166	558,261	582,400	4%	23%
Leasing	53,127	65,158	23%	51,433	53,127	59,746	65,158	9%	27%
Allowances for possible loan losses	-54,780	-68,721	25%	-52,047	-54,780	-61,399	-68,721	12%	32%
Allowances for possible loan losses (FX-adjusted)	-63,059	-68,721	9%	-61,615	-63,059	-65,397	-68,721	5%	12%
Deposits from customers	830,717	994,485	20%	786,422	830,717	848,353	994,485	17%	26%
Deposits from customers (FX-adjusted)	946,832	994,485	5%	917,914	946,832	899,941	994,485	11%	8%
Retail deposits	501,087	547,858	9%	488,546	501,087	514,670	547,858	6%	12%
Corporate deposits	445,745	446,626	0%	429,367	445,745	385,271	446,626	16%	4%
Liabilities to credit institutions	402,553	589,498	46%	354,218	402,553	584,784	589,498	1%	66%
Total shareholders' equity	164,914	185,571	13%	143,221	164,914	174,665	185,571	6%	30%
Loan Quality	**9M 2021**	**9M 2022**	**Y-o-Y**	**3Q 2021**	**2021**	**2Q 2022**	**3Q 2022**	**Q-o-Q**	**Y-o-Y**
Stage 1 loan volume under IFRS 9 (in HUF million)	826,443	1,073,047	30%	826,443	826,518	1,003,304	1,073,047	7%	30%
Stage 1 loans under IFRS 9/gross customer loans	84.9%	80.8%	-4.1%p	84.9%	79.8%	82.0%	80.8%	-1.2%p	-4.1%p
Own coverage of Stage 1 loans under IFRS 9	1.1%	1.1%	-0.1%p	1.1%	1.0%	1.1%	1.1%	0.0%p	-0.1%p
Stage 2 loan volume under IFRS 9 (in HUF million)	93,193	188,886	103%	93,193	150,038	158,882	188,886	19%	103%
Stage 2 loans under IFRS 9/gross customer loans	9.6%	14.2%	4.6%p	9.6%	14.5%	13.0%	14.2%	1.2%p	4.6%p
Own coverage of Stage 2 loans under IFRS 9	12.2%	9.3%	-3.0%p	12.2%	8.4%	8.8%	9.3%	0.5%p	-3.0%p
Stage 3 loan volume under IFRS 9 (in HUF million)	53,445	66,377	24%	53,445	58,844	61,257	66,377	8%	24%
Stage 3 loans under IFRS 9/gross customer loans	5.5%	5.0%	-0.5%p	5.5%	5.7%	5.0%	5.0%	0.0%p	-0.5%p
Own coverage of Stage 3 loans under IFRS 9	58.5%	59.7%	1.2%p	58.5%	57.5%	59.5%	59.7%	0.2%p	1.2%p
Provision for impairment on loan losses/average gross loans	0.92%	1.01%	0.09%	1.48%	0.74%	0.92%	1.31%	0.39%	-0.17%
90+ days past due loan volume (in HUF million)	34,762	44,155	27%	34,762	35,921	39,837	44,155	11%	27%
90+ days past due loans/gross customer loans	3.6%	3.3%	-0.2%p	3.6%	3.5%	3.3%	3.3%	0.1%p	-0.2%p
Performance Indicators	**9M 2021**	**9M 2022**	**Y-o-Y**	**3Q 2021**	**2021**	**2Q 2022**	**3Q 2022**	**Q-o-Q**	**Y-o-Y**
ROA	0.1%	-0.1%	-0.2%p	-0.2%	0.3%	0.2%	0.0%	-0.2%p	0.2%p
ROE	1.0%	-0.8%	-1.8%p	-2.2%	3.0%	1.8%	-0.1%	-1.9%p	2.0%p
Total income margin	3.81%	3.77%	-0.04%p	3.83%	3.75%	3.70%	3.63%	-0.08%p	-0.20%p
Net interest margin	2.92%	3.22%	0.30%p	2.98%	2.92%	3.37%	3.18%	-0.20%p	0.20%p
Operating costs / Average assets	3.11%	2.79%	-0.32%p	2.82%	3.04%	2.66%	2.51%	-0.15%p	-0.31%p
Cost/income ratio	81.7%	74.1%	-7.6%p	73.5%	80.9%	71.9%	69.3%	-2.6%p	-4.3%p
Net loans to deposits (FX-adjusted)	118%	127%	9%p	118%	119%	137%	127%	-11%p	9%p
FX rates (in HUF)	**9M 2021**	**9M 2022**	**Y-o-Y**	**3Q 2021**	**2021**	**2Q 2022**	**3Q 2022**	**Q-o-Q**	**Y-o-Y**
HUF/RON (closing)	72.9	85.2	17%	72.9	74.6	80.2	85.2	6%	17%
HUF/RON (average)	72.6	78.0	7%	71.7	72.8	77.9	82.0	5%	14%

In the third quarter **OTP Bank Romania** was unable to materially improve its 1H performance, thus it generated HUF 1 billion loss after tax in 9M 2022, after making a profit of about the same magnitude in the base period.

The 9M loss was mainly the result of the higher total provisions. These totalled to HUF 11.7 billion, out of which 4.7 billion emerged in 3Q.

The effect of higher risk cost was partly offset by the 67% y-o-y growth of operating profit (in local currency) in the first nine months, thanks to the dynamic 20% surge in total revenues. Within that, net fees and commissions increased in local currency by 8 % and net interest income grew by 33% y-o-y. The latter benefited from the expansion in performing loan volumes, but also from the y-o-y 30 bps improvement in net interest margin, fuelled largely by the rising trend of the three-month interbank lending rate (which is the base rate for corporate loans).

In 3Q net interest margin decreased (-20 bps q-o-q), mainly due to the rising funding cost, as deposits grew substantially q-o-q (+11% FX-adjusted). Nevertheless, net interest income grew by 3% q-o-q in RON terms. 2022 3Q operating profit increased by 17% q-o-q in local currency terms, mainly because other income increased due to base effect and the moderate growth of operating expenses (+3% q-o-q).

Operating expenses increased by 17% y-o-y in the first nine months in HUF (+9% in local currency terms). The higher personnel expenses stemmed from wage hikes and from the 3% y-o-y rise in the average headcount in 9M.

The stronger depreciation was linked to the developments implemented in line with the growth strategy. Within material expenses, supervisory fees grew at the strongest pace (+HUF 0.5 billion y-o-y). The cost-to-income ratio which used to be higher in the recent past, already demonstrated positive signs in 9M 2022: the ratio improved by 7.6 pps to 74.1% y-o-y; in 3Q 2022 the ratio decreased even to below 70%.

In the third quarter, total operating expenses increased by 3% q-o-q in local currency terms, mainly because of higher personnel expenses.

As to loan quality, in 3Q the ratio of Stage 3 loans stood at 5% similar to 2Q (their own provision coverage marginally improved to 59.7%). The ratio of Stage 2 loans to total loans increased however, by 1.2 pps to 14.2% in the quarterly comparison, mainly related to the corporate exposure. In 9M 2022, a total of HUF 3.2 billion worth of loans were sold or written off, including HUF 0.6 billion in the third quarter. The FX-adjusted volume of 90+ days past due loans (without sales/write-offs) grew by HUF 6 billion in 9M 2022, of which by 2.3 billion in 3Q.

As for the business activity, in 3Q new placements declined q-o-q in all segments, but leasing, thus the FX-adjusted performing retail loan volumes stagnated in 3Q (+11% y-o-y). At the same time, MSE, corporate and leasing segments combined grew by 5% q-o-q and by 23% y-o-y. After the 2Q decline, in 3Q customer deposits showed 11% FX-adjusted quarterly growth (+8% y-o-y), mainly because of the 16% jump in the corporate segment. The net loan/deposit ratio decreased by 11 pps q-o-q to 127%, but on the yearly basis it is still higher by 9 pps.

OTP BANK UKRAINE

Performance of OTP Bank Ukraine:

Main components of P&L account in HUF million	9M 2021	9M 2022	Y-o-Y	3Q 2021	2021	2Q 2022	3Q 2022	Q-o-Q	Y-o-Y
Adjusted profit after tax	28,832	-25,968	-190%	11,105	39,024	146	8,286		-25%
Income tax	-6,000	-909	-85%	-2,541	-8,242	655	-1,224	-287%	-52%
Profit before income tax	34,832	-25,059	-172%	13,646	47,266	-509	9,510		-30%
Operating profit	37,580	56,333	50%	14,039	54,760	21,108	19,974	-5%	42%
Total income	57,501	78,929	37%	21,195	83,567	28,023	27,874	-1%	32%
Net interest income	43,438	63,897	47%	16,260	62,051	21,433	23,649	10%	45%
Net fees and commissions	10,719	8,956	-16%	3,996	14,494	2,284	3,642	59%	-9%
Other net non-interest income	3,344	6,076	82%	938	7,022	4,306	582	-86%	-38%
Operating expenses	-19,921	-22,596	13%	-7,156	-28,806	-6,915	-7,900	14%	10%
Total provisions	-2,748	-81,392		-393	-7,494	-21,617	-10,464	-52%	
Provision for impairment on loan losses	-1,681	-76,254		-370	-5,827	-18,416	-10,795	-41%	
Other provision	-1,067	-5,138	381%	-23	-1,667	-3,201	332	-110%	
Main components of balance sheet closing balances in HUF million	2021	9M 2022	YTD	3Q 2021	2021	2Q 2022	3Q 2022	Q-o-Q	Y-o-Y
Total assets	983,557	1,059,890	8%	911,299	983,557	1,087,940	1,059,890	-3%	16%
Gross customer loans	662,173	649,751	-2%	605,918	662,173	710,203	649,751	-9%	7%
Gross customer loans (FX-adjusted)	710,760	649,751	-9%	664,979	710,760	695,278	649,751	-7%	-2%
Stage 1 + 2 customer loans (FX-adjusted)	666,097	557,356	-16%	616,093	666,097	627,034	557,356	-11%	-10%
Retail loans	112,382	75,711	-33%	100,925	112,382	94,965	75,711	-20%	-25%
Corporate loans	370,790	332,273	-10%	328,268	370,790	355,033	332,273	-6%	1%
Leasing	182,925	149,372	-18%	186,899	182,925	177,036	149,372	-16%	-20%
Allowances for possible loan losses	-47,830	-123,693	159%	-45,773	-47,830	-118,332	-123,693	5%	170%
Allowances for possible loan losses (FX-adjusted)	-51,307	-123,693	141%	-50,868	-51,307	-115,439	-123,693	7%	143%
Deposits from customers	671,002	751,897	12%	597,854	671,002	776,317	751,897	-3%	26%
Deposits from customers (FX-adjusted)	724,383	751,897	4%	668,056	724,383	768,230	751,897	-2%	13%
Retail deposits	305,946	319,151	4%	293,150	305,946	321,331	319,151	-1%	9%
Corporate deposits	418,437	432,746	3%	374,907	418,437	446,898	432,746	-3%	15%
Liabilities to credit institutions	115,714	125,113	8%	119,411	115,714	122,698	125,113	2%	5%
Total shareholders' equity	159,756	130,501	-18%	146,907	159,756	133,905	130,501	-3%	-11%
Loan Quality	9M 2021	9M 2022	Y-o-Y	3Q 2021	2021	2Q 2022	3Q 2022	Q-o-Q	Y-o-Y
Stage 1 loan volume under IFRS 9 (in HUF million)	521,220	288,048	-45%	521,220	576,876	335,665	288,048	-14%	-45%
Stage 1 loans under IFRS 9/gross customer loans	86.0%	44.3%	-41.7%p	86.0%	87.1%	47.3%	44.3%	-2.9%p	-41.7%p
Own coverage of Stage 1 loans under IFRS 9	1.8%	3.5%	1.7%p	1.8%	1.9%	2.7%	3.5%	0.8%p	1.7%p
Stage 2 loan volume under IFRS 9 (in HUF million)	40,756	269,308	561%	40,756	43,707	306,274	269,308	-12%	561%
Stage 2 loans under IFRS 9/gross customer loans	6.7%	41.4%	34.7%p	6.7%	6.6%	43.1%	41.4%	-1.7%p	34.7%p
Own coverage of Stage 2 loans under IFRS 9	14.3%	20.2%	5.9%p	14.3%	18.5%	18.7%	20.2%	1.6%p	5.9%p
Stage 3 loan volume under IFRS 9 (in HUF million)	43,942	92,395	110%	43,942	41,590	68,264	92,395	35%	110%
Stage 3 loans under IFRS 9/gross customer loans	7.3%	14.2%	7.0%p	7.3%	6.3%	9.6%	14.2%	4.6%p	7.0%p
Own coverage of Stage 3 loans under IFRS 9	69.1%	64.0%	-5.1%p	69.1%	69.6%	76.3%	64.0%	-12.3%p	-5.1%p
Provision for impairment on loan losses/average gross loans	0.45%	15.26%	14.81%p	0.26%	1.09%	10.67%	6.60%	-4.08%p	6.33%p
90+ days past due loan volume (in HUF million)	25,696	52,346	104%	25,696	21,914	34,528	52,346	52%	104%
90+ days past due loans/gross customer loans	4.2%	8.1%	3.8%p	4.2%	3.3%	4.9%	8.1%	3.2%p	3.8%p
Performance Indicators	9M 2021	9M 2022	Y-o-Y	3Q 2021	2021	2Q 2022	3Q 2022	Q-o-Q	Y-o-Y
ROA	4.9%	-3.5%	-8.3%p	5.3%	4.7%	0.1%	3.2%	3.2%p	-2.0%p
ROE	29.7%	-26.7%	-56.4%p	32.7%	28.8%	0.5%	27.1%	26.6%p	-5.6%p
Total income margin	9.69%	10.59%	0.90%p	10.06%	10.06%	10.95%	10.84%	-0.11%p	0.78%p
Net interest margin	7.32%	8.57%	1.25%p	7.72%	7.47%	8.38%	9.20%	0.82%p	1.48%p
Operating costs / Average assets	3.4%	3.0%	-0.3%	3.4%	3.5%	2.7%	3.1%	0.4%	-0.3%
Cost/income ratio	34.6%	28.6%	-6.0%p	33.8%	34.5%	24.7%	28.3%	3.7%p	-5.4%p
Net loans to deposits (FX-adjusted)	92%	70%	-22%p	92%	91%	75%	70%	-6%p	-22%p
FX rates (in HUF)	9M 2021	9M 2022	Y-o-Y	3Q 2021	2021	2Q 2022	3Q 2022	Q-o-Q	Y-o-Y
HUF/UAH (closing)	11.7	11.6	-1%	11.7	11.9	12.9	11.6	-10%	-1%
HUF/UAH (average)	10.9	11.7	7%	11.2	11.9	12.2	11.4	-7%	2%

OTP Bank Ukraine's financial figures in HUF terms were affected by the HUF/UAH exchange rate moves: In the first nine months of 2022 the hryvnia's average exchange rate appreciated by 7% year on year, while the average exchange rate in 3Q weakened by 7% q-o-q. The hryvnia 2022 3Q closing exchange rate against the forint weakened by 1% year-on-year and by 10% quarter-on-quarter. Therefore, the balance sheet and P&L dynamics in HUF terms differ from the ones expressed in local currency.

OTP Bank Ukraine realized a loss of HUF 26 billion in the first nine months of 2022, primarily as a result of the hike in provisions for credit losses, while the bank was able to significantly improve its operating result, mainly due to the increase in revenues. In the third quarter, the bank booked a profit, its result exceeded HUF 8 billion, largely driven by the reduction of risk costs.

The operating profit in the first nine months exceeded the base period by 50% (+40% in UAH), primarily due to the increase in net interest income (+37% in UAH). The net interest result in hryvnia, which rose by 18% q-o-q in 3Q, was mainly due to the increase in interest income from deposits placed with the central bank, which, after the central bank interest rate hike on 3rd of June, provides an interest rate level of 23% (previously 9%). At the end of September, the bank's deposits with the central bank exceeded 15% of its total assets. The increase in net interest income was also supported by the increasing portfolio yield due to the repricing of large corporate and leasing exposures.

The net interest margin followed an increasing trend: in the first nine months of the year, it increased by 1.25 pps y-o-y to 8.57%, and in the third quarter it improved by 0.82 pp q-o-q, which was supported by the rising average interest rate of corporate loans and financial instruments.

The nine-month net fees and commissions in HUF fell by 16% y-o-y, mainly due to the reduced use of cards and accounts in the second quarter, as well as the declining foreign exchange volumes. In the third quarter, the margins realized on card transactions already improved, and foreign exchange activity strengthened, contributing to a 59% q-o-q increase in 3Q net commission income.

The development of other revenues in the first nine months of the year was mainly driven by the UAH/USD exchange rate. The 82% increase in HUF y-o-y is largely explained by the rising currency conversion revenues. In addition to the high base, the 86% q-o-q decline experienced in the third quarter was caused by the deteriorating currency revaluation result due to the 25% devaluation of the hryvnia in July by the central bank.

Operating costs grew by 6% in hryvnias in the first nine months, partly because of aid and subsidies provided to employees, and partly as a result of wage improvement measures implemented in the third quarter. In addition to the wage increase, the 22% q-o-q increase seen in 3Q was due to the low base effect and increased sales bonus payments resulting from the increase in business activity. The cost/income ratio of the bank is below 29%, which is the lowest among group members.

As a result of declining lending activity since the end of February, the bank's performing (Stage 1+2) loan portfolio shrank by 16% ytd, adjusted for exchange rates with limited corporate lending, and the resumption of consumer lending with limited, tightened conditions and high pricing from June. The volume decrease in the third quarter was 11% q-o-q. The retail performing volume shrank by 33% ytd, the corporate by 10%. Corporate lending remained limited to maintaining existing revolving products.

The nine months results were effected by a total of HUF 76 billion in risk costs, induced on one hand by the provisioning resulting from the macro-parameter review, and on the other hand, by the risk cost creation attributable to portfolio deterioration. Due to the military conflict since February and the relapse of the economic environment, several large corporate and leasing clients exposures in the conflict-hit zone were reclassified into Stage 2 and Stage 3 category. The increase of the Stage 3 portfolio was also explained by the reclassification of overdue exposures once the payment grace period was finished at the end of May. The ratio of Stage 2 portfolio decreased by 1.7 pps q-o-q to 41.4%, its own coverage was 20.2% at the end of the third quarter (+1.6 pps q-o-q). The ratio of Stage 3 loans rose by 4.2 pps q-o-q to 14.2%, with 64% own coverage (-12.3 pps q-o-q).

