

OTP Bank Plc.

Summary of the first nine months 2023 results

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

Budapest, 10 November 2023



CONSOLIDATED FINANCIAL HIGHLIGHTS¹ AND SHARE DATA

Main components of the adjusted Statement of recognised income, in HUF million	9M 2022	9M 2023	Y-o-Y	3Q 2022	2Q 2023	3Q 2023	Q-o-Q	Y-o-Y
Consolidated profit after tax	231,897	857,879	270%	189,246	382,050	281,067	-26%	49%
Adjustments (total)	-207,229	79,283		871	98,110	-26,470		
Consolidated adjusted profit after tax	439,126	778,596	77%	188,374	283,940	307,537	8%	63%
Pre-tax profit	508,641	917,539	80%	215,189	334,680	360,196	8%	67%
Operating profit	645,330	920,509	43%	247,152	325,207	363,442	12%	47%
Total income	1,205,424	1,602,388	33%	450,285	547,454	597,805	9%	33%
Net interest income	797,080	1,034,650	30%	290,884	340,808	381,778	12%	31%
Net fees and commissions	287,591	346,080	20%	106,075	117,681	125,172	6%	18%
Other net non-interest income	120,753	221,659	84%	53,327	88,965	90,855	2%	70%
Operating expenses	-560,095	-681,879	22%	-203,133	-222,248	-234,363	5%	15%
Total risk costs	-136,688	-2,970	-98%	-31,963	9,473	-3,246		-90%
Corporate taxes	-69,515	-138,943	100%	-26,815	-50,740	-52,659	4%	96%
Main components of the adjusted balance sheet, closing balances in HUF million	2022	9M 2023	YTD	3Q 2022	2Q 2023	3Q 2023	Q-o-Q	Y-o-Y
Total assets	32,804,210	39,574,032	21%	34,022,405	36,866,660	39,574,032	7%	16%
Total customer loans (net, FX-adjusted)	18,205,129	21,533,503	18%	18,081,776	21,357,235	21,533,503	1%	19%
Total customer loans (gross, FX-adjusted)	19,150,142	22,554,157	18%	19,056,161	22,375,498	22,554,157	1%	18%
Performing (Stage 1+2) customer loans (gross, FX-adjusted)	18,223,722	21,583,835	18%	18,121,423	21,450,524	21,583,835	1%	19%
Allowances for possible loan losses (FX adjusted)	-945,012	-1,020,654	8%	-974,386	-1,018,264	-1,020,654	0%	5%
Total customer deposits (FX-adjusted)	24,722,069	28,968,037	17%	24,246,513	27,938,520	28,968,037	4%	19%
Issued securities	870,682	2,082,052	139%	587,987	1,727,388	2,082,052	21%	254%
Subordinated loans	301,984	584,626	94%	317,367	552,883	584,626	6%	84%
Total shareholders' equity	3,322,312	4,006,741	21%	3,452,448	3,595,500	4,006,741	11%	16%
Indicators based on adjusted earnings	9M 2022	9M 2023	Y-o-Y	3Q 2022	2Q 2023	3Q 2023	Q-o-Q	Y-o-Y
ROE (from profit after tax)	10.1%	32.8%	22.7%p	22.9%	45.1%	29.4%	-15.7%p	6.5%p
ROE (from adjusted profit after tax)	19.1%	29.8%	10.7%p	22.8%	33.5%	32.2%	-1.3%p	9.4%p
ROA (from adjusted profit after tax)	1.9%	2.9%	0.9%p	2.3%	3.1%	3.2%	0.0%p	0.9%p
Operating profit margin	2.84%	3.38%	0.54%p	3.00%	3.60%	3.77%	0.17%p	0.77%p
Total income margin	5.31%	5.89%	0.58%p	5.46%	6.06%	6.20%	0.14%p	0.74%p
Net interest margin	3.51%	3.80%	0.29%p	3.53%	3.77%	3.96%	0.19%p	0.43%p
Cost-to-asset ratio	2.47%	2.51%	0.04%p	2.46%	2.46%	2.43%	-0.03%p	-0.03%p
Cost/income ratio	46.5%	42.6%	-3.9%p	45.1%	40.6%	39.2%	-1.4%p	-5.9%p
Provision for impairment on loan losses-to-average gross loans ratio	0.75%	0.03%	-0.71%p	0.55%	-0.06%	0.04%	0.10%p	-0.51%p
Total risk cost-to-asset ratio	0.60%	0.01%	-0.59%p	0.39%	-0.10%	0.03%	0.14%p	-0.35%p
Effective tax rate	13.7%	15.1%	1.5%p	12.5%	15.2%	14.6%	-0.5%p	2.2%p
Net loan/(deposit+retail bond) ratio (FX-adjusted)	75%	74%	-1%p	75%	76%	74%	-2%p	-1%p
Capital adequacy ratio (consolidated, IFRS) - Basel3, according to prudential scope of consolidation ²	18.1%	18.8%	0.6%p	18.1%	17.9%	18.8%	0.8%p	0.6%p
Tier1 ratio - Basel3, according to prudential scope of consolidation ²	16.7%	16.4%	-0.3%p	16.7%	15.6%	16.4%	0.8%p	-0.3%p
Common Equity Tier 1 ('CET1') ratio - Basel3, according to prudential scope of consolidation ²	16.7%	16.4%	-0.3%p	16.7%	15.6%	16.4%	0.8%p	-0.3%p
Share Data	9M 2022	9M 2023	Y-o-Y	3Q 2022	2Q 2023	3Q 2023	Q-o-Q	Y-o-Y
EPS diluted (HUF) (from profit after tax)	861	3,199	272%	702	1,428	1,049	-27%	49%
EPS diluted (HUF) (from adjusted profit after tax)	1,633	2,907	78%	701	1,062	1,151	8%	64%
Closing price (HUF)	7,908	13,300	68%	7,908	12,130	13,300	10%	68%
Highest closing price (HUF)	18,600	14,695	-21%	9,520	12,175	14,695	21%	54%
Lowest closing price (HUF)	7,854	9,482	21%	7,854	9,482	11,605	22%	48%
Market Capitalization (EUR billion)	5.3	9.5	81%	5.3	9.2	9.5	4%	81%
Book Value Per Share (HUF)	13,370	14,962	12%	12,853	13,445	14,993	12%	17%
Tangible Book Value Per Share (HUF)	12,764	14,260	12%	12,245	12,782	14,290	12%	17%
Price/Book Value	0.6	0.9	50%	0.6	0.9	0.9	-2%	44%
Price/Tangible Book Value	0.6	0.9	51%	0.6	0.9	0.9	-2%	44%
P/E (trailing, from profit after tax)	6.3	3.8	-39%	6.3	3.9	3.8	-1%	-39%
P/E (trailing, from adjusted profit after tax)	3.9	4.0	1%	3.9	4.2	4.0	-4%	1%
Average daily turnover (EUR million)	27	15	-46%	12	13	17	39%	43%
Average daily turnover (million share)	0.9	0.5	-49%	0.6	0.4	0.5	19%	-13%

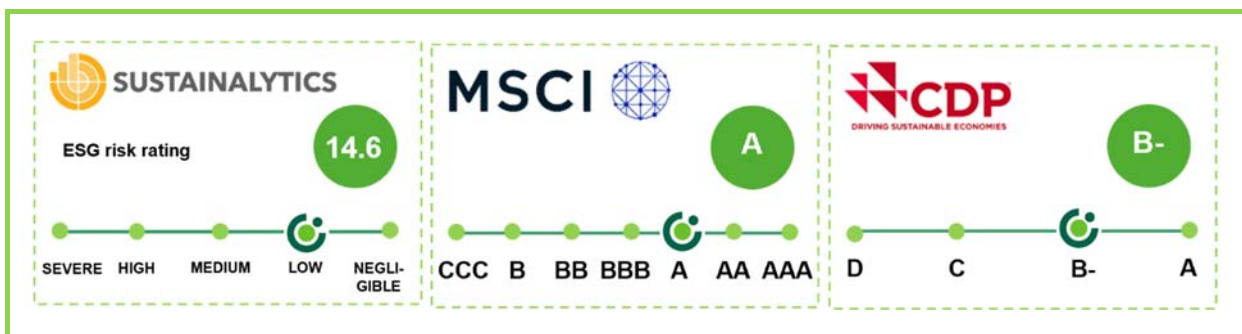
¹ Structural adjustments made on the consolidated IFRS profit and loss statement and balance sheet, together with the calculation methodology of adjusted indicators, are detailed in the Supplementary data section of the Report.

² Starting from 3Q 2023 the consolidated capital adequacy ratios for the actual period and retrospectively for the base periods presented in the Stock Exchange Reports will be based on the prudential scope of consolidation, i.e. in line with Capital Requirements Regulation (CRR). For details, see the Supplementary data section.

ACTUAL CREDIT RATINGS

S&P GLOBAL	
OTP Bank and OTP Mortgage Bank – FX long-term issuer credit rating	BBB-
OTP Bank – Dated subordinated FX debt	BB
MOODY'S	
OTP Bank – FX long term deposits	Baa1
OTP Bank – Dated subordinated FX debt	Ba2
OTP Mortgage Bank – Covered bonds	A1
SCOPE	
OTP Bank – Issuer rating	BBB+
OTP Bank – Dated subordinated FX debt	BB+
LIANHE	
OTP Bank – Issuer rating (China national scale)	AAA

ACTUAL ESG RATINGS



AWARDS

In 2023 **Global Finance** magazine chose OTP Bank as the best bank in Hungary again, as it did every year since 2012. The OTP Group also received the regional recognition of "Best Bank of Central and Eastern Europe", and the Montenegrin, Slovenian, Croatian and Romanian subsidiary banks of the OTP Group also proved to be the best at the local level. At the **Euromoney** 2023 award ceremony, as in previous years, OTP Bank won the "Best Bank of Hungary" award. In addition, the Slovenian and Albanian members of the OTP Group were also recognized as the country's best bank. 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.



RESULTS OF THE 2023 EBA STRESS TEST

OTP Bank enjoyed high rankings in the EU-level stress test survey conducted by the European Banking Authority (EBA) in 2023, which involved 70 European banks.

Fully loaded consolidated CET1 ratio and its decrease over the three-year period from 2022 to 2025 under the adverse scenario:

	CET1 rate end-2025	Ranking	CET1 rate decrease	Ranking
	14.5%	No 13	-0.77pp	No 4

SUMMARY – OTP BANK'S RESULTS FOR FIRST NINE MONTHS OF 2023

The Summary of the first nine months 2023 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 2023 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 2023

In 3Q 2023 the disinflation trend continued and even accelerated in Hungary and the September headline CPI declined to 12.2%. It enabled the NBH to keep cutting the O/N deposit rates started already in May, as a result on 27 September it dropped to 13%, i.e., matched the base rate level and the base rate became the effective policy rate again. On 24 October NBH further cut the rate which currently stands at 12.25%. Due to the elevated interest expenses and other Government expenditures alongside the moderating tax revenues, in September the Government revised upwards its 2023 deficit target to 5.2%; at the same time a series of measures were announced for boosting lending activity (CSOK Plus, reducing the mandatory downpayment to 10% in case of first housing loans, voluntary rate caps for newly originated mortgage and working capital loans). As for the potential extension of the rate cap on certain outstanding mortgage and SME exposures, Government decision is expected by end of 2023.

On the Group level, despite differences, the overall lending activity exceeded the Hungarian level, thus the consolidated FX-adjusted organic performing loan volume increased by 4% ytd, with the overall portfolio quality still demonstrating stable picture.

It was positive that the consolidated NIM kept improving q-o-q. The key liquidity ratios remained stable and deposit volumes grew at most Group members, thus the deposit book increased by 4% q-o-q (FX-adjusted). The CET1 ratio grew to 16.4%.

During the previous quarter in Slovenia, Serbia and Romania temporary measures were announced directly affecting the banking sector, too; the particular regulations were already introduced or will be approved during autumn. In particular, in Slovenia, in order to mitigate the damages caused by the August floods, financial institutions have to pay a special tax amounting to 0.2% p.a. of their balance sheet in the next 5 years, furthermore a targeted payment moratorium was adopted, and a mandatory solidarity contribution was levied, too. In Serbia the central bank put a rate cap on outstanding floater based and newly originated fixed rate mortgages, until the end of 2024. In Romania the Government initiated an extraordinary tax that amounts to 2% of annual gross turnover in 2024-2025 and 1% afterwards.

Consolidated earnings: with HUF 281 billion profit after tax in 3Q the 9M net results reached HUF 858 billion; q-o-q improving NIM and cost efficiency, stable credit quality, 4% ytd increase in organic performing loan volumes (FX-adjusted), stable liquidity position, improving capital ratios

OTP Group posted HUF 281 billion profit after tax in 3Q 2023. The q-o-q 26% drop was to a great extent due to the negative balance of adjustment items (2Q: +HUF 98.1 billion, 3Q: -HUF 26.5 billion). At the same time total income demonstrated further improving dynamics, while risk costs remained benign. The quarterly figures already incorporated the performance of Ipoteka Bank in Uzbekistan.

In 3Q 2023 adjustment items were a drag on the consolidated profit after tax by around -HUF 26.5 billion. The major items were as follows:

- -HUF 24.1 billion effect of acquisitions (after tax), o/w -HUF 13.2 billion (after tax) was induced by the adjustment of goodwill related to the acquisition of Ipoteka Bank; according to the accounting standards, the goodwill can be adjusted within one year following the transaction. Furthermore, mainly the Slovenian integration costs (-HUF 7.4 billion) appeared on this line;
- -HUF 7.1 billion as of the expected negative impact of the rate caps introduced in October in Serbia effective till the end of 2024 for existing and newly originated mortgages was booked in 3Q in one sum;
- +HUF 4.3 billion (after tax) related to the OTP-MOL treasury share swap agreement as MOL paid dividend in July.

Thus, in the first nine months of 2023 OTP Group posted HUF 857.9 billion profit after tax (almost quadrupling y-o-y).

Both the quarterly and 9 months profit after tax, as well as the balance sheet items were distorted by the currency moves: in 3Q the closing rate of the Hungarian Forint weakened against all Group currencies typically by 5-6%, but the Russian RUB; its average rate depreciated by around 3% q-o-q. The 9 months moves were extraordinary in case of UAH and RUB: the Ukrainian UAH average rate against the Hungarian Forint dropped by 18%y-o-y, whereas the RUB by 20%, respectively.

In 3Q 2023 the consolidated adjusted profit after tax reached HUF 307.5 billion (+8% q-o-q), as a result OTP Group posted HUF 779 billion adjusted profit in the first nine months (+77% y-o-y). The 3Q adjusted ROE reached 32.2% (-1.3 pps q-o-q) and the 1-9M adjusted ROE was close to 30% (29.8%).

The quarterly results were shaped by the strong income dynamics, while the increase of operating expenses was lower than inflation, and total risk costs remained moderate.

In 3Q the consolidated operating result advanced by 12% q-o-q, and by 43% y-o-y for the first nine months.

During 3Q all geographies were profitable. Out of the individual performances the Bulgarian and Slovenian subsidiaries excelled themselves. For most of the subsidiaries the first nine months profit after tax already exceeded the whole year net results in the previous year. Foreign subsidiaries' adjusted profit contribution reached 66% in 1-9M (+24 pps y-o-y).

As for the Slovenian operation the profit after tax for 1-9M already exceeded HUF 88 billion including 8 months contribution from Nova KBM. The Uzbek Ipoteka Bank had a moderate HUF 0.2 billion profit in 3Q: during the quarter operating results reached HUF 21.4 billion, but that was offset by a similar amount of risk costs related mainly in relation to the corporate segment.

The cumulated total income increased by 9% q-o-q on the Group level (without Ipoteka Bank and FX-adjusted: +3%), within that the NII improved by 12% (without Ipoteka Bank and FX-adjusted: +4%), whereas the net fee and commission income advanced by 6% (without Ipoteka Bank and FX-adjusted: +4%) q-o-q. Other non-interest income grew by 2% q-o-q.

The consolidated 3Q NIM improved by 19 bps q-o-q reaching 3.96%. The sensitivity to changes in the reference rates is different across the Group: while several Group members benefited from the ECB rate hikes, at OTP Core the q-o-q 19 bps NIM improvement was mainly the reflection of the steady reference rate cuts. In 3Q ECB hiked the base rate by 50 bps, whereas in Hungary the Central Bank cut rates by 500 bps between May and September. Despite of the 400 bps rate cut in 3Q, it is still Ukraine having the highest base rate (16%) within the Group.

Quarterly operating expenses increased by 5% q-o-q but remained stable on an FX-adjusted basis and without the acquisition of Ipoteka Bank. The consolidated 3Q cost-to-income ratio dropped below 40% (39.2%), thus the 1-9M ratio was 42.6% underpinning an almost 4 pps y-o-y improvement, as a result of the y-o-y 58 bps improvement of the income margin (getting close to 5.9%).

The amount of consolidated total risk costs was moderate, -HUF 3.2 billion against a positive balance of HUF 9.5 billion in 2Q. Within that, the provisions for impairment on loan losses amounted to -HUF 2.4 billion. Most of the Group members had

provision releases, most notably at OTP Core, the Ukrainian and Bulgarian subsidiaries (HUF 14.3 billion, HUF 6.9 billion and HUF 4.3 billion), whereas the biggest provisions were made in Russia and Uzbekistan.

The nine months risk cost rate was 3 bps versus 73 bps for the whole 2022 year.

The FX-adjusted consolidated performing (Stage 1+2) loan volumes increased by HUF 133 billion or 1% q-o-q and got close to HUF 21,600 billion. In the first nine months the loan portfolio grew by 4% organically. The performing loan book of Ipoteka Bank consolidated in June represented HUF 889 billion (-3% q-o-q).

