



OTP BANK PLC.

**SEPARATE CONDENSED
FINANCIAL STATEMENTS IN ACCORDANCE
WITH INTERNATIONAL FINANCIAL
REPORTING STANDARDS AS ADOPTED
BY THE EUROPEAN UNION**

**FOR THE THREE MONTH PERIOD
ENDED 31 MARCH 2023**

OTP BANK PLC.

CONTENTS

SEPARATE STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023 (UNAUDITED).....	2
SEPARATE CONDENSED STATEMENT OF PROFIT OR LOSS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2023 (UNAUDITED) (in HUF mn).....	3
SEPARATE CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2023 (UNAUDITED).....	4
SEPARATE STATEMENT OF CHANGES IN EQUITY FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2023 (UNAUDITED).....	5
SEPARATE CONDENSED STATEMENT OF CASH FLOWS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2023 (UNAUDITED)	6
NOTE 1: ORGANIZATION AND BASIS OF FINANCIAL STATEMENTS.....	7
1.1. General information.....	7
1.2. Accounting.....	7
NOTE 2: SIGNIFICANT EVENTS DURING THE YEAR ENDED 31 DECEMBER 2022	7
NOTE 3: SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD	7
NOTE 4: FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (in HUF mn).....	8
NOTE 5: FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (in HUF mn),	8
NOTE 6: SECURITIES AT AMORTISED COST (in HUF mn)	9
NOTE 7: LOANS (in HUF mn).....	9
NOTE 8: INVESTMENTS IN SUBSIDIARIES (in HUF mn).....	10
NOTE 9: DEPOSITS FROM CUSTOMERS (in HUF mn).....	11
NOTE 10: LIABILITIES FROM ISSUED SECURITIES (in HUF mn)	12
NOTE 11: OFF BALANCE SHEET ITEMS (in HUF mn)	12
NOTE 12: DERIVATIVE FINANCIAL INSTRUMENTS (in HUF mn)	13
NOTE 13: INTEREST INCOME AND EXPENSES (in HUF mn).....	15

OTP BANK PLC.
SEPARATE STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023 (UNAUDITED)
(in HUF mn)

	Note	31 March 2023	31 December 2022	31 March 2022
Cash, amounts due from banks and balances with the National Bank of Hungary		2,404,253	1,092,198	393,565
Placements with other banks, net of allowance for placement losses		2,418,835	2,899,829	3,379,887
Repo receivables		241,712	246,529	20,743
Financial assets at fair value through profit or loss	4.	357,692	410,012	373,902
Financial assets at fair value through other comprehensive income	5.	730,992	797,175	709,246
Securities at amortised cost	6.	3,105,610	3,282,373	3,441,408
Loans at amortised cost	7.	4,731,784	4,825,040	4,047,179
Loans mandatorily measured at fair value through profit or loss	7.	809,463	793,242	711,887
Investments in subsidiaries	8.	1,894,708	1,596,717	1,453,636
Property and equipment		94,237	94,564	82,289
Intangible assets		69,261	69,480	60,408
Right of use assets		40,706	39,882	18,048
Investment properties		4,193	4,207	4,295
Deferred tax assets		35,854	35,742	16,332
Current tax assets		2,250	1,569	644
Derivative financial assets designated as hedge accounting relationships		44,592	47,220	45,230
Other assets		<u>676,194</u>	<u>329,752</u>	<u>461,492</u>
TOTAL ASSETS		<u>17,662,336</u>	<u>16,565,531</u>	<u>15,220,191</u>
Amounts due to banks and deposits from the National Bank of Hungary and other banks		1,695,534	1,736,128	1,271,280
Repo liabilities		1,213,909	408,366	357,066
Deposits from customers	9.	10,819,069	11,119,158	10,708,730
Leasing liabilities		41,393	41,464	18,729
Liabilities from issued securities	10.	546,668	498,709	21,019
Financial liabilities at fair value through profit or loss		19,068	16,576	19,178
Derivative financial liabilities designated as held for trading		355,423	373,401	284,618
Derivative financial liabilities designated as hedge accounting relationships		34,966	50,623	24,674
Current tax liabilities		1,738	3,199	3,187
Provisions		34,922	29,656	19,819
Other liabilities		582,215	313,188	340,405
Subordinated bonds and loans		<u>511,615</u>	<u>294,186</u>	<u>273,519</u>
TOTAL LIABILITIES		<u>15,856,520</u>	<u>14,884,654</u>	<u>13,342,224</u>
Share capital		28,000	28,000	28,000
Retained earnings and reserves		1,787,910	1,655,601	1,862,202
Treasury shares		<u>(10,094)</u>	<u>(2,724)</u>	<u>(12,235)</u>
TOTAL SHAREHOLDERS' EQUITY		<u>1,805,816</u>	<u>1,680,877</u>	<u>1,877,967</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>17,662,336</u>	<u>16,565,531</u>	<u>15,220,191</u>