Adjusted for exchange rates, the total deposit portfolio increased by 4% ytd. The 2% decrease q-o-q was mostly due to the shrinking of large corporate deposits, as the export-oriented companies' were using hryvnia deposits.

The liquidity status of the Ukrainian operation is stable, in 3Q the net loan/deposit ratio adjusted for exchange rates stood at 70% (-6 pps q-o-q; -22 pps y-o-y). The bank's capital position is also stable, its capital adequacy ratio was 23.3% at the end of 3Q.

OTP BANK RUSSIA

Performance of OTP Bank Russia:

Main components of P&L account in HUF million	9M 2021	9M 2022	Y-o-Y	3Q 2021	2021	2Q 2022	3Q 2022	Q-o-Q	Y-o-Y
Adjusted profit after tax	24,189	23,722	-2%	6,780	37,624	12,470	38,473	209%	467%
Income tax	-6,556	296	-105%	-1,864	-9,690	9,306	-2,167	-123%	16%
Profit before income tax	30,745	23,426	-24%	8,644	47,313	3,164	40,640		370%
Operating profit	44,249	60,937	38%	15,939	62,368	14,556	33,998	134%	113%
Total income	84,904	117,032	38%	29,262	118,158	33,707	57,052	69%	95%
Net interest income	66,176	80,765	22%	22,721	91,364	25,083	35,115	40%	55%
Net fees and commissions	18,018	23,538	31%	6,157	25,728	7,232	11,221	55%	82%
Other net non-interest income	711	12,730		384	1,066	1,392	10,717	670%	
Operating expenses	-40,655	-56,096	38%	-13,323	-55,790	-19,151	-23,054	20%	73%
Total provisions	-13,504	-37,511	178%	-7,296	-15,055	-11,392	6,642	-158%	-191%
Provision for impairment on loan losses	-12,661	-36,071	185%	-6,647	-13,075	-9,323	-143	-98%	-98%
Other provision	-843	-1,440	71%	-649	-1,979	-2,068	6,785	-428%	
Main components of balance sheet closing balances in HUF million	**2021**	**9M 2022**	**YTD**	**3Q 2021**	**2021**	**2Q 2022**	**3Q 2022**	**Q-o-Q**	**Y-o-Y**
Total assets	799,965	1,443,348	80%	745,539	799,965	1,379,769	1,443,348	5%	94%
Gross customer loans	753,373	1,096,174	46%	689,025	753,373	1,058,852	1,096,174	4%	59%
Gross customer loans (FX-adjusted)	1,282,240	1,096,174	-15%	1,193,848	1,282,240	1,092,392	1,096,174	0%	-8%
Stage 1 + 2 customer loans (FX-adjusted)	1,135,328	920,584	-19%	1,041,862	1,135,328	928,723	920,584	-1%	-12%
Retail loans	929,198	858,080	-8%	867,060	929,198	837,328	858,080	2%	-1%
Corporate loans	206,130	62,504	-70%	174,803	206,130	91,395	62,504	-32%	-64%
Allowances for possible loan losses	-131,878	-249,678	89%	-136,795	-131,878	-255,523	-249,678	-2%	83%
Allowances for possible loan losses (FX-adjusted)	-224,516	-249,678	11%	-236,898	-224,516	-263,634	-249,678	-5%	5%
Deposits from customers	411,633	735,613	79%	360,233	411,633	751,925	735,613	-2%	104%
Deposits from customers (FX-adjusted)	681,198	735,613	8%	611,074	681,198	790,638	735,613	-7%	20%
Retail deposits	513,111	455,839	-11%	491,580	513,111	474,049	455,839	-4%	-7%
Corporate deposits	168,087	279,775	66%	119,494	168,087	316,589	279,775	-12%	134%
Liabilities to credit institutions	85,485	103,318	21%	109,322	85,485	100,156	103,318	3%	-5%
Total shareholders' equity	240,724	418,145	74%	223,530	240,724	365,923	418,145	14%	87%
Loan Quality	**2021**	**9M 2022**	**YTD**	**3Q 2021**	**2021**	**2Q 2022**	**3Q 2022**	**Q-o-Q**	**Y-o-Y**
Stage 1 loan volume under IFRS 9 (in HUF million)	524,476	756,434	44%	524,476	576,404	738,689	756,434	2%	44%
Stage 1 loans under IFRS 9/gross customer loans	76.1%	69.0%	-7.1%p	76.1%	76.5%	69.8%	69.0%	-0.8%p	-7.1%p
Own coverage of Stage 1 loans under IFRS 9	4.3%	4.7%	0.4%p	4.3%	3.8%	6.4%	4.7%	-1.6%p	0.4%p
Stage 2 loan volume under IFRS 9 (in HUF million)	77,051	164,150	113%	77,051	90,944	161,791	164,150	1%	113%
Stage 2 loans under IFRS 9/gross customer loans	11.2%	15.0%	3.8%p	11.2%	12.1%	15.3%	15.0%	-0.3%p	3.8%p
Own coverage of Stage 2 loans under IFRS 9	41.0%	29.4%	-11.6%p	41.0%	31.1%	35.0%	29.4%	-5.6%p	-11.6%p
Stage 3 loan volume under IFRS 9 (in HUF million)	87,498	175,590	101%	87,498	86,025	158,372	175,590	11%	101%
Stage 3 loans under IFRS 9/gross customer loans	12.7%	16.0%	3.3%p	12.7%	11.4%	15.0%	16.0%	1.1%p	3.3%p
Own coverage of Stage 3 loans under IFRS 9	94.3%	94.3%	-0.1%p	94.3%	95.1%	95.8%	94.3%	-1.6%p	-0.1%p
Provision for impairment on loan losses/average gross loans	2.78%	5.75%	2.98%p	4.15%	2.05%	4.44%	0.06%	-4.38%p	-4.09%p
90+ days past due loan volume (in HUF million)	87,913	156,950	79%	87,913	87,550	158,909	156,950	-1%	79%
90+ days past due loans/gross customer loans	12.8%	14.3%	1.6%p	12.8%	11.6%	15.0%	14.3%	-0.7%p	1.6%p
Performance Indicators	**2021**	**9M 2022**	**YTD**	**3Q 2021**	**2021**	**2Q 2022**	**3Q 2022**	**Q-o-Q**	**Y-o-Y**
ROA	4.8%	3.0%	-1.8%p	3.9%	5.4%	4.8%	11.4%	6.6%p	7.5%p
ROE	16.3%	11.4%	-4.9%p	12.8%	18.2%	18.6%	42.9%	24.3%p	30.2%p
Total income margin	16.89%	14.87%	-2.02%p	16.89%	17.02%	12.94%	16.93%	4.00%p	0.05%p
Net interest margin	13.17%	10.26%	-2.90%p	13.11%	13.16%	9.63%	10.42%	0.79%p	-2.69%p
Operating costs / Average assets	8.1%	7.1%	-1.0%	7.7%	8.0%	7.4%	6.8%	-0.5%	-0.8%
Cost/income ratio	47.9%	47.9%	0.0%p	45.5%	47.2%	56.8%	40.4%	-16.4%p	-5.1%p
Net loans to deposits (FX-adjusted)	157%	115%	-42%p	157%	155%	105%	115%	10%p	-42%p
FX rates (in HUF)	**2021**	**9M 2022**	**YTD**	**3Q 2021**	**2021**	**2Q 2022**	**3Q 2022**	**Q-o-Q**	**Y-o-Y**
HUF/RUB (closing)	4.3	7.5	74%	4.3	4.4	7.2	7.5	3%	74%
HUF/RUB (average)	4.0	5.4	34%	4.1	4.4	5.6	6.7	21%	64%

OTP Bank Russia's financial figures in HUF terms were affected by the forint/rouble exchange rate's moves: in the first nine months of 2022, the average exchange rate of the forint weakened against the ruble by 34% y-o-y, in the third quarter the forint weakened against the ruble by 21% q-o-q. In 3Q 2022, the rouble's closing exchange rate against the forint appreciated by 3% q-o-q, and 74% y-o-y. Therefore, changes expressed in local currency provide a more accurate picture of balance sheet and P&L developments.

OTP Bank Russia realized a cumulative profit of HUF 23.7 billion in the first nine months of 2022, which is basically due to the increase in operating profit. Like in the previous quarter, the Russian bank posted a profit in the third quarter as well, the achieved profit after tax was HUF 38.5 billion

The nine-month operating profit increased by 38% in HUF (by 2% in local currency). Measured in rubles, the total income increased by 2% y-o-y, within which net interest and net fee and commission income decreased, while there was a significant increase in other income.

In the first nine months of 2022, net interest income decreased by 8% in RUB (22% increase in HUF), to which, in addition to the shrinking performing loans, the decreasing net interest margin also contributed (-2.9 pps y-o-y). At the same time, in the third quarter, net interest income strengthened (+16% q-o-q in rubles, +40% in forints) mainly due to the improved interest margin. After the downward trend seen in the previous two quarters, net interest margin grew by 79 basis points to 10.42% in 3Q. The main reason for this is that the base interest rate gradually decreased from the 20% level in March to 7.5% by September, and due to its favorable liquidity situation, the bank could significantly reduce the interest rate on time deposits, while the rate of decrease in retail loan interest rates lagged significantly behind.

The 28% q-o-q increase in the 3Q net fee and commission income in rubles (+55% in HUF) was mainly due to the increase in fee income related to the increasing disbursement of POS and consumer loans. The jump in other income in 3Q was largely attributable to the improvement in FX conversion revenues.

The 4% increase in the nine-month operating costs in rubles (+38% in HUF) was significantly lower than the inflation rate, attributable to the implemented cost efficiency improvement measures (inflation jumped from around 9% in January to 17.8% in April, and then decreased to 13.7% in September). Operating expenses decreased by 1% q-o-q in rubles in the third quarter, that was supported by the cost savings stemming from the digital transformation started at the beginning of the year, that improved cost savings coming from strenghtening online sales, as well as the rationalization of the branch network (the number of branches decreased by 20% ytd, 7% q-o-q to 107, the total number of employees shrank -20% ytd).

In the first nine months, the total risk costs amounted to HUF 37.5 billion, mainly due to provisions made at the beginning of the year as a result of the uncertain economic outlook in Russia and geopolitical uncertainties. The IFRS 9 macroparameter revision in the third quarter resulted in material release of credit impairment losses, the forint value of which was boosted by the significantly weaker forint exchange rate in 3Q. The positive amount of other risk costs in the third quarter was mainly shaped by the write-back of provisions related to derivative transactions

The proportion of Stage 3 loans increased by the end of the third quarter (+1.1 pps q-o-q, +3.3 pps y-o-y). The change in the portfolio of DPD 90+ loans without sales/write-offs was HUF 15 billion, which shows a q-o-q improvement (2Q: HUF 19 billion), while it exceeded the quarterly average of HUF 10 billion in 2021. During the third quarter, HUF 23 billion of non-performing assets were sold/written off, adjusted for exchange rates.

In the third quarter, POS lending, cash and car loan sales, which were halted as a result of the armed conflict since February 24, 2022, all revived. By the end of the third quarter, the volume of sales matched the levels of the same period of 2021, while the proportion of online credit sales rose significantly. In September, half of consumer loan disbursements took place online (this ratio was 33% in June and 22% in January), while the online share of POS sales exceeded 10%.

The stock of performing retail loans shrank by 8% ytd adjusted for exchange rates, but increased by 2% q-o-q, as a result of strengthening retail lending activity in the third quarter. Exchange rate-adjusted contraction of performing corporate loans was -70% ytd, the decline continued in 3Q (-32% q-o-q) in line with the bank's previously announced strategy, based on which it is gradually reducing its corporate loan portfolio.

Adjusted for exchange rates, customer deposit portfolio increased by 8% ytd, resulting from the 66% increase in the portfolio of the large corporate segment, while the portfolio of retail deposits shrank (-11% ytd). The 3Q deposit portfolio decreased q-o-q in both segments, partly as a result of pricing measures (retail -4%, corporate -12%).

The liquidity of the Russian bank is stable, the exchange rate adjusted net loan/deposit ratio was 115% at the end of September. The gross intergroup financing towards the Russian operation was HUF 89 billion.

The bank's capital adequacy ratio remained comfortably above the regulatory minimum: the CAR rate stood at 18.3% at the end of September (2021: 11.7%, while the mandatory minimum level is 10.5%).

CKB GROUP (MONTENEGRO)

Performance of CKB Group:

Main components of P&L account in HUF million	9M 2021	9M 2022	Y-o-Y	3Q 2021	2021	2Q 2022	3Q 2022	Q-o-Q	Y-o-Y
Adjusted profit after tax	5,375	4,523	-16%	2,259	4,140	1,521	4,232	178%	87%
Income tax	-522	-1,223	134%	-246	-817	-462	-700	51%	185%
Profit before income tax	5,897	5,746	-3%	2,504	4,957	1,984	4,932	149%	97%
Operating profit	7,396	10,531	42%	2,628	10,240	3,469	4,600	33%	75%
Total income	16,299	20,377	25%	5,612	22,046	6,781	7,992	18%	42%
Net interest income	12,275	14,570	19%	4,088	16,553	4,884	5,380	10%	32%
Net fees and commissions	3,526	5,219	48%	1,355	4,880	1,715	2,265	32%	67%
Other net non-interest income	498	588	18%	169	613	181	347	91%	105%
Operating expenses	-8,904	-9,846	11%	-2,985	-11,805	-3,311	-3,392	2%	14%
Total provisions	-1,499	-4,785	219%	-123	-5,283	-1,486	332		
Provision for impairment on loan losses	-1,178	-1,099	-7%	-7	647	77	468	512%	
Other provision	-321	-3,686		-117	-5,930	-1,562	-136	-91%	17%
Main components of balance sheet closing balances in HUF million	2021	9M 2022	YTD	3Q 2021	2021	2Q 2022	3Q 2022	Q-o-Q	Y-o-Y
Total assets	513,522	672,671	31%	499,116	513,522	589,651	672,671	14%	35%
Gross customer loans	366,369	457,176	25%	355,906	366,369	425,044	457,176	8%	28%
Gross customer loans (FX-adjusted)	418,405	457,176	9%	416,016	418,405	451,463	457,176	1%	10%
Stage 1+2 customer loans (FX-adjusted)	389,177	430,752	11%	385,894	389,177	423,253	430,752	2%	12%
Retail loans	185,030	200,039	8%	182,813	185,030	195,743	200,039	2%	9%
Corporate loans	204,148	230,713	13%	203,081	204,148	227,510	230,713	1%	14%
Allowances for possible loan losses	-23,504	-27,362	16%	-24,924	-23,504	-26,917	-27,362	2%	10%
Allowances for possible loan losses (FX-adjusted)	-26,843	-27,362	2%	-29,133	-26,843	-28,590	-27,362	-4%	-6%
Deposits from customers	386,572	520,256	35%	366,841	386,572	437,011	520,256	19%	42%
Deposits from customers (FX-adjusted)	443,646	520,256	17%	431,150	443,646	465,127	520,256	12%	21%
Retail deposits	270,449	293,593	9%	262,234	270,449	275,068	293,593	7%	12%
Corporate deposits	173,198	226,663	31%	168,917	173,198	190,059	226,663	19%	34%
Liabilities to credit institutions	19,698	27,394	39%	32,606	19,698	40,611	27,394	-33%	-16%
Total shareholders' equity	82,029	98,406	20%	81,603	82,029	88,469	98,406	11%	21%
Loan Quality	9M 2021	9M 2022	Y-o-Y	3Q 2021	2021	2Q 2022	3Q 2022	Q-o-Q	Y-o-Y
Stage 1 loan volume under IFRS 9 (in HUF million)	267,577	387,847	45%	267,577	280,910	353,677	387,847	10%	45%
Stage 1 loans under IFRS 9/gross customer loans	75.2%	84.8%	9.7%p	75.2%	76.7%	83.2%	84.8%	1.6%p	9.7%p
Own coverage of Stage 1 loans under IFRS 9	1.4%	1.2%	-0.2%p	1.4%	1.0%	1.2%	1.2%	0.0%p	-0.2%p
Stage 2 loan volume under IFRS 9 (in HUF million)	62,559	42,905	-31%	62,559	59,866	44,808	42,905	-4%	-31%
Stage 2 loans under IFRS 9/gross customer loans	17.6%	9.4%	-8.2%p	17.6%	16.3%	10.5%	9.4%	-1.2%p	-8.2%p
Own coverage of Stage 2 loans under IFRS 9	7.2%	9.6%	2.5%p	7.2%	6.5%	9.5%	9.6%	0.1%p	2.5%p
Stage 3 loan volume under IFRS 9 (in HUF million)	25,770	26,424	3%	25,770	25,593	26,560	26,424	-1%	3%
Stage 3 loans under IFRS 9/gross customer loans	7.2%	5.8%	-1.5%p	7.2%	7.0%	6.2%	5.8%	-0.5%p	-1.5%p
Own coverage of Stage 3 loans under IFRS 9	64.7%	70.4%	5.7%p	64.7%	66.0%	69.5%	70.4%	0.9%p	5.7%p
Provision for impairment on loan losses/average gross loans	0.45%	0.36%	-0.08%p	0.01%	-0.18%	-0.08%	-0.42%	-0.35%p	-0.43%p
90+ days past due loan volume (in HUF million)	16,561	19,789	19%	16,561	16,472	17,640	19,789	12%	19%
90+ days past due loans/gross customer loans	4.7%	4.3%	-0.3%p	4.7%	4.5%	4.2%	4.3%	0.2%p	-0.3%p
Performance Indicators	9M 2021	9M 2022	Y-o-Y	3Q 2021	2021	2Q 2022	3Q 2022	Q-o-Q	Y-o-Y
ROA	1.5%	1.1%	-0.5%p	1.9%	0.9%	1.1%	2.6%	1.6%p	0.8%p
ROE	9.3%	7.0%	-2.3%p	11.4%	5.2%	7.2%	18.1%	10.9%p	6.8%p
Total income margin	4.65%	4.77%	0.12%p	4.69%	4.62%	4.83%	4.99%	0.17%p	0.30%p
Net interest margin	3.50%	3.41%	-0.09%p	3.42%	3.47%	3.48%	3.36%	-0.11%p	-0.06%p
Operating costs / Average assets	2.54%	2.31%	-0.23%p	2.50%	2.48%	2.36%	2.12%	-0.24%p	-0.38%p
Cost/income ratio	54.6%	48.3%	-6.3%p	53.2%	53.5%	48.8%	42.4%	-6.4%p	-10.7%p
Net loans to deposits (FX-adjusted)	90%	83%	-7%p	90%	88%	91%	83%	-8%p	-7%p
FX rates (in HUF)	9M 2021	9M 2022	Y-o-Y	3Q 2021	2021	2Q 2022	3Q 2022	Q-o-Q	Y-o-Y
HUF/EUR (closing)	360.5	421.4	17%	360.5	369.0	396.8	421.4	6%	17%
HUF/EUR (average)	356.5	384.9	8%	353.8	358.5	385.5	402.9	5%	14%

In the first nine months of 2022, the Montenegrin **CKB Group** generated HUF 4.5 billion profit, including HUF 4.2 billion profit after tax in the third quarter. The y-o-y 16% drop in 9M profit was caused by higher risk costs. However, the nine-months operating profit also grew steeply, by 31% y-o-y in local currency. The moderate, 3% y-o-y increase of operating expenses (in local currency terms) also contributed to the improvement of the bank's cost efficiency (9M cost/income ratio declined by 6.3 pps, to 48.3%).