As for individual Group members, the Bulgarian and Croatian operations demonstrated favourable trends with 2% and 3% q-o-q FX-adjusted volume expansion. The Uzbek and Moldavian subsidiaries suffered volumes drop q-o-q (-3% and -5%, respectively), whereas both the Ukrainian and Russian portfolio grew q-o-q (+2% and +10%, FX-adjusted). In Ukraine the expansion was partially related to a re-classification of previously non-performing volumes, and to a smaller extent to strengthening corporate lending, while in Russia the q-o-q 11% jump in consumer loan volumes was the major driver behind the quarterly expansion.

As for the major segments, the FX-adjusted performing consumer book grew by 6% q-o-q, the leasing volumes by 3%, while the mortgage portfolio by 2%, respectively. The q-o-q 3% decline in the corporate book was explained by the portfolio migration into Stage 3 category at Ipoteka Bank, as well as by the declining Hungarian and Bulgarian volumes.

FX-adjusted deposits grew by 4% q-o-q and got close to HUF 29,000 billion. In 3Q the Russian, Croatian, Serbian, Moldavian and Montenegrin deposit volumes grew the fastest. In Hungary the 3% q-o-q increase was induced by the corporate segment, the retail volumes (with retail bonds) declined by 2%.

The consolidated net loan/(deposit + retail bond) ratio moderated to 74% (-2 pps q-o-q).

In 3Q 2023 OTP Bank continued issuing MREL-eligible bonds: in September it printed EUR 650 million 4NC3 Senior Preferred public transaction followed by EUR 34 million equivalent private placement in October. As a result, ytd the total amount of MREL-eligible bond issuances reached around EUR 1.85 billion equivalent.

The risk profile of the consolidated loan book remained stable in 2023, the major indicators shaped favourably. The Stage 3 ratio under IFRS 9 comprised 4.3% of the gross loans at the end of 3Q 2023, underpinning a 0.1 pp q-o-q increase. Since the Stage 3 ratio practically improved q-o-q at all Group members, the moderate increase was entirely related to the Stage ratio increasing to 8.6% at Ipoteka Bank. At the same time, in 3Q both the Ukrainian and Russian Stage 3 rates improved q-o-q.

The own provision coverage of Stage 3 exposures continued to exceed 60%.

In the case of the Ukrainian and Russian banks OTP management applies a “going concern” approach, however in Russia the management is still considering all strategic options, bearing in mind that any future solution should be strictly within the framework and in accordance with applicable local and international regulations. According to the relevant legislation, since October 2022 a presidential decree prohibits the sale of any foreign owned banks with a mother company being on the list of hostile countries and there can be a deviation from that only by a presidential approval.

If the Russian entity was deconsolidated and the outstanding gross intragroup exposures were written off as well, the effect for the consolidated CET1 ratio would be -14 bps, whereas in the Ukraine the negative effect would be 13 bps.

Updated 2023 Management Guidance for OTP Group

The consolidated organic performing loan volume growth may exceed 5% y-o-y (FX-adjusted).

Based on the first nine months trends, for 2023 the management forecasts improving NIM, lower credit risk cost rate and cost-to-income ratio than in 2022, therefore the adjusted ROE in 2023 may exceed 25%.

Consolidated capital adequacy ratio (in accordance with BASEL III)

At the end of September 2023, the consolidated CET1 ratio under the prudential scope of consolidation according to IFRS was 16.4% (+0.8 pp q-o-q). This equals to the Tier 1 ratio. Consolidated CAR stood at 18.8%.

At the end of 3Q 2023, the effective regulatory minimum requirement for the consolidated Tier 1 capital adequacy ratio was 11.3% which also incorporated the effective SREP rate, whereas the minimum CET1 requirement was 9.4%.

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

- According to the decision of NBH, the effective SREP rate remained unchanged at 125% for 2023, inducing an additional 2% capital requirement in terms of the consolidated CAR ratio.
- 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 level was 1% in 2023 and on 1 January 2024 it will reach the original 2%.
- The NBH postponed the increase of the countercyclical capital buffer by one year, consequently the 50 bps buffer requirement will be effective only from 1 July 2024.

- The effective rate of the countercyclical capital buffer was 0% in Hungary in 3Q 2023. However, in Bulgaria the local central bank prescribed a 1.5% buffer, while in Croatia and Romania 0.5%, respectively. Thus on the consolidated level the institution-specific countercyclical capital buffer was 0.29% at the end of September 2023. However, during 4Q 2023, the consolidated institution-specific countercyclical capital buffer requirements are expected to increase further: in Bulgaria the relevant buffer will increase to 2.0% (from 1 October 2023), in Romania to 1% (from 23 October 2023), as well as in Croatia, and to 0.5% in Slovenia (from 31 December 2023 in Croatia and Slovenia). With all these changes taking effect locally, on consolidated level the countercyclical capital buffer is expected to increase to 0.49%.

The risk weighted assets (RWA) under the prudential scope of consolidation grew by HUF 1,209 billion q-o-q. The increase can be explained by the q-o-q higher credit risk related RWA (+HUF 1,140 billion), while the non-credit risk related RWA increase represented HUF 70 billion. The credit risk related RWA change was mainly induced by the currency moves: in 3Q the HUF weakened against all major currencies q-o-q, thus elevated the RWA by HUF 797 billion. The consolidated Common Equity Tier 1 (CET1) capital grew by HUF 378 billion q-o-q, mainly as a result of incorporating the 3Q eligible profit of HUF 247.6 billion after the deduction of HUF 104.3 billion dividend. This dividend amount, however, shall not be considered as an indication from the management for the proposed dividend amount after 2023. The deducted dividend was determined in accordance with the Commission Delegated Regulation (EU) No. 241/2014. Article 2. (7) Paragraph.

MREL adequacy

As a result of numerous MREL-eligible issuances, by 3Q 2023 OTP Group reached an MREL adequacy ratio of 23.51% versus the 20.52% minimum requirement. Incorporating the recent bond issuances of EUR 650 million and RON 170 million with a settlement in early October, the *pro forma* ratio was already 24.78%. Currently the mandatory minimum requirement ratio effective from 1 January 2024 is set at 24.13%, and it is expected to be revised by the resolution authority in November 2023.

Credit rating, shareholder structure

In 3Q 2023 there was no change in any ratings, consequently:

- OTP Bank's long-term issuer credit rating by S&P Global is 'BBB-', the outlook is stable; the credit rating of the dated Tier2 instrument issued in February 2023 is 'BB';
- the dated subordinated FX debt rating by Moody's is 'Ba2', while the Senior Preferred bond rating issued in May is 'Baa3'. OTP Mortgage Bank's

long term issuer rating is 'Baa3', whereas the mortgage bond rating is 'A1'. The long-term FX deposit rating of OTP Bank Plc. remained unchanged at 'Baa1'. The outlook is stable for all ratings;

- OTP Bank Plc' issuer rating at Scope Ratings is 'BBB+' and the subordinated debt rating 'BB+', respectively; the outlook is negative since December 2022;

- OTP Bank Plc's Long-Term Issuer Credit Rating (China national scale) by the Chinese Lianhe Credit Rating Co. is 'AAA', the outlook is stable.

Regarding the ownership structure of the Bank, on 30 September 2023 the following investors had more than 5% influence (voting rights) in the Company: MOL (the Hungarian Oil and Gas Company, 8.59%), and Groupama Group (5.10%).

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. Russia responded to these sanctions with similar measures.

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 going forward 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.

POST-BALANCE SHEET EVENTS

Post-balance sheet events cover the period until 3 November 2023.

Hungary

- On 3 October 2023 the Ministry of Finance announced that the Government hiked the original deficit to GDP target of 3.9% to 5.2%.
- From 9 October 2023, as proposed by Hungary's Ministry of Economic Development, and with an aim to boost lending, a voluntary interest rate cap was created for newly disbursed loans, in agreement with the Hungarian Banking Association. All banks have voluntarily implemented this cap. OTP Bank joined this initiative on 9 October 2023. Under the agreement, financial institutions offer non-subsidized housing loans at no more than 8.5% APR, and corporate working capital loans at a maximum interest rate of 12%.

In return for accepting the interest rate cap, the government made two commitments to the Banking Association. First, if the central bank base rate sinks to single digit, the interest rate cap on existing SME loans with variable interest rates, which was launched at the end of 2021, may be phased out, and the review of the interest rate cap on the affected housing loans may begin. Second, the Ministry of Economic Development committed itself to supporting the Banking Association's regulatory efforts and plans that target financial digitalization.

Parties have agreed to continue negotiations; thus the interest rate caps may be revised on a monthly basis in the future.

- On 13 October 2023 as value date OTP Bank issued Senior Preferred notes in the aggregate nominal amount of RON 170 million. The bond's maturity date is 13 October 2026, where the issuer's call option is applicable on 13 October 2025; the initial rate of interest is 8.1% in the first two years, and then 1Y RON-EUR Mid-Swap + 1.7%.
- On 18 October 2023, the Government published the draft law on the global minimum tax.
- On 24 October 2023, the MNB's Monetary Council reduced the central bank base rate by 75 basis points, to 12.25%, and simultaneously it lowered the entire interest rate corridor by that much.
- On 25 October 2023, the Government announced details on the CSOK Plus family support plan, which will take effect on 1 January 2024. The CSOK Plus subsidized housing loan will be available in communities with more than 5,000 inhabitants, where young couples may apply for HUF 15 million, 30 million, or 50 million loans, depending on the number of children. What is new compared to the previous CSOK product is that only married couples are eligible for it, i.e. CSOK Plus is not available for singles, or for those living in civil partnerships. In another change, this loan is available for yet unborn children, not for existing ones. However, existing children will be taken into consideration when examining the number of children in the family. The interest rate on this subsidized loan will be fixed at 3% until maturity, its duration may be between 10 and 25 years, and it is not available for buying land. To be eligible, the real property's price shall not be more than HUF 80 million (for first-time home buyers), or HUF 150 million (if it is not the first home). To buy the first home, at least 10% downpayment is required; in other cases, the generally applied minimum 20% downpayment is the requirement. Basically, CSOK Plus is available for women under 40, but in a two-year transition period, women who are at least 12 weeks pregnant will also be eligible. In the first year from the loan disbursement, only the capital shall be repaid. When the child is born, the borrowers may request a one-year loan moratorium. Upon the birth of the second and further children, HUF 10 million debt will be forgiven from the capital each time. Further details are likely to be published by the middle of November.
- Pursuant to the Government's decision, the Széchenyi Card Programme's 2023 terms and conditions and its product structure remain in effect in 2024; i.e. the plan will continue to provide loans with fixed 5% net interest rate until the end of the term for Hungarian SMEs.

Croatia

On 6 October 2023 Fitch revised the outlook to positive affirming the sovereign rating at 'BBB+'.

Romania

- On 19 September 2023, the Romanian Government announced the introduction of a 1% banking tax on gross revenues, which was increased to 2% for the first two years on 26 September 2023. The draft legislation was under review of the Constitutional Court of Romania, which on 18 October 2023 rejected the objection of unconstitutionality raised against the legislation. The banking tax will be applied from 1 January 2024. Based on OTP Bank's expectations this tax form would increase the tax burden by HUF 3 billion in 2024, which is not deductible from the corporate tax base.
- From 23 October the Romanian Macroprudential Authority increased the countercyclical capital buffer rate by 0.5% to 1%.

Russia

- On 27 October CBR hiked the base rate by 200 bps from 13% to 15%.

Ukraine

- On 2 October 2023 the Ukrainian National Anticorruption Agency (NAZK) removed OTP Bank from its 'sponsors of war' list.
- On 2 October 2023 the NBU announced that it is stepping away from the exchange rate peg of the Hryvnia against the Dollar in favour of managed flexibility of the exchange rate.
- On 27 October the NBU cut its key policy rate by 400 bps, hereby reducing the benchmark interest rate from the previous level of 20% to 16%.

CONSOLIDATED PROFIT AFTER TAX BREAKDOWN BY SUBSIDIARIES (IFRS)³

Methodological note: starting from 1Q 2023 the segmentation of the Hungarian operation has been changed: in contrast to the previous practice, starting from 1Q 2023 Corporate Centre is no longer carved out of the OTP Core segment. In the affected tables of this report, the 2022 base periods were presented both under the old and the new segment definitions. The q-o-q and y-o-y changes presented in the affected tables are calculated from the restated figures.

in HUF million	9M 2022 as previously reported	9M 2022 restated	9M 2023	Y-o-Y	3Q 2022 as previously reported	3Q 2022 restated	2Q 2023	3Q 2023	Q-o-Q	Y-o-Y
Consolidated profit after tax	231,897	231,897	857,879	270%	189,246	189,246	382,050	281,067	-26%	49%
Adjustments (total)	-207,229	-207,229	79,283		871	871	98,110	-26,470		
Consolidated adjusted profit after tax	439,126	439,126	778,596	77%	188,374	188,374	283,940	307,537	8%	63%
Banks total ¹	397,121	399,451	733,582	84%	167,041	166,430	268,836	292,048	9%	75%
OTP Core (Hungary) ²	217,819	220,149	215,695	-2%	48,932	48,321	73,598	99,042	35%	105%
DSK Group (Bulgaria) ³	76,478	76,478	151,132	98%	26,892	26,892	53,211	62,320	17%	132%
OTP Bank Slovenia ⁴	18,511	18,511	88,474	378%	8,828	8,828	34,209	34,000	-1%	285%
OBH (Croatia) ⁵	37,811	37,811	45,364	20%	14,922	14,922	16,904	15,658	-7%	5%
OTP Bank Serbia ⁶	32,451	32,451	50,485	56%	10,671	10,671	14,185	19,872	40%	86%
OTP Bank Albania ⁷	7,221	7,221	10,605	47%	2,476	2,476	4,272	2,522	-41%	2%
CKB Group (Montenegro) ⁸	4,523	4,523	17,009	276%	4,232	4,232	4,559	8,057	77%	90%
Ipoteka Bank (Uzbekistan) ⁹	-	-	242		-	-	-	242		
OTP Bank Russia ¹⁰	23,722	23,722	72,598	206%	38,473	38,473	33,345	21,297	-36%	-45%
OTP Bank Ukraine ¹¹	-25,968	-25,968	52,188		8,286	8,286	17,764	21,784	23%	163%
OTP Bank Romania ¹²	-1,050	-1,050	18,014		-58	-58	12,698	4,067	-68%	
OTP Bank Moldova	5,602	5,602	11,775	110%	3,386	3,386	4,090	3,188	-22%	-6%
Leasing	7,509	7,509	11,045	47%	1,699	1,699	1,756	4,766	171%	181%
Merkantil Group (Hungary) ¹³	7,509	7,509	11,045	47%	1,699	1,699	1,756	4,766	171%	181%
Asset Management	3,959	3,959	11,491	190%	1,376	1,376	4,079	4,882	20%	255%
OTP Asset Management (Hungary)	3,760	3,760	11,303	201%	1,324	1,324	4,009	4,855	21%	267%
Foreign Asset Management Companies ¹⁴	199	199	188	-5%	52	52	70	27	-62%	-49%
Other Hungarian Subsidiaries	25,045	25,045	25,534	2%	18,023	18,023	10,574	7,551	-29%	-58%
Other Foreign Subsidiaries ¹⁵	17	17	763		-13	-13	-284	1,185		
Corporate Centre ¹⁶	2,329	-	-		-611	-	-	-		
Eliminations	3,146	3,146	-3,820		859	859	-1,021	-2,894	184%	
Profit after tax of the Hungarian operation ¹⁷	97,947	97,947	349,188	257%	72,781	72,781	143,493	148,875	4%	105%
Adjusted profit after tax of the Hungarian operation ¹⁷	256,469	256,469	263,234	3%	68,946	68,946	89,441	116,190	30%	69%
Profit after tax of the Foreign operation ¹⁸	133,951	133,951	508,691	280%	116,465	116,465	238,557	132,192	-45%	14%
Adjusted profit after tax of the Foreign operation ¹⁸	182,658	182,658	515,361	182%	119,429	119,429	194,499	191,347	-2%	60%
Share of Hungarian contribution to the adjusted profit after tax	58%	58%	34%	-25%p	37%	37%	32%	38%	6%p	1%p
Share of Foreign contribution to the adjusted profit after tax	42%	42%	66%	25%p	63%	63%	68%	62%	-6%p	-1%p