OTP BANK PLC.
SEPARATE CONDENSED STATEMENT OF PROFIT OR LOSS FOR THE THREE MONTH
PERIOD ENDED 31 MARCH 2023 (UNAUDITED)
(in HUF mn)

		Three month period ended 31 March 2023	Year ended 31 December 2022	Three month period ended 31 March 2022
Interest income and similar to interest income total	13.	492,801	1,098,910	173,220
Interest expenses total	13.	<u>(387,696)</u>	<u>(802,020)</u>	<u>(108,492)</u>
NET INTEREST INCOME	13.	<u>105,105</u>	<u>296,890</u>	<u>64,728</u>
Risk cost total		(6,549)	(94,594)	(26,818)
NET INTEREST INCOME AFTER RISK COST		<u>98,556</u>	<u>202,296</u>	<u>37,910</u>
Losses arising from derecognition of financial assets measured at amortised cost		(8,531)	(56,195)	(3,732)
Modification loss		-	(14,856)	-
Net profit from fees and commissions		75,260	296,357	68,871
Net operating income		148,340	57,422	58,394
Other administrative expenses		<u>(183,578)</u>	<u>(492,030)</u>	<u>(107,790)</u>
PROFIT BEFORE INCOME TAX		130,047	(7,006)	53,653
Income tax		<u>(5,249)</u>	<u>13,638</u>	<u>10,555</u>
PROFIT AFTER INCOME TAX		<u>124,798</u>	<u>6,632</u>	<u>64,208</u>
Earnings per share (in HUF)				
Basic		<u>446</u>	<u>24</u>	<u>232</u>
Diluted		<u>446</u>	<u>24</u>	<u>232</u>

OTP BANK PLC.
SEPARATE CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE THREE
MONTH PERIOD ENDED 31 MARCH 2023 (UNAUDITED)
(in HUF mn)

The comprehensive income items are as follows:

	Three month period ended 31 March 2023	Three month period ended 31 March 2022	Year ended 31 December 2022
PROFIT AFTER INCOME TAX	<u>124,798</u>	<u>64,208</u>	<u>6,632</u>
Items that may be reclassified subsequently to profit or loss:			
Fair value adjustment of debt instruments at fair value through other comprehensive income	3,196	(51,542)	(55,804)
Deferred tax related to fair value adjustment of debt instruments at fair value through other comprehensive income	(278)	4,686	5,186
Gains / (Losses) on separated currency spread of financial instruments designated as hedging instrument	2,186	15,286	(4,887)
Deferred tax related to (losses) / gains on separated currency spread of financial instruments designated as hedging instrument	(197)	(1,376)	440
Gains / (Losses) on derivative financial instruments designated as cash flow hedge	1,735	(1,863)	(5,641)
Items that will not be reclassified to profit or loss:			
Gains on equity instruments at fair value through other comprehensive income	-	-	2,675
Fair value adjustment of equity instruments at fair value through other comprehensive income	204	749	61
Deferred tax related to equity instruments at fair value through other comprehensive income	(23)	(81)	(41)
Total	<u>6,823</u>	<u>(34,141)</u>	<u>(58,011)</u>
TOTAL COMPREHENSIVE INCOME	<u>131,621</u>	<u>30,067</u>	<u>(51,379)</u>