Core banking revenues developed favourably, thanks to stronger business activity. In the first nine months, total income expanded by 15% (in local currency: +10%), owing to a 10% surge in net interest income, as well as a 36% jump in net fees and commissions. The interest income's growth was fuelled by the rise in performing loan volumes, while net interest margin dropped by 9 bps y-o-y in the first nine months.

In the third quarter of 2022, operating profit grew by 27% q-o-q in EUR terms as a result of a 13% increase in total income and a lower operating expenses (3Q: -2%). Net interest margin declined by 11 bps q-o-q, nevertheless, the performing loan volumes and volume of financial assets rose which contributed to the 5% quarterly improvement of net interest income (in EUR terms).

Net fees and commissions surged by 26% q-o-q, owing to the seasonally stronger cards related income and the 8% quarterly growth of customer deposits (FX-adjusted). The cost/income ratio in 3Q improved by 6.4 pps q-o-q (to 42.2%).

In the first nine months, risk costs amounted to HUF 4.7 billion (tripled on the yearly basis), including HUF 0.3 billion provision write back in the third quarter.

Performing (Stage 1+2) loans rose by 12% y-o-y, and 2% q-o-q (FX-adjusted) in 3Q 2022. Newly disbursed volume of corporate loans grew by 33% and that of mortgage loans by 7% q-o-q in 3Q.

In the first nine months of 2022, the volume of 90+ days past due loans rose by HUF 2.7 billion (FX-adjusted, without sales and write-offs), including a HUF 2.1 billion rise in the third quarter. By the end of the third quarter of 2022, the ratio of Stage 3 loans declined to 5.8% (-1.5 pps y-o-y, -0.5 pp q-o-q); their own provision coverage stood at 70.4% (+5.7 pps y-o-y, +0.9 pps q-o-q). The quarterly improvement of the risk indicator is due the sale of non-performing loans in the amount of HUF 2.1 billion in 3Q (in total HUF 4 billion in 9M 2022).

The FX-adjusted deposit volume expanded by 21% y-o-y, and by 12% q-o-q. The net loan/deposit ratio stood at 83% at the end of the third quarter (-7 pps y-o-y, -8 pps q-o-q).

OTP BANK ALBANIA

Performance of OTP Bank Albania:

Main components of P&L account in HUF million	9M 2021	9M 2022	Y-o-Y	3Q 2021	2021	2Q 2022	3Q 2022	Q-o-Q	Y-o-Y
Adjusted profit after tax	3,910	7,221	85%	1,540	5,522	2,485	2,476	0%	61%
Income tax	-676	-1,343	99%	-263	-986	-495	-470	-5%	78%
Profit before income tax	4,586	8,565	87%	1,804	6,508	2,979	2,946	-1%	63%
Operating profit	5,187	7,555	46%	1,965	7,213	2,297	3,289	43%	67%
Total income	9,729	14,260	47%	3,544	13,398	4,143	6,479	56%	83%
Net interest income	7,713	11,041	43%	2,745	10,619	3,223	4,792	49%	75%
Net fees and commissions	1,356	2,162	59%	475	1,843	549	1,164	112%	145%
Other net non-interest income	660	1,057	60%	324	936	370	524	42%	62%
Operating expenses	-4,541	-6,705	48%	-1,579	-6,186	-1,846	-3,190	73%	102%
Total provisions	-601	1,010		-161	-705	682	-343		112%
Provision for impairment on loan losses	-605	1,031		-103	-880	452	-87		-15%
Other provision	4	-21		-59	175	230	-256		
Main components of balance sheet closing balances in HUF million	**2021**	**9M 2022**	**YTD**	**3Q 2021**	**2021**	**2Q 2022**	**3Q 2022**	**Q-o-Q**	**Y-o-Y**
Total assets	350,848	672,399	92%	318,717	350,848	391,543	672,399	72%	111%
Gross customer loans	219,890	393,546	79%	198,503	219,890	255,065	393,546	54%	98%
Gross customer loans (FX-adjusted)	256,225	393,546	54%	237,828	256,225	273,869	393,546	44%	65%
Stage 1+2 customer loans (FX-adjusted)	247,874	375,587	52%	230,261	247,874	265,496	375,587	41%	63%
Retail loans	98,286	166,556	69%	94,970	98,286	106,915	166,556	56%	75%
Corporate loans	145,234	204,766	41%	131,364	145,234	154,332	204,766	33%	56%
Leasing	4,353	4,265	-2%	3,927	4,353	4,250	4,265	0%	9%
Allowances for possible loan losses	-10,096	-17,853	77%	-9,212	-10,096	-10,123	-17,853	76%	94%
Allowances for possible loan losses (FX-adjusted)	-11,725	-17,853	52%	-11,017	-11,725	-10,870	-17,853	64%	62%
Deposits from customers	251,270	540,482	115%	237,899	251,270	280,502	540,482	93%	127%
Deposits from customers (FX-adjusted)	292,849	540,482	85%	285,136	292,849	301,750	540,482	79%	90%
Retail deposits	245,060	458,367	87%	237,559	245,060	251,069	458,367	83%	93%
Corporate deposits	47,789	82,115	72%	47,577	47,789	50,681	82,115	62%	73%
Liabilities to credit institutions	53,257	45,547	-14%	40,861	53,257	65,159	45,547	-30%	11%
Total shareholders' equity	35,134	62,236	77%	33,310	35,134	38,537	62,236	61%	87%
Loan Quality	**9M 2021**	**9M 2022**	**Y-o-Y**	**3Q 2021**	**2021**	**2Q 2022**	**3Q 2022**	**Q-o-Q**	**Y-o-Y**
Stage 1 loan volume under IFRS 9 (in HUF million)	169,913	344,696	103%	169,913	191,308	230,848	344,696	49%	103%
Stage 1 loans under IFRS 9/gross customer loans	85.6%	87.6%	2.0%p	85.6%	87.0%	90.5%	87.6%	-2.9%p	2.0%p
Own coverage of Stage 1 loans under IFRS 9	1.3%	1.5%	0.3%p	1.3%	1.2%	1.1%	1.5%	0.4%p	0.3%p
Stage 2 loan volume under IFRS 9 (in HUF million)	22,264	30,891	39%	22,264	21,391	16,422	30,891	88%	39%
Stage 2 loans under IFRS 9/gross customer loans	11.2%	7.8%	-3.4%p	11.2%	9.7%	6.4%	7.8%	1.4%p	-3.4%p
Own coverage of Stage 2 loans under IFRS 9	14.0%	9.1%	-4.9%p	14.0%	11.4%	12.7%	9.1%	-3.6%p	-4.9%p
Stage 3 loan volume under IFRS 9 (in HUF million)	6,326	17,959	184%	6,326	7,190	7,796	17,959	130%	184%
Stage 3 loans under IFRS 9/gross customer loans	3.2%	4.6%	1.4%p	3.2%	3.3%	3.1%	4.6%	1.5%p	1.4%p
Own coverage of Stage 3 loans under IFRS 9	61.6%	54.1%	-7.5%p	61.6%	73.3%	70.1%	54.1%	-16.0%p	-7.5%p
Provision for impairment on loan losses/average gross loans	0.44%	-0.50%	-0.94%p	0.21%	0.46%	-0.74%	0.10%	0.84%p	-0.12%p
90+ days past due loan volume in HUF million)	3,399	6,998	106%	3,399	3,624	4,019	6,998	74%	106%
90+ days past due loans/gross customer loans	1.7%	1.8%	0.1%p	1.7%	1.6%	1.6%	1.8%	0.2%p	0.1%p
Performance Indicators	**9M 2021**	**9M 2022**	**Y-o-Y**	**3Q 2021**	**2021**	**2Q 2022**	**3Q 2022**	**Q-o-Q**	**Y-o-Y**
ROA	1.8%	2.2%	0.4%p	2.0%	1.8%	2.7%	1.6%	-1.1%p	-0.4%p
ROE	17.2%	21.8%	4.6%p	19.1%	17.6%	26.5%	16.3%	-10.2%p	-2.8%p
Total income margin	4.45%	4.27%	-0.18%p	4.59%	4.43%	4.45%	4.20%	-0.26%p	-0.39%p
Net interest margin	3.52%	3.30%	-0.22%p	3.56%	3.51%	3.46%	3.10%	-0.36%p	-0.45%p
Operating costs / Average assets	2.1%	2.0%	-0.1%p	2.0%	2.0%	2.0%	2.1%	0.1%p	0.0%p
Cost/income ratio	46.7%	47.0%	0.3%p	44.5%	46.2%	44.6%	49.2%	4.7%p	4.7%p
Net loans to deposits (FX-adjusted)	80%	70%	-10%p	80%	83%	87%	70%	-18%p	-10%p
FX rates (in HUF)	**9M 2021**	**9M 2022**	**Y-o-Y**	**3Q 2021**	**2021**	**2Q 2022**	**3Q 2022**	**Q-o-Q**	**Y-o-Y**
HUF/ALL (closing)	3.0	3.6	22%	3.0	3.1	3.3	3.6	8%	22%
HUF/ALL (average)	2.9	3.2	11%	2.9	3.0	3.2	3.4	7%	18%

In accordance with the purchase agreement signed by and between OTP Bank and Alpha International Holdings Single Member S.A. on 6 December 2021, the transaction's financial closure was completed on 18 July 2022. As a result, OTP Bank became the 100% owner of Alpha Bank Albania SH.A., Alpha Bank Group's Albanian subsidiary. The integration of OTP Bank Albania and Alpha Bank Albania is expected to be concluded in 2023.

The consolidated financial statements include the acquired bank's portfolio from July, but its profit contribution is consolidated into OTP Group's P&L account only from August.

The Albanian P&L account was adjusted for the one-off items directly related to the acquisition; they are presented at consolidated level among the adjustment items. The components of the balance sheet were not adjusted for these effects.

In the first nine months of 2022, **OTP Bank Albania** generated HUF 7.2 billion profit after tax (85% y-o-y; 89% growth without the acquisition). This is consistent with 21.8% ROE, the best return on equity in OTP Group. In local currency, the third-quarter profit declined by 7% q-o-q (without the acquisition: -1% drop).

The financial closure of the acquisition was accomplished on 18 July. Alpha Bank realized HUF 0.2 billion loss in the third quarter; its total assets amounted to HUF 231 billion at the end of the third quarter, the FX-adjusted performing (Stage 1+2) loan volume was HUF 101 billion, while the FX-adjusted deposit volume totalled HUF 225 billion. The acquisition added 34 units to the network, its total headcount amounted to 335 at the end of September (on FTE basis).

By the end of September 2022, the aggregate market share of OTP Group's Albanian operation by total assets jumped to 10.4% on *pro forma* basis (from 6.5% in the previous quarter), as a result of the acquisition. This ranks it the fifth largest bank in Albania. In net loans, OTP is the third largest bank, with *pro forma* 15.2% aggregate market share.

In local currency, operating profit grew by 31% y-o-y (without the acquisition: 23%) in the first nine months, and it jumped by 33% q-o-q (without the acquisition: 14%) in local currency in the third quarter.

In the first nine months of the year, net interest income expanded by 28% y-o-y in local currency (without the acquisition: +16%), in line with the growing volumes, while the margin was stable.

The 9M net fees and commissions grew by 41% y-o-y (without the acquisition: 26%) in local currency, owing to technical reasons: starting from September 2022, some other income items were reclassified as net fees and commissions.

In local currency, nine-month operating expenses grew by 32% (without the acquisition: 10%). This organic growth stems from higher personnel, hardware, and office equipment expenses, as well as from fees paid to supervisory authorities.

In the first nine months of 2022, HUF 1 billion positive amount was set aside for total risk cost, including HUF 0.3 billion in the third quarter.

The volume of 90 days past due loans rose by HUF 0.4 billion in the first nine months (FX-adjusted, without sales/write-offs and the technical effect of the acquisition). At the end of the third quarter of 2022, Stage 3 loans made up 4.6% of gross loan volumes (+1.4 pps y-o-y; without the acquisition: 3.1%). The own provision coverage of Stage 3 loans stood at 54.1% at the end of the second quarter (without the acquisition: 69.4%) because Stage 3 volumes were netted with the related provisions during the consolidation of the newly acquired bank.

The FX-adjusted performing (Stage 1+2) loan volume expanded by 41% (without the acquisition: +4%) q-o-q, and grew organically, by 19% y-o-y.

FX-adjusted deposit volumes jumped by 79% q-o-q (without the acquisition: 4%) and grew organically by 11% y-o-y. The net loan/deposit ratio stood at 70% at the end of September 2022 (-18 pps q-o-q, largely as a result of the acquisition).

OTP BANK MOLDOVA

Performance of OTP Bank Moldova:

Main components of P&L account in HUF million	9M 2021	9M 2022	Y-o-Y	3Q 2021	2021	2Q 2022	3Q 2022	Q-o-Q	Y-o-Y
Adjusted profit after tax	4,380	5,602	28%	1,327	5,858	2,760	3,386	23%	155%
Income tax	-612	-777	27%	-293	-802	-67	-516	670%	76%
Profit before income tax	4,991	6,378	28%	1,620	6,660	2,827	3,902	38%	141%
Operating profit	5,559	11,433	106%	2,133	7,835	3,439	5,259	53%	147%
Total income	10,887	18,543	70%	3,918	15,271	5,700	7,994	40%	104%
Net interest income	6,877	12,736	85%	2,437	9,698	3,837	5,729	49%	135%
Net fees and commissions	1,732	2,044	18%	633	2,344	688	792	15%	25%
Other net non-interest income	2,278	3,763	65%	848	3,230	1,175	1,473	25%	74%
Operating expenses	-5,328	-7,110	33%	-1,785	-7,437	-2,261	-2,734	21%	53%
Total provisions	-567	-5,055	791%	-513	-1,175	-612	-1,357	122%	164%
Provision for impairment on loan losses	-134	-4,291		-298	-663	-500	-1,010	102%	239%
Other provision	-433	-764	76%	-215	-512	-111	-347	212%	61%
Main components of balance sheet closing balances in HUF million	**2021**	**9M 2022**	**YTD**	**3Q 2021**	**2021**	**2Q 2022**	**3Q 2022**	**Q-o-Q**	**Y-o-Y**
Total assets	310,511	400,212	29%	278,231	310,511	339,909	400,212	18%	44%
Gross customer loans	166,573	199,461	20%	156,076	166,573	190,679	199,461	5%	28%
Gross customer loans (FX-adjusted)	197,905	199,461	1%	192,589	197,905	208,434	199,461	-4%	4%
Stage 1+2 customer loans (FX-adjusted)	194,284	194,435	0%	188,530	194,284	204,692	194,435	-5%	3%
Retail loans	107,834	102,460	-5%	104,152	107,834	108,794	102,460	-6%	-2%
Corporate loans	82,052	86,945	6%	79,905	82,052	91,302	86,945	-5%	9%
Leasing	4,399	5,031	14%	4,473	4,399	4,596	5,031	9%	12%
Allowances for possible loan losses	-5,020	-10,374	107%	-4,608	-5,020	-8,785	-10,374	18%	125%
Allowances for possible loan losses (FX-adjusted)	-5,958	-10,374	74%	-5,665	-5,958	-9,582	-10,374	8%	83%
Deposits from customers	247,610	281,334	14%	221,398	247,610	248,606	281,334	13%	27%
Deposits from customers (FX-adjusted)	295,302	281,334	-5%	274,143	295,302	271,757	281,334	4%	3%
Retail deposits	190,642	185,075	-3%	179,292	190,642	181,214	185,075	2%	3%
Corporate deposits	104,660	96,258	-8%	94,851	104,660	90,544	96,258	6%	1%
Liabilities to credit institutions	15,886	48,088	203%	12,897	15,886	38,318	48,088	25%	273%
Total shareholders' equity	42,701	55,969	31%	39,897	42,701	47,770	55,969	17%	40%
Loan Quality	**9M 2021**	**9M 2022**	**Y-o-Y**	**3Q 2021**	**2021**	**2Q 2022**	**3Q 2022**	**Q-o-Q**	**Y-o-Y**
Stage 1 loan volume under IFRS 9 (in HUF million)	145,011	177,009	22%	145,011	153,157	172,825	177,009	2%	22%
Stage 1 loans under IFRS 9/gross customer loans	92.9%	88.7%	-4.2%p	92.9%	91.9%	90.6%	88.7%	-1.9%p	-4.2%p
Own coverage of Stage 1 loans under IFRS 9	1.0%	2.3%	1.4%p	1.0%	1.3%	2.3%	2.3%	0.0%p	1.4%p
Stage 2 loan volume under IFRS 9 (in HUF million)	7,770	17,426	124%	7,770	10,368	14,425	17,426	21%	124%
Stage 2 loans under IFRS 9/gross customer loans	5.0%	8.7%	3.8%p	5.0%	6.2%	7.6%	8.7%	1.2%p	3.8%p
Own coverage of Stage 2 loans under IFRS 9	16.6%	19.4%	2.8%p	16.6%	13.6%	19.4%	19.4%	0.0%p	2.8%p
Stage 3 loan volume under IFRS 9 (in HUF million)	3,295	5,026	53%	3,295	3,048	3,429	5,026	47%	53%
Stage 3 loans under IFRS 9/gross customer loans	2.1%	2.5%	0.4%p	2.1%	1.8%	1.8%	2.5%	0.7%p	0.4%p
Own coverage of Stage 3 loans under IFRS 9	58.3%	56.6%	-1.7%p	58.3%	54.3%	58.0%	56.6%	-1.5%p	-1.7%p
Provision for impairment on loan losses/average gross loans	0.13%	3.18%	3.05%p	0.82%	0.46%	1.11%	2.04%	0.93%p	1.22%p
90+ days past due loan volume (in HUF million)	1,870	3,901	109%	1,870	2,164	2,595	3,901	50%	109%
90+ days past due loans/gross customer loans	1.2%	2.0%	0.8%p	1.2%	1.3%	1.4%	2.0%	0.6%p	0.8%p
Performance Indicators	**9M 2021**	**9M 2022**	**Y-o-Y**	**3Q 2021**	**2021**	**2Q 2022**	**3Q 2022**	**Q-o-Q**	**Y-o-Y**
ROA	2.3%	2.3%	-0.1%p	2.0%	2.2%	3.5%	3.6%	0.2%p	1.6%p
ROE	15.6%	16.2%	0.6%p	14.0%	15.2%	24.7%	26.1%	1.4%p	12.1%p
Total income margin	5.81%	7.53%	1.72%p	5.95%	5.86%	7.21%	8.61%	1.40%p	2.67%p
Net interest margin	3.67%	5.17%	1.50%p	3.70%	3.72%	4.85%	6.17%	1.32%p	2.47%p
Operating costs / Average assets	2.84%	2.89%	0.04%p	2.71%	2.85%	2.86%	2.95%	0.09%p	0.24%p
Cost/income ratio	48.9%	38.3%	-10.6%p	45.6%	48.7%	39.7%	34.2%	-5.5%p	-11.3%p
Net loans to deposits (FX-adjusted)	68%	67%	-1%p	68%	65%	73%	67%	-6%p	-1%p
FX rates (in HUF)	**9M 2021**	**9M 2022**	**Y-o-Y**	**3Q 2021**	**2021**	**2Q 2022**	**3Q 2022**	**Q-o-Q**	**Y-o-Y**
HUF/MDL (closing)	17.6	21.9	25%	17.6	18.4	19.9	21.9	10%	25%
HUF/MDL (average)	16.8	19.4	15%	16.9	18.1	19.3	20.7	8%	23%