³ 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 2022	9M 2023	Y-o-Y	3Q 2022	2Q 2023	3Q 2023	Q-o-Q	Y-o-Y
Consolidated profit after tax	231,897	857,879	270%	189,246	382,050	281,067	-26%	49%
Adjustments (total, after corporate income tax)	-207,229	79,283		871	98,110	-26,470		
Dividends and net cash transfers (after tax)	1,208	980	-19%	1,018	443	380	-14%	-63%
Goodwill/investment impairment charges (after tax)	-54,514	-518	-99%	1,765	-518	0	-100%	-100%
Special tax on financial institutions (after tax)	-88,180	-62,543	-29%	-78	25,595	-8	-100%	-90%
Expected one-off negative effect of the debt repayment moratorium in Hungary (after tax)	-2,488	0	-100%	-698	0	0		-100%
Expected one-off effect of the interest rate cap for certain loans in Hungary and Serbia (after tax)	-10,141	-24,625	143%	0	-17,874	-7,069	-60%	
Effect of the winding up of Sberbank Hungary (after tax)	-10,690	10,389		-8,182	0	0		-100%
Effect of acquisitions (after tax)	-9,576	144,838		-3,670	83,985	-24,076		556%
Result of the treasury share swap agreement (after tax)	2,952	10,761	265%	11,478	6,479	4,302	-34%	-63%
Impairments on Russian government bonds at OTP Core and DSK Bank booked from 2022 (after tax)	-35,800	0	-100%	-762	0	0		-100%
Consolidated adjusted profit after tax	439,126	778,596	77%	188,374	283,940	307,537	8%	63%
Profit before tax	508,641	917,539	80%	215,189	334,680	360,196	8%	67%
Operating profit	645,330	920,509	43%	247,152	325,207	363,442	12%	47%
Total income	1,205,424	1,602,388	33%	450,285	547,454	597,805	9%	33%
Net interest income	797,080	1,034,650	30%	290,884	340,808	381,778	12%	31%
Net fees and commissions	287,591	346,080	20%	106,075	117,681	125,172	6%	18%
Other net non-interest income	120,753	221,659	84%	53,327	88,965	90,855	2%	70%
Foreign exchange result, net	65,438	87,620	34%	20,628	44,064	-7,349		
Gain/loss on securities, net	-493	8,101		-1,769	5,906	728	-88%	
Net other non-interest result	55,808	125,938	126%	34,468	38,995	97,475	150%	183%
Operating expenses	-560,095	-681,879	22%	-203,133	-222,248	-234,363	5%	15%
Personnel expenses	-278,556	-351,836	26%	-104,256	-120,019	-124,109	3%	19%
Depreciation	-61,838	-69,879	13%	-22,422	-22,571	-23,832	6%	6%
Other expenses	-219,700	-260,165	18%	-76,455	-79,658	-86,422	8%	13%
Total risk costs	-136,688	-2,970	-98%	-31,963	9,473	-3,246		-90%
Provision for impairment on loan losses	-101,512	-5,430	-95%	-27,288	3,027	-2,414		-91%
Other provision	-35,176	2,460	-107%	-4,675	6,446	-832		-82%
Corporate taxes	-69,515	-138,943	100%	-26,815	-50,740	-52,659	4%	96%
INDICATORS								
ROE (from profit after tax)	10.1%	32.8%	22.7%p	22.9%	45.1%	29.4%	-15.7%p	6.5%p
ROE (from adjusted profit after tax)	19.1%	29.8%	10.7%p	22.8%	33.5%	32.2%	-1.3%p	9.4%p
ROA (from adjusted profit after tax)	1.9%	2.9%	0.9%p	2.3%	3.1%	3.2%	0.0%p	0.9%p
Operating profit margin	2.84%	3.38%	0.54%p	3.00%	3.60%	3.77%	0.17%p	0.77%p
Total income margin	5.31%	5.89%	0.58%p	5.46%	6.06%	6.20%	0.14%p	0.74%p
Net interest margin	3.51%	3.80%	0.29%p	3.53%	3.77%	3.96%	0.19%p	0.43%p
Net fee and commission margin	1.27%	1.27%	0.01%p	1.29%	1.30%	1.30%	0.00%p	0.01%p
Net other non-interest income margin	0.53%	0.81%	0.28%p	0.65%	0.98%	0.94%	-0.04%p	0.30%p
Cost-to-asset ratio	2.47%	2.51%	0.04%p	2.46%	2.46%	2.43%	-0.03%p	-0.03%p
Cost/income ratio	46.5%	42.6%	-3.9%p	45.1%	40.6%	39.2%	-1.4%p	-5.9%p
Provision for impairment on loan losses-to-average gross loans ratio	0.75%	0.03%	-0.71%p	0.55%	-0.06%	0.04%	0.10%p	-0.51%p
Total risk cost-to-asset ratio	0.60%	0.01%	-0.59%p	0.39%	-0.10%	0.03%	0.14%p	-0.35%p
Effective tax rate	13.7%	15.1%	1.5%p	12.5%	15.2%	14.6%	-0.5%p	2.2%p
Non-interest income/total income	34%	35%	2%p	35%	38%	36%	-2%p	1%p
EPS base (HUF) (from profit after tax)	861	3,200	272%	702	1,429	1,050	-26%	50%
EPS diluted (HUF) (from profit after tax)	861	3,199	272%	702	1,428	1,049	-27%	49%
EPS base (HUF) (from adjusted profit after tax)	1,633	2,909	78%	701	1,062	1,152	8%	64%
EPS diluted (HUF) (from adjusted profit after tax)	1,633	2,907	78%	701	1,062	1,151	8%	64%
Comprehensive Income Statement								
Consolidated profit after tax	231,898	857,878	270%	189,246	382,049	281,067	-26%	49%
Fair value changes of financial instruments measured at fair value through other comprehensive income	-138,902	55,755		-36,449	24,218	3,657	-85%	-110%
Foreign currency translation difference	446,380	-124,551		129,880	-106,584	144,278		11%
Change of actuarial costs (IAS 19)	-68	-39	-43%	-31	-62	66		
Net comprehensive income	539,308	777,866	44%	282,646	306,529	408,948	33%	45%
o/w Net comprehensive income attributable to equity holders	537,237	778,551	45%	281,707	306,872	409,046	33%	45%
Net comprehensive income attributable to non-controlling interest	2,071	-685		939	-343	-98	-71%	
Average exchange rate¹ of the HUF (in HUF)								
HUF/EUR	385	382	-1%	403	373	384	3%	-5%
HUF/CHF	381	391	3%	415	381	399	5%	-4%
HUF/USD	363	353	-3%	401	343	353	3%	-12%

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 2022	4Q 2022	2Q 2023	3Q 2023	Q-o-Q	Y-o-Y	YTD
TOTAL ASSETS	34,022,405	32,804,210	36,866,660	39,574,032	7%	16%	21%
Cash, amounts due from Banks and balances with the National Banks	3,598,087	4,221,392	5,582,622	6,557,052	17%	82%	55%
Placements with other banks, net of allowance for placement losses	1,776,713	1,351,081	1,305,309	1,500,795	15%	-16%	11%
Securities at fair value through profit or loss	562,021	436,387	474,949	528,080	11%	-6%	21%
Securities at fair value through other comprehensive income	2,024,180	1,739,603	1,853,513	1,664,591	-10%	-18%	-4%
Net customer loans	19,479,826	18,640,624	20,576,085	21,533,503	5%	11%	16%
Net customer loans (FX-adjusted¹)	18,081,776	18,205,129	21,357,235	21,533,503	1%	19%	18%
Gross customer loans	20,634,650	19,643,558	21,563,617	22,554,157	5%	9%	15%
Gross customer loans (FX-adjusted¹)	19,056,161	19,150,142	22,375,498	22,554,157	1%	18%	18%
Gross performing (Stage 1+2) customer loans (FX-adjusted¹)	18,121,423	18,223,722	21,450,524	21,583,835	1%	19%	18%
o/w Retail loans	9,370,200	9,406,353	11,187,928	11,544,393	3%	23%	23%
Retail mortgage loans (incl. home equity)	4,686,870	4,721,434	5,645,918	5,763,715	2%	23%	22%
Retail consumer loans	3,888,169	3,885,059	4,432,216	4,701,271	6%	21%	21%
SME loans	795,161	799,860	1,109,794	1,079,408	-3%	36%	35%
Corporate loans	7,468,442	7,549,079	8,927,155	8,669,940	-3%	16%	15%
Leasing	1,282,781	1,268,290	1,335,441	1,369,502	3%	7%	8%
Allowances for loan losses	-1,154,824	-1,002,933	-987,532	-1,020,654	3%	-12%	2%
Allowances for loan losses (FX-adjusted ¹)	-974,386	-945,012	-1,018,264	-1,020,654	0%	5%	8%
Associates and other investments	75,308	73,849	88,140	93,834	6%	25%	27%
Securities at amortized costs	5,039,491	4,891,938	5,370,001	5,596,136	4%	11%	14%
Tangible and intangible assets, net	732,144	738,105	774,704	828,055	7%	13%	12%
o/w Goodwill, net	70,397	68,319	65,460	67,770	4%	-4%	-1%
Tangible and other intangible assets, net	661,748	669,786	709,244	760,285	7%	15%	14%
Other assets	734,635	711,230	841,338	1,271,986	51%	73%	79%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	34,022,405	32,804,210	36,866,660	39,574,032	7%	16%	21%
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	1,781,495	1,517,349	2,162,700	2,191,090	1%	23%	44%
Deposits from customers	25,814,547	25,188,805	26,903,983	28,968,037	8%	12%	15%
Deposits from customers (FX-adjusted¹)	24,246,513	24,722,069	27,938,520	28,968,037	4%	19%	17%
o/w Retail deposits	15,644,405	16,012,760	18,593,835	19,106,351	3%	22%	19%
Household deposits	13,045,182	13,384,791	15,837,265	15,976,582	1%	22%	19%
SME deposits	2,599,223	2,627,969	2,756,571	3,129,769	14%	20%	19%
Corporate deposits	8,578,506	8,679,062	9,302,654	9,861,687	6%	15%	14%
Accrued interest payable related to customer deposits ²	23,602	30,247	42,032	0	-100%	-100%	-100%
Liabilities from issued securities	587,987	870,682	1,727,388	2,082,052	21%	254%	139%
o/w Retail bonds	0	35,766	173,695	194,833	12%		445%
Liabilities from issued securities without retail bonds	587,987	834,916	1,553,693	1,887,218	21%	221%	126%
Other liabilities	2,068,560	1,603,078	1,924,207	1,741,486	-9%	-16%	9%
Subordinated bonds and loans	317,367	301,984	552,883	584,626	6%	84%	94%
Total shareholders' equity	3,452,448	3,322,312	3,595,500	4,006,741	11%	16%	21%
Indicators	3Q 2022	4Q 2022	2Q 2023	3Q 2023	Q-o-Q	Y-o-Y	YTD
Loan/deposit ratio (FX-adjusted ¹)	79%	78%	80%	78%	-2%p	-1%p	0%p
Net loan/(deposit + retail bond) ratio (FX-adjusted ¹)	75%	74%	76%	74%	-2%p	-1%p	0%p
Stage 1 loan volume under IFRS 9	17,199,233	16,387,792	18,354,451	19,060,908	4%	11%	16%
Stage 1 loans under IFRS 9/gross customer loans	83.4%	83.4%	85.1%	84.5%	-0.6%p	1.2%p	1.1%p
Own coverage of Stage 1 loans under IFRS 9	1.0%	1.0%	1.1%	1.0%	-0.1%p	0.0%p	0.0%p
Stage 2 loan volume under IFRS 9	2,364,270	2,286,597	2,312,773	2,522,927	9%	7%	10%
Stage 2 loans under IFRS 9/gross customer loans	11.5%	11.6%	10.7%	11.2%	0.5%p	-0.3%p	-0.5%p
Own coverage of Stage 2 loans under IFRS 9	11.8%	10.7%	10.0%	9.8%	-0.2%p	-2.0%p	-1.0%p
Stage 3 loan volume under IFRS 9	1,071,147	969,169	896,393	970,321	8%	-9%	0%
Stage 3 loans under IFRS 9/gross customer loans	5.2%	4.9%	4.2%	4.3%	0.1%p	-0.9%p	-0.6%p
Own coverage of Stage 3 loans under IFRS 9	65.0%	61.0%	61.4%	60.2%	-1.2%p	-4.8%p	-0.9%p
90+ days past due loan volume	711,262	601,268	619,767	667,767	8%	-6%	11%
90+ days past due loans/gross customer loans	3.4%	3.1%	2.9%	3.0%	0.1%p	-0.5%p	-0.1%p
Consolidated capital adequacy - Basel3, IFRS, according to prudential scope of consolidation	3Q 2022	4Q 2022	2Q 2023	3Q 2023	Q-o-Q	Y-o-Y	YTD
Capital adequacy ratio	18.1%	17.8%	17.9%	18.8%	0.8%p	0.6%p	1.0%p
Tier1 ratio	16.7%	16.4%	15.6%	16.4%	0.8%p	-0.3%p	0.0%p
Common Equity Tier 1 ('CET1') capital ratio	16.7%	16.4%	15.6%	16.4%	0.8%p	-0.3%p	0.0%p
Own funds	3,922,723	3,671,104	4,076,508	4,489,776	10%	14%	22%
o/w Tier1 Capital	3,620,662	3,383,161	3,551,485	3,929,662	11%	9%	16%
o/w Common Equity Tier 1 capital	3,620,662	3,383,161	3,551,485	3,929,662	11%	9%	16%
Tier2 Capital	302,060	287,944	525,023	560,114	7%	85%	95%
Consolidated risk weighted assets (RWA) (Credit&Market&Operational risk)	21,643,869	20,607,706	22,713,600	23,922,959	5%	11%	16%
o/w RWA (Credit risk)	19,680,152	18,679,480	20,477,484	21,617,224	6%	10%	16%
RWA (Market & Operational risk)	1,963,717	1,928,226	2,236,116	2,305,735	3%	17%	20%
Closing exchange rate of the HUF (in HUF)	3Q 2022	4Q 2022	2Q 2023	3Q 2023	Q-o-Q	Y-o-Y	YTD
HUF/EUR	421	400	371	391	5%	-7%	-2%
HUF/CHF	439	407	380	405	7%	-8%	0%
HUF/USD	429	376	342	369	8%	-14%	-2%

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.

² Starting from 3Q 2023, the accrued interest payable related to customer deposits is presented on the deposits from customers line.

OTP CORE (OTP BANK'S HUNGARIAN CORE BUSINESS)

Methodological note: starting from 1Q 2023 the segmentation of the Hungarian operation has been changed: in contrast to the previous practice, starting from 1Q 2023 Corporate Centre is no longer carved out of the OTP Core segment. In the affected tables of this report, the 2022 base periods were presented both under the old and the new segment definitions. The q-o-q and y-o-y changes presented in the affected tables are calculated from the restated figures.

Starting from 1Q 2023 OTP Ecosystem Ltd. was eliminated from OTP Core.

OTP Core Statement of recognized income:

Main components of the Statement of recognised income in HUF million	9M 2022 as previously reported	9M 2022 restated	9M 2023	Y-o-Y	3Q 2022 as previously reported	3Q 2022 restated	2Q 2023	3Q 2023	Q-o-Q	Y-o-Y
Profit after tax without received dividend	-32,185	-29,856	162,035		52,744	52,133	93,375	105,257	13%	102%
Dividend received from subsidiaries	107,907	107,907	155,743	44%	0	0	36,387	26,677	-27%	
Profit after tax	75,722	78,051	317,778	307%	52,744	52,133	129,761	131,933	2%	153%
Adjustments (total, after tax)	-142,097	-142,097	102,083		3,812	3,812	56,163	32,892	-41%	763%
Adjusted profit after tax	217,819	220,149	215,695	-2%	48,932	48,321	73,598	99,042	35%	105%
Profit before tax	252,037	254,696	260,664	2%	59,088	58,456	89,962	115,871	29%	98%
Operating profit	253,066	255,726	249,756	-2%	78,862	78,231	96,281	97,660	1%	25%
Total income	496,940	500,607	543,705	9%	165,277	165,049	198,859	195,142	-2%	18%
Net interest income	324,770	328,437	294,171	-10%	109,388	109,160	97,394	106,993	10%	-2%
Net fees and commissions	131,268	131,268	144,601	10%	45,285	45,285	49,607	51,042	3%	13%
Other net non-interest income	40,902	40,902	104,934	157%	10,604	10,604	51,858	37,107	-28%	250%
Operating expenses	-243,874	-244,881	-293,949	20%	-86,415	-86,818	-102,578	-97,482	-5%	12%
Total risk costs	-1,029	-1,029	10,908		-19,775	-19,775	-6,319	18,212		
Provision for impairment on loan losses	18,968	18,968	-1,011		-10,888	-10,888	-13,032	14,337		
Other provisions	-19,998	-19,998	11,919		-8,887	-8,887	6,713	3,875	-42%	
Corporate income tax	-34,218	-34,548	-44,969	30%	-10,156	-10,135	-16,364	-16,830	3%	66%
Indicators (adjusted)	9M 2022 as previously reported	9M 2022 restated	9M 2023	Y-o-Y	3Q 2022 as previously reported	3Q 2022 restated	2Q 2023	3Q 2023	Q-o-Q	Y-o-Y
ROE	14.5%p	14.6%	13.9%	-0.7%p	9.6%p	9.5%	14.3%	18.2%	3.9%p	8.7%p
ROA	1.8%p	1.7%	1.5%	-0.2%p	1.2%p	1.0%	1.5%	2.1%	0.5%p	1.0%p
Operating profit margin	2.1%p	2.0%	1.8%	-0.2%p	1.9%p	1.7%	2.0%	2.0%	0.0%p	0.3%p
Total income margin	4.18%p	3.91%	3.84%	-0.08%p	3.94%p	3.58%	4.18%	4.08%	-0.10%p	0.50%p
Net interest margin	2.73%p	2.57%	2.08%	-0.49%p	2.61%p	2.37%	2.05%	2.24%	0.19%p	-0.13%p
Net fee and commission margin	1.10%p	1.03%	1.02%	-0.01%p	1.08%p	0.98%	1.04%	1.07%	0.03%p	0.08%p
Net other non-interest income margin	0.34%p	0.32%	0.74%	0.42%p	0.25%p	0.23%	1.09%	0.78%	-0.31%p	0.55%p
Operating costs to total assets ratio	2.1%p	1.9%	2.1%	0.2%p	2.1%p	1.9%	2.2%	2.0%	-0.1%p	0.2%p
Cost/income ratio	49.1%p	48.9%	54.1%	5.1%p	52.3%p	52.6%	51.6%	50.0%	-1.6%p	-2.6%p
Provision for impairment on loan losses / average gross loans ¹	-0.44%p	-0.44%	0.02%	0.46%p	0.70%p	0.70%	0.80%	-0.86%	-1.66%p	-1.56%p
Effective tax rate	13.6%p	13.6%	17.3%	3.7%p	17.2%p	17.3%	18.2%	14.5%	-3.7%p	-2.8%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 2022 as previously reported	3Q 2022 restated	4Q 2022 as previously reported	4Q 2022 restated	2Q 2023	3Q 2023	Q-o-Q	Y-o-Y	YTD
Total Assets	16,804,154	18,318,621	15,758,292	17,596,229	18,427,187	19,029,283	3%	4%	8%
Financial assets ¹ (net)	8,600,206	10,109,344	7,438,066	9,270,006	9,734,086	9,966,161	2%	-1%	8%
Net customer loans	6,219,047	6,219,047	6,278,620	6,278,620	6,233,586	6,285,353	1%	1%	0%
Net customer loans (FX adjusted)	6,114,210	6,114,210	6,245,593	6,245,593	6,311,043	6,285,353	0%	3%	1%
Gross customer loans	6,459,603	6,459,603	6,528,001	6,528,001	6,515,300	6,562,204	1%	2%	1%
Gross customer loans (FX adjusted)	6,349,553	6,349,553	6,493,644	6,493,644	6,595,527	6,562,204	-1%	3%	1%
Stage 1+2 customer loans (FX-adjusted)	6,073,899	6,073,899	6,171,362	6,171,362	6,324,090	6,293,836	0%	4%	2%
Retail loans	3,478,738	3,478,738	3,482,862	3,482,862	3,649,641	3,732,523	2%	7%	7%
Retail mortgage loans (incl. home equity)	1,670,898	1,670,898	1,656,952	1,656,952	1,688,750	1,705,752	1%	2%	3%
Retail consumer loans	1,297,271	1,297,271	1,306,919	1,306,919	1,406,419	1,466,341	4%	13%	12%
SME loans	510,569	510,569	518,991	518,991	554,472	560,430	1%	10%	8%
Corporate loans	2,595,161	2,595,161	2,688,500	2,688,500	2,674,449	2,561,313	-4%	-1%	-5%
Provisions	-240,556	-240,556	-249,381	-249,381	-281,714	-276,851	-2%	15%	11%
Provisions (FX adjusted)	-235,343	-235,343	-248,051	-248,051	-284,485	-276,851	-3%	18%	12%
Tangible and intangible assets (net)	205,253	205,253	222,587	222,587	229,375	255,299	11%	24%	15%
Shares and equity investments (net)	1,416,331	1,416,331	1,447,924	1,447,924	1,861,388	1,860,413	0%	31%	28%
Other assets (net)	363,318	368,647	371,094	377,091	368,751	662,057	80%	80%	76%
Deposits from customers + retail bonds	11,674,728	11,674,728	11,246,795	11,246,795	10,488,155	11,017,845	5%	-6%	-2%
Deposits from customers + retail bonds (FX-adjusted)	11,427,823	11,427,823	11,180,240	11,180,240	10,656,327	11,017,845	3%	-4%	-1%
Retail deposits + retail bonds	6,513,169	6,513,169	6,454,383	6,454,383	6,266,256	6,180,980	-1%	-5%	-4%
Household deposits + retail bonds	5,103,254	5,103,254	5,042,641	5,042,641	4,948,773	4,847,822	-2%	-5%	-4%
o/w: Retail bonds	0	0	35,766	35,766	173,695	194,833	12%		445%
SME deposits	1,409,915	1,409,915	1,411,742	1,411,742	1,317,483	1,333,158	1%	-5%	-6%
Corporate deposits	4,914,654	4,914,654	4,725,857	4,725,857	4,390,071	4,836,865	10%	-2%	2%
Liabilities to credit institutions	1,505,928	2,515,874	1,251,653	2,313,832	3,365,743	3,034,075	-10%	21%	31%
Issued securities without retail bonds	508,128	702,192	471,773	949,421	1,226,063	1,517,069	24%	116%	60%
Subordinated bonds and loans	0	308,566	0	294,186	500,343	528,407	6%	71%	80%
Total shareholders' equity	2,007,462	2,007,462	2,016,019	2,016,019	2,121,148	2,237,530	5%	11%	11%
Loan Quality	3Q 2022 as previously reported	3Q 2022 restated	4Q 2022 as previously reported	4Q 2022 restated	2Q 2023	3Q 2023	Q-o-Q	Y-o-Y	YTD
Stage 1 loan volume under IFRS 9 (in HUF million)	5,408,424	5,408,424	5,457,140	5,457,140	5,294,537	5,335,711	1%	-1%	-2%
Stage 1 loans under IFRS 9/gross customer loans	83.7%	83.7%	83.6%	83.6%	81.3%	81.3%	0.0%p	-2.4%p	-2.3%p
Own coverage of Stage 1 loans under IFRS 9	0.9%	0.9%	0.8%	0.8%	1.1%	0.9%	-0.1%p	0.1%p	0.1%p
Stage 2 loan volume under IFRS 9 (in HUF million)	772,100	772,100	747,905	747,905	950,889	958,124	1%	24%	28%
Stage 2 loans under IFRS 9/gross customer loans	12.0%	12.0%	11.5%	11.5%	14.6%	14.6%	0.0%p	2.6%p	3.1%p
Own coverage of Stage 2 loans under IFRS 9	8.7%	8.7%	8.6%	8.6%	8.9%	8.7%	-0.2%p	0.0%p	0.1%p
Stage 3 loan volume under IFRS 9 (in HUF million)	279,079	279,079	322,956	322,956	269,874	268,368	-1%	-4%	-16.9%
Stage 3 loans under IFRS 9/gross customer loans	4.3%	4.3%	4.9%	4.9%	4.1%	4.1%	-0.1%p	-0.2%p	-0.9%p
Own coverage of Stage 3 loans under IFRS 9	45.6%	45.6%	43.2%	43.2%	51.4%	53.2%	1.8%p	7.6%p	10.1%p
90+ days past due loan volume (in HUF million)	164,570	164,570	189,870	189,870	221,854	224,627	1%	36%	18.3%
90+ days past due loans/gross customer loans	2.5%	2.5%	2.9%	2.9%	3.4%	3.4%	0.0%p	0.9%p	0.5%p
Market Share	3Q 2022 as previously reported	3Q 2022 restated	4Q 2022 as previously reported	4Q 2022 restated	2Q 2023	3Q 2023	Q-o-Q	Y-o-Y	YTD
Loans	26.5%	26.5%	26.8%	26.8%	26.4%	26.3%	-0.1%p	-0.2%p	-0.5%p
Deposits	29.0%	29.0%	29.1%	29.1%	28.4%	28.6%	0.1%p	-0.4%p	-0.5%p
Total Assets	27.8%	27.8%	27.6%	27.6%	28.7%	29.0%	0.3%p	1.1%p	1.4%p
Performance Indicators	3Q 2022 as previously reported	3Q 2022 restated	4Q 2022 as previously reported	4Q 2022 restated	2Q 2023	3Q 2023	Q-o-Q	Y-o-Y	YTD
Net loans to (deposits + retail bonds) (FX-adjusted)	54%	54%	56%	56%	59%	57%	-2%p	4%p	1%p
Leverage (closing Shareholder's Equity/Total Assets)	11.9%	11.0%	12.8%	11.5%	11.5%	11.8%	0.2%p	0.8%p	0.3%p
Leverage (closing Total Assets/Shareholder's Equity)	8.4x	9.1x	7.8x	8.7x	8.7x	8.5x	-0.2x	-0.6x	-0.2x
Capital adequacy ratio (OTP Bank, non-consolidated, Basel3, IFRS)	19.7%	19.7%	19.2%	19.2%	24.7%	25.7%	1.1%p	6.1%p	6.6%p
Common Equity Tier1 ratio (OTP Bank, non-consolidated, Basel3, IFRS)	16.7%	16.7%	16.3%	16.3%	19.4%	20.3%	0.9%p	3.6%p	4.0%p

¹ Cash, amounts due from banks and balances with the National Bank of Hungary; placements with other banks; repo receivables; securities and other financial assets.

In the first nine months of 2023, **OTP Core** generated HUF 162 billion profit after tax without dividend received from subsidiaries, as opposed to the HUF 30 billion loss in the base period.

Profit after tax without dividend from subsidiaries improved because of the better balance of adjustment items: neither the impairment on subsidiary investments, nor the impairment on Russian bonds (both of which weighed on the base period as a result of the war) occurred in the reporting period; moreover, the amount of special taxes dropped.

On the other hand, the nine-month adjusted profit after tax shrank by 2%. This was largely attributable to the weaker net interest income and to the rising operating expenses in the high-inflation environment, which was mitigated by the 2.5-fold growth in other net non-interest income.

Within total income, cumulated net interest income dropped by 10%: while total assets grew by 11% on average, net interest margin narrowed by 49 bps. One reason for the margin erosion was that, starting from October 2022, the required minimum reserve ratio rose from 1% to 5%, and then, starting from April 2023, from 5% to 10%. Also, the central bank diverted the interest rate paid on required minimum reserves from the overnight deposit rate (18%) and paid the base rate (13%) on them from October 2022; starting from April 2023, the NBH did not pay any interest on 25% of the required minimum reserve level. Thus, the effective interest paid on required reserves dropped to 9.75% in April. Effective from July, 15% of the minimum reserve requirement can be met by longer maturity central bank deposit placements carrying the O/N rate, and the central bank doesn't pay any interest on 25% of the remaining 85% of the minimum reserve requirement. The net interest margin was adversely affected by the changes in the balance sheet structure, too: on the asset side, the proportion of non-interest-bearing assets (including, for example, subsidiary investments) increased at the expense of financial assets, while on the liability side, the weight of household deposits decreased against liabilities carrying higher interest (e.g. MREL-eligible bonds).

Regarding quarterly developments, the third-quarter net interest income increased by 10% q-o-q compared to the 2Q base which was boosted by positive one-off items⁴. This resulted in a net interest margin improvement of 19 bps q-o-q. The main reason for this was the easing cycle launched by the central bank at the end of May⁵. The continued increase in EUR interest rates also had a benign effect, through the EUR-denominated volumes in OTP Core's balance sheet. This was slightly mitigated by the fact that on the liability side the ratio of higher interest rate liabilities went up, particularly through the

issuance of subordinated loans in February and bonds in May and June 2023, while the average ratio of deposits from customers shrunk over the quarter.

Net fees and commissions rose by 10% in the first nine months, mainly supported by stronger income from fees on deposits, transactions, cards and securities, but lending-related fee income declined.

Nine-month other income jumped 2.5-fold, predominantly because of the positive fair value adjustment booked in the second and third quarters, of subsidized baby loans and subsidized 'CSOK' housing loans, which are measured at fair value. The positive FVA was largely caused by the decline in the discount rates used to determine the present value of future cash flows, as a result of the sinking yields. In the third quarter, the q-o-q drop in other income stemmed from the lower amount of positive fair value adjustment.

Cumulated operating expenses grew by 20% in the high-inflation environment. Within that, personnel expenses surged by 31%, mostly because of the wage increases in the second half-year of 2022 and from March 2023, as well as the 4% growth in the average number of employees. Amortization was up 8%. Other general expenses grew by 12%, driven higher, among others, by utility and real estate-related costs (the new M12 office building was completed in April 2022), as well as by the increase in the fees paid to the National Deposit Insurance Fund and Investor Protection Fund, effective from end-2022.

In the first nine months, positive risk cost amounted to HUF 11 billion, chiefly as a result of the HUF 18 billion release in the third quarter. In the third quarter, both credit and other risk cost lines printed positive amounts: the former stemmed partly from the revision of the IFRS 9 model macro parameters, and in part was caused by releases on corporate loans, while the other risk cost line was shaped mainly by the release of impairments on Hungarian Government securities.

Stage ratios remained stable q-o-q. The own provision coverage of Stage 3 loans improved by 1.8 pps q-o-q, the cumulative own provision coverage of the Stage 1+2 portfolio inched down 0.2 pp q-o-q to 2.1%, yet this is still way above the pre-pandemic level of 1.3%.

Regarding the components of the balance sheet, OTP Core's total assets grew by 4% y-o-y, including a 3% increase over the third quarter.

The growth of performing (Stage 1+2) loans substantially slowed in the high-interest-rate environment: after the 15% expansion in full-year 2022, the portfolio rose by an FX-adjusted 2% in the

⁴ In the third quarter there was only one positive one-off item: the recognition of HUF 2.8 billion interest subsidy on the subsidized CSOK housing loans related to previous years.

⁵ From May to September, the NBH reduced its overnight deposit rate by 100 bps per month, from 18% to 13%; thus, it sank to the level of the base rate by September, when the base rate became the benchmark rate again.

first nine months of 2023. Out of this 2%, 1 pp was explained by the end of June reclassification of loans previously subject to the moratorium that ended at the end of 2022, from Stage 3 to Stage 1 or to Stage 2, to the tune of HUF 57 billion.

Performing loans stagnated q-o-q. Within that, consumer loans expanded by 4% as a result of the continued growth of cash loans and baby loans, and mortgage loans rose by 1% q-o-q. Demand for mortgages hit the bottom in 1Q 2023; compared to that, 90% more applications were submitted in the third quarter, partly owing to the declining interest rates, and in part because demand was brought forward due to the announced changes affecting the subsidized 'CSOK' housing loan structure.

Performing corporate volumes shrank by 4% q-o-q, while MSE loans rose by 1%. The Széchenyi Card MAX+ and the Baross Gábor loan programmes generated significant new loan placements: in the first nine months, OTP signed agreement for HUF 340 billion worth of loans under the Széchenyi Card MAX+ programme, and for HUF 155 billion under the Baross Gábor Loan Programme until the end of September.

The quarterly average volume of assets held at the central bank meaningfully rose y-o-y, predominantly because required reserves expanded, owing to the higher regulatory minimum requirement.

Deposits from customers and retail bonds increased by 3% q-o-q; thus the stock eroded by an FX-adjusted 1% year to date. Retail deposits and retail bonds fell by a combined 2% q-o-q. As for deposits from companies, MSE volumes grew by 1%, and corporate deposits increased by 10% q-o-q.

Issued securities without retail bonds increased by 60% ytd, and subordinated bonds went up by 80%. In the middle of February, subordinated bonds with total notional of USD 650 million were issued. This was followed by senior preferred notes with total nominal value of USD 500 million, a Senior Non-Preferred bond issuance worth EUR 110 million in June, and senior preferred bond placement of EUR 650 million in September. As a post-balance-sheet event, RON 170 million worth of senior preferred notes were issued in October.

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 2022	9M 2023	Y-o-Y	3Q 2022	2Q 2023	3Q 2023	Q-o-Q	Y-o-Y
Adjusted profit after tax	3,760	11,303	201%	1,324	4,009	4,855	21%	267%
Income tax	-539	-1,351	150%	-195	-488	-578	18%	197%
Profit before income tax	4,299	12,653	194%	1,519	4,497	5,433	21%	258%
Operating profit	4,457	12,654	184%	1,608	4,498	5,433	21%	238%
Total income	6,902	15,891	130%	2,607	5,536	6,594	19%	153%
Net fees and commissions	6,575	14,527	121%	2,317	5,235	5,709	9%	146%
Other net non-interest income	327	1,362	316%	291	301	885	194%	205%
Operating expenses	-2,445	-3,237	32%	-999	-1,038	-1,162	12%	16%
Other provisions	-158	0	-100%	-90	0	0	-100%	-100%
Main components of balance sheet closing balances in HUF million	2022	9M 2023	YTD	3Q 2022	2Q 2023	3Q 2023	Q-o-Q	Y-o-Y
Total assets	27,718	32,334	17%	20,839	27,121	32,334	19%	55%
Total shareholders' equity	16,993	20,370	20%	11,337	15,515	20,370	31%	80%
Asset under management in HUF billion	2022	9M 2023	YTD	3Q 2022	2Q 2023	3Q 2023	Q-o-Q	Y-o-Y
Assets under management, total (w/o duplicates)¹	1,783	2,714	52%	1,458	2,395	2,714	13%	86%
Volume of investment funds (closing, w/o duplicates)	1,390	2,271	63%	1,086	1,970	2,271	15%	109%
Volume of managed assets (closing)	393	443	13%	372	424	443	4%	19%
Volume of investment funds (closing, with duplicates)²	1,869	3,069	64%	1,565	2,638	3,069	16%	96%
bond	665	1,586	139%	502	1,269	1,586	25%	216%
money market	287	455	59%	148	415	455	9%	207%
absolute return fund	288	339	18%	274	304	339	11%	24%
equity	296	307	4%	290	295	307	4%	6%
mixed	285	307	8%	300	285	307	8%	2%
commodity market	49	61	26%	49	55	61	11%	24%
guaranteed	0	14		0	14	14	0%	

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 2023, **OTP Fund Management's** profit after tax exceeded HUF 11 billion, which translates into a threefold increase in y-o-y comparison. Of the nine-month profit, HUF 4.9 billion was made in the third quarter of 2023 (+21% q-o-q).

Net fee and commission income more than doubled y-o-y, owing to the dynamic growth in assets under management, and to the increase in average fund management fees (9M 2023: 1.3%, +24 bps y-o-y).

The robust growth in nine-month other income was shaped by the positive revaluation result of the securities in the company's own books.

Nine-month operating expenses were 32% higher than in the same period of the previous year. Within that, other expenses rose in accordance with the inflation rate; the 54% y-o-y increase in personnel expenses was induced by the increase in the number of employees.

In Hungary's fund management market, the assets under management once again hit record high at the end of September 2023. Bond funds still gave the lion's share of growth, as a result of a dynamic inflows and positive yields.

In the case of OTP Fund Management, too, it was the wealth of bond funds that saw the steepest rise (+25% q-o-q, +216% y-o-y). Thus, it made up more than half of the total managed funds' volumes. As to the other categories, while money market and absolute return funds benefited from the effect of impressive yields and capital inflows, the weaker market performance slowed equity funds' volume growth.

Overall, the volume of investment funds managed by OTP Fund Management exceeded HUF 3,000 billion (+16% q-o-q, +96% y-o-y) at the end of September.

The Company steadily maintains its leading position in the securities market: its market share rose by 0.8 pp q-o-q, to 30.8% by the end of September.