OTP BANK PLC.
SEPARATE STATEMENT OF CHANGES IN EQUITY FOR THE THREE MONTH PERIOD ENDED
31 MARCH 2023 (UNAUDITED)
(in HUF mn)

	Share Capital	Capital reserve	Retained earnings and other reserves	Treasury Shares	Total
Balance as at 1 January 2022	28,000	52	1,845,784	(58,872)	1,814,964
Net profit for the period	-	-	64,208	-	64,208
Other comprehensive income	=	=	<u>(34,141)</u>	=	<u>(34,141)</u>
Total comprehensive income	=	=	<u>30,067</u>	=	<u>30,067</u>
Share-based payment	-	-	874	-	874
Sale of treasury shares	-	-	-	48,876	48,876
Acquisition of treasury shares	-	-	-	(2,239)	(2,239)
Loss on treasury shares	-	-	(14,575)	-	(14,575)
Other transaction with owners	=	=	<u>(13,701)</u>	<u>46,637</u>	<u>32,936</u>
Balance as at 31 March 2022	<u>28,000</u>	<u>52</u>	<u>1,862,150</u>	<u>(12,235)</u>	<u>1,877,967</u>
Balance as at 1 January 2023	28,000	52	1,655,549	(2,724)	1,680,877
Net profit for the period	-	-	124,798	-	124,798
Other comprehensive income	=	=	<u>6,823</u>	=	<u>6,823</u>
Total comprehensive income	=	=	<u>131,621</u>	=	<u>131,621</u>
Share-based payment	-	-	697	-	697
Sale of treasury shares	-	-	-	612	612
Acquisition of treasury shares	-	-	-	(7,982)	(7,982)
Loss on sale of treasury shares	-	-	(9)	-	(9)
Other transaction with owners	=	=	<u>688</u>	<u>(7,370)</u>	<u>(6,682)</u>
Balance as at 31 March 2023	<u>28,000</u>	<u>52</u>	<u>1,787,858</u>	<u>(10,094)</u>	<u>1,805,816</u>

OTP BANK PLC.
SEPARATE CONDENSED STATEMENT OF CASH FLOWS FOR THE THREE MONTH PERIOD
ENDED 31 MARCH 2023 (UNAUDITED)
(in HUF mn)

	Three month period ended 31 March 2023	Three month period ended 31 March 2022	Year ended 31 December 2022
Profit before income tax	130,047	53,653	(7,006)
Net accrued interest	(295)	(386)	(11,196)
Income tax paid	(7,345)	(5,680)	(19,953)
Depreciation and amortization	12,235	10,133	46,873
Loss allowance	7,041	166,764	221,227
Share-based payment	697	874	2,948
Unrealised (gains) / losses on fair value adjustment of financial instruments at fair value through profit or loss	(16,137)	(16,169)	11,870
Unrealised (gains) / losses on fair value adjustment of derivative financial instruments	(8,308)	(13,034)	52,840
Gains on securities	7,742	3,418	62,354
Interest expense from leasing liabilities	418	(49)	(1,186)
Foreign exchange (loss) / gain	(8,331)	32,856	9,359
Proceeds from sale of tangible and intangible assets	(1,191)	(10)	(267)
Net change in assets and liabilities in operating activities	<u>1,031,611</u>	<u>140,924</u>	<u>(358,189)</u>
Net cash provided by operating activities	<u>1,148,184</u>	<u>373,294</u>	<u>9,674</u>
Net cash used in investing activities	<u>(116,573)</u>	<u>(490,752)</u>	<u>(425,351)</u>
Net cash provided by financing activities	<u>299,427</u>	<u>30,901</u>	<u>391,805</u>
Net increase / (decrease) in cash and cash equivalents	<u>1,331,038</u>	<u>(86,557)</u>	<u>(23,872)</u>
Cash and cash equivalents at the beginning of the year	<u>351,770</u>	<u>375,642</u>	<u>375,642</u>
Cash and cash equivalents at the end of the year	<u>1,682,808</u>	<u>289,085</u>	<u>351,770</u>