In the first nine months of 2022, **OTP Bank Moldova** contributed to OTP Group's performance HUF 5.6 billion adjusted profit. This is consistent with 28% y-o-y increase and can be attributed largely to the doubling operating profit, which offset higher risk costs. The Moldovan operation realized HUF 3.4 billion profit in the third quarter.

Total income in the first nine months expanded by 70% y-o-y, mostly driven by the 85% y-o-y growth in net interest income (60% in local currency). The National Bank of Moldova raised its base rate from 6.5% to 21.5% in multiple steps in the first nine months of 2022, inducing the repricing of new placements and related variable-rate volumes. Net interest margin improved by 1.5 pps, to 5.17% y-o-y, as lending rates' growth pace exceeded that of funding costs. In the third quarter, net interest income jumped by 49% y-o-y in HUF (in local currency: +39% q-o-q), primarily because interest income on mandatory reserves has grown, thanks to higher interest rate on the mandatory reserves required by the central bank (from 3 June 2022: 16.5%, from 4 August 2022: 19.5%). Net interest margin rose by +1.32 pps, to 6.17% q-o-q in the third quarter, driven by the growth in performing loan yields.

Nine-month other net non-interest income expanded by 65% y-o-y, mostly owing to higher income from currency exchange. Other income grew by 25% q-o-q in the third quarter.

In the first three quarters operating expenses surged by 33% y-o-y in HUF (+16% in local currency), mainly as a combined effect of higher personnel costs and real-estate-linked expenses. Nevertheless, the cost efficiency indicator has improved, the nine-month cost/income ratio stood at 38.3% (-10.6 pps y-o-y).

In the first nine months, total risk cost amounted to HUF 5 billion, most of which were related to the revision of the IFRS 9 parameters in the first quarter. In the third quarter, it was mainly corporate loans, but consumer loans too, that required loan loss provision, owing to the growth in Stage 2 volumes and the increase in the Stage 2 coverage ratio. In the reporting period, the main reason for other risk costs was the provision for impairment on interbank loans and deposits.

In the first nine months, the volume of DPD90+ loans grew by HUF 2 billion (FX-adjusted, without sales ad write-offs), including HUF 1.3 billion in the third quarter. At the end of 3Q, the ratio of Stage 3 loans was 2.5% (+0.7 pp q-o-q). The own provision coverage of Stage 3 loans dropped to 56.6%. The ratio of Stage 2 loans increased by 1.2 pps q-o-q, to 8.7% by the end of the quarter; their own provision coverage stagnated at 19.4%.

The volume of performing (Stage 1+2) loans stagnated in the first nine months (FX-adjusted); within that, retail loans contracted as a result of declining new disbursements, but this was offset by the expansion in corporate loan volumes. In the third quarter, both segments' performing loan volumes shrank q-o-q, owing to geopolitical uncertainty as well as rising lending rates.

FX-adjusted deposit volumes contracted by 5% y-o-y, but rose by 4% q-o-q, primarily driven by the strong deposit promotion campaign and the rising deposit rates. The net loan/deposit ratio stood at 67% at the end of September, declining 6 pps q-o-q, and by 1 pp y-o-y.

The Bank's total assets grew by 29% YTD, thus the market share of OTP Group's Moldovan operation by balance sheet total was 14.5% at the end of September 2022. This ranks it the third largest bank in Moldova.

STAFF LEVEL AND OTHER INFORMATION

	31/12/2021				30/09/2022			
	Branches	ATM	POS	Headcount (closing)	Branches	ATM	POS	Headcount (closing)
OTP Core	**356**	**1,906**	**135,901**	**10,523**	**354**	**1,877**	**136,481**	**10,824**
DSK Group (Bulgaria)	311	1,046	15,580	5,539	309	1,020	16,188	5,381
OBH (Croatia)	114	467	11,384	2,279	113	426	11,354	2,273
OTP Bank Serbia	187	298	15,038	2,707	155	270	17,207	2,638
SKB Banka (Slovenia)	49	82	4,940	864	49	81	4,995	864
OTP Bank Romania	95	148	7,843	1,740	95	153	7,920	1,817
OTP Bank Ukraine (w/o employed agents)	85	176	293	2,341	75	151	632	2,159
OTP Bank Russia (w/o employed agents)	134	220	607	4,992	107	216	552	4,545
CKB Group (Montenegro)	34	117	7,251	517	33	115	7,796	508
OTP Bank Albania	39	86	0	454	73	91	0	794
Mobiasbanca (Moldova)	51	151	0	899	53	159	0	866
Foreign subsidiaries, total	**1,099**	**2,791**	**62,936**	**22,332**	**1,062**	**2,682**	**66,644**	**21,845**
Other Hungarian and foreign subsidiaries				568				597
OTP Group (w/o employed agents)				**33,424**				**33,266**
OTP Bank Russia - employed agents				3,783				2,444
OTP Bank Ukraine - employed agents				657				169
OTP Group (aggregated)	**1,455**	**4,697**	**198,837**	**37,864**	**1,416**	**4,559**	**203,125**	**35,880**

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

PERSONAL AND ORGANIZATIONAL CHANGES

On 13 April 2022, concerning the audit of OTP Bank Plc.'s separate and consolidated annual financial statements in accordance with International Financial Reporting Standards for the year 2022, the Annual General Meeting elected Ernst & Young Ltd. as the Company's auditor from 1 May 2022 until 30 April 2023.

Disclaimers

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

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

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

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

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

FINANCIAL DATA

SEPARATE IFRS STATEMENT OF FINANCIAL POSITION

in HUF million	30/09/2022	31/12/2021	30/09/2021	change ytd	change y-o-y
Cash, amounts due from banks and balances with the National Bank of Hungary	922,476	474,945	485,006	94%	90%
Placements with other banks, net of allowance for placement losses	3,087,311	2,567,212	2,638,094	20%	17%
Repo receivables	122,586	33,638	28,759	264%	326%
Financial assets at fair value through profit or loss	565,883	246,462	242,268	130%	134%
Financial assets at fair value through other comprehensive income	920,780	641,939	759,457	43%	21%
Securities at amortised cost	3,616,261	3,071,038	2,800,613	18%	29%
Loans at amortised cost	4,969,025	4,032,465	3,780,722	23%	31%
Loans mandatorily measured at fair value through profit or loss	762,573	662,012	631,683	15%	21%
Investments in subsidiaries	1,482,214	1,573,008	1,585,521	-6%	-7%
Property and equipment	84,933	81,817	77,910	4%	9%
Intangible assets	62,660	62,161	56,485	1%	11%
Right of use assets	41,004	17,231	17,670	138%	132%
Investments properties	4,227	4,328	4,157	-2%	2%
Current tax assets	3,277	0	1,619		102%
Deferred tax asset	31,852	0	0		
Derivative financial assets designated as hedge accounting relationships	37,279	17,727	13,994	110%	166%
Other assets	316,841	224,488	239,112	41%	33%
TOTAL ASSETS	**17,031,182**	**13,710,471**	**13,363,070**	**24%**	**27%**
Amounts due to banks and deposits from the National Bank of Hungary and other banks	1,668,349	1,051,203	1,378,325	59%	21%
Repo liabilities	506,734	86,580	293,041	485%	73%
Deposits from customers	11,523,773	9,948,532	9,091,097	16%	27%
Leasing liabilities	43,602	17,932	18,143	143%	140%
Liabilities from issued securities	212,215	22,153	27,505	858%	672%
Financial liabilities at fair value through profit or loss	16,545	20,133	22,175	-18%	-25%
Derivative financial liabilities designated as held for trading	503,728	192,261	150,705	162%	234%
Derivative financial liabilities designated as hedge accounting relationships	96,780	18,690	8,501	418%	
Deferred tax liabilities	0	1,507	3,303	-100%	-100%
Current tax assets	781	4,776	3,572	-84%	-78%
Other liabilities	471,035	238,437	419,777	98%	12%
Subordinated bonds and loans	308,566	271,776	264,201	14%	17%
Provisions	25,571	21,527	13,256	19%	93%
TOTAL LIABILITIES	**15,377,679**	**11,895,507**	**11,693,601**	**29%**	**32%**
Share capital	28,000	28,000	28,000	0%	0%
Retained earnings and reserves	1,646,557	1,720,497	1,497,472	-4%	10%
Profit after tax	-18,257	125,339	151,876	-115%	-112%
Treasury shares	-2,797	-58,872	-7,879	-95%	-65%
TOTAL SHAREHOLDERS' EQUITY	**1,653,503**	**1,814,964**	**1,669,469**	**-9%**	**-1%**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**17,031,182**	**13,710,471**	**13,363,070**	**24%**	**27%**

CONSOLIDATED IFRS STATEMENT OF FINANCIAL POSITION

in HUF million	30/09/2022	31/12/2021	30/09/2021	change ytd	change y-o-y
Cash, amounts due from banks and balances with the National Banks	3,598,087	2,556,035	2,241,692	41%	61%
Placements with other banks, net of loss allowance for placements	1,776,714	1,584,861	1,896,258	12%	-6%
Repo receivables	25,337	61,052	93,310	-58%	-73%
Financial assets at fair value through profit or loss	562,021	341,397	305,831	65%	84%
Securities at fair value through other comprehensive income	2,024,179	2,224,510	2,196,056	-9%	-8%
Loans at amortized cost	16,905,119	13,493,183	12,692,523	25%	33%
Loans mandatorily at fair value through profit or loss	1,202,462	1,068,111	1,018,831	13%	18%
Finance lease receivables	1,372,245	1,182,628	1,156,684	16%	19%
Associates and other investments	75,308	67,222	48,361	12%	56%
Securities at amortized cost	5,039,491	3,891,335	3,466,531	30%	45%
Property and equipment	460,359	411,136	399,933	12%	15%
Intangible assets and goodwill	231,923	248,631	234,224	-7%	-1%
Right-of-use assets	63,509	50,726	49,670	25%	28%
Investment properties	28,572	29,882	41,168	-4%	-31%
Derivative financial assets designated as hedge accounting	38,061	18,757	15,409	103%	147%
Deferred tax assets	76,618	15,109	16,784	407%	356%
Current income tax receivable	39,760	29,978	38,098	33%	4%
Other assets	479,682	276,785	269,145	73%	78%
Assets classified as held for sale / discontinued operations	22,958	2,046	0		
TOTAL ASSETS	**34,022,405**	**27,553,384**	**26,180,508**	**23%**	**30%**
Amounts due to banks, the National Governments, deposits from the National Banks and other banks	1,720,768	1,567,348	1,625,989	10%	6%
Repo liabilities	312,721	79,047	236,882	296%	32%
Financial liabilities designated at fair value through profit or loss	60,727	41,184	41,311	47%	47%
Deposits from customers	25,814,547	21,068,644	19,677,002	23%	31%
Liabilities from issued securities	587,987	436,325	498,312	35%	18%
Derivative financial liabilities held for trading	507,133	202,716	155,784	150%	226%
Derivative financial liabilities designated as hedge accounting	74,607	11,228	8,137	564%	817%
Leasing liabilities	71,107	53,286	51,801	33%	37%
Deferred tax liabilities	37,372	24,045	21,056	55%	77%
Current income tax payable	122,081	36,581	45,952	234%	166%
Provisions	63,882	52,335	54,612	22%	17%
Other liabilities	879,657	665,545	792,530	32%	11%
Subordinated bonds and loans	317,368	278,334	270,448	14%	17%
TOTAL LIABILITIES	**30,569,957**	**24,516,618**	**23,479,816**	**25%**	**30%**
Share capital	28,000	28,000	28,000	0%	0%
Retained earnings and reserves	3,524,339	3,109,509	2,769,401	13%	27%
Treasury shares	-107,625	-106,941	-102,165	1%	5%
Total equity attributable to non-controlling interest	7,734	6,198	5,456	25%	42%
TOTAL SHARHOLDERS' EQUITY	**3,452,448**	**3,036,766**	**2,700,692**	**14%**	**28%**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**34,022,405**	**27,553,384**	**26,180,508**	**23%**	**30%**

SEPARATE IFRS STATEMENT OF RECOGNIZED INCOME

in HUF million	9M 2022	9M 2021	change
Interest income calculated using the effective interest method	467,683	215,956	117%
Income similar to interest income	224,234	67,949	230%
Total Interest Income	691,917	283,905	144%
Total Interest Expense	-481,029	-80,967	494%
NET INTEREST INCOME	**210,888**	**202,938**	**4%**
Risk cost total	-74,720	-36,599	104%
NET INTEREST INCOME AFTER RISK COST	**136,168**	**166,339**	**-18%**
Losses arising fom derecognitionof financial assets measured at amortised cost	**-27,752**	**-2,171**	
Modification loss	**-4,267**	**-6,682**	**-36%**
Income from fees and commissions	262,802	217,348	21%
Expenses from fees and commissions	-44,808	-34,940	28%
Net profit from fees and commissions	**217,994**	**182,408**	**20%**
Foreign exchange gains (+)/ loss (-)	16,976	-4,522	-475%
Gains (+) or loss (-) on securities, net	-12,658	2,304	-649%
Losses on financial instruments at fair value through profit or loss	-12,614	-1,200	951%
Gains on derivative instruments, net	-7,907	3,386	-334%
Dividend income	194,499	86,756	124%
Other operating income	9,956	9,077	10%
Net other operating expenses	-177,740	-11,358	
Net operating income	**10,512**	**84,443**	**-88%**
Personnel expenses	-103,051	-93,425	10%
Depreciation and amortization	-34,357	-30,097	14%
Other administrative expenses	-228,281	-130,666	75%
Other administrative expenses	**-365,689**	**-254,188**	**44%**
PROFIT BEFORE INCOME TAX	**-33,034**	**170,149**	**-119%**
Income tax expense	-14,777	-18,273	-19%
PROFIT AFTER TAX FOR THE PERIOD	**-18,257**	**151,876**	**-112%**

CONSOLIDATED IFRS STATEMENT OF RECOGNIZED INCOME

in HUF million	9M 2022	9M 2021	change
CONTINUING OPERATIONS			
Interest income calculated using the effective interest method	1,028,544	668,873	54%
Income similar to interest income	342,293	110,733	209%
Interest incomes	1,370,837	779,606	76%
Interest expenses	-575,083	-145,135	296%
NET INTEREST INCOME	**795,754**	**634,471**	**25%**
Risk cost total	**-169,104**	**-38,054**	**344%**
Loss allowance / Release of loss allowance on loans, placements, amounts due from banks and repo receivables	-125,620	-23,193	442%
Change in the fair value attributable to changes in the credit risk of loans mandatorily measured at fair value through profit of loss	13,118	-8,311	-258%
Loss allowance / Release of loss allowance on securities at fair value through other comprehensive income and on securities at amortized cost	-57,237	-4,009	
Provision for commitments and guarantees given	494	-2,963	-117%
Impairment / (Release of impairment) of assets subject to operating lease and of investment properties	141	422	-67%
NET INTEREST INCOME AFTER RISK COST	**626,650**	**596,417**	**5%**
Income from fees and commissions	529,080	399,459	32%
Expense from fees and commissions	-98,960	-77,480	28%
Net profit from fees and commissions	**430,120**	**321,979**	**34%**
Modification gain or loss	**-15,253**	**0**	
Foreign exchange gains / losses, net	6,132	1,726	255%
Foreign exchange gains / losses, net	-15,810	1,562	
Gains and losses on derivative instruments	21,942	164	
Gains / Losses on securities, net	-6,849	9,687	-171%
Gains / Losses on financial assets /liabilities measured at fair value through profit or loss	-7,695	-2,785	176%
Gain from derecognition of financial assets at amortized cost	-707	169	-518%
Profit from associates	16,718	12,070	39%
Other operating income	81,891	54,784	49%
Gains and losses on real estate transactions	3,050	5,434	-44%
Other non-interest income	77,844	48,850	59%
Net insurance result	996	499	100%
Other operating expense	-93,664	-62,628	50%
Net operating income	**-4,174**	**13,023**	**-132%**
Personnel expenses	-279,348	-241,143	16%
Depreciation and amortization	-146,613	-70,282	109%
Other administrative expenses	-354,793	-228,099	56%
Other administrative expenses	**-780,754**	**-539,524**	**45%**
PROFIT BEFORE INCOME TAX	**256,589**	**391,895**	**-35%**
Income tax expense	-34,913	-56,750	-38%
PROFIT AFTER INCOME TAX FOR THE PERIOD FROM CONTINUING OPERATIONS	**221,676**	**335,145**	**-34%**
From this, attributable to:			
Non-controlling interest	398	506	-21%
Owners of the company	221,278	334,639	-34%
DISCONTINUED OPERATIONS			
Gains from disposal of subsidiary classified as held for sale	10,222	0	
Net loss / gain from discontinued operation	0	176	-100%
PROFIT AFTER INCOME TAX FROM CONTINUING AND DISCOUNTINUED OPERATION	**231,898**	**335,321**	**-31%**