MERKANTIL GROUP (HUNGARY)**Performance of Merkantil Group:**

Main components of P&L account in HUF million	9M 2022	9M 2023	Y-o-Y	3Q 2022	2Q 2023	3Q 2023	Q-o-Q	Y-o-Y
Adjusted profit after tax	7,509	11,045	47%	1,699	1,756	4,766	171%	181%
Income tax	-1,071	-1,202	12%	-263	-328	-397	21%	51%
Profit before income tax	8,580	12,247	43%	1,962	2,083	5,163	148%	163%
Operating profit	9,434	12,425	32%	3,438	3,415	4,612	35%	34%
Total income	17,228	21,689	26%	6,135	6,809	7,591	11%	24%
Net interest income	15,396	20,457	33%	5,576	6,166	7,371	20%	32%
Net fees and commissions	623	627	1%	214	233	194	-17%	-9%
Other net non-interest income	1,209	605	-50%	346	410	27	-94%	-92%
Operating expenses	-7,794	-9,263	19%	-2,698	-3,394	-2,979	-12%	10%
Total provisions	-854	-179	-79%	-1,476	-1,332	551		
Provision for impairment on loan losses	169	-92		-691	-1,331	588		
Other provision	-1,022	-86	-92%	-785	-1	-38		-95%
Main components of balance sheet closing balances in HUF million	2022	9M 2023	YTD	3Q 2022	2Q 2023	3Q 2023	Q-o-Q	Y-o-Y
Total assets	948,735	926,319	-2%	949,564	931,037	926,319	-1%	-2%
Gross customer loans	532,054	571,904	7%	527,323	555,690	571,904	3%	8%
Gross customer loans (FX-adjusted)	531,182	571,904	8%	524,865	558,097	571,904	2%	9%
Stage 1+2 customer loans (FX-adjusted)	517,088	556,292	8%	510,539	543,791	556,292	2%	9%
Retail loans	3,146	2,513	-20%	3,501	2,849	2,513	-12%	-28%
Corporate loans	130,758	141,959	9%	118,840	142,006	141,959	0%	19%
Leasing	383,183	411,820	7%	388,198	398,936	411,820	3%	6%
Allowances for possible loan losses	-12,436	-12,113	-3%	-11,681	-12,796	-12,113	-5%	4%
Allowances for possible loan losses (FX-adjusted)	-12,418	-12,113	-2%	-11,632	-12,835	-12,113	-6%	4%
Deposits from customers	6,151	5,451	-11%	6,507	5,481	5,451	-1%	-16%
Deposits from customer (FX-adjusted)	6,151	5,451	-11%	6,507	5,481	5,451	-1%	-16%
Retail deposits	3,713	2,876	-23%	4,015	3,023	2,876	-5%	-28%
Corporate deposits	2,438	2,574	6%	2,492	2,459	2,574	5%	3%
Liabilities to credit institutions	852,738	833,544	-2%	852,959	837,469	833,544	0%	-2%
Total shareholders' equity	57,591	62,385	8%	57,428	57,005	62,385	9%	9%
Loan Quality	9M 2022	9M 2023	Y-o-Y	3Q 2022	2Q 2023	3Q 2023	Q-o-Q	Y-o-Y
Stage 1 loan volume under IFRS 9 (in HUF million)	464,104	510,247	10%	464,104	478,949	510,247	7%	10%
Stage 1 loans under IFRS 9/gross customer loans	88.0%	89.2%	1.2%p	88.0%	86.2%	89.2%	3.0%p	1.2%p
Own coverage of Stage 1 loans under IFRS 9	0.4%	0.6%	0.3%p	0.4%	0.6%	0.6%	0.0%p	0.3%p
Stage 2 loan volume under IFRS 9 (in HUF million)	48,804	46,045	-6%	48,804	62,487	46,045	-26%	-6%
Stage 2 loans under IFRS 9/gross customer loans	9.3%	8.1%	-1.2%p	9.3%	11.2%	8.1%	-3.2%p	-1.2%p
Own coverage of Stage 2 loans under IFRS 9	5.6%	5.6%	0.0%p	5.6%	5.6%	5.6%	-0.1%p	0.0%p
Stage 3 loan volume under IFRS 9 (in HUF million)	14,414	15,612	8%	14,414	14,254	15,612	10%	8%
Stage 3 loans under IFRS 9/gross customer loans	2.7%	2.7%	0.0%p	2.7%	2.6%	2.7%	0.2%p	0.0%p
Own coverage of Stage 3 loans under IFRS 9	50.8%	40.3%	-10.5%p	50.8%	43.5%	40.3%	-3.2%p	-10.5%p
Provision for impairment on loan losses/average gross loans	-0.05%	0.02%	0.07%p	0.52%	0.98%	-0.41%	-1.39%p	-0.94%p
90+ days past due loan volume (in HUF million)	3,479	5,802	67%	3,479	4,604	5,802	26%	67%
90+ days past due loans/gross customer loans	0.7%	1.0%	0.4%p	0.7%	0.8%	1.0%	0.2%p	0.4%p
Performance Indicators	9M 2022	9M 2023	Y-o-Y	3Q 2022	2Q 2023	3Q 2023	Q-o-Q	Y-o-Y
ROA	1.2%	1.6%	0.3%p	0.8%	0.8%	2.0%	1.3%p	1.3%p
ROE	17.5%	25.5%	8.0%p	11.8%	12.3%	31.7%	19.4%p	19.9%p
Total income margin	2.85%	3.10%	0.24%p	2.81%	2.91%	3.25%	0.34%p	0.44%p
Net interest margin	2.55%	2.92%	0.37%p	2.56%	2.64%	3.16%	0.52%p	0.60%p
Operating costs / Average assets	1.3%	1.3%	0.0%p	1.2%	1.5%	1.3%	-0.2%p	0.0%p
Cost/income ratio	45.2%	42.7%	-2.5%p	44.0%	49.8%	39.2%	-10.6%p	-4.7%p

In the first nine months of 2023, **Merkantil Group** posted HUF 11.0 billion adjusted profit after tax (+47% y-o-y), its ROE was 25.5%. The third-quarter profit amounted to HUF 4.8 billion.

In the first nine months, operating profit jumped by 32%, driven by a 26% surge in total income.

In January-September, net interest income expanded by 33%, supported by the higher interest income on the receivables linked to active repo deals with domestic credit institutions, and the additional interest income from open-ended and closed-ended leases for other non-financial corporations, as well as the significantly higher interest rates on new placements compared to the same period of the previous year.

Nine-month operating expenses grew by 19%, driven by higher marketing and consulting costs, as well as wage increases. The 12% q-o-q drop in the third quarter was caused by the decline in amortization.

In the third quarter, the total risk cost line printed HUF 0.6 billion positive amount, mostly stemming from the revision of the forward-looking

macroeconomic expectations in the IFRS 9 impairment models.

The ratio of Stage 1 loans increased by 1.2 pps y-o-y to 89.2%, while the ratio of Stage 2 loans declined by the same magnitude.

FX-adjusted performing (Stage 1+2) loans grew by 9% y-o-y, mostly driven by corporate loan volumes' 19% expansion, while leasing exposures surged 6%. The performing book grew by 2% q-o-q, including a 3% rise in leasing volumes.

In the first nine months, the volume of newly disbursed car loans increased by 18%, and the financing of production equipment and machinery rose by 1%.

In July 2021, Hungary introduced preferential, subsidized funding for micro and small enterprises through the KAVOSZ Széchenyi Card system. Since the start of the programme, Merkantil Bank has signed loan agreements worth HUF 116 billion (9M 2023: HUF 32 billion).

IFRS REPORTS OF THE MAIN SUBSIDIARIES

In the following parts of the Summary 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 2022	9M 2023	Y-o-Y	3Q 2022	2Q 2023	3Q 2023	Q-o-Q	Y-o-Y
Adjusted profit after tax	76,478	151,132	98%	26,892	53,211	62,320	17%	132%
Income tax	-7,924	-16,512	108%	-2,543	-5,807	-7,009	21%	176%
Profit before income tax	84,401	167,644	99%	29,435	59,018	69,328	17%	136%
Operating profit	97,306	158,036	62%	36,944	55,856	62,594	12%	69%
Total income	160,520	230,829	44%	59,225	75,623	84,358	12%	42%
Net interest income	100,740	165,216	64%	38,289	54,676	61,027	12%	59%
Net fees and commissions	50,901	53,785	6%	18,410	17,635	18,926	7%	3%
Other net non-interest income	8,879	11,828	33%	2,526	3,312	4,406	33%	74%
Operating expenses	-63,214	-72,793	15%	-22,281	-19,768	-21,765	10%	-2%
Total provisions	-12,905	9,608	-174%	-7,509	3,162	6,734	113%	-190%
Provision for impairment on loan losses	-11,808	6,287	-153%	-5,998	2,341	4,336	85%	-172%
Other provision	-1,097	3,321	-403%	-1,511	821	2,398	192%	-259%
Main components of balance sheet closing balances in HUF million	2022	9M 2023	YTD	3Q 2022	2Q 2023	3Q 2023	Q-o-Q	Y-o-Y
Total assets	5,946,815	6,241,312	5%	5,880,783	5,827,663	6,241,312	7%	6%
Gross customer loans	3,584,751	4,025,143	12%	3,727,038	3,734,238	4,025,143	8%	8%
Gross customer loans (FX-adjusted)	3,504,190	4,025,143	15%	3,459,605	3,936,966	4,025,143	2%	16%
Stage 1+2 customer loans (FX-adjusted)	3,380,667	3,912,039	16%	3,276,084	3,820,334	3,912,039	2%	19%
Retail loans	1,958,450	2,189,355	12%	1,908,444	2,089,199	2,189,355	5%	15%
Corporate loans	1,149,654	1,418,785	23%	1,105,206	1,434,914	1,418,785	-1%	28%
Leasing	272,562	303,899	11%	262,435	296,221	303,899	3%	16%
Allowances for possible loan losses	-154,361	-139,628	-10%	-222,410	-139,216	-139,628	0%	-37%
Allowances for possible loan losses (FX-adjusted)	-150,891	-139,628	-7%	-206,481	-146,769	-139,628	-5%	-32%
Deposits from customers	4,893,078	5,023,258	3%	4,863,893	4,695,115	5,023,258	7%	3%
Deposits from customers (FX-adjusted)	4,784,806	5,023,258	5%	4,493,200	4,954,931	5,023,258	1%	12%
Retail deposits	3,923,397	4,232,557	8%	3,719,240	4,119,574	4,232,557	3%	14%
Corporate deposits	861,409	790,701	-8%	773,960	835,357	790,701	-5%	2%
Liabilities to credit institutions	152,193	185,704	22%	158,011	176,264	185,704	5%	18%
Total shareholders' equity	779,095	859,315	10%	771,207	758,112	859,315	13%	11%
Loan Quality	9M 2022	9M 2023	Y-o-Y	3Q 2022	2Q 2023	3Q 2023	Q-o-Q	Y-o-Y
Stage 1 loan volume under IFRS 9 (in HUF million)	3,242,871	3,631,050	12%	3,242,871	3,372,597	3,631,050	8%	12%
Stage 1 loans under IFRS 9/gross customer loans	87.0%	90.2%	3.2%p	87.0%	90.3%	90.2%	-0.1%p	3.2%p
Own coverage of Stage 1 loans under IFRS 9	1.1%	0.9%	-0.2%p	1.1%	1.0%	0.9%	-0.1%p	-0.2%p
Stage 2 loan volume under IFRS 9 (in HUF million)	286,499	280,989	-2%	286,499	251,009	280,989	12%	-2%
Stage 2 loans under IFRS 9/gross customer loans	7.7%	7.0%	-0.7%p	7.7%	6.7%	7.0%	0.3%p	-0.7%p
Own coverage of Stage 2 loans under IFRS 9	16.8%	13.9%	-3.0%p	16.8%	15.0%	13.9%	-1.1%p	-3.0%p
Stage 3 loan volume under IFRS 9 (in HUF million)	197,668	113,104	-43%	197,668	110,632	113,104	2%	-43%
Stage 3 loans under IFRS 9/gross customer loans	5.3%	2.8%	-2.5%p	5.3%	3.0%	2.8%	-0.2%p	-2.5%p
Own coverage of Stage 3 loans under IFRS 9	69.9%	61.1%	-8.8%p	69.9%	61.4%	61.1%	-0.2%p	-8.8%p
Provision for impairment on loan losses/average gross loans	0.48%	-0.23%	-0.71%p	0.67%	-0.26%	-0.44%	-0.18%p	-1.11%p
90+ days past due loan volume (in HUF million)	133,095	62,466	-53%	133,095	59,694	62,466	5%	-53%
90+ days past due loans/gross customer loans	3.6%	1.6%	-2.0%p	3.6%	1.6%	1.6%	0.0%p	-2.0%p
Performance Indicators	9M 2022	9M 2023	Y-o-Y	3Q 2022	2Q 2023	3Q 2023	Q-o-Q	Y-o-Y
ROA	2.0%	3.4%	1.4%p	2.0%	3.6%	4.0%	0.4%p	2.1%p
ROE	14.6%	26.3%	11.7%p	14.5%	29.0%	30.6%	1.6%p	16.1%p
Total income margin	4.28%	5.18%	0.90%p	4.32%	5.16%	5.47%	0.31%p	1.15%p
Net interest margin	2.68%	3.71%	1.02%p	2.79%	3.73%	3.96%	0.22%p	1.16%p
Operating costs / Average assets	1.68%	1.63%	-0.05%p	1.62%	1.35%	1.41%	0.06%p	-0.21%p
Cost/income ratio	39.4%	31.5%	-7.8%p	37.6%	26.1%	25.8%	-0.3%p	-11.8%p
Net loans to deposits (FX-adjusted)	72%	77%	5%p	72%	76%	77%	1%p	5%p
FX rates (in HUF)	9M 2022	9M 2023	Y-o-Y	3Q 2022	2Q 2023	3Q 2023	Q-o-Q	Y-o-Y
HUF/BGN (closing)	215.5	200.0	-7%	215.5	189.8	200.0	5%	-7%
HUF/BGN (average)	196.8	195.3	-1%	206.0	190.9	196.2	3%	-5%

In the first nine months of 2023, **DSK Group** posted HUF 151 billion adjusted profit after tax, almost twice as much as in the base period. The first nine-month profit projected on average shareholders' equity resulted in an ROE of 26.3% (+11.7 pps y-o-y). In addition to the dynamic, 62% y-o-y improvement in the operating result, the nine-month profit development was also supported by positive risk costs.

Of the profit made in the reporting period, HUF 62.3 billion (+17% q-o-q) was generated in the third quarter, further strengthening the Bank's exceptional profitability (3Q ROE: 30.6%).

On the income side, nine-month net interest income grew by 64% y-o-y, largely as a result of the improving margin, and the 19% y-o-y FX-adjusted expansion of performing (Stage 1+2) volumes. Due to the gradual repricing of corporate and leasing exposures priced on the EURIBOR reference rate in a further rising interest rate environment, the improving trend of net interest margin continued in 3Q (+22 bps q-o-q). The continued expansion of business volumes also supported the 9% q-o-q increase of net interest income calculated in BGN terms. At the same time, in 3Q the interest income was negatively affected by the increase in the mandatory reserve requirement from 10% to 12% effective from July 2023, as the central bank does not pay interest on the compulsory reserves.

Cumulated net fees and commissions increased by 6% y-o-y over, thanks to the expanding business activity and the lending-related fee income. In the third quarter, the q-o-q growth reached 7%.

In the first nine months, the growth of other income was driven on one hand by the January sale of a subsidiary of the Bulgarian banking group, and on the other hand, by the higher revaluation result of swap and repo transactions, which also explained the q-o-q increase in the third quarter.

Operating costs during the first nine months increased by 15% y-o-y, partly as a result of general

inflation and wage inflation, and partly due to the lump-sum accounting of supervisory charges in January (versus the previous practice of accounting on a monthly basis). In 3Q, the 10% q-o-q increase in costs was driven on the one hand by increased personnel expenses as a result of the wage increase in June, and on the other hand by the increase in deductible taxes. The nine-month cost/income ratio improved by 7.8 pps, to below 32%, which is one of the best among the group members.

Loan portfolio quality remained stable: the ratio of Stage 1 loans continued to exceed 90% in the third quarter. The ratio of Stage 2 loans was 7% (+0.3 pp q-o-q), and that of Stage 3 volumes dropped to 2.8% (-0.2 pp q-o-q).

In the first nine months, positive risk costs of HUF 9.6 billion were recorded (out of which HUF 6.7 billion in 3Q), largely due to the release of provisions owing to the quarterly update of IFRS 9 impairment model parameters. The positive amount of other risk costs stemmed from the declining volume of interbank placements.

DSK Bank's performing (Stage 1+2) loans, adjusted for exchange rates, increased by 16% ytd, with the strongest dynamics within the Group. Within this, the expansion of the corporate portfolio was 23% ytd; during the first nine months of the year, new corporate loan disbursements exceeded that of the same period in the previous year by 37%. In 3Q, the corporate performing stock shrank by 1% due to base effect. Retail lending continued to strengthen in 3Q, the placement of new mortgage loans increased by 15% and the disbursement of new personal loans by 9%, q-o-q, thus the retail performing loan portfolio increased by 12% ytd.

FX-adjusted deposit volumes grew by 5% y-o-y and 1% q-o-q. In the third quarter, retail deposits increased by 3% q-o-q, while corporate deposits contracted further (-5% q-o-q). The net loan/deposit ratio rose by 1 pp q-o-q to 77%.