NOTE 1: ORGANIZATION AND BASIS OF FINANCIAL STATEMENTS**1.1. General information**

These interim condensed financial statements had been prepared in accordance with the prescriptions of IAS 34.

1.2. Accounting

The Bank maintains its accounting records and prepares its statutory accounts in accordance with the commercial, banking and fiscal regulations prevailing in Hungary.

The presentation and the functional currency of the Bank is the Hungarian Forint ("HUF").

The Bank followed the same accounting policies and methods of computation in the interim financial statements as compared with the most recent annual financial statements.

NOTE 2: SIGNIFICANT EVENTS DURING THE THREE MONTH PERIOD ENDED 31 MARCH 2023**1) Capital increase at OTP Mortgage Bank Ltd.**

See details about the event in Note 8.

2) Acquisition in Slovenia

See details about the event in Note 8.

3) Issuance of USD 650 million Bonds

On 15 February 2023 as a value date the Bank issued Notes in the aggregate nominal amount of USD 650 million. The original maturity of the Tier 2 Notes is 10.25 years, redeemable at par any time during the 3-month period prior to the Reset Date at 5.25 years. The notes are rated 'Ba2' by Moody's Investor Services Cyprus Ltd., 'BB' by S&P Ratings Europe Limited and 'BB+' by Scope Ratings GmbH. The notes are listed on the Luxembourg Stock Exchange.

NOTE 3: SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD**1) Capital increase at OTP Real Estate Ltd.**

See details about the event in Note 8.

NOTE 4: FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (in HUF mn)

	31 March 2023	31 December 2022
Held for trading securities:		
Government bonds	44,632	67,521
Other non-interest-bearing securities	283	274
Hungarian government discounted Treasury Bills	913	4,785
Corporate shares and investments	701	385
Mortgage bonds	91	82
Other securities	2,826	1,748
Subtotal	49,446	74,795
Securities mandatorily measured at fair value through profit or loss	29,416	29,029
Shares in investment funds	35	-
Shares	1,469	1,469
Subtotal	30,920	30,498
Held for trading derivative financial instruments:		
Foreign currency swaps	99,632	121,854
Interest rate swaps	102,996	121,506
CCIRS and mark-to-market CCIRS swaps	17,958	14,847
Other derivative transactions	56,740	46,512
Subtotal	277,326	304,719
Total	357,692	410,012

NOTE 5: FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (in HUF mn),

	31 March 2023	31 December 2022
Securities at fair value through other comprehensive income		
Government bonds	179,404	177,393
Mortgage bonds	366,102	356,540
Interest bearing treasury bills	107,515	182,726
Other securities	59,845	62,594
-listed securities	6,935	7,290
in HUF	-	-
in foreign currency	6,935	7,290
-non-listed securities	52,910	55,304
in HUF	13,531	14,304
in foreign currency	39,379	41,000
Subtotal	712,866	779,253
Non-trading equity instruments	18,126	17,922
-non-listed securities	528	528
in HUF	17,598	17,394
in foreign currency	18,126	17,922
Total	730,992	797,175

NOTE 6: SECURITIES AT AMORTISED COST (in HUF mn)