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY (IFRS)

in HUF million	Share capital	Capital reserve	Retained earnings and reserves	Treasury shares	Non-controlling interest	**Total**
Balance as at 1 January 2021	**28,000**	**52**	**2,629,024**	**-124,080**	**4,116**	**2,537,112**
Profit after tax for the year	--	--	334,815	--	506	335,321
Other comprehensive income	--	--	724	--	142	866
Increase due to business combinations	--	--	--	--	692	692
Purchase of non-controlling interests	--	--	--	--	--	
Decrease due to discontinued operations	--	--	--	--	--	
Share-based payment	--	--	2,537	--	--	2,537
Dividend	--	--	--	--	--	
Correction due to ESOP	--	--	--	--	--	
Adjustments to previous years' reserves	--	--	458	--	--	458
Treasury shares	--	--	--	--	--	
– sale	--	--	--	33,847	--	33,847
– loss on sale	--	--	-15,061	--	--	-15,061
– volume change	--	--	--	-11,932	--	-11,932
Payment to ICES holders	--	--	-3,381	--	--	-3,381
Decrease due to closure of ICES	--	--	-179,767	--	--	-179,767
Balance as at 30 September 2021	**28,000**	**52**	**2,769,349**	**-102,165**	**5,456**	**2,700,692**

in HUF million	Share capital	Capital reserve	Retained earnings and reserves	Treasury shares	Non-controlling interest	**Total**
Balance as at 1 January 2022	**28,000**	**52**	**3,109,457**	**-106,941**	**6,198**	**3,036,766**
Profit after tax for the year	--	--	231,500	--	398	231,898
Other comprehensive income	--	--	305,737	--	1,673	307,410
Increase due to business combinations	--	--	--	--	-535	-535
Purchase of non-controlling interests	--	--	-1,321	--		-1,321
Decrease due to discontinued operations	--	--	--	--	--	
Share-based payment	--	--	2,211	--	--	2,211
Dividend	--	--	-120,248	--	--	-120,248
Correction due to ESOP	--	--	4,066	--	--	4,066
Adjustments to previous years' reserves	--	--	--	--	--	
Treasury shares	--	--	--	--	--	
– sale	--	--	--	14,936	--	14,936
– loss on sale	--	--	-7,115	--	--	-7,115
– volume change	--	--	--	-15,620	--	-15,620
Balance as at 30 September 2022	**28,000**	**52**	**3,524,287**	**-107,625**	**7,734**	**3,452,448**

[1]The deduction related to repurchased treasury shares (3Q 2022: HUF 107,625 million) includes the book value of OTP shares held by ESOP (3Q 2022: 11,020,673 shares).

SEPARATE IFRS STATEMENT OF CASH FLOWS

in HUF million	30/09/2022	30/09/2021	change
OPERATING ACTIVITIES			
Profit before income tax	-33,034	170,149	-119%
Net accrued interest	-4,908	-2,660	84%
Income tax paid	-15,108	-1,421	963%
Depreciation and amortization	34,458	30,154	14%
Loss allowance / (Release of loss allowance)	236,348	32,404	629%
Share-based payment	2,211	2,537	-13%
Exchange rate gains on securities	34,109	0	
Unrealised gains on fair value adjustment of financial instruments at fair value through profit or loss	-12,486	10,028	-225%
Unrealised losses on fair value adjustment of derivative financial instruments	64,612	-13,242	-588%
Interest expense from leasing liabilities	-783	-164	377%
Effect of currency revaluation	53,483	16,978	215%
Result from the sale of property, plant and equipment and intangible assets	-141	-132	7%
Net change in assets and liabilities in operating activities	633,173	278,622	127%
Net cash provided by operating activities	**991,935**	**523,253**	**90%**
INVESTING ACTIVITIES			
Net cash used in investing activities	**-654,294**	**-627,142**	**4%**
FINANCING ACTIVITIES			
Net cash provided by / (used in) financing activities	**90,401**	**-3,888**	
Net decrease in cash and cash equivalents	**428,042**	**-107,778**	**-497%**
Cash and cash equivalents at the beginning of the year	**375,642**	**503,087**	**-25%**
Cash and cash equivalents at the end of the year	**803,684**	**395,309**	**103%**
Cash, amounts due from banks and balances with the National Bank of Hungary	474,945	579,120	-18%
Cash and cash equivalents at the beginning of the year	**474,945**	**579,120**	**-18%**
Cash, amounts due from banks and balances with the National Bank of Hungary	922,476	485,006	90%
Cash and cash equivalents at the end of the year	**922,476**	**485,006**	**90%**

CONSOLIDATED IFRS STATEMENT OF CASH FLOWS

in HUF million	30/09/2022	30/09/2021	change
OPERATING ACTIVITIES			
Profit after tax for the period	231,500	334,815	-31%
Net changes in assets and liabilities in operating activities			
Income tax paid	-54,796	-41,652	32%
Depreciation and amortization	82,853	74,176	12%
Goodwill impairment	67,715	0	
Loss allowance	196,621	52,807	272%
Net accrued interest	64,934	41,910	55%
Share-based payment	2,211	2,537	-13%
Unrealized (gain) / losses on fair value adjustment of securities valued at fair value	-84,240	12,950	-751%
Unrealised losses / (gains) on fair value adjustment of derivative financial instruments	107,559	-15,182	-808%
Gain on discontinued operations	0	-176	
Other changes in assets and liabilities in operating activities	964,711	391,015	147%
Net change in assets and liabilities in operating activities	**1,579,068**	**853,200**	**85%**
INVESTING ACTIVITIES			
Net cash used in investing activities	**-1,171,308**	**-1,729,564**	**-32%**
FINANCING ACTIVITIES			
Net cash used in financing activities	**437,192**	**604,858**	**-28%**
Net increase (+) / decrease (-) of cash	**844,952**	**-271,506**	**-411%**
Cash and cash equivalents at the beginning of the year	1,701,564	1,674,777	2%
Cash and cash equivalents at the end of the year	**2,546,516**	**1,403,274**	**81%**
Adjustment due to discontinuing activity	**0**	**-3**	**-100%**

CONSOLIDATED SUBSIDIARIES AND ASSOCIATES

	Name of the company		Initial capital/Equity (HUF)	Ownership Directly + indirectly (%)	Voting rights (%)	Classification[1]
1	OTP Real Estate Ltd.		1,000,000,000	100.00	100.00	L
2	BANK CENTER No. 1. Ltd.		11,500,000,000	100.00	100.00	L
3	OTP Fund Management Ltd.		900,000,000	100.00	100.00	L
4	OTP Factoring Ltd.		500,000,000	100.00	100.00	L
5	OTP Close Building Society		2,000,000,000	100.00	100.00	L
6	Merkantil Bank Ltd.		2,000,000,000	100.00	100.00	L
7	OTP Factoring Management Ltd.		3,100,000	100.00	100.00	L
8	INGA KETTŐ Ltd.		8,000,000,000	100.00	100.00	L
9	Merkantil Bérlet Ltd.		6,000,000	100.00	100.00	L
10	OTP Mortgage Bank Ltd.		57,000,000,000	100.00	100.00	L
11	OTP Funds Servicing and Consulting Company Limited		2,351,000,000	100.00	100.00	L
12	DSK Bank EAD	BGN	1,328,659,920	99.91	99.91	L
13	DSK Tours EOOD	BGN	8,491,000	100.00	100.00	L
14	DSK Trans Security EAD	BGN	2,225,000	100.00	100.00	L
15	POK DSK-Rodina AD	BGN	10,010,198	99.85	99.85	L
16	NIMO 2002 Ltd.		1,156,000,000	100.00	100.00	L
17	OTP Real Estate Investment Fund Management Ltd.		100,000,000	100.00	100.00	L
18	OTP Card Factory Ltd.		450,000,000	100.00	100.00	L
19	OTP Bank Romania S.A.	RON	2,279,253,360	100.00	100.00	L
20	DSK Asset Management EAD	BGN	1,000,000	100.00	100.00	L
21	OTP banka dioničko društvo	HRK	3,993,754,800	100.00	100.00	L
22	Air-Invest Ltd.		630,000,000	100.00	100.00	L
23	DSK Leasing AD	BGN	3,334,000	100.00	100.00	L
24	OTP Invest društvo s ograničenom odgovornošću za upravljanje fondovima	HRK	18,211,300	100.00	100.00	L
25	OTP Nekretnine d.o.o.	HRK	259,828,100	100.00	100.00	L
26	SPLC-P Ltd.		15,000,000	100.00	100.00	L
27	SPLC Ltd.		10,000,000	100.00	100.00	L
28	OTP Real Estate Leasing Ltd.		214,000,000	100.00	100.00	L
29	OTP Life Annuity Real Estate Investment Plc.		2,000,000,000	100.00	100.00	L
30	OTP Leasing d.d.	HRK	8,212,000	100.00	100.00	L
31	Joint-Stock Company OTP Bank	UAH	6,186,023,111	100.00	100.00	L
32	JSC "OTP Bank" (Russia	RUB	4,423,768,142	97.92	97.92	L
33	Montenegrin Commercial Bank Shareholding Company, Podgorica Montenegro	EUR	181,875,221	100.00	100.00	L
34	OTP banka Srbija, joint-stock company, Novi Sad)	RSD	56,830,752,260	100.00	100.00	L
35	OTP Investments d.o.o. Novi Sad	RSD	203,783,061	100.00	100.00	L
36	OTP Leasing Romania IFN S.A.	RON	33,556,300	100.00	100.00	L
37	OTP Ingatlanpont Ltd.		7,500,000	100.00	100.00	L
38	OTP Hungaro-Projekt Ltd.		27,720,000	100.00	100.00	L
39	OTP Financing Netherlands	EUR	18,000	100.00	100.00	L
40	OTP Mérnöki Ltd.		3,000,000	100.00	100.00	L
41	OTP Ingatlanüzemeltető Ltd.		30,000,000	100.00	100.00	L
42	Limited Liability Company Asset Management Company " OTP Capital"	UAH	10,000,000	100.00	100.00	L
43	CRESCO d.o.o.	HRK	39,000	100.00	100.00	L
44	LLC OTP Leasing	UAH	45,495,340	100.00	100.00	L
45	OTP Asset Management SAI S.A.	RON	5,795,323	100.00	100.00	L
46	OTP Financing Solutions	EUR	18,000	100.00	100.00	L
47	Velvin Ventures Ltd.	USD	50,000	100.00	100.00	L
48	OTP Factoring Serbia Ltd.	RON	600,405	100.00	100.00	L
49	OTP Factoring Ukraine LLC	UAH	6,227,380,554	100.00	100.00	L
50	OTP Insurance Broker EOOD	BGN	5,000	100.00	100.00	L
51	PortfoLion Venture Capital Fund Management Ltd.		39,500,000	100.00	100.00	L
52	OTP Factoring Bulgaria JSCo.	BGN	1,000,000	100.00	100.00	L
53	SC Aloha Buzz SRL	RON	10,200	100.00	100.00	L
54	SC Favo Consultanta SRL	RON	10,200	100.00	100.00	L
55	SC Tezaur Cont SRL	RON	10,200	100.00	100.00	L
56	OTP Holding Ltd.	EUR	131,000	100.00	100.00	L
57	OTP Debt Collection d.o.o. Podgorica	EUR	49,000,001	100.00	100.00	L
58	OTP Factoring Romania Llc.	RSD	782,902,282	100.00	100.00	L
59	MONICOMP Ltd.		100,000,000	100.00	100.00	L
60	CIL Babér Ltd.		71,890,330	100.00	100.00	L
61	Project 01 Consulting, s. r. o.	EUR	22,540,000	100.00	100.00	L
62	R.E. Four d.o.o., Novi Sad	RSD	1,983,643,761	100.00	100.00	L
63	OTP Financial point Ltd.		52,000,000	100.00	100.00	L
64	Bajor-Polár Center Real Estate Management Ltd.		30,000,000	100.00	100.00	L
65	OTP Mobile Service Ltd.		1,210,000,000	100.00	100.00	L
66	OTP Holding Malta Ltd.	EUR	104,950,000	100.00	100.00	L
67	OTP Financing Malta Company Limited	EUR	105,000,000	100.00	100.00	L
68	DSK Operating lease EOOD	BGN	1,000	100.00	100.00	L
69	LLC MFO "OTP Finance"	RUB	6,533,000,000	100.00	100.00	L
70	OTP Travel Limited		27,000,000	100.00	100.00	L

	Name of the company		Initial capital/Equity (HUF)	Ownership Directly + indirectly (%)	Voting rights (%)	Classification[1]
71	OTP eBIZ Kft.		281,000,000	100.00	100.00	L
72	DSK Mobile EAD	BGN	250,000	100.00	100.00	L
73	OTP ESOP		125,419,724,941	0.00	0.00	L
74	PEVEC d.o.o. Beograd	RSD	812,844,640	100.00	100.00	L
75	PortfoLion Digital Ltd.		101,000,000	100.00	100.00	L
76	OTP Ingatlankezelő Ltd.		50,000,000	100.00	100.00	L
77	MFM Project Investment and Development Ltd.		20,000,000	100.00	100.00	L
78	OTP Leasing d.o.o. Beograd	RSD	112,870,710	100.00	100.00	L
79	Venture Closed-End Non Diversified Mutual Investment Fund "OTP Solution"	UAH	43,347,201	100.00	100.00	L
80	OTP Services Ltd.	RSD	40,028	100.00	100.00	L
81	DSK DOM EAD	BGN	100,000	100.00	100.00	L
82	ShiwaForce.com Inc.		105,321,000	100.00	100.00	L
83	OTP Leasing EOOD	BGN	4,100,000	100.00	100.00	L
84	Regional Urban Development Fund AD	BGN	250,000	52.00	52.00	L
85	Banka OTP Albania SHA	ALL	6,740,900,000	100.00	100.00	L
86	EiSYS Ltd.		3,000,000	100.00	100.00	L
87	OTP Leasing Srbija d.o.o. Beograd	RSD	314,097,580	100.00	100.00	L
88	OTP Osiguranje AKCIONARSKO DRUŠTVO ZA	RSD	412,606,208	100.00	100.00	L
89	OTP Bank S.A.	MDL	100,000,000	98.26	98.31	L
90	AppSense Ltd.		3,000,000	100.00	100.00	L
91	SKB Banka d.d. Ljubljana	EUR	52,784,176	100.00	100.00	L
92	SKB Leasing d.o.o.	EUR	16,809,031	100.00	100.00	L
93	SKB Leasing Select d.o.o.	EUR	5,000,000	100.00	100.00	L
94	Nemesszalóki Ltd.		242,124,000	100.00	100.00	L
95	ZA-Invest Béta Ltd.		5,000,000	100.00	100.00	L
96	NAGISZ Mezőgazdasági Termelő és Szolgáltató Ltd.		3,802,080,000	99.35	99.35	L
97	Nádudvari Ltd.		1,954,680,000	99.96	99.96	L
98	HAGE Ltd.		2,689,000,000	99.61	99.61	L
99	OTP Home Solutions Limited Liability Company		3,000,000	100.00	100.00	L
100	Georg d.o.o	HRK	20,000	76.00	76.00	L
101	AFP Private Equity Invest Ltd.	EUR	452,000	29.14	29.14	L
102	Alpha Bank Albania Sha	ALL	10,960,119,835	100.00	100.00	L
103	Balansz Real Estate Institute Fund		30,931,279,011	100.00	100.00	L
104	Portfolion Zöld Fund		18,900,000,000	100.00	100.00	L
105	PortfoLion Digitális Magántőkealap I.		6,600,000,000	100.00	100.00	L
106	Portfolion Regionális Fund		9,375,800,000	50.00	50.00	L
107	PortfoLion Regionális Fund II.		9,697,200,000	49.90	49.90	L
108	Portfolion Partner Fund		45,998,661,990	30.56	30.56	L
109	PortfoLion Digitális Magántőkealap II.		1,000,000,000	100.00	100.00	L

[1] Full consolidated - L

Ownership structure of OTP Bank Plc.

Description of owner	Total equity					
	1 January 2022			30 September 2022		
	Ownership share	Voting rights[1]	Quantity	Ownership share	Voting rights [1]	Quantity
Domestic institution/company	26.66%	26.97%	74,637,180	30.75%	30.79%	86,107,148
Foreign institution/company	66.69%	67.47%	186,733,858	49.95%	50.02%	139,859,420
Domestic individual	4.79%	4.84%	13,405,389	17.86%	17.89%	50,013,242
Foreign individual	0.11%	0.12%	319,712	0.71%	0.71%	1,989,843
Employees, senior officers[2]	0.48%	0.48%	1,341,018	0.54%	0.54%	1,512,756
Treasury shares[3]	1.16%	0.00%	3,251,484	0.13%	0.00%	365,842
Government held owner	0.07%	0.07%	188,326	0.05%	0.05%	139,946
International Development Institutions	0.04%	0.04%	120,871	0.00%	0.00%	9,666
Other[4]	0.00%	0.00%	2,172	0.00%	0.00%	2,147
TOTAL	**100.00%**	**100.00%**	**280,000,010**	**100.00%**	**100.00%**	**280,000,010**

[1] Voting rights in the General Meeting of the Issuer for participation in decision-making.
[2] The shares indirectly owned by György Nagy, a member of the Board of Directors, were reclassified to the domestic individual category as of 31 December 2021.
[3] Treasury shares do not include the OTP shares held by ESOP (OTP Bank Employee Stock Ownership Plan Organization). Pursuant to Act V of 2013 on the Civil Code, OTP shares held by the ESOP are not classified as treasury shares, but the ESOP must be consolidated in accordance with IFRS 10 Consolidated Financial Statements standard. On 30 September 2022 ESOP owned 11,020,673 OTP shares.
[4] Non-identified shareholders according to the shareholders' registry.