OTP BANK SLOVENIA

Performance of OTP Bank Slovenia:

Main components of P&L account in HUF million	9M 2022	9M 2023	Y-o-Y	3Q 2022	2Q 2023	3Q 2023	Q-o-Q	Y-o-Y
Adjusted profit after tax	18,511	88,474	378%	8,828	34,209	34,000	-1%	285%
Income tax	-4,389	-11,633	165%	-2,115	-4,115	-5,136	25%	143%
Profit before income tax	22,900	100,107	337%	10,943	38,324	39,136	2%	258%
Operating profit	16,402	100,873	515%	6,585	39,309	39,317	0%	497%
Total income	36,353	157,512	333%	13,079	57,933	60,624	5%	364%
Net interest income	23,091	120,831	423%	8,685	43,025	48,195	12%	455%
Net fees and commissions	11,757	32,636	178%	3,864	12,425	11,795	-5%	205%
Other net non-interest income	1,506	4,046	169%	530	2,483	635	-74%	20%
Operating expenses	-19,951	-56,639	184%	-6,493	-18,623	-21,308	14%	228%
Total provisions	6,498	-767	-112%	4,358	-986	-180	-82%	-104%
Provision for impairment on loan losses	6,908	-850	-112%	4,615	-206	-1,528	643%	-133%
Other provision	-410	84	-120%	-258	-780	1,348	-273%	-623%
Main components of balance sheet closing balances in HUF million	2022	9M 2023	YTD	3Q 2022	2Q 2023	3Q 2023	Q-o-Q	Y-o-Y
Total assets	1,790,944	5,902,139	230%	1,740,849	5,589,664	5,902,139	6%	239%
Gross customer loans	1,204,641	2,906,870	141%	1,277,832	2,788,586	2,906,870	4%	127%
Gross customer loans (FX-adjusted)	1,177,631	2,906,870	147%	1,186,351	2,939,868	2,906,870	-1%	145%
Stage 1+2 customer loans (FX-adjusted)	1,163,758	2,875,073	147%	1,173,260	2,908,555	2,875,073	-1%	145%
Retail loans	540,385	1,345,349	149%	537,806	1,330,784	1,345,349	1%	150%
Corporate loans	441,383	1,340,256	204%	454,207	1,390,787	1,340,256	-4%	195%
Leasing	181,990	189,468	4%	181,247	186,985	189,468	1%	5%
Allowances for possible loan losses	-14,637	-31,538	115%	-15,286	-27,100	-31,538	16%	106%
Allowances for possible loan losses (FX-adjusted)	-14,311	-31,538	120%	-14,191	-28,574	-31,538	10%	122%
Deposits from customers	1,466,625	4,608,624	214%	1,472,090	4,392,600	4,608,624	5%	213%
Deposits from customers (FX-adjusted)	1,433,943	4,608,624	221%	1,365,058	4,632,472	4,608,624	-1%	238%
Retail deposits	1,030,513	3,619,424	251%	1,000,124	3,665,764	3,619,424	-1%	262%
Corporate deposits	403,430	989,200	145%	364,934	966,709	989,200	2%	171%
Liabilities to credit institutions	68,172	137,514	102%	151	133,709	137,514	3%	
Total shareholders' equity	194,843	661,801	240%	199,635	603,189	661,801	10%	232%
Loan Quality	9M 2022	9M 2023	Y-o-Y	3Q 2022	2Q 2023	3Q 2023	Q-o-Q	Y-o-Y
Stage 1 loan volume under IFRS 9 (in HUF million)	1,137,856	2,685,242	136%	1,137,856	2,600,070	2,685,242	3%	136%
Stage 1 loans under IFRS 9/gross customer loans	89.0%	92.4%	3.3%p	89.0%	93.2%	92.4%	-0.9%p	3.3%p
Own coverage of Stage 1 loans under IFRS 9	0.2%	0.3%	0.2%p	0.2%	0.4%	0.3%	0.0%p	0.2%p
Stage 2 loan volume under IFRS 9 (in HUF million)	125,874	189,831	51%	125,874	158,821	189,831	20%	51%
Stage 2 loans under IFRS 9/gross customer loans	9.9%	6.5%	-3.3%p	9.9%	5.7%	6.5%	0.8%p	-3.3%p
Own coverage of Stage 2 loans under IFRS 9	3.0%	3.7%	0.7%p	3.0%	2.7%	3.7%	1.1%p	0.7%p
Stage 3 loan volume under IFRS 9 (in HUF million)	14,101	31,797	125%	14,101	29,695	31,797	7%	125%
Stage 3 loans under IFRS 9/gross customer loans	1.1%	1.1%	0.0%p	1.1%	1.1%	1.1%	0.0%p	0.0%p
Own coverage of Stage 3 loans under IFRS 9	66.4%	47.9%	-18.4%p	66.4%	45.2%	47.9%	2.7%p	-18.4%p
Provision for impairment on loan losses/average gross loans	-0.83%	0.04%	0.88%p	-1.51%	0.03%	0.21%	0.18%p	1.72%p
90+ days past due loan volume (in HUF million)	5,205	14,964	188%	5,205	11,790	14,964	27%	188%
90+ days past due loans/gross customer loans	0.4%	0.5%	0.1%p	0.4%	0.4%	0.5%	0.1%p	0.1%p
Performance Indicators	9M 2022	9M 2023	Y-o-Y	3Q 2022	2Q 2023	3Q 2023	Q-o-Q	Y-o-Y
ROA	1.6%	2.4%	0.8%p	2.1%	2.5%	2.3%	-0.2%p	0.2%p
ROE	13.5%	21.9%	8.4%p	18.2%	23.2%	21.2%	-1.9%p	3.1%p
Total income margin	3.19%	4.24%	1.04%p	3.15%	4.26%	4.17%	-0.09%p	1.02%p
Net interest margin	2.03%	3.25%	1.22%p	2.09%	3.16%	3.31%	0.15%p	1.22%p
Operating costs / Average assets	1.75%	1.52%	-0.23%p	1.56%	1.37%	1.46%	0.10%p	-0.10%p
Cost/income ratio	54.9%	36.0%	-18.9%p	49.6%	32.1%	35.1%	3.0%p	-14.5%p
Net loans to deposits (FX-adjusted)	86%	62%	-23%p	86%	63%	62%	0%p	-23%p
FX rates (in HUF)	9M 2022	9M 2023	Y-o-Y	3Q 2022	2Q 2023	3Q 2023	Q-o-Q	Y-o-Y
HUF/EUR (closing)	421.4	391.3	-7%	421.4	371.1	391.3	5%	-7%
HUF/EUR (average)	384.9	381.9	-1%	402.9	373.3	383.7	3%	-5%

The financial closure of the transaction related to the purchase of Nova KBM d.d. was completed on 6 February 2023. The balance sheet and P&L figures of the purchased bank have been included into OTP Group's consolidated figures since February 2023.

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

In the third quarter of 2023, OTP's **Slovenian subsidiaries** realized HUF 34 billion total adjusted profit after tax, almost the same as in the previous quarter, including Nova KBM's HUF 25 billion and SKB's HUF 9 billion quarterly profits. This brought the Slovenian operation's nine-month aggregated profit to HUF 88.5 billion, which is the second strongest result among foreign subsidiary banks, following DSK in Bulgaria.

ROE exceeded 21% in the third quarter. The strong profitability mostly stemmed from dynamic revenue growth: of the more than HUF 60 billion total income, net interest income (which has almost 79% weight) grew by 12% q-o-q. The ECB's steady interest rate hikes had a benign effect on net interest income, through the repricing of assets. Continuing the improving trend, net interest margin grew by 15 bps, to 3.31% in the third quarter. Net fee and commission income dropped by 5% q-o-q, largely owing to the higher fees paid to card companies in the reporting period, the credit card and insurance-related income also declined.

The 14% q-o-q increase in quarterly operating expenses exceeded that of incomes (+5% q-o-q), thus the Slovenian operation's cost/income ratio rose by 3 pps q-o-q, to 35.1%, which is still better than the Group average. In 3Q the q-o-q growth in operating expenses was partly explained by the proportional part of the solidarity tax paid in September.

Credit risk costs remained in positive territory in the third quarter. Loan portfolio quality was stable: the ratio of Stage 3 loans remained 1.1%, while that of

Stage 2 loans went up to 6.5%. The own provision coverage of Stage 3 loans was 47.9%.

The performing (Stage 1+2) loan book marginally declined q-o-q (FX-adjusted): in the retail segment, the 7% q-o-q growth in consumer loans offset the trivial drop in the mortgage loan portfolio. The corporate portfolio eroded by 4% q-o-q. The volume of performing loans was near HUF 2,875 billion, which made up 13.3% of the consolidated volume.

The Slovenian operation's deposit book exceeded HUF 4,600 billion, after a slight q-o-q drop in FX-adjusted terms. The net-loan-to-deposit ratio stood at 62%. Retail volumes made up 78% of all deposits. There was no meaningful increase in retail deposit interest rates in the third quarter. However, following market trends, from end-October 2023 the Slovenian operation started to pay higher interest rates in certain segments, depending on the amount and maturity.

The aggregate market share of OTP's Slovenian operation remained stable or eroded marginally q-o-q: in case of consumer loans it stood at 30% and 29% in mortgages, respectively.

The legal and organizational integration of SKB and Nova KBM began in February 2023, and the management expects it to be completed in 2H 2024. The management assumes that full integration will lead to material cost synergy.

In order to mitigate the damages caused by the August floods the Government decided about implementing several measures: all companies have to pay 0.8% of their pre-tax earnings into a solidarity fund for 2 years; the expected negative annual P&L impact is around EUR 2 million. Furthermore, individuals and corporates suffering damages can apply for a payment moratorium valid for 12 months; such exposures will be classified into Stage 2 or Stage 3 categories. Finally, banks shall pay a bank tax amounting to 0.2% of their balance sheet for 5 years. The annual contribution will be tax-deductible and its scale may be around EUR 30 million annually. This item will be booked on consolidated level amongst adjustments. The relevant decree is expected to come into force in November.

OTP BANK CROATIA

Performance of OTP Bank Croatia:

Main components of P&L account in HUF million	9M 2022	9M 2023	Y-o-Y	3Q 2022	2Q 2023	3Q 2023	Q-o-Q	Y-o-Y
Adjusted profit after tax	37,811	45,364	20%	14,922	16,904	15,658	-7%	5%
Income tax	-8,347	-9,670	16%	-3,328	-3,701	-3,656	-1%	10%
Profit before income tax	46,158	55,033	19%	18,250	20,606	19,315	-6%	6%
Operating profit	36,817	48,825	33%	14,399	15,887	19,129	20%	33%
Total income	74,667	90,055	21%	27,996	29,149	33,629	15%	20%
Net interest income	51,289	66,048	29%	18,885	20,969	24,725	18%	31%
Net fees and commissions	18,339	19,442	6%	7,547	6,169	7,820	27%	4%
Other net non-interest income	5,038	4,565	-9%	1,565	2,011	1,084	-46%	-31%
Operating expenses	-37,849	-41,230	9%	-13,598	-13,261	-14,500	9%	7%
Total provisions	9,341	6,208	-34%	3,852	4,718	186	-96%	-95%
Provision for impairment on loan losses	11,142	8,490	-24%	4,412	5,355	1,104	-79%	-75%
Other provision	-1,801	-2,282	27%	-561	-636	-918	44%	64%
Main components of balance sheet closing balances in HUF million	2022	9M 2023	YTD	3Q 2022	2Q 2023	3Q 2023	Q-o-Q	Y-o-Y
Total assets	3,224,955	3,288,670	2%	3,262,501	2,891,965	3,288,670	14%	1%
Gross customer loans	2,263,825	2,339,880	3%	2,385,416	2,154,765	2,339,880	9%	-2%
Gross customer loans (FX-adjusted)	2,213,147	2,339,880	6%	2,213,386	2,271,628	2,339,880	3%	6%
Stage 1+2 customer loans (FX-adjusted)	2,103,987	2,247,902	7%	2,099,593	2,175,711	2,247,902	3%	7%
Retail loans	1,051,288	1,149,080	9%	1,045,809	1,097,858	1,149,080	5%	10%
Corporate loans	907,886	910,653	0%	900,773	897,877	910,653	1%	1%
Leasing	144,812	188,169	30%	153,011	179,976	188,169	5%	23%
Allowances for possible loan losses	-108,490	-93,213	-14%	-112,694	-89,260	-93,213	4%	-17%
Allowances for possible loan losses (FX-adjusted)	-106,073	-93,213	-12%	-104,545	-94,105	-93,213	-1%	-11%
Deposits from customers	2,381,977	2,419,552	2%	2,441,411	2,067,684	2,419,552	17%	-1%
Deposits from customers (FX-adjusted)	2,329,266	2,419,552	4%	2,255,294	2,182,252	2,419,552	11%	7%
Retail deposits	1,737,794	1,849,669	6%	1,669,986	1,718,383	1,849,669	8%	11%
Corporate deposits	591,472	569,882	-4%	585,308	463,869	569,882	23%	-3%
Liabilities to credit institutions	337,047	348,657	3%	208,730	319,510	348,657	9%	67%
Subordinated debt	24,356	23,490	-4%	103,614	22,677	23,490	4%	-77%
Total shareholders' equity	390,583	400,833	3%	407,809	365,725	400,833	10%	-2%
Loan Quality	9M 2022	9M 2023	Y-o-Y	3Q 2022	2Q 2023	3Q 2023	Q-o-Q	Y-o-Y
Stage 1 loan volume under IFRS 9 (in HUF million)	1,966,492	2,052,463	4%	1,966,492	1,874,155	2,052,463	10%	4%
Stage 1 loans under IFRS 9/gross customer loans	82.4%	87.7%	5.3%p	82.4%	87.0%	87.7%	0.7%p	5.3%p
Own coverage of Stage 1 loans under IFRS 9	0.5%	0.5%	0.1%p	0.5%	0.5%	0.5%	0.0%p	0.1%p
Stage 2 loan volume under IFRS 9 (in HUF million)	295,960	195,440	-34%	295,960	189,630	195,440	3%	-34%
Stage 2 loans under IFRS 9/gross customer loans	12.4%	8.4%	-4.1%p	12.4%	8.8%	8.4%	-0.4%p	-4.1%p
Own coverage of Stage 2 loans under IFRS 9	6.3%	8.5%	2.3%p	6.3%	7.8%	8.5%	0.7%p	2.3%p
Stage 3 loan volume under IFRS 9 (in HUF million)	122,965	91,977	-25%	122,965	90,979	91,977	1%	-25%
Stage 3 loans under IFRS 9/gross customer loans	5.2%	3.9%	-1.2%p	5.2%	4.2%	3.9%	-0.3%p	-1.2%p
Own coverage of Stage 3 loans under IFRS 9	69.1%	71.5%	2.3%p	69.1%	70.9%	71.5%	0.5%p	2.3%p
Provision for impairment on loan losses/average gross loans	-0.74%	-0.52%	0.23%p	-0.78%	-1.00%	-0.19%	0.81%p	0.59%p
90+ days past due loan volume (in HUF million)	79,025	62,359	-21%	79,025	59,468	62,359	5%	-21%
90+ days past due loans/gross customer loans	3.3%	2.7%	-0.6%p	3.3%	2.8%	2.7%	-0.1%p	-0.6%p
Performance Indicators	9M 2022	9M 2023	Y-o-Y	3Q 2022	2Q 2023	3Q 2023	Q-o-Q	Y-o-Y
ROA	1.8%	2.0%	0.2%p	1.9%	2.4%	2.0%	-0.4%p	0.1%p
ROE	13.8%	16.2%	2.4%p	15.1%	19.0%	16.2%	-2.8%p	1.1%p
Total income margin	3.57%	4.03%	0.47%p	3.58%	4.11%	4.31%	0.20%p	0.73%p
Net interest margin	2.45%	2.96%	0.51%p	2.41%	2.96%	3.17%	0.21%p	0.76%p
Operating costs / Average assets	1.81%	1.85%	0.04%p	1.74%	1.87%	1.86%	-0.01%p	0.12%p
Cost/income ratio	50.7%	45.8%	-4.9%p	48.6%	45.5%	43.1%	-2.4%p	-5.5%p
Net loans to deposits (FX-adjusted)	94%	93%	-1%p	94%	100%	93%	-7%p	-1%p
FX rates (in HUF)	9M 2022	9M 2023	Y-o-Y	3Q 2022	2Q 2023	3Q 2023	Q-o-Q	Y-o-Y
HUF/HRK (closing)	56.0			56.0				
HUF/HRK (average)	48.3			53.6				
HUF/EUR (closing)	421.4	391.3	-7%	421.4	371.1	391.3	5%	-7%
HUF/EUR (average)	364.3	388.6	7%	402.9	373.3	383.7	3%	-5%

The **Croatian bank** realized HUF 45 billion profit after tax between January and September 2023, 20% more than in the base period. The profit growth was fuelled by the improvement in operating profit. In the third quarter, adjusted profit amounted to HUF 15.7 billion: the 7% q-o-q decline stemmed from the lower release of loan loss provisions, but the operating profit's dynamic growth continued.

Nine-month net interest income grew by 29% y-o-y, driven by the 7% increase in performing loans, as well as by the 51 bps y-o-y improvement in net interest margin, amid the rising interest rate environment. In 3Q the margin continued to improve; net interest income also benefited from the dynamic q-o-q growth of total assets, driven by deposit inflows.

Cumulated net fees and commissions increased by 6% y-o-y. In 3Q the 27% q-o-q expansion largely stemmed from seasonal effects, as a combined result of the higher merchant commission revenue and stronger income from card transactions in the tourist season.

Nine-month other revenues shrank by 9% y-o-y, partly explained by the 46% q-o-q contraction in the third quarter, as a result of the negative revaluation result on repo deals and investments.

In the first nine months, operating expenses grew by 9% y-o-y. This was attributable partly to the additional IT costs and expert fees owing to Croatia's euro adoption, and also to wage hike and bonus payment in the third quarter. Overall, the nine-month cost/income ratio dropped by 4.9 pps y-o-y, to 45.8%.

In addition to the improving operating profit, HUF 6.2 billion positive risk cost supported the nine-month profit. Within that, the positive risk cost in the third quarter was largely caused by the IFRS 9 impairment model parameter revision.

Continuing the decline, the ratio of Stage 3 loans sank to 3.9% of the total portfolio by the end of September. This was supported by the loan portfolio's overall improvement, as well as by the write-down and sale of previously Stage 3 large corporate loans. The own provision coverage of Stage 3 loans kept on improving, it hit 71.5% at the end of September (+0.5 pp q-o-q, and +2.3 pps y-o-y).