	31 March 2023	31 December 2022
Government bonds	2,810,569	2,979,400
Other bonds	304,069	314,237
Mortgage bonds	<u>24,835</u>	<u>24,586</u>
Subtotal	<u>3,139,473</u>	<u>3,318,223</u>
Loss allowance	<u>(33,863)</u>	<u>(35,850)</u>
Total	<u>3,105,610</u>	<u>3,282,373</u>

An analysis of the change in the loss allowance is as follows:

	31 March 2023	31 December 2022
Balance as at 1 January	35,850	6,685
Loss allowance	715	31,696
Release of loss allowance	(1,680)	(4,073)
FX movement	(1,022)	1,542
Closing balance	<u>33,863</u>	<u>35,850</u>

NOTE 7: LOANS (in HUF mn)

Loans mandatorily measured at fair value through profit or loss

	31 March 2023	31 December 2022
Within one year	40,109	39,694
Over one year	<u>769,354</u>	<u>753,548</u>
Loans measured at fair value through profit or loss total	<u>809,463</u>	<u>793,242</u>

Loans measured at fair value through profit or loss are mandatorily measured at fair value through profit or loss.

Loans measured at amortised cost, net of allowance for loan losses

	31 March 2023	31 December 2022
Within one year	2,262,968	2,481,249
Over one year	<u>2,635,370</u>	<u>2,518,671</u>
Loans at amortised cost gross total	<u>4,898,338</u>	<u>4,999,920</u>
Loss allowance on loan losses	<u>(166,554)</u>	<u>(174,880)</u>
Loans at amortised cost total	<u>4,731,784</u>	<u>4,825,040</u>

NOTE 7: LOANS (in HUF mn) [continued]

An analysis of the loan portfolio by currency is as follows:

	31 March 2023	31 December 2022
In HUF	58%	58%
In foreign currency	<u>42%</u>	<u>42%</u>
Total	<u>100%</u>	<u>100%</u>

An analysis of the change in the loss allowance on loan losses is as follows:

	31 March 2023	31 December 2022
Balance as at 1 January	174,880	155,557
Loss allowance	59,248	252,002
Release of loss allowance	(54,231)	(210,342)
Use of loss allowance	(8,671)	(21,274)
Partial write-off	(1,523)	(7,348)
FX movement	<u>(3,149)</u>	<u>6,285</u>
Closing balance	<u>166,554</u>	<u>174,880</u>

NOTE 8: INVESTMENTS IN SUBSIDIARIES (in HUF mn)

	31 March 2023	31 December 2022
Investments in subsidiaries:		
Controlling interest	2,413,000	2,116,059
Other	<u>24,477</u>	<u>23,427</u>
Subtotal	<u>2,437,477</u>	<u>2,139,486</u>
Impairment loss	<u>(542,769)</u>	<u>(542,769)</u>
Total	<u>1,894,708</u>	<u>1,596,717</u>

An analysis of the change in the impairment loss is as follows:

	31 March 2023	31 December 2022
Balance as at 1 January	542,769	449,256
Impairment loss for the period	-	147,712
Reversal of impairment loss	-	<u>(54,199)</u>
Closing balance	<u>542,769</u>	<u>542,769</u>

NOTE 8: INVESTMENTS IN SUBSIDIARIES (in HUF mn) [continued]

The Metropolitan Court of Registration has registered a capital increase at OTP Mortgage Bank Ltd. The registered capital of OTP Mortgage Bank Ltd. was increased to HUF 57,000,000,000 from HUF 37,000,000,000.

The Bank signed a purchase and sale contract for the purchase of the majority stake of Ipoteka Bank and its subsidiaries with the Ministry of Finance of the Republic of Uzbekistan.

OTP Bank will purchase 100% of the shares held by the Ministry of Finance of the Republic of Uzbekistan (nearly 97% total shareholding) in two steps: 75% of the shares now and the remaining 25% three years after the financial closing of the first transaction.

Ipoteka Bank is the fifth largest bank in Uzbekistan, with a market share of 8.5% based on total assets on 1 October 2022, with more than 1.6 million retail customers and a significant corporate clientele.