Number of treasury shares held in the year under review (2022)

	1 January	31 March	30 June	30 September	31 December
OTP Bank	3,251,484	691,233	467,880	365,842	
Subsidiaries	0	0	0	0	
TOTAL	3,251,484	691,233	467,880	365,842	

Shareholders with over/around 5% stake as at 30 September 2022

Name	Nationality[1]	Activity[2]	Number of shares	Ownership[3]	Voting rights[3,4]	Notes[5]
MOL (Hungarian Oil and Gas Company Plc.)	**D**	**C**	**24,000,000**	**8.57%**	**8.58%**	
Groupama Group	**F/D**	**C**	**14,258,161**	**5.09%**	**5.10%**	
Groupama Gan Vie SA	F	C	14,140,000	5.05%	5.06%	
Groupama Biztosító Ltd.	D	C	118,161	0.04%	0.04%	

[1] Domestic (D), Foreign (F).
[2] Custodian (CU), Public Institution (PU), International Development Institutions (ID), Institutional (I), Company (C), Private (PR), Employee or senior officer (E).
[3] Rounded to two decimals.
[4] Voting rights in the General Meeting of the Issuer for participation in decision-making.
[5] Eg: professional investor, financial investor, etc.

Senior officers, strategic employees and their shareholding of OTP shares as at 30 September 2022

Type[1]	Name	Position	Commencement date of the term	Expiration/termination of the term	Number of shares
IT	dr. Sándor Csányi [2]	Chairman and CEO	15/05/1992	2026	312,841
IT	Tamás Erdei	Deputy Chairman	27/04/2012	2026	43,085
IT	Gabriella Balogh	member	16/04/2021	2026	8,193
IT	Mihály Baumstark	member	29/04/1999	2026	53,600
IT	Péter Csányi	member, Deputy CEO	16/04/2021	2026	7,484
IT	dr. István Gresa	member	27/04/2012	2026	182,858
IT	Antal Kovács[3]	member, Deputy CEO	15/04/2016	2026	111,127
IT	György Nagy[4]	member	16/04/2021	2026	34,800
IT	dr. Márton Gellért Vági	member	16/04/2021	2026	8,500
IT	dr. József Vörös	member	15/05/1992	2026	186,714
IT	László Wolf	member, Deputy CEO	15/04/2016	2026	541,743
FB	Tibor Tolnay	Chairman	15/05/1992	2023	54
FB	dr. Gábor Horváth	Deputy Chairman	19/05/1995	2023	0
FB	Klára Bella	member	12/04/2019	2023	408
FB	dr. Tamás Gudra	member	16/04/2021	2023	0
FB	András Michnai	member	25/04/2008	2023	100
FB	Olivier Péqueux	member	13/04/2018	2023	0
SP	László Bencsik	Deputy CEO			12,244
SP	György Kiss-Haypál	Deputy CEO			9,005
TOTAL No. of shares held by management:					**1,512,756**

[1] Employee in strategic position (SP), Board Member (IT), Supervisory Board Member (FB)
[2] Number of OTP shares owned by Dr. Sándor Csányi, Chairman and CEO, directly or indirectly: 4,589,968
[3] Number of OTP shares owned by Antal Kovács, Member of Board of Directors, directly or indirectly: 115,427
[4] Number of OTP shares owned by György Nagy, Member of Board of Directors, directly or indirectly: 1,114,800

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

a) Contingent liabilities

	30/09/2022	30/09/2021
Commitments to extend credit	4,660,902	3,842,960
Guarantees arising from banking activities	1,362,896	1,219,544
Confirmed letters of credit	79,528	65,884
Legal disputes (disputed value)	90,430	69,700
Other	638,842	412,473
Total:	**6,832,598**	**5,610,561**

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

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

	End of reference period	Current period opening	Current period closing
Bank[1]	9,739	9,842	10,123
Consolidated[2]	37,554	37,864	35,880

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

Security issuances on Group level between 01/10/2021 and 30/09/2022

Issuer	Type of security	Security name	Date of issue	Date of maturity	Ccy	Outstanding consolidated debt (in original currency or HUF million) 30/09/2022	Outstanding consolidated debt (in HUF million) 30/09/2022
OTP Bank Plc.	Corporate bond	XS2499691330	13/07/2022	13/07/2025	EUR	400,000,000	168,564
OTP Bank Plc.	Corporate bond	XS2536446649	29/09/2022	29/09/2026	USD	60,000,000	25,714
OTP Bank Plc.	Corporate bond	OTP_DK_26/3	31/03/2022	31/05/2026	HUF	0	0
OTP Bank Plc.	Corporate bond	OTP_DK_27/3	31/03/2022	31/05/2027	HUF	0	0
OTP Bank Plc.	Corporate bond	OTP_DK_28/II	31/03/2022	31/05/2028	HUF	0	0
OTP Bank Plc.	Corporate bond	OTP_DK_29/II	31/03/2022	31/05/2029	HUF	0	0
OTP Bank Plc.	Corporate bond	OTP_DK_30/II	31/03/2022	31/05/2030	HUF	0	0
OTP Bank Plc.	Corporate bond	OTP_DK_31/I	31/03/2022	31/05/2031	HUF	0	0
OTP Bank Plc.	Corporate bond	OTP_DK_32/I	31/03/2022	31/05/2032	HUF	0	0
OTP Mortgage Bank	Mortgage bond	OJB2029_A	25/07/2022	24/05/2029	HUF	92.542	92.542

Security redemptions on Group level between 01/10/2021 and 30/09/2022

Issuer	Type of security	Security name	Date of issue	Date of maturity	Ccy	Outstanding consolidated debt (in original currency or HUF million) 30/09/2021	Outstanding consolidated debt (in HUF million) 30/09/2021
OTP Bank Plc.	Corporate bond	OTP_DK_22/I	14/12/2018	31/05/2022	HUF	0	0
OTP Bank Plc.	Corporate bond	OTP_DK_22/II	29/05/2020	31/05/2022	HUF	0	0
OTP Bank Plc.	Corporate bond	OTPRF2021B	20/10/2011	25/10/2021	HUF	3,148	3,148
OTP Bank Plc.	Corporate bond	OTPRF2021C	21/12/2011	30/12/2021	HUF	575	575
OTP Bank Plc.	Corporate bond	OTPRF2021D	21/12/2011	30/12/2021	HUF	405	405
OTP Bank Plc.	Corporate bond	OTPRF2021E	21/12/2011	30/12/2021	HUF	83	83
OTP Bank Plc.	Corporate bond	OTPRF2022A	22/03/2012	23/03/2022	HUF	2,257	2,257
OTP Bank Plc.	Corporate bond	OTPRF2022B	22/03/2012	23/03/2022	HUF	908	908
OTP Bank Plc.	Corporate bond	OTPRF2022C	28/06/2012	28/06/2022	HUF	204	204
OTP Bank Plc.	Corporate bond	OTPRF2022D	28/06/2012	28/06/2022	HUF	279	279
OTP Bank Plc.	Corporate bond	OTPX2021D	21/12/2011	27/12/2021	HUF	249	249
OTP Bank Plc.	Corporate bond	OTPX2022A	22/03/2012	23/03/2022	HUF	175	175
OTP Bank Plc.	Corporate bond	OTPX2022B	18/07/2012	18/07/2022	HUF	164	164
OTP Mortgage Bank	Mortgage bond	OJB2021_I	15/02/2017	27/10/2021	HUF	114,000	114,000
OPUS Securities	Corporate bond	ICES	2006.10.29.	2021.10.29	EUR	496,209,000	181,181

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)[1]	2021	1Q 2022	2Q 2022	3Q 2022	Q-o-Q
Total compensation for key management personnel	**12,846**	**3,162**	**3,698**	**3,310**	**-10%**
Short-term employee benefits	8,881	2,184	2,687	2,567	-4%
Share-based payment	3,110	726	538	592	10%
Other long-term employee benefits	743	237	465	149	-68%
Termination benefits	0	15	8	1	-88%
Redundancy payments	112	0	0	1	
Loans to key management individuals and their close family members as well as to entities in which they have an interest	108,332	68,875	80,360	92,889	16%
Credit lines of key management individuals and their close family members as well as entities in which they have an interest	30,369	19,350	33,407	28,293	-15%
Loans provided to unconsolidated subsidiaries	1,792	2,408	2,952	3,915	33%

[1] Due to the changes in the definition of key management personnel, figures are not comparable with previously published data.

Alternative performance measures pursuant to the National Bank of Hungary 5/2017, (V.24.) recommendation[4]

Alternative performance measures name	Description	Calculation (data in HUF million)	Measures value 9M 2021	Measures value 9M 2022
Leverage, consolidated[5]	The leverage ratio is calculated pursuant to Article 429 CRR. The calculation of the indicator is designed quarterly by the Bank for the prudential consolidation circle.	The leverage ratio shall be calculated as an institution's capital measure divided by that institution's total exposure measure and shall be expressed as a percentage. Example for 9M 2022: $\frac{3,632,890.5}{36,602,953,7} = 9.9\%$ Example for 9M 2021: $\frac{2,843,734.2}{28,546,254.9} = 10.0\%$	10.0%	9.9%
Liquidity Coverage Ratio (LCR)	According to Article 412 (1) of CRR, the liquidity coverage ratio (LCR) is designed to promote short-term resilience of the Issuer's / Group's liquidity risk profile and aims to ensure that the Issuer / Group has an adequate stock of unencumbered High Quality Liquid Assets (HQLA) to meet its liquidity needs for a 30 calendar day liquidity stress scenario.	The LCR is expressed as: (stock of HQLA) / (total net cash outflows over the next 30 calendar days) ≥ 100%. The numerator of the LCR is the stock of HQLA (High Quality Liquid Assets). In order to qualify as HQLA, assets should be liquid in markets during a time of stress and, in most cases, be eligible for use in central bank operations. The denominator of the LCR is the total net cash outflows, defined as total expected cash outflows minus total expected cash inflow in the specified stress scenario for the subsequent 30 calendar days. Total cash inflows are subject to an aggregate cap of 75% of total expected cash outflows, thereby ensuring a minimum level of HQLA holdings at all times. Example for 9M 2022: $\frac{7,152,720.2}{6,225,771.8 - 2,036,159.8} = 170.7\%$ Example for 9M 2021: $\frac{5,309,050.4}{4,743,456.8 - 2,122,352.0} = 202.6\%$	202.6%	170.7%
ROE (accounting), consolidated	The return on equity ratio shall be calculated the consolidated accounting profit after-tax for the given period divided by the average equity, thus shows the effectiveness of the use of equity.	The numerator of the indicator is the consolidated accounting profit after-tax for the given period (annualized for periods less than one year), the denominator is the average consolidated equity. (The definition of average equity: calendar day-weighted average of the average balance sheet items in periods comprising the given period, where periods comprising the given period are defined as quarters (and within that months) in case of 1H, 9M and FY periods, and months in case of quarters. Furthermore, the average of the average balance sheet items is computed as the arithmetic average of closing balance sheet items for the previous period and the current period.) Example for 9M 2022: $\frac{231,897.5 * 1.3}{3,079,313.4} = 10.1\%$ Example for 9M 2021: $\frac{335,321.4 * 1.3}{2,653,014.5} = 16.9\%$	16.9%	10.1%

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

Alternative performance measures name	Description	Calculation (data in HUF million)	Measures value 9M 2021	9M 2022
ROE (adjusted), consolidated	The return on equity ratio shall be calculated the consolidated adjusted profit after-tax for the given period divided by the average equity, thus shows the effectiveness of the use of equity.	The numerator of the indicator is the consolidated adjusted profit after-tax for the given period (annualized for periods less than one year), the denominator is the average consolidated equity. Example for 9M 2022: (439,126.2 * 1.3) / 3,079,313.4 = 19.1% Example for 9M 2021: (373,578.2 * 1.3) / 2,653,014.5 = 18.8%	18.8%	19.1%
ROA (adjusted), consolidated	The return on asset ratio shall be calculated the consolidated adjusted profit after tax for the given period divided by the average total asset, thus shows the effectiveness of the use of equity.	The numerator of the indicator is the consolidated adjusted profit after tax for the given period, the denominator is the average consolidated total asset. (The definition of average asset: calendar day-weighted average of the average balance sheet items in periods comprising the given period, where periods comprising the given period are defined as quarters (and within that months) in case of 9M, 9M and FY periods, and months in case of quarters. Furthermore, the average of the average balance sheet items is computed as the arithmetic average of closing balance sheet items for the previous period and the current period.) Example for 9M 2022: (439,126.2 * 1.3) / 30,364,046.3 = 1.9% Example for 9M 2021: (373,578.2 * 1.3) / 24,548,656.8 = 2.0%	2.0%	1.9%
Operating profit margin (adjusted, without one-off items), consolidated	The operating profit margin shall be calculated the consolidated adjusted net operating profit without one-off items for the given period divided by the average total assets, thus shows the effectiveness of the operating profit generation on total assets.	The numerator of the indicator is the consolidated adjusted net operating profit without one-off items for the given period, the denominator is the average consolidated total assets. Example for 9M 2022: (645,329.6 * 1.3) / 30,364,046.3 = 2.84% Example for 9M 2021: (483,505.8 * 1.3) / 24,548,656.8 = 2.63%	2.63%	2.84%
Total income margin (adjusted, without one-off items), consolidated	The total income margin shall be calculated the consolidated adjusted total income without one-off items for the given period divided by the average total assets, thus shows the effectiveness of income generation on total assets.	The numerator of the indicator is the consolidated adjusted total income without one-off items for the given period (annualized for periods less than one year), the denominator is the average consolidated total assets. Example for 9M 2022: (1,205,424.3 * 1.3) / 30,364,046.3 = 5.31% Example for 9M 2021: (950,702.2 * 1.3) / 24,548,656.8 = 5.18%	5.18%	5.31%

Alternative performance measures name	Description	Calculation (data in HUF million)	Measures value 9M 2021	Measures value 9M 2022
Net interest margin (adjusted), consolidated	The net interest margin shall be calculated the consolidated adjusted net interest income for the given period divided by the average total assets, thus shows the effectiveness of net interest income generation on total assets.	The numerator of the indicator is the consolidated adjusted net interest income for the given period (annualized for periods less than one year), the denominator is the average consolidated total assets. Example for 9M 2022: $\frac{797{,}079.9 \; * \; 1.3}{30{,}364{,}046.3} = 3.51\%$ Example for 9M 2021: $\frac{636{,}484.1 \; * \; 1.3}{24{,}548{,}656.8} = 3.47\%$	3.47%	3.51%
Operating cost (adjusted)/ total assets, consolidated	The indicator shows the operational efficiency.	The numerator of the indicator is the consolidated adjusted operating cost for the given period (annualized for periods less than one year), the denominator is the average consolidated total assets. Example for 9M 2022: $\frac{560{,}094.7 \; * \; 1.3}{30{,}364{,}046.3} = 2.47\%$ Example for 9M 2021: $\frac{467{,}196.4 \; * \; 1.3}{24{,}548{,}656.8} = 2.54\%$	2.54%	2.47%
Cost/income ratio (adjusted, without one-off items), consolidated	The indicator is another measure of operational efficiency.	The numerator of the indicator is the consolidated adjusted operating cost for the given period, the denominator is the adjusted operating income (without one-off items) for the given period. Example for 9M 2022: $\frac{560{,}094.7}{1{,}205{,}424.3} = 46.5\%$ Example for 9M 2021: $\frac{467{,}196.4}{950{,}702.2} = 49.1\%$	49.1%	46.5%
Provision for impairment on loan and placement losses (adjusted)/ average (adjusted) gross loans, consolidated	The indicator provides information on the amount of impairment on loan and placement losses relative to gross customer loans.	The numerator of the indicator is the consolidated adjusted provision for impairment on loan and placement losses for the given period (annualized for periods less than one year), the denominator is the adjusted consolidated gross customer loans for the given period. (The definition of average (adjusted) gross customer loans: calendar day-weighted average of the average balance sheet items in periods comprising the given period, where periods comprising the given period are defined as quarters (and within that months) in case of 1H, 9M and FY periods, and months in case of quarters. Furthermore, the average of the average balance sheet items is computed as the arithmetic average of closing balance sheet items for the previous period and the current period.) Example for 9M 2022: $\frac{101{,}512.3 \; * \; 1.3}{18{,}116{,}965.7} = 0.75\%$ Example for 9M 2021: $\frac{24{,}905.0 \; * \; 1.3}{14{,}764{,}580.4} = 0.23\%$	0.23%	0.75%
Total risk cost (adjusted)/ total asset ratio, consolidated	The indicator shows the amount of total risk cost relative to the balance sheet total.	The numerator of the indicator is consolidated adjusted total risk cost for the given period (annualized for periods less than one year), the denominator is the average consolidated total assets for the given period. Example for 9M 2022: $\frac{136{,}688.1 \; * \; 1.3}{30{,}364{,}046.3} = 0.60\%$ Example for 9M 2021: $\frac{43{,}233.0 \; * \; 1.3}{24{,}548{,}656.8} = 0.24\%$	0.24%	0.60%

Alternative performance measures name	Description	Calculation (data in HUF million)	Measures value 9M 2021	Measures value 9M 2022
Effective tax rate (adjusted), consolidated	The indicator shows the amount of corporate income tax accounted on pre-tax profit.	The numerator of the indicator is consolidated adjusted corporate income tax for the given period, the denominator is the consolidated adjusted pre-tax profit for the given period. Example for 9M 2022: $\frac{69,515.2}{508,641.4} = 13.7\%$ Example for 9M 2021: $\frac{66,694.6}{440,272.8} = 15.1\%$	15.1%	13.7%
Net loan/(deposit+retail bonds) ratio (FX-adjusted), consolidated	The net loan to deposit+retail bonds ratio is the indicator for assessing the bank's liquidity position.	The numerator of the indicator is the consolidated net consumer loan volume (gross loan reduced the amount of provision), the denominator is the end of period consolidated consumer FX-adjusted deposit volume plus the end of period retail bond volume (issued by OTP Bank). Example for 9M 2022: $\frac{19,479,825.8}{25,790,945.7 + 0.0} = 76\%$ Example for 9M 2021: $\frac{16,869,906.4}{22,028,840.7 + 0.0} = 77\%$	77%	76%

SUPPLEMENTARY DATA

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

General note: regarding OTP Core and other subsidiaries, the adjusted profit after tax is calculated without the effect of adjustment items.