Performing (Stage 1+2) loans grew by 7% y-o-y, and 3% q-o-q (FX-adjusted). The retail segment's y-o-y growth still benefited from the subsidized housing loan facility for first-home-buyers, in a scheme that restarted on 21 March 2022; thus the share of this subsidized product within the third-quarter retail disbursement reached 42%. The corporate loan book stagnated y-o-y.

FX-adjusted deposit volumes expanded by 11% q-o-q, bringing the y-o-y dynamics to 7%. As to retail deposits, in the third quarter the increase in demand deposit volumes offset the decline in term deposits. Ending the contraction in the previous two quarters, corporate deposits expanded by an outstanding 23% in the third quarter. The Bank's net-loan-to-deposit ratio went down by 7 pps q-o-q, to 93%.

OTP BANK SERBIA

Performance of OTP Bank Serbia:

Main components of P&L account in HUF million	9M 2022	9M 2023	Y-o-Y	3Q 2022	2Q 2023	3Q 2023	Q-o-Q	Y-o-Y
Adjusted profit after tax	32,451	50,485	56%	10,671	14,185	19,872	40%	86%
Income tax	-4,838	-7,720	60%	-1,619	-2,188	-3,070	40%	90%
Profit before income tax	37,290	58,205	56%	12,290	16,372	22,941	40%	87%
Operating profit	39,370	61,743	57%	15,671	20,200	22,603	12%	44%
Total income	73,111	97,828	34%	27,495	32,140	35,008	9%	27%
Net interest income	53,465	76,558	43%	20,147	25,014	27,323	9%	36%
Net fees and commissions	12,914	13,241	3%	4,834	4,411	4,651	5%	-4%
Other net non-interest income	6,733	8,029	19%	2,514	2,715	3,034	12%	21%
Operating expenses	-33,742	-36,085	7%	-11,824	-11,940	-12,405	4%	5%
Total provisions	-2,080	-3,538	70%	-3,381	-3,827	338		
Provision for impairment on loan losses	-1,468	-4,114	180%	-2,949	-4,289	216		
Other provision	-612	576		-432	462	122	-73%	-128%
Main components of balance sheet closing balances in HUF million	2022	9M 2023	YTD	3Q 2022	2Q 2023	3Q 2023	Q-o-Q	Y-o-Y
Total assets	2,708,993	2,806,885	4%	2,823,591	2,571,939	2,806,885	9%	-1%
Gross customer loans	2,038,480	1,981,315	-3%	2,176,508	1,862,133	1,981,315	6%	-9%
Gross customer loans (FX-adjusted)	1,993,885	1,981,315	-1%	2,021,946	1,962,793	1,981,315	1%	-2%
Stage 1+2 customer loans (FX-adjusted)	1,943,368	1,924,975	-1%	1,966,967	1,908,883	1,924,975	1%	-2%
Retail loans	887,551	883,218	0%	892,359	884,374	883,218	0%	-1%
Corporate loans	958,129	946,874	-1%	978,246	926,562	946,874	2%	-3%
Leasing	97,688	94,883	-3%	96,362	97,947	94,883	-3%	-2%
Allowances for possible loan losses	-62,386	-68,970	11%	-53,857	-65,493	-68,970	5%	28%
Allowances for possible loan losses (FX-adjusted)	-61,049	-68,969	13%	-50,059	-69,027	-68,969	0%	38%
Deposits from customers	1,551,143	1,709,595	10%	1,516,365	1,525,397	1,709,595	12%	13%
Deposits from customers (FX-adjusted)	1,518,479	1,709,595	13%	1,405,761	1,608,989	1,709,595	6%	22%
Retail deposits	849,636	893,391	5%	813,673	856,689	893,391	4%	10%
Corporate deposits	668,843	816,204	22%	592,089	752,300	816,204	8%	38%
Liabilities to credit institutions	682,615	632,223	-7%	825,544	616,370	632,223	3%	-23%
Total shareholders' equity	358,120	359,457	0%	373,435	330,492	359,457	9%	-4%
Loan Quality	9M 2022	9M 2023	Y-o-Y	3Q 2022	2Q 2023	3Q 2023	Q-o-Q	Y-o-Y
Stage 1 loan volume under IFRS 9 (in HUF million)	1,995,891	1,681,108	-16%	1,995,891	1,586,729	1,681,108	6%	-16%
Stage 1 loans under IFRS 9/gross customer loans	91.7%	84.8%	-6.9%p	91.7%	85.2%	84.8%	-0.4%p	-6.9%p
Own coverage of Stage 1 loans under IFRS 9	0.6%	0.9%	0.3%p	0.6%	1.0%	0.9%	-0.1%p	0.3%p
Stage 2 loan volume under IFRS 9 (in HUF million)	121,469	243,867	101%	121,469	224,248	243,867	9%	101%
Stage 2 loans under IFRS 9/gross customer loans	5.6%	12.3%	6.7%p	5.6%	12.0%	12.3%	0.3%p	6.7%p
Own coverage of Stage 2 loans under IFRS 9	6.3%	7.3%	1.0%p	6.3%	7.8%	7.3%	-0.5%p	1.0%p
Stage 3 loan volume under IFRS 9 (in HUF million)	59,149	56,340	-5%	59,149	51,155	56,340	10%	-5%
Stage 3 loans under IFRS 9/gross customer loans	2.7%	2.8%	0.1%p	2.7%	2.7%	2.8%	0.1%p	0.1%p
Own coverage of Stage 3 loans under IFRS 9	56.5%	63.2%	6.7%p	56.5%	62.6%	63.2%	0.6%p	6.7%p
Provision for impairment on loan losses/average gross loans	0.10%	0.29%	0.18%p	0.56%	0.92%	-0.04%	-0.96%p	-0.60%p
90+ days past due loan volume (in HUF million)	41,748	37,456	-10%	41,748	35,210	37,456	6%	-10%
90+ days past due loans/gross customer loans	1.9%	1.9%	0.0%p	1.9%	1.9%	1.9%	0.0%p	0.0%p
Performance Indicators	9M 2022	9M 2023	Y-o-Y	3Q 2022	2Q 2023	3Q 2023	Q-o-Q	Y-o-Y
ROA	1.8%	2.6%	0.8%p	1.6%	2.2%	2.9%	0.7%p	1.3%p
ROE	13.2%	19.4%	6.2%p	11.9%	16.7%	22.7%	6.0%p	10.8%p
Total income margin	3.99%	4.95%	0.96%p	4.07%	4.93%	5.13%	0.19%p	1.05%p
Net interest margin	2.92%	3.87%	0.95%p	2.99%	3.84%	4.00%	0.16%p	1.02%p
Operating costs / Average assets	1.84%	1.83%	-0.02%p	1.75%	1.83%	1.82%	-0.02%p	0.06%p
Cost/income ratio	46.2%	36.9%	-9.3%p	43.0%	37.2%	35.4%	-1.7%p	-7.6%p
Net loans to deposits (FX-adjusted)	140%	112%	-28%p	140%	118%	112%	-6%p	-28%p
FX rates (in HUF)	9M 2022	9M 2023	Y-o-Y	3Q 2022	2Q 2023	3Q 2023	Q-o-Q	Y-o-Y
HUF/RSD (closing)	3.6	3.3	-7%	3.6	3.2	3.3	5%	-7%
HUF/RSD (average)	3.1	3.3	7%	3.4	3.2	3.3	3%	-5%

Having increased by more than one and a half times, the **Serbian banking group** generated HUF 50.5 billion adjusted profit after tax in the first nine months of 2023. The higher profit predominantly stemmed from the stronger operating result, while the credit risk cost ratio, despite increasing somewhat, remained favourable.

The third-quarter adjusted profit amounted to HUF 19.9 billion. Most of the 40% q-o-q surge can be put down to positive credit risk costs, as opposed to the HUF 4.3 billion impairment on loan loss provision set aside in the previous quarter.

In the first nine months of this year, core banking revenues grew by 34% y-o-y. Within that, net interest income went up by 43%: FX-adjusted performing loan volumes stagnated, but the rising RSD and EUR interest rate environment made its impact through the gradual repricing of predominantly variable interest rate loans. The deposit book's growth also helped. The uptrend in net interest margin continued: it widened by 16 bps q-o-q in the third quarter.

The National Bank of Serbia's resolution issued on 11 September 2023 imposed a 4.08% interest rate cap on existing variable rate housing loans with a principal of less than EUR 200,000, and imposed a 5.03% cap on newly disbursed fixed rate housing loans. Interest rates shall be frozen for 15 months, from October 2023 till the end of year 2024. The measure's expected impact was recorded as a lump sum in the third quarter of 2023, amongst the adjustment items presented at consolidated level.

Nine-month net fees and commissions rose by 3% y-o-y. Within that, the growth seen in the third quarter can be chiefly linked to deposit and transaction-related fees.

Despite the continued strong inflationary pressure, nine-month operating expenses rose by 7% y-o-y in local currency terms. Almost 60% of the expense growth came from higher personnel costs, triggered by wage inflation, while the number of employees was stable y-o-y (on FTE basis). Cost efficiency indicators have been further improving; the nine-month cost/income ratio (36.9%) was one of the lowest among group members.

In the first nine months, HUF 3.5 billion risk cost was recorded, including HUF 4.1 billion credit risk costs, and +HUF 0.6 billion other risk costs. Owing to the revision of the IFRS 9 impairment model parameters, HUF 0.3 billion positive risk costs supported profit in the third quarter of 2023. The Stage 3 ratio stood at 2.8% at the end of the third quarter, their own provision coverage upped by 0.6 pp q-o-q, to 63.2%.

The performing (Stage 1+2) FX-adjusted loan book contracted by 2% y-o-y, partly as a result of the increasing interest rate environment, and the stricter lending conditions for cash loans. In the rising interest rate environment, the corporate book shrank 3% y-o-y.

The deposit stock surged by 22% y-o-y and 6% q-o-q (FX-adjusted), largely driven by deposits from large corporate clients. The Bank's net loan/deposit ratio dropped by 28 pps y-o-y to 112%.

OTP BANK ALBANIA

Performance of OTP Bank Albania:

Main components of P&L account in HUF million	9M 2022	9M 2023	Y-o-Y	3Q 2022	2Q 2023	3Q 2023	Q-o-Q	Y-o-Y
Adjusted profit after tax	7,221	10,605	47%	2,476	4,272	2,522	-41%	2%
Income tax	-1,343	-1,839	37%	-470	-810	-438	-46%	-7%
Profit before income tax	8,565	12,444	45%	2,946	5,082	2,960	-42%	0%
Operating profit	7,555	13,227	75%	3,289	4,452	4,514	1%	37%
Total income	14,260	24,402	71%	6,479	8,175	8,467	4%	31%
Net interest income	11,041	20,103	82%	4,792	6,790	6,877	1%	44%
Net fees and commissions	2,162	2,929	35%	1,164	925	1,137	23%	-2%
Other net non-interest income	1,057	1,370	30%	524	460	454	-1%	-13%
Operating expenses	-6,705	-11,175	67%	-3,190	-3,723	-3,953	6%	24%
Total provisions	1,010	-783	-178%	-343	630	-1,554	-347%	353%
Provision for impairment on loan losses	1,031	-1,016	-199%	-87	515	-1,655	-421%	
Other provision	-21	233		-256	115	101	-12%	-140%
Main components of balance sheet closing balances in HUF million	2022	9M 2023	YTD	3Q 2022	2Q 2023	3Q 2023	Q-o-Q	Y-o-Y
Total assets	635,364	675,007	6%	672,399	636,835	675,007	6%	0%
Gross customer loans	370,875	366,978	-1%	393,546	352,289	366,978	4%	-7%
Gross customer loans (FX-adjusted)	373,302	366,978	-2%	378,885	371,222	366,978	-1%	-3%
Stage 1+2 customer loans (FX-adjusted)	354,737	344,232	-3%	361,245	350,182	344,232	-2%	-5%
Retail loans	159,788	158,746	-1%	163,424	159,804	158,746	-1%	-3%
Corporate loans	190,869	180,287	-6%	193,853	185,591	180,287	-3%	-7%
Leasing	4,080	5,200	27%	3,968	4,787	5,200	9%	31%
Allowances for possible loan losses	-16,208	-17,516	8%	-17,853	-15,065	-17,516	16%	-2%
Allowances for possible loan losses (FX-adjusted)	-16,402	-17,516	7%	-17,342	-15,871	-17,516	10%	1%
Deposits from customers	516,668	550,205	6%	540,482	497,763	550,205	11%	2%
Deposits from customers (FX-adjusted)	521,381	550,205	6%	521,675	524,666	550,205	5%	5%
Retail deposits	452,446	470,865	4%	442,957	458,465	470,865	3%	6%
Corporate deposits	68,935	79,340	15%	78,718	66,201	79,340	20%	1%
Liabilities to credit institutions	30,279	10,841	-64%	45,547	33,328	10,841	-67%	-76%
Total shareholders' equity	60,827	78,182	29%	62,236	72,608	78,182	8%	26%
Loan Quality	9M 2022	9M 2023	Y-o-Y	3Q 2022	2Q 2023	3Q 2023	Q-o-Q	Y-o-Y
Stage 1 loan volume under IFRS 9 (in HUF million)	344,696	314,643	-9%	344,696	300,650	314,643	5%	-9%
Stage 1 loans under IFRS 9/gross customer loans	87.6%	85.7%	-1.8%p	87.6%	85.3%	85.7%	0.4%p	-1.8%p
Own coverage of Stage 1 loans under IFRS 9	1.5%	1.0%	-0.5%p	1.5%	0.8%	1.0%	0.2%p	-0.5%p
Stage 2 loan volume under IFRS 9 (in HUF million)	30,891	29,589	-4%	30,891	31,665	29,589	-7%	-4%
Stage 2 loans under IFRS 9/gross customer loans	7.8%	8.1%	0.2%p	7.8%	9.0%	8.1%	-0.9%p	0.2%p
Own coverage of Stage 2 loans under IFRS 9	9.1%	9.6%	0.5%p	9.1%	7.6%	9.6%	2.1%p	0.5%p
Stage 3 loan volume under IFRS 9 (in HUF million)	17,959	22,745	27%	17,959	19,974	22,745	14%	27%
Stage 3 loans under IFRS 9/gross customer loans	4.6%	6.2%	1.6%p	4.6%	5.7%	6.2%	0.5%p	1.6%p
Own coverage of Stage 3 loans under IFRS 9	54.1%	50.3%	-3.8%p	54.1%	51.1%	50.3%	-0.8%p	-3.8%p
Provision for impairment on loan losses/average gross loans	-0.50%	0.38%	0.89%p	0.10%	-0.60%	1.82%	2.42%p	1.72%p
90+ days past due loan volume (in HUF million)	6,998	14,456	107%	6,998	12,390	14,456	17%	107%
90+ days past due loans/gross customer loans	1.8%	3.9%	2.2%p	1.8%	3.5%	3.9%	0.4%p	2.2%p
Performance Indicators	9M 2022	9M 2023	Y-o-Y	3Q 2022	2Q 2023	3Q 2023	Q-o-Q	Y-o-Y
ROA	2.2%	2.2%	0.1%p	1.6%	2.8%	1.5%	-1.2%p	-0.1%p
ROE	21.8%	20.9%	-0.9%p	16.3%	25.4%	13.1%	-12.3%p	-3.3%p
Total income margin	4.27%	5.15%	0.89%p	4.20%	5.26%	5.10%	-0.16%p	0.90%p
Net interest margin	3.30%	4.25%	0.94%p	3.10%	4.37%	4.14%	-0.23%p	1.04%p
Operating costs / Average assets	2.01%	2.36%	0.35%p	2.07%	2.40%	2.38%	-0.02%p	0.31%p
Cost/income ratio	47.0%	45.8%	-1.2%p	49.2%	45.5%	46.7%	1.1%p	-2.6%p
Net loans to deposits (FX-adjusted)	69%	64%	-6%p	69%	68%	64%	-4%p	-6%p
FX rates (in HUF)	9M 2022	9M 2023	Y-o-Y	3Q 2022	2Q 2023	3Q 2023	Q-o-Q	Y-o-Y
HUF/ALL (closing)	3.6	3.7	2%	3.6	3.5	3.7	5%	2%
HUF/ALL (average)	3.1	3.4	9%	3.4	3.4	3.6	8%	6%

The consolidated financial statements include the acquired Alpha Bank Albania SH.A. bank's balance sheet from July 2022, while its profit contribution was consolidated starting from August.

On 1 December 2022, Albania's Court of Registration registered the merger of Alpha Bank Albania SH.A. and Banka OTP Albania SHA.

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 balance sheet components were not adjusted for these effects.

In the first nine months of 2023, **OTP Bank Albania** generated HUF 10.6 billion profit after tax, including HUF 2.5 billion in the third quarter. ROE was 20.9% in the first nine month, and 13.1% in the third quarter.

Most of the y-o-y changes in the P&L lines for the nine months was induced by the acquisition.

Based on the latest data, the bank's market share by total assets exceeded 9%. Following the acquisition, the number of branches was 50 (-23 units y-o-y), while the number of employees declined by 9% but remained above 700.

In the third quarter, operating profit grew by 1% q-o-q, supported by 4% expansion in total income, while operating expenses increased by 6%.

In the third quarter, net interest income dropped by 6% q-o-q in local currency terms, owing to a technical effect: regarding the accounting of interest expenses of the so-called growing-rate term deposits⁶, the bank switched to the average interest rate for the whole

maturity (rather than the effective interest rate for the given period), also retroactively. Accordingly, the bank recorded the HUF 0.8 billion difference for the previous periods in a lump sum in the third quarter. Without this item weighing on 3Q NII, net interest income would have grown by 5% q-o-q in local currency terms.

Net fees and commissions grew by 14% q-o-q in local currency terms, owing to seasonality (-8% y-o-y).

Quarterly operating expenses dropped by 1% q-o-q in local currency terms, mostly because of the lower IT hardware expenses.

In the third quarter, higher credit risk costs were put aside, owing to the revision of parameters in the IFRS 9 impairment models, and the worsening portfolio quality.