The financial closure of the first transaction is expected in 1H 2023 subject to obtaining all the necessary regulatory approvals.

The financial completion of the transaction to purchase 100% shareholding of Nova KBM d.d. and its subsidiary – after obtaining all necessary regulatory approvals – has been completed on 6 February 2023, based on the share sale and purchase agreement concluded between OTP Bank, funds managed by affiliates of Apollo Global Management, Inc. and EBRD, on 31 May 2021. The acquisition of the bank is the most significant acquisition in the history of OTP Group.

With a market share of 20.7% in terms of total assets as of September 2022 and more than 1,500 employees as of the end of 2022, Nova KBM d.d. is the 2nd largest bank in the Slovenian banking market. As a universal bank, it has been active in the retail and corporate segments as well. With the transaction closing of Nova KBM, OTP Group has around 30% share in the Slovenian banking market on a pro-forma basis.

The Metropolitan Court of Registration has registered a capital increase at OTP Real Estate Ltd. Accordingly, the registered capital of OTP Real Estate Ltd. was increased to HUF 1,050,000,000 from HUF 1,000,000,000.

NOTE 9: DEPOSITS FROM CUSTOMERS (in HUF mn)

	31 March 2023	31 December 2022
Within one year:		
In HUF	7,649,100	7,982,882
In foreign currency	3,146,293	3,112,937
	10,795,393	11,095,819
Over one year:		
In HUF	23,676	23,339
	23,676	23,339
Subtotal	10,819,069	11,119,158

An analysis of deposits from customers by type is as follows:

	31 March 2023		31 December 2022	
Retail deposits	4,636,223	43%	4,756,881	43%
Household deposits	4,636,223	43%	4,756,881	43%
Corporate deposits	6,182,845	57%	6,362,277	57%
Deposits to medium and large corporates	5,247,387	48%	5,570,866	50%
Municipality deposits	935,458	9%	791,411	7%
Total	10,819,068	100%	11,119,158	100%

NOTE 10: LIABILITIES FROM ISSUED SECURITIES (in HUF mn)

	31 March 2023	31 December 2022
Within one year:		
In HUF	71,509	4,311
In foreign currency	<u>7,636</u>	<u>6,351</u>
	<u>79,145</u>	<u>10,662</u>
Over one year:		
In HUF	47,459	46,192
In foreign currency	<u>420,064</u>	<u>441,855</u>
	<u>467,523</u>	<u>488,047</u>
Total	<u>546,668</u>	<u>498,709</u>

NOTE 11: OFF BALANCE SHEET ITEMS (in HUF mn)

Contingent liabilities and commitments

	31 March 2023	31 December 2022
Loan commitments	1,985,008	1,852,164
Guarantees arising from banking activities	1,849,526	1,873,824
<i>from this: Payment undertaking liabilities (related to issue of mortgage bonds) of OTP Mortgage Bank</i>	987,508	955,480
Factoring loan commitments	401,450	373,417
Confirmed letters of credit	<u>2,681</u>	<u>12,376</u>
Contingent liabilities and commitments total in accordance with IFRS 9	<u>4,238,665</u>	<u>4,111,781</u>
Legal disputes (disputed value)	3,801	3,678
Contingent liabilities related to payments from shares in venture capital fund	27,061	28,614
Other	<u>10</u>	<u>7</u>
Contingent liabilities and commitments total in accordance with IAS 37	<u>30,872</u>	<u>32,299</u>
Total	<u>4,269,537</u>	<u>4,144,080</u>

At the balance sheet date the Bank was involved in various claims and legal proceedings of a nature considered normal to its business. The level of these claims and legal proceedings corresponds to the level of claims and legal proceedings in previous years.