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

(2) OTP Core is an economic unit for measuring the result of core business activity of OTP Group in Hungary. Financials of OTP Core are calculated from the partially consolidated IFRS financial statements of certain companies engaged in OTP Group's operation in Hungary. These companies include OTP Bank Hungary Plc., OTP Mortgage Bank Ltd, OTP Building Society Ltd, OTP Factoring Ltd, OTP Financial Point Ltd., and companies providing intragroup financing; OTP Bank Employee Stock Ownership Plan Organization was included from 4Q 2016; OTP Card Factory Ltd., OTP Facility Management Llc., MONICOMP Ltd. and OTP Real Estate Leasing Ltd. were included from 1Q 2017 (from 1Q 2019 OTP Real Estate Lease Ltd. was eliminated from OTP Core); OTP Mobile Service Llc. and OTP Ingatlanpont Llc. were included from 1Q 2019; OTP eBIZ Ltd. was included from 1Q 2020; OTP OTP Home Solutions was included from 2Q 2021. The consolidated results of these companies are segmented into OTP Core and Corporate Centre. Latter is a virtual entity.

(3) The result and balance sheet of OTP Factoring Bulgaria EAD and DSK Leasing AD is included.

(4) The statement of recognised income and balance sheet of OTP Leasing d.d. and SB Leasing d.o.o. was included.

(5) The financial performance of OTP Factoring Serbia d.o.o, OTP Lizing d.o.o. and OTP Services d.o.o. is included.

(6) The statement of recognised income and balance sheet of OTP Faktoring SRL and OTP Leasing Romania IFN S.A. was included.

(7) Figures are based on the aggregated financial statements of OTP Bank JSC, LLC OTP Leasing, and OTP Factoring Ukraine LLC.

(8) The statement of recognised income and balance sheet of LLC MFO "OTP Finance" is included.

(9) The statement of recognised income and balance sheet of the acquired Podgoricka banka was included, which merged into the Montenegrin bank in 4Q 2020.

(10) The Albanian figures include the balance sheet of the newly acquired Alpha Bank Albania from July 2022 and its P&L contribution from August.

(11) The subconsolidated adjusted after tax profit of Merkantil Group (Merkantil Bank Ltd., Merkantil Bérlet Ltd., OTP Real Estate Leasing Ltd., NIMO 2002 Ltd., SPLC-P Ltd., SPLC Ltd.) was presented.

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

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

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

(15) The after tax profit of the Hungarian operation lines include the after tax profit or adjusted after tax profit of the Hungarian subsidiaries and Corporate Centre, as well as the eliminations allocated onto these entities. According to the new methodology applied retrospectively from 1Q 2021, the eliminations were also allocated amongst the Hungarian and Foreign segments in an appropriate manner.

(16) The after tax profit of the Foreign operation lines include the after tax profit or adjusted after tax profit of the Foreign subsidiaries, as well as the eliminations allocated onto these entities. According to the new methodology applied retrospectively from 1Q 2021, the eliminations were also allocated amongst the Hungarian and Foreign segments in an appropriate manner.

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

In order to present Group performance reflecting the underlying business trends , the presented consolidated and separate / sub-consolidated profit and loss statements of this report were adjusted in the following way, and the adjusted P&Ls are shown and analysed in the Report (unless otherwise stated). Consolidated financial statements together with separate figures of OTP Bank are disclosed in the *Financial Data* section.

Adjustments affecting the income statement:

- The after tax effect of adjustment items (certain, typically non-recurring items from banking operations' point of view) are shown separately in the Statement of Recognised Income. The following adjustment items emerged in the period under review and the previous year: received dividends, received and paid cash transfers, the effect of goodwill/investment impairment charges, special tax on financial institutions (including the Hungarian windfall tax), the expected one-off negative effect of the debt repayment moratorium in Hungary, the expected one-off effect of the extension of the interest rate cap for certain retail loans in Hungary, the effect of the winding up of Sberbank Hungary, the effect of acquisitions, from 1Q 2021 the result of the treasury share swap agreement (latter was presented earlier amongst the one-off revenue items in the adjusted P&L structure), and the impairments on Russian government bonds at OTP Core and DSK Bank booked in 2022.
- The following items have been moved from the Other operating expenses line among the Net interest income after loss allowance, impairment and provisions line: *Release of loss allowance on securities at fair value through other comprehensive income and on securities at amortized cost*, *Provision for commitments and guarantees given*, *Release of impairment of assets subject to operating lease and of investment properties*. In the adjusted P&L structure these items are presented amongst the *Other provisions (adj.)* line (through the *Structural correction between Provision for impairment on loan losses and Other provisions* adjustment line). From 1Q 2021 the *Provision for commitments and guarantees given* line contains lending activity-related amounts, therefore this line is no longer shifted from 1Q 2021. In 3Q 2021 (retrospectively from 3Q 2020) the components of the new *Gain from derecognition of financial assets at amortized cost* line in the P&L were shifted back in the adjusted P&L structure to the lines on which they were presented previously. From 1Q 2022 the provision for impairment on placement losses is presented on the *Other provisions* line, instead of the previously applied *Provision for impairment lon loan losses* line.
- Other non-interest income is shown together with Gains and losses on real estate transactions, Net insurance result, Gains and losses on derivative instruments, but without the 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.
- OTP Bank's share in the change in the shareholders' equity of companies consolidated with equity method is reclassified from the After tax dividends and net cash transfers line to the Net other non-interest result (adj.) without one-offs line. In the addition to this, OTP Bank has changed the way how private equity funds managed by PortfoLion are recorded. As a result of this, as opposed to the previous method of recording the funds at book value (initial book value less impairments), starting from 3Q 2019 the funds are evaluated based on their net asset value. The change in the carrying value was reclassified to the Net other non-interest result (adj.) without one-offs line in the adjusted P&L structure.
- Other provisions are separated from other expenses and shown on a separate line in the adjusted profit or loss statement.
- Other administrative expenses have been adjusted in the following way in order to create a category comprising administrative cost items exclusively. Other costs and expenses and other non-interest expenses were included into the adjusted Other non-interest expenses. At the same time, the following cost items were excluded from adjusted other non-interest expenses: paid cash transfers (except for movie subsidies and cash transfers to public benefit organisations), Other other non-interest expenses stemming from non-financial activities, and special tax on financial institutions.
- Tax deductible transfers (offset against corporate taxes) paid by Hungarian group members were reclassified from Other non-interest expenses to Corporate income tax. As a result, the net P&L effect of these transfers (i.e. the paid transfer less the related corporate tax allowances) is recognised in the corporate income tax line of the adjusted P&L.
- The financial transaction tax paid in Hungary is reclassified from other (administrative) expenses to net fee and commission income, both on consolidated and OTP Core level.
- The Compensation Fund contributions are recognized on the Other administrative expenses line of the income statement, and are presented on the financial transaction tax and/or Special tax on financial institutions line the in the adjusted P&L structure (due to the tax deductibility).
- Due to the introduction of IFRS16, certain items previously presented on the Other non-interest expenses line (rental fees) were moved to the interest expenses and depreciation lines in the income statement. These items were shifted back to the Other non-interest expenses line in the adjusted P&L structure.
- The currency exchange result was shifted in the P&L structure from the FX result to the net fees and commissions line. In the adjusted P&L structure this item is moved to the FX result line.
- In 4Q 2021 the *Modification gains or losses* line (one of the components of the *Provision for impairment on loan and placement losses*) was presented on a separate line in the P&L structure, retroactively from 1Q 2020. In the adjusted P&L this line was shifted back to the *Provision for*

impairment on loan and placement losses line. Secondly, in 4Q 2021 the *Gains and losses on non-trading securities mandatorily at fair value through profit or loss* line was moved from the *Gains / losses on securities* to the *Fair value adjustment on financial instruments measured at fair value through profit or loss* line in the P&L structure, retroactively from 1Q 2020. In the adjusted P&L this item remained part of the *Gains / losses on securities*. Thirdly, from 1Q 2021 the local business taxes and the innovation contribution payable by Hungarian Group members were booked on the *Income tax expenses* line, whereas these items were recognised amongst the *Other general expenses*.

- *The expected one-off effect of the extension of the interest rate cap for certain retail loans in Hungary* line contains the expected effect of the extended rate cap in the second half of 2022. The expected effect of the rate cap effective in 1H 2022 was booked in 4Q 2021 amongst the risk costs of OTP Core.
- *The effect of the winding up of Sberbank Hungary* line represents the combined impact of the extraordinary contribution payable into the Deposit Protection Fund in relation to the compensation of depositors, and the net present value of the expected recovery from the sale of Sberbank assets.
- Performance indicators (such as cost/income ratio, net interest margin, risk cost to average gross loans as well as ROA and ROE ratios, etc.) presented in this report are calculated on the basis of the adjusted profit and loss statement excluding adjustment items (unless otherwise indicated). Starting from 1Q 2022, the Provision for impairment on loan losses line is in the numerator of the Provision for impairment on loan losses-to-average gross loans ratio, which, as opposed to previous periods, does not include the provision for impairment on placement losses.
- Within the report, FX-adjusted statistics for business volume developments and their product breakdown, as well as the FX-adjusted stock of allowances for loan losses are disclosed, too. For FX adjustment, the closing cross currency rates for the current period were used to calculate the HUF equivalent of loan and deposit volumes in the base periods. Thus the FX-adjusted volumes will be different from those published earlier. Regarding the FX-adjusted volume change of DPD90+ loans (adjusted for sales and write-offs), instead of the previously applied 3Q 2009 FX rates, from 4Q 2020 onwards the actual end of period FX rates are used for calculating the FX-adjusted figures.
- The *FX-adjusted* changes of certain consolidated or sub-consolidated P&L lines are presented in this Report. According to the applied methodology in the case of the P&L lines, the FX effect is filtered out only in relation to the currency of the given country, irrespective of the transactional currency mix in which the given P&L line materialized. Thus, for instance, as for the consolidated FX-adjusted operating cost development, the effect of the Hungarian Forint rate changes against the given currency is not eliminated in the case of the cost items arising in FX within the Hungarian cost base.

Adjustments affecting the balance sheet:

- From the end of 2020, OTP Osiguranje d.d. was presented as asset classified as held for sale in the financial statements. Accordingly, from end-2020 until its deconsolidation, i.e. until 2Q 2021 its assets and liabilities were shown on a separate line in the consolidated balance sheet. Regarding the 2020 and 2021 statement of recognized income, the entity's result was presented on the *Gains from held for trading operations* line, therefore the particular P&L lines in the 'continuing operations' section of the P&L don't incorporate the contribution from this entity.

  As opposed to this, the adjusted financial statements presented in the Stock Exchange Report incorporated the company's balance sheet and P&L contribution in the relevant respective lines, in line with the structure of the financial statements monitored by the management.
- In the adjusted balance sheet, net customer loans include the stock of finance lease receivables.
- In the adjusted balance sheets presented in the analytical section of the report, the total amount of accrued interest receivables related to Stage 3 loans under IFRS 9 were netted with the provisions created in relation to the total exposure toward those particular clients, in case of the affected Group members. Therefore, this adjustment made on the balance sheet has an impact on the consolidated gross customer loans and allowances for loan losses.

ADJUSTMENTS OF CONSOLIDATED IFRS P&L LINES

in HUF million	1Q 21	2Q 21	3Q 21	9M 21	4Q 21 Audited	2021 Audited	1Q 22	2Q 22	3Q 22	9M 22
Net interest income	**202,833**	**209,676**	**221,962**	**634,471**	**239,839**	**874,310**	**240,794**	**264,479**	**290,478**	**795,751**
(-) Revaluation result of FX provisions	0	0	0	0	0	0	0	0	0	0
(+) Presentation of the revaluation result of intra-group swaps on the net interest income line realized at the Romanian and Slovakian operations	77	258	125	460	165	625	552	831	-65	1,318
(-) Netting of interest revenues on DPD90+ loans with the related provision (booked on the Provision for loan losses line) at OTP Core and CKB	674	250	676	1,601	-471	1,131	2,679	205	1,053	3,937
(-) Effect of acquisitions	-573	-492	-889	-1,954	-726	-2,680	-728	-731	-783	-2,243
(-) Initial NPV gain on the monetary policy interest rate swap (MIRS) deals	0	0	0	0	0	0	0	0	0	0
(-) Reclassification due to the introduction of IFRS16	-399	-376	-379	-1,154	-402	-1,556	-383	-580	-741	-1,704
(+) Presentation of the contribution from discontinued operation on the adjusted P&L lines	20	20	7	46	0	46	0	0	0	0
(-) Expected one-off negative effect of the debt repayment moratorium in Hungary and Serbia	0	0	0	0	-5,925	-5,925	0	0	0	0
Net interest income (adj.)	**203,227**	**210,573**	**222,685**	**636,484**	**247,528**	**884,012**	**239,779**	**266,417**	**290,884**	**797,080**
Net fees and commissions	**98,575**	**107,006**	**116,397**	**321,978**	**120,199**	**442,177**	**127,595**	**137,856**	**164,671**	**430,122**
(+) Financial Transaction Tax	-17,353	-15,423	-16,854	-49,631	-19,187	-68,818	-21,465	-19,153	-23,174	-63,793
(-) Effect of acquisitions	-15	-55	38	-32	-1	-33	-1	0	-1	-2
(-) Structural shift of income from currency exchange from net fees to the FX result	9,337	11,318	13,488	34,144	13,700	47,843	20,406	22,911	35,423	78,740
Net fees and commissions (adj.)	**71,899**	**80,320**	**86,016**	**238,235**	**87,313**	**325,548**	**85,725**	**95,792**	**106,075**	**287,591**
Foreign exchange result	**1,281**	**-2,718**	**2,998**	**1,562**	**-5,636**	**-4,075**	**11,910**	**-10,959**	**-16,761**	**-15,810**
(-) Presentation of the revaluation result of intra-group swaps on the net interest income line realized at the Romanian and Slovakian operations	-354	1,393	-1,142	-103	-389	-492	5,571	-6,110	-1,965	-2,504
(-) Effect of acquisitions	0	0	0	0	0	0	2	-5	-1	-4
(+) Presentation of the contribution from discontinued operation on the adjusted P&L lines	11	-24	3	-10	0	-10	0	0	0	0
(+) Structural shift of income from currency exchange from net fees to the FX result	9,337	11,318	13,488	34,144	13,700	47,843	20,406	22,911	35,423	78,740
Foreign exchange result (adj.)	**10,983**	**7,184**	**17,631**	**35,799**	**8,452**	**44,251**	**26,743**	**18,067**	**20,628**	**65,438**
Gain/loss on securities, net	**-121**	**1,695**	**3,402**	**4,976**	**583**	**5,559**	**-5,744**	**-2,116**	**1,012**	**-6,848**
(-) Effect of acquisitions	0	-221	-506	-727	-350	-1,077	-91	-466	0	-556
(+) Presentation of the contribution from discontinued operation on the adjusted P&L lines	11	2	1	14	0	14	0	0	0	0
(-) Revaluation result of the treasury share swap agreement	-2,586	81	2,851	346	2,421	2,766	-9,343	-26	-717	-10,086
(+) Structural adjustment due to the Gain from derecognition of financial assets at amortized cost line (against Gain/loss on securities, net)	682	325	57	1,064	-33	1,031	41	0	-2,923	-2,882
(+) Shifting of the *Gains and losses on non-trading securities mandatorily at fair value through profit or loss* line from the *Net other non-interest income* to the *Gains or losses from securities* line	1,028	3,338	346	4,711	101	4,812	400	-1,229	-575	-1,404
Gain/loss on securities, net (adj.)	**4,187**	**5,499**	**1,460**	**11,145**	**-1,419**	**9,726**	**4,131**	**-2,855**	**-1,769**	**-493**
Result of discontinued operation and gains from disposal of subs classified as held for sale	**144**	**95**	**-62**	**176**	**-60**	**116**	**986**	**0**	**9,236**	**10,222**
(-) Effect of acquisitions	0	0	-105	-105	-60	-165	0	0	0	0
Result of discontinued operation and gains from disposal of subs. class. as held for sale (adj.)	**144**	**95**	**43**	**282**	**0**	**282**	**986**	**0**	**9,236**	**10,222**
Gains and losses on real estate transactions	**2,031**	**2,581**	**823**	**5,434**	**989**	**6,424**	**701**	**891**	**1,458**	**3,050**
Result of discontinued operation and gains from disposal of subsidiaries classified as held for sale (adj.)	**144**	**95**	**43**	**282**	**0**	**282**	**986**	**0**	**9,236**	**10,222**
(+) Other non-interest income	**19,760**	**13,535**	**15,555**	**48,850**	**25,396**	**74,246**	**18,288**	**25,184**	**34,371**	**77,844**
(+) Gains and losses on derivative instruments	**880**	**759**	**-1,475**	**164**	**6,633**	**6,797**	**-8,586**	**7,516**	**23,012**	**21,942**
(+) Net insurance result	**143**	**143**	**213**	**499**	**158**	**657**	**165**	**440**	**391**	**996**
(+) Losses on loans measured mandatorily at fair value through other comprehensive income and on securities at amortized cost	**-699**	**1,890**	**735**	**1,926**	**-2,458**	**-532**	**636**	**4,320**	**-12,651**	**-7,695**
(-) Shifting of the *Gains and losses on non-trading securities mandatorily at fair value through profit or loss* line from the *Net other non-interest income* to the *Gains or losses from securities* line	1,028	3,338	346	4,711	101	4,812	400	**-1,229**	**-575**	**-1,404**
(-) Received cash transfers	36	15	10	61	104	165	83	-6	-14	64
(+) Other other non-interest expenses	-12,264	-8,614	-10,749	-31,626	-13,255	-44,882	-12,266	-16,394	-18,154	-46,814
(+) Change in shareholders' equity of companies consolidated with equity method, and the change in the net asset value of the private equity funds managed by PortfoLion	1,847	4,213	1,444	7,504	3,652	11,155	401	603	2,298	3,301
(-) Effect of acquisitions	0	0	-2	-1	-2	-4	0	0	3,348	3,348
(-) Presentation of the revaluation result of intra-group swaps on the net interest income line realized at the Romanian and Slovakian operations	431	-1,134	1,267	563	555	1,117	-5,018	6,941	1,900	3,823
(-) One-off impact of the CHF mortgage loan conversion programme and regulatory changes related to mortgage loans in Romania	-259	-292	-235	-787	-161	-948	-279	-130	-93	-501
(-) Netting of refunds related to legal cases (accounted for on the Net other non-interest result line) with the release of provisions created earlier for these cases (accounted for on the Other provisions line) from 1Q 2017 at OTP Bank Romania	-77	-40	-48	-165	-29	-194	-76	-65	-45	-186
(+) Presentation of the contribution from discontinued operation on the adjusted P&L lines	151	183	54	387	0	387	0	0	0	0
(+) Shifting of the costs of mediated services at Merkantil Bérlet to the net other non-interest result line							-393	-531	-629	-1,553
(+) Structural adjustment due to the Gain from derecognition of financial assets at amortized cost line (against Net other non-interest result)									-	-
Net other non-interest result (adj.)	**10,836**	**12,899**	**5,304**	**29,039**	**20,547**	**49,586**	**4,822**	**16,518**	**34,468**	**55,808**