The Bank believes that the various asserted claims and litigations in which it is involved will not materially affect its financial position, future operating results or cash flows, although no assurance can be given with respect to the ultimate outcome of any such claim or litigation. Provision due to legal disputes was HUF 1.935 million and HUF 1.917 million as at 31 March 2023 and 31 December 2022, respectively.

NOTE 12: DERIVATIVE FINANCIAL INSTRUMENTS (in HUF mn)

Fair value of derivative instruments

Positive fair values of derivative instruments designated as hedge accounting relationships are presented separately in the statement of financial position, while positive fair values of derivative instruments classified as held for trading are included in financial assets at fair value through profit or loss. Negative fair values of hedging derivative instruments are presented separately in the statement of financial position, negative fair values of derivatives held for trading are included in the negative fair value of derivative financial instruments classified as held for trading line.

The Bank has the following held for trading derivatives and derivatives designated as hedge accounting:

	31 March 2023			31 December 2022					
	Before netting		Netting	After netting		Before netting	Netting	After netting	
	Assets	Liabilities		Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Held for trading derivative financial instruments									
Interest rate derivatives									
Interest rate swaps	159,534	(145,152)	137,969	21,565	(7,183)	162,519	(170,144)	155,468	(14,676)
Cross currency interest rate swaps	9,308	(8,971)	-	9,308	(8,971)	11,332	(12,139)	-	(12,139)
OTC options	1,035	(1,035)	-	1,035	(1,035)	1,000	(1,000)	-	(1,000)
FRA	810	(26)	810	-	784	505	(3)	505	502
Total interest rate derivatives (OTC derivatives)	170,687	(155,184)	138,779	31,908	(16,405)	175,356	(183,286)	155,973	(27,313)
<i>From this: Interest rate derivatives cleared by NBH</i>	1,778	-	-	1,778	-	2,702	-	-	-
Foreign exchange derivatives									
Foreign exchange swaps	82,108	(75,212)	-	82,108	(75,212)	109,167	(76,037)	-	(76,037)
Foreign exchange forward	11,249	(19,006)	-	11,249	(19,006)	9,909	(11,936)	-	(11,936)
OTC options	1,592	(1,391)	-	1,592	(1,391)	1,048	(822)	-	(822)
Foreign exchange spot conversion	160	(192)	-	160	(192)	162	(162)	-	(162)
Total foreign exchange derivatives (OTC derivatives)	95,109	(95,801)	-	95,109	(95,801)	120,286	(88,957)	-	(88,957)
<i>From this: Foreign exchange derivatives cleared by NBH</i>	-	-	-	-	-	22,214	-	-	-

NOTE 12: DERIVATIVE FINANCIAL INSTRUMENTS (in HUF mn) [continued]

Fair value of derivative instruments

The Bank has the following held for trading derivatives and derivatives designated as hedge accounting:

	31 March 2023			31 December 2022					
	Before netting		Netting	After netting		Before netting		Netting	After netting
	Assets	Liabilities		Assets	Liabilities	Assets	Liabilities		Assets
Equity stock and index derivatives									
Commodity Swaps	41,261	(35,554)	-	41,261	(35,554)	34,058	(32,048)	-	34,058
Equity swaps	467	(1,137)	-	467	(1,137)	54	(702)	-	54
OTC derivatives	41,728	(36,691)	-	41,728	(36,691)	34,112	(32,750)	-	34,112
Exchange traded futures and options	751	(2,527)	-	751	(2,527)	214	(1,887)	-	214
Total equity stock and index derivatives	42,479	(39,218)	-	42,479	(39,218)	34,326	(34,637)	-	34,326
Derivatives held for risk management not designated in hedges									
Interest rate swaps	97,491	(203,431)	16,060	81,431	(187,371)	133,399	(225,915)	18,944	114,455
Foreign exchange swaps	17,522	(14,050)	-	17,522	(14,050)	12,687	(11,908)	-	12,687
Foreign exchange spot conversion	2	(7)	-	2	(7)	-	(43)	-	-
Forward	225	-	-	225	-	67	-	-	67
Cross currency interest rate swaps	8,650	(2,571)	-	8,650	(2,571)	3,515	(3,572)	-	3,515
Total derivatives held for risk management not designated in hedges	123,890	(220,059)	16,060	107,830	(203,999)	149,668	(241,438)	18,944	130,724
<i>From this: Total derivatives cleared by NBH held for risk management</i>	60,365	-	-	60,365	-	78,916	(1,879)	-	78,916
Total Held for trading derivative financial instruments	432,165	(510,262)	154,839	277,326	(355,423)	479,636	(548,318)	174,917	304,719
Derivative financial instruments designated as hedge accounting relationships									
Derivatives designated in cash flow hedges									
Interest rate swaps	(1)	(1,225)	2,267	(2,268)	1,042	-	(25,325)	2,651	(2,651)
Total derivatives designated in cash flow hedges	(1)	(1,225)	2,267	(2,268)	1,042	-	(25,325)	2,651	(2,651)
Derivatives designated in fair value hedges									
Interest rate swaps	54,458	(55,684)	28,931	25,527	(26,753)	58,381	(37,290)	30,938	27,443
Cross currency interest rate swaps	19,122	(9,255)	-	19,122	(9,255)	20,732	(5,398)	-	20,732
Foreign exchange swaps	2,211	-	-	2,211	-	1,696	(16,199)	-	1,696
Total derivatives designated in fair value hedges	75,791	(64,939)	28,931	46,860	(36,008)	80,809	(58,887)	30,938	49,871
<i>From this: Total derivatives cleared by NBH held for hedging</i>	-	(2,042)	-	-	(2,042)	-	(5,485)	-	-
Total derivatives held for risk management (OTC derivatives)	75,790	(66,164)	31,198	44,592	(34,966)	80,809	(84,212)	33,589	47,220

NOTE 13: INTEREST INCOME AND EXPENSES (in HUF mn)

	Three month period ended 31 March 2023	Three month period ended 31 March 2022	Year ended 31 December 2022
Interest income accounted for using the effective interest rate method from / on			
Loans at amortised cost	105,972	52,938	297,727
Amounts due from banks and balances with National Bank of Hungary	78,226	1,113	56,204
Placements with other banks	50,146	34,933	204,479
Securities at amortised cost	22,671	20,777	92,948
FVOCI securities	16,672	5,496	39,988
Financial liabilities	7,938	2,134	20,098
Repo receivables	<u>11,353</u>	<u>360</u>	<u>10,235</u>
Subtotal	<u>292,978</u>	<u>117,751</u>	<u>721,679</u>
Income similar to interest income			
Loans mandatorily measured at fair value through profit or loss	11,668	7,447	35,927
Swap and forward deals related to Placements with other banks	148,923	40,546	273,322
Swap and forward deals related to Loans at amortised cost	34,301	6,760	60,744
Swap and forward deals related to FVOCI securities	4,929	714	7,230
Investment properties	<u>2</u>	<u>2</u>	<u>8</u>
Subtotal	<u>199,823</u>	<u>55,469</u>	<u>377,231</u>
Interest income total	<u>492,801</u>	<u>173,220</u>	<u>1,098,910</u>
Interest expense due to / from / on			
Amounts due to banks and deposits from the National Bank of Hungary and other banks	164,322	70,130	408,865
Deposits from customers	150,524	31,334	301,657
Leasing liabilities	418	49	1,186
Liabilities from issued securities	11,216	128	7,742
Subordinated bonds and loans	5,487	1,852	8,646
Investment properties (depreciation)	34	33	135
Financial assets	2,120	793	6,369
Repo liabilities	53,575	4,102	66,049
Swap transaction related to acquisitions	<u>-</u>	<u>71</u>	<u>1,371</u>
Subtotal	<u>387,696</u>	<u>108,492</u>	<u>802,020</u>