in HUF million	1Q 21	2Q 21	3Q 21	9M 21	4Q 21 Audited	2021 Audited	1Q 22	2Q 22	3Q 22	9M 22
Gain from derecognition of financial assets at amortized cost	**10**	**543**	**-385**	**168**	**1,716**	**1,884**	**949**	**1,030**	**-2,685**	**-706**
(-) Structural adjustment due to the Gain from derecognition of financial assets at amortized cost line (against Gain/loss on securities, net)	682	325	57	1,064	-33	1,031	41	0	-2,923	-2,882
(-) Structural adjustment due to the Gain from derecognition of financial assets at amortized cost line (against Provision for impairment on loan losses)	-672	218	-441	-896	1,749	854	908	1,030	580	2,517
(-) Structural adjustment due to the Gain from derecognition of financial assets at amortized cost line (against Net other non-interest result)									-342	-342
Gain from derecognition of financial assets at amortized cost (adj.)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Provision for impairment on loan and placement losses	**-4,915**	**3,330**	**-12,454**	**-14,039**	**-13,683**	**-27,723**	**-72,680**	**-15,908**	**-37,032**	**-125,620**
(+) Modification gains or losses	**-17**	**-372**	**-8,763**	**-9,152**	**-4,519**	**-13,672**	**-15**	**-13,059**	**-2,179**	**-15,253**
(+) Change in the fair value attributable to changes in the credit risk of loans mandatorily measured at fair value through profit of loss	**-4,915**	**-2,617**	**-779**	**-8,311**	**-7,978**	**-16,289**	**13,758**	**1,229**	**-1,869**	**13,118**
(+) Loss allowance on securities at fair value through other comprehensive income and on securities at amortized cost	**-2,378**	**-2,776**	**1,145**	**-4,010**	**36**	**-3,974**	**-43,123**	**-6,087**	**-8,027**	**-57,238**
(+) Provision for commitments and guarantees given	**185**	**-1,634**	**-1,514**	**-2,963**	**2,864**	**-99**	**-3,734**	**-2,200**	**6,428**	**494**
(+) Impairment of assets subject to operating lease and of investment properties	**337**	**4**	**80**	**422**	**16**	**438**	**26**	**40**	**74**	**140**
(-) One-off impact of the CHF mortgage loan conversion programme and regulatory changes related to mortgage loans in Romania	113	94	44	250	89	339	96	55	4	155
(+) Netting of interest revenues on DPD90+ loans with the related provision (booked on the Provision for loan losses line) at OTP Core and CKB	674	250	676	1,601	-471	1,131	2,679	205	1,053	3,937
(-) Structural correction between Provision for loan losses and Other provisions	-2,041	-2,772	1,225	-3,588	52	-3,536	-43,097	-6,047	-7,953	-57,097
(-) Expected one-off negative effect of the debt repayment moratorium in Hungary and Serbia	-1	-346	-8,757	-9,104	-1,027	-10,131	6	-522	-2,184	-2,700
(+) Structural adjustment due to the *Gain from derecognition of financial assets at amortized cost* line (against *Provision for impairment on loan losses*)	-672	218	-441	-896	1,749	854	908	1,030	580	2,517
(-) Shifting of provision for impairment on placement losses to the other provisions line from 1Q 2022							-1,023	-1,031	-144	-2,199
(-) Expected one-off effect of the extension of the interest rate cap for certain retail loans in Hungary								-11,144	0	-11,144
Provision for impairment on loan losses (adj.)	**-9,772**	**-573**	**-14,560**	**-24,905**	**-21,101**	**-46,006**	**-58,164**	**-16,060**	**-27,288**	**-101,512**
Dividend income	**1,896**	**4,632**	**5,542**	**12,070**	**3,578**	**15,648**	**462**	**794**	**15,462**	**16,718**
(+) Received cash transfers	36	15	10	61	104	165	83	-6	-14	64
(+) Paid cash transfers	-2,043	-3,022	-350	-5,415	-6,577	-11,992	-3,564	-5,483	-5,140	-14,187
(-) Sponsorships, subsidies and cash transfers to public benefit organisations	-2,039	-3,022	-349	-5,410	-6,463	-11,873	-3,451	-5,456	-5,137	-14,044
(-) Dividend income of swap counterparty shares kept under the treasury share swap agreement	0	0	3,809	3,809	0	3,809	0	0	12,130	12,130
(-) Change in shareholders' equity of companies consolidated with equity method, and the change in the net asset value of the private equity funds managed by PortfoLion	1,847	4,213	1,444	7,504	3,652	11,155	401	603	2,298	3,301
After tax dividends and net cash transfers	**82**	**433**	**299**	**813**	**-84**	**729**	**31**	**159**	**1,018**	**1,208**
Depreciation	**-23,424**	**-23,280**	**-23,578**	**-70,282**	**-24,713**	**-94,995**	**-91,354**	**-26,832**	**-28,427**	**-146,613**
(-) Goodwill impairment charges	0	0	0	0	0	0	-67,715	0	0	-67,715
(-) Effect of acquisitions	-1,662	-1,465	-1,350	-4,477	-1,657	-6,134	-1,252	-1,227	-1,222	-3,701
(-) Reclassification due to the introduction of IFRS16	-4,033	-3,868	-3,973	-11,874	-4,191	-16,064	-4,090	-4,485	-4,783	-13,358
(+) Presentation of the contribution from discontinued operation on the adjusted P&L lines	-8	-9	-3	-20	0	-20	0	0	0	0
Depreciation (adj.)	**-17,737**	**-17,955**	**-18,258**	**-53,951**	**-18,865**	**-72,816**	**-18,297**	**-21,119**	**-22,422**	**-61,838**
Personnel expenses	**-78,739**	**-80,819**	**-81,584**	**-241,142**	**-99,542**	**-340,684**	**-84,061**	**-90,691**	**-104,596**	**-279,348**
(-) Effect of acquisitions	95	-228	-413	-547	-235	-781	-232	-219	-340	-792
(+) Presentation of the contribution from discontinued operation on the adjusted P&L lines	-126	-130	-43	-298	0	-298	0	0	0	0
Personnel expenses (adj.)	**-78,960**	**-80,721**	**-81,213**	**-240,894**	**-99,307**	**-340,201**	**-83,830**	**-90,471**	**-104,256**	**-278,556**
Income taxes	**-17,998**	**-16,622**	**-22,129**	**-56,749**	**-15,374**	**-72,123**	**-9,952**	**-4,542**	**-20,418**	**-34,912**
(-) Corporate tax impact of goodwill/investment impairment charges	657	-1,375	0	-718	2,628	1,909	11,435	0	1,765	13,200
(-) Corporate tax impact of the special tax on financial institutions	1,785	0	2	1,787	1	1,787	1,902	6,713	7	8,622
(+) Tax deductible transfers (offset against corporate taxes)	-334	-1,993	-5	-2,332	-5,805	-8,137	-1,669	-193	-4,431	-6,292
(-) Corporate tax impact of the effect of acquisitions	89	4,068	938	5,096	642	5,738	192	312	-262	242
(+) Presentation of the contribution from discontinued operation on the adjusted P&L lines	-15	-1	-2	-18	0	-18	0	0	0	0
(-) Corporate tax impact of the expected one-off negative effect of the debt repayment moratorium in Hungary and Serbia	0	552	910	1,462	25	1,487	-1	177	69	246
(-) Corporate tax impact of the result of the treasury share swap agreement	233	-7	-257	-31	-218	-249	841	2	65	908
(-) Corporate tax impact of the impairments on Russian government bonds booked at OTP Core and DSK Bank in 2022							3,465	55	-486	3,033
(-) Corporate tax impact of the winding up of Sberbank Hungary (contribution to the Deposit Protection Fund)								248	809	1,057
(-) Corporate tax impact of the expected one-off effect of the extension of the interest rate cap for certain retail loans in Hungary								1,003	0	1,003
Corporate income tax (adj.)	**-21,111**	**-21,853**	**-23,730**	**-66,695**	**-24,257**	**-90,951**	**-29,454**	**-13,246**	**-26,815**	**-69,515**
Other operating expense	**-11,991**	**-25,197**	**-25,440**	**-62,628**	**-23,105**	**-85,733**	**-25,896**	**-37,032**	**-30,736**	**-93,665**

in HUF million	1Q 21	2Q 21	3Q 21	9M 21	4Q 21 Audited	2021 Audited	1Q 22	2Q 22	3Q 22	9M 22
(-) Other costs and expenses	-1,179	-1,646	-1,577	-4,402	-2,106	-6,508	-1,547	-4,403	-11,726	-17,676
(-) Other non-interest expenses	-14,307	-11,636	-11,099	-37,042	-19,832	-56,874	-15,831	-21,877	-23,294	-61,002
(-) One-off impact of the CHF mortgage loan conversion programme and regulatory changes related to mortgage loans in Romania	147	199	191	537	72	609	182	75	89	347
(-) Netting of refunds related to legal cases (accounted for on the Net other non-interest result line) with the release of provisions created earlier for these cases (accounted for on the Other provisions line) from 1Q 2017 at OTP Bank Romania	77	40	48	165	29	194	76	65	45	186
(+) Structural correction between *Provision for loan losses* and *Other provisions*	-2,041	-2,772	1,225	-3,588	52	-3,536	-43,097	-6,047	-7,953	-57,097
(+) Presentation of the contribution from discontinued operation on the adjusted P&L lines	0	3	1	4	0	4	0	0	0	0
(-) Expected one-off negative effect of the debt repayment moratorium in Hungary and Serbia	0	-5,793	-1,350	-7,142	6,989	-153	0	-1,448	1,419	-29
(-) Impairments on Russian government bonds booked at OTP Core and DSK Bank in 2022							-37,989	-569	-275	-38,834
(+) Shifting of provision for impairment on placement losses to the other provisions line from 1Q 2022							-1,023	-1,031	-144	-2,199
(-) Shifting of certain expenses arising from mediated services from other provisions to the other non-interest expenses line							-183	-178	-228	-588
Other provisions (adj.)	**1,229**	**-9,130**	**-10,427**	**-18,328**	**-8,204**	**-26,532**	**-14,726**	**-15,776**	**-4,675**	**-35,176**
Other administrative expenses	**-89,543**	**-68,038**	**-70,518**	**-228,099**	**-83,833**	**-311,931**	**-104,529**	**-158,296**	**-91,966**	**-354,792**
(+) Other costs and expenses	-1,179	-1,646	-1,577	-4,402	-2,106	-6,508	-1,547	-4,403	-11,726	-17,676
(+) Other non-interest expenses	-14,307	-11,636	-11,099	-37,042	-19,832	-56,874	-15,831	-21,877	-23,294	-61,002
(-) Paid cash transfers	-2,043	-3,022	-350	-5,415	-6,577	-11,992	-3,564	-5,483	-5,140	-14,187
(+) Film subsidies and cash transfers to public benefit organisations	-2,039	-3,022	-349	-5,410	-6,463	-11,873	-3,451	-5,456	-5,137	-14,044
(-) Other other non-interest expenses	-12,264	-8,614	-10,749	-31,626	-13,255	-44,882	-12,266	-16,394	-18,154	-46,814
(-) Special tax on financial institutions (recognised as other administrative expenses)	-20,658	-4	-7	-20,668	-12	-20,680	-22,128	-74,588	-86	-96,802
(-) Tax deductible transfers (offset against corporate taxes)	-334	-1,993	-5	-2,332	-5,805	-8,137	-1,669	-193	-4,431	-6,292
(-) Financial Transaction Tax	-17,353	-15,423	-16,854	-49,631	-19,187	-68,818	-21,465	-19,153	-23,174	-63,793
(-) Effect of acquisitions	-1,401	-2,330	-2,331	-6,062	-4,308	-10,370	-420	-1,039	-813	-2,271
(+) Reclassification due to the introduction of IFRS16	-4,432	-4,245	-4,351	-13,028	-4,593	-17,620	-4,473	-5,065	-5,524	-15,063
(+) Presentation of the contribution from discontinued operation on the adjusted P&L lines	-44	-45	-17	-106	0	-106	0	0	0	0
(-) Expected one-off negative effect of the debt repayment moratorium in Hungary and Serbia					-318	-318	-3	0	-2	-5
(-) Shifting of the costs of mediated services at Merkantil Bérlet Ltd. to the net other non-interest result line							-393	-531	-629	-1,553
(+) Shifting of certain expenses arising from mediated services from other provisions to the other non-interest expenses line							-183	-178	-228	-588
(-) Effect of the winding up of Sberbank Hungary (contribution to the Deposit Protection Fund)								-2,756	-8,992	-11,747
Other non-interest expenses (adj.)	**-57,491**	**-57,245**	**-57,615**	**-172,352**	**-67,364**	**-239,716**	**-68,105**	**-75,140**	**-76,455**	**-219,700**

ADJUSTMENTS OF CONSOLIDATED IFRS BALANCE SHEET LINES

in HUF million	1Q 2021	2Q 2021	3Q 2021	4Q 2021	1Q 2022	2Q 2022	3Q 2022
Cash, amounts due from Banks and balances with the National Banks	2,342,423	1,983,486	2,241,691	2,556,035	2,396,801	2,312,422	3,598,087
(+) Allocation of *Assets classified as held for sale* among balance sheet lines	3	4	0	0	0	0	0
Cash, amounts due from Banks and balances with the National Banks (adjusted)	2,342,426	1,983,490	2,241,691	2,556,035	2,396,801	2,312,422	3,598,087
Placements with other banks, net of allowance for placement losses	1,601,813	1,727,059	1,896,258	1,584,860	2,297,336	1,765,735	1,776,713
(+) Allocation of *Assets classified as held for sale* among balance sheet lines	243	235	0	0	0	0	0
Placements with other banks, net of allowance for placement losses (adjusted)	1,602,056	1,727,294	1,896,258	1,584,860	2,297,336	1,765,735	1,776,713
Securities at fair value through profit and loss	258,432	234,797	305,830	341,397	408,358	462,603	562,021
(+) Allocation of Assets classified as held for sale among balance sheet lines	1,192	1,169	0	0	0	0	0
Securities at fair value through profit or loss (adjusted)	259,625	235,966	305,830	341,397	408,358	462,603	562,021
Securities at fair value through other comprehensive income	2,171,807	2,128,322	2,196,056	2,224,510	2,065,330	2,103,518	2,024,180
(+) Allocation of Assets classified as held for sale among balance sheet lines	3,359	3,261	0	0	0	0	0
Securities at fair value through other comprehensive income (adjusted)	2,175,165	2,131,583	2,196,056	2,224,510	2,065,330	2,103,518	2,024,180
Gross customer loans (incl. finance lease receivables and accrued interest receivables related to loans)	14,642,446	14,944,035	15,782,701	16,670,469	17,023,639	19,031,165	20,682,060
(-) Accrued interest receivables related to DPD90+ / Stage 3 loans	39,144	39,294	40,530	36,015	38,045	42,983	47,410
Gross customer loans (adjusted)	14,603,302	14,904,741	15,742,171	16,634,454	16,985,594	18,988,181	20,634,650
Allowances for loan losses (incl. impairment of finance lease receivables)	-891,191	-878,095	-914,664	-926,547	-969,797	-1,145,091	-1,202,235
(-) Allocated provision on accrued interest receivables related to DPD90+ / Stage 3 loans	-39,144	-39,294	-40,530	-36,015	-38,045	-42,983	-47,410
Allowances for loan losses (adjusted)	-852,047	-838,801	-874,134	-890,532	-931,752	-1,102,107	-1,154,824
Securities at amortized costs	2,959,925	3,232,248	3,466,531	3,891,335	4,314,660	4,802,056	5,039,491
(+) Allocation of *Assets classified as held for sale* among balance sheet lines	1,030	998	0	0	0	0	0
Securities at amortized costs (adjusted)	2,960,955	3,233,246	3,466,531	3,891,335	4,314,660	4,802,056	5,039,491
Tangible and intangible assets, net	639,144	643,541	664,204	689,290	642,985	690,193	732,144
(+) Allocation of *Assets classified as held for sale* among balance sheet lines	125	112	0	0	0	0	0
Tangible and intangible assets, net (adjusted)	639,269	643,653	664,204	689,290	642,985	690,193	732,144
Other assets	544,239	495,303	493,538	454,811	542,473	720,784	734,635
(+) Allocation of *Assets classified as held for sale* among balance sheet lines	-5,953	-5,779	0	0	0	0	0
Other assets (adjusted)	538,287	489,524	493,538	454,811	542,473	720,784	734,635

OTP Bank Plc.

Postal address: P.O.Box: 501 Budapest H-1876 Hungary

Phone: +36 1 473 5460

Fax: +36 1 473 5951

E-mail: investor.relations@otpbank.hu

Internet: www.otpbank.hu