The ratio of Stage 3 loans rose by 0.5 pp q-o-q (+1.6 pps y-o-y), to 6.2%, while their own coverage edged lower q-o-q, to 50.3%.

The FX-adjusted volume of performing (Stage 1+2) loans dropped by 2% compared to the previous quarter (-5 pps y-o-y); both retail and corporate segments melted down.

FX-adjusted deposit volumes increased by 5% q-o-q, induced by the offered attractive interest rates on term deposits for both retail and corporate customers, as well as a seasonality-driven 20% growth in corporate deposits owing to the summer tourist season (+1% y-o-y). The net loan/deposit ratio stood at 64% (-4 pps q-o-q, -6 pps y-o-y) at the end of the third quarter of 2023.

⁶ In the case of the growing-rate deposit, the deposit rate increases step by step, in a pre-defined way, during the deposit period.

CKB GROUP (MONTENEGRO)

Performance of OTP Bank CKB Group:

Main components of P&L account in HUF million	9M 2022	9M 2023	Y-o-Y	3Q 2022	2Q 2023	3Q 2023	Q-o-Q	Y-o-Y
Adjusted profit after tax	4,523	17,009	276%	4,232	4,559	8,057	77%	90%
Income tax	-1,223	-2,963	142%	-700	-796	-1,425	79%	103%
Profit before income tax	5,746	19,972	248%	4,932	5,356	9,482	77%	92%
Operating profit	10,531	17,363	65%	4,600	5,704	6,632	16%	44%
Total income	20,377	27,811	36%	7,992	9,104	10,268	13%	28%
Net interest income	14,570	21,532	48%	5,380	7,014	7,824	12%	45%
Net fees and commissions	5,219	5,670	9%	2,265	1,988	2,183	10%	-4%
Other net non-interest income	588	609	4%	347	102	262	157%	-25%
Operating expenses	-9,846	-10,448	6%	-3,392	-3,400	-3,636	7%	7%
Total provisions	-4,785	2,609		332	-349	2,850		
Provision for impairment on loan losses	-1,099	2,573		468	-666	2,891		
Other provision	-3,686	36		-136	317	-42		-69%
Main components of balance sheet closing balances in HUF million	2022	9M 2023	YTD	3Q 2022	2Q 2023	3Q 2023	Q-o-Q	Y-o-Y
Total assets	664,395	662,445	0%	672,671	591,498	662,445	12%	-2%
Gross customer loans	447,921	448,895	0%	457,176	426,871	448,895	5%	-2%
Gross customer loans (FX-adjusted)	437,849	448,895	3%	424,456	450,013	448,895	0%	6%
Stage 1+2 customer loans (FX-adjusted)	416,357	428,574	3%	399,923	429,240	428,574	0%	7%
Retail loans	189,547	210,634	11%	185,722	200,649	210,634	5%	13%
Corporate loans	226,810	217,940	-4%	214,201	228,590	217,940	-5%	2%
Allowances for possible loan losses	-21,893	-18,854	-14%	-27,362	-20,534	-18,854	-8%	-31%
Allowances for possible loan losses (FX-adjusted)	-21,400	-18,854	-12%	-25,403	-21,647	-18,854	-13%	-26%
Deposits from customers	524,479	519,954	-1%	520,256	455,527	519,954	14%	0%
Deposits from customers (FX-adjusted)	512,752	519,954	1%	482,021	480,495	519,954	8%	8%
Retail deposits	282,825	322,187	14%	271,813	288,846	322,187	12%	19%
Corporate deposits	229,927	197,766	-14%	210,208	191,649	197,766	3%	-6%
Liabilities to credit institutions	12,443	2,727	-78%	27,394	11,922	2,727	-77%	-90%
Total shareholders' equity	99,131	114,254	15%	98,406	100,444	114,254	14%	16%
Loan Quality	9M 2022	9M 2023	Y-o-Y	3Q 2022	2Q 2023	3Q 2023	Q-o-Q	Y-o-Y
Stage 1 loan volume under IFRS 9 (in HUF million)	387,847	390,871	1%	387,847	374,708	390,871	4%	1%
Stage 1 loans under IFRS 9/gross customer loans	84.8%	87.1%	2.2%p	84.8%	87.8%	87.1%	-0.8%p	2.2%p
Own coverage of Stage 1 loans under IFRS 9	1.2%	0.8%	-0.4%p	1.2%	1.3%	0.8%	-0.5%p	-0.4%p
Stage 2 loan volume under IFRS 9 (in HUF million)	42,905	37,703	-12%	42,905	32,457	37,703	16%	-12%
Stage 2 loans under IFRS 9/gross customer loans	9.4%	8.4%	-1.0%p	9.4%	7.6%	8.4%	0.8%p	-1.0%p
Own coverage of Stage 2 loans under IFRS 9	9.6%	5.5%	-4.2%p	9.6%	9.1%	5.5%	-3.6%p	-4.2%p
Stage 3 loan volume under IFRS 9 (in HUF million)	26,424	20,321	-23%	26,424	19,705	20,321	3%	-23%
Stage 3 loans under IFRS 9/gross customer loans	5.8%	4.5%	-1.3%p	5.8%	4.6%	4.5%	-0.1%p	-1.3%p
Own coverage of Stage 3 loans under IFRS 9	70.4%	67.0%	-3.4%p	70.4%	64.9%	67.0%	2.0%p	-3.4%p
Provision for impairment on loan losses/average gross loans	0.36%	-0.79%	-1.15%p	-0.42%	0.63%	-2.61%	-3.24%p	-2.19%p
90+ days past due loan volume (in HUF million)	19,789	14,902	-25%	19,789	14,752	14,902	1%	-25%
90+ days past due loans/gross customer loans	4.3%	3.3%	-1.0%p	4.3%	3.5%	3.3%	-0.1%p	-1.0%p
Performance Indicators	9M 2022	9M 2023	Y-o-Y	3Q 2022	2Q 2023	3Q 2023	Q-o-Q	Y-o-Y
ROA	1.1%	3.7%	2.6%p	2.6%	3.0%	5.0%	2.0%p	2.4%p
ROE	7.0%	22.5%	15.5%p	18.1%	18.5%	29.9%	11.4%p	11.8%p
Total income margin	4.77%	6.00%	1.23%p	4.99%	6.07%	6.39%	0.32%p	1.39%p
Net interest margin	3.41%	4.64%	1.23%p	3.36%	4.68%	4.87%	0.19%p	1.50%p
Operating costs / Average assets	2.31%	2.25%	-0.05%p	2.12%	2.27%	2.26%	-0.01%p	0.14%p
Cost/income ratio	48.3%	37.6%	-10.8%p	42.4%	37.3%	35.4%	-1.9%p	-7.0%p
Net loans to deposits (FX-adjusted)	83%	83%	0%p	83%	89%	83%	-6%p	0%p
FX rates (in HUF)	9M 2022	9M 2023	Y-o-Y	3Q 2022	2Q 2023	3Q 2023	Q-o-Q	Y-o-Y
HUF/EUR (closing)	421.4	391.3	-7%	421.4	371.1	391.3	5%	-7%
HUF/EUR (average)	384.9	381.9	-1%	402.9	373.3	383.7	3%	-5%

In the first nine months of 2023, the Montenegrin **CKB Group** realized HUF 17 billion adjusted profit after tax, including HUF 8 billion in the third quarter. The 65% jump in nine-month operating profit chiefly stemmed from a 48% surge in net interest income, while operating expenses increased by 6%. The bank's cost efficiency was improving; the cost/income ratio declined by 10.8 pps to 37.6%, while nine-month ROE reached 22.5%.

The improvement in nine-month profit was largely driven by the 38% y-o-y increase in total income in local currency, and by the positive risk costs. The positive amount of risk costs was a result of the release owing to the revision of the IFRS parameters in September.

Within income, net interest income surged by 49% y-o-y in local currency, while net fee and commission income grew by 10%, and operating expenses rose by 7%.

As a result of net interest income's 9% increase in local currency terms and stagnant interest expenses, net interest margin rose to 4.64% (+0.19 pp q-o-q, +1.5 pps y-o-y).

The bank's total assets rose by 2% in local currency terms in the first nine months (+6% q-o-q), helping the FX-adjusted performing (Stage 1+2) loan volumes grow by 7% in the January-September period, chiefly driven by the expansion of retail consumer loans.

The ratio of Stage 3 loans declined to 4.5% (-0.1 pp q-o-q), their own provision coverage stood at 67% (+2 pps q-o-q).

The FX-adjusted volume of deposits grew by 8% q-o-q, largely driven by retail deposits' 12% q-o-q growth (+19% y-o-y). The increasing deposit book and the benign liquidity position enabled the Bank to pay back its EUR 25 million intragroup liability in September, thus liabilities to credit institutions fell by 77% q-o-q.

The net loan/deposit ratio stood at 83% at the end of the third quarter.

IPOTEKA BANK (UZBEKISTAN)**Performance of Ipoteka Bank (Uzbekistan):**

Main components of P&L account in HUF million	2Q 2023	3Q 2023	Q-o-Q
Adjusted profit after tax	-	242	
Income tax	-	4,532	
Profit before income tax	-	-4,291	
Operating profit	-	21,386	
Total income	-	31,749	
Net interest income	-	24,014	
Net fees and commissions	-	2,688	
Other net non-interest income	-	5,046	
Operating expenses	-	-10,362	
Total provisions	-	-25,677	
Provision for impairment on loan losses	-	-22,255	
Other provision	-	-3,422	
Main components of balance sheet closing balances in HUF million	2Q 2023	3Q 2023	Q-o-Q
Total assets	1,200,975	1,260,548	5%
Gross customer loans	909,203	972,292	7%
Gross customer loans (FX-adjusted)	942,169	972,292	3%
Stage 1 + 2 customer loans (FX-adjusted)	917,214	889,132	-3%
Retail loans	668,715	737,761	10%
Corporate loans	248,499	151,371	-39%
Allowances for possible loan losses	-39,847	-68,946	73%
Allowances for possible loan losses (FX-adjusted)	-40,909	-68,946	69%
Deposits from customers	283,559	303,673	7%
Deposits from customers (FX-adjusted)	292,173	303,673	4%
Retail deposits	107,503	235,730	119%
Corporate deposits	184,670	67,944	-63%
Liabilities to credit institutions	577,882	605,099	5%
Issued securities	114,492	126,277	10%
Subordinated debt	13,256	14,117	6%
Total shareholders' equity	199,122	170,052	-15%
Loan Quality	2Q 2023	3Q 2023	Q-o-Q
Stage 1 loan volume under IFRS 9 (in HUF million)	885,108	757,778	-14%
Stage 1 loans under IFRS 9/gross customer loans	97.3%	77.9%	-19.4%p
Own coverage of Stage 1 loans under IFRS 9	4.5%	4.1%	-0.4%p
Stage 2 loan volume under IFRS 9 (in HUF million)	0	131,354	-
Stage 2 loans under IFRS 9/gross customer loans	0.0%	13.5%	13.5%p
Own coverage of Stage 2 loans under IFRS 9	0.0%	11.5%	11.5%p
Stage 3 loan volume under IFRS 9 (in HUF million)	24,096	83,160	245%
Stage 3 loans under IFRS 9/gross customer loans	2.7%	8.6%	5.9%p
Own coverage of Stage 3 loans under IFRS 9	0.0%	27.0%	27.0%p
Provision for impairment on loan losses/average gross loans	-	9.67%	9.67%p
90+ days past due loan volume (in HUF million)	20,969	50,909	143%
90+ days past due loans/gross customer loans	2.3%	5.2%	2.9%p
Performance Indicators	2Q 2023	3Q 2023	Q-o-Q
ROA	-	0.1%	-
ROE	-	0.5%	-
Total income margin	-	10.47%	-
Net interest margin	-	7.92%	-
Operating costs / Average assets	-	3.4%	-
Cost/income ratio	-	32.6%	-
Net loans to deposits (FX-adjusted)	308%	297%	-11%p
FX rates (in HUF)	2Q 2023	3Q 2023	Q-o-Q
HUF/1,000 UZS (closing)	29.8	30.300	2%
HUF/1,000 UZS (average)	30.0	29.630	-1%

In line with the sale and purchase agreement concluded on 12 December 2022 between OTP Bank and the Ministry of Economy and Finance of the Republic of Uzbekistan, the first step of the transaction was completed on 13 June 2023. Consequently, OTP Bank became the majority shareholder of Ipoteka Bank by acquiring a 73.71% stake and became indirect shareholder of Ipoteka Bank's wholly-owned subsidiaries. In the second step of the transaction, the shares that remained in the ownership of the Ministry of Economy and Finance of the Republic of Uzbekistan will be bought three years after the first step.

The balance sheet of Ipoteka Bank was consolidated in the second quarter, but its P&L was presented in OTP Group's adjusted P&L only starting from the third quarter of 2023.

The 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 balance sheet components were not adjusted for these effects.

By purchasing Ipoteka Bank, OTP Group entered the Central Asian region, and it is the first foreign player to participate in the privatization of Uzbekistan's banking sector.

Based on the latest, third-quarter 2023 data, Ipoteka Bank is the fifth largest bank in Uzbekistan, with almost 8% market share by total assets. The Bank has almost 1.6 million retail clients, 39 branches, and employs more than 4,000 people.

In the third quarter of 2023, Ipoteka Bank generated HUF 0.2 billion profit after tax. Operating profit amounted to HUF 21 billion; the contribution of net interest income was HUF 24 billion, that of net fees and commissions HUF 3 billion, and other net non-interest income amounted to HUF 5 billion. Operating expenses totaled HUF 10 billion, of which personnel expenses made up 74%. In the third quarter, the cost/income ratio was 32.6%.

As to risk costs, post-consolidation data cleansing, the implementation of Group risk management and classification principles, and portfolio quality deterioration warranted extra provision for impairment on loan losses. These impairments were recognized partly in Ipoteka Bank's separate P&L, and in part among the adjustment items presented at consolidated level, on the *effect of acquisitions* line⁷. The risk costs presented in Ipoteka Bank's third-quarter P&L amounted to HUF 26 billion, of which HUF 22 billion was linked to the corporate loan book.

As a result of the above, the ratio of Stage 3 loans grew by 5.9 pps q-o-q, to 8.6%, predominantly as a result of the migrations in the corporate segment. In the wake of the provision for impairment created in the third quarter, the own provision coverage of Stage 3 loans grew to 27% by the end of September. Upon the first time consolidation of the Bank, the Stage 3 loans were netted with the related provisions, thus the Stage 3 loans' own provision coverage ratio stood at 0% at the end of the second quarter.

The increase in Stage 2 volumes can be explained by reclassifications from Stage 1 category; as a result, the Stage 2 ratio stood at 11.5% at the end of the third quarter.

Ipoteka Bank's total assets amounted to HUF 1,261 billion (+5% q-o-q) in the third quarter of 2023, including HUF 890 billion performing loans (-3% q-o-q, FX-adjusted), which made up 71% of the total assets. The retail loan portfolio increased by 25% q-o-q, which was due to the 10% increase in mortgage loans and 74% increase in consumer loans. The q-o-q decline in performing corporate loans was mainly due to repayments and exposures being shifted into Stage 3 category. The 17% q-o-q decrease in the MSE loan portfolio was also mainly explained by loans reclassified into the Stage 3 category. At the end of 3Q, within performing loans the weight of mortgages was 40%, while consumer loans represented 20% and MSE + corporate loans 39%.

At the end of 3Q 2023 the deposit portfolio reached HUF 304 billion (+4% q-o-q, FX-adjusted). Household deposits increased by 2% q-o-q, and MSE + corporate deposits by 5% q-o-q. In the case of latter, the dynamics of MSE and corporate deposits were greatly influenced by the fact that certain portfolios were reclassified from corporate to MSE.

At the end of the third quarter, the net loan to deposit ratio stood at 297%, marking 11 pps improvement from the previous quarter. The Bank's liability structure continued to heavily rely on largely state funding sources, which typically finance subsidized loans: liabilities to credit institutions made up HUF 605 billion in the bank's balance sheet.

⁷ In line with accounting standards, the goodwill (which is part of the *effect of acquisitions* adjustment line) can be updated within 12 months after the

consolidation, therefore these impairments were partially recognised on this adjustment line.

OTP BANK RUSSIA

Performance of OTP Bank Russia

Main components of P&L account in HUF million	9M 2022	9M 2023	Y-o-Y	3Q 2022	2Q 2023	3Q 2023	Q-o-Q	Y-o-Y
Adjusted profit after tax	23,722	72,598	206%	38,473	33,345	21,297	-36%	-45%
Income tax	296	-26,665		-2,167	-8,684	-12,575	45%	480%
Profit before income tax	23,426	99,264	324%	40,640	42,029	33,872	-19%	-17%
Operating profit	60,937	111,480	83%	33,998	40,833	42,633	4%	25%
Total income	117,032	164,745	41%	57,052	57,934	58,217	0%	2%
Net interest income	80,765	90,735	12%	35,115	29,535	30,960	5%	-12%
Net fees and commissions	23,538	29,840	27%	11,221	10,002	10,860	9%	-3%
Other net non-interest income	12,730	44,170	247%	10,717	18,397	16,398	-11%	53%
Operating expenses	-56,096	-53,265	-5%	-23,054	-17,101	-15,585	-9%	-32%
Total provisions	-37,511	-12,216	-67%	6,642	1,196	-8,761	-832%	-232%
Provision for impairment on loan losses	-36,071	-9,943	-72%	-143	1,136	-8,520	-850%	
Other provision	-1,440	-2,273	58%	6,785	61	-241	-498%	-104%
Main components of balance sheet closing balances in HUF million	2022	9M 2023	YTD	3Q 2022	2Q 2023	3Q 2023	Q-o-Q	Y-o-Y
Total assets	1,029,721	1,361,472	32%	1,443,348	1,127,788	1,361,472	21%	-6%
Gross customer loans	784,958	657,222	-16%	1,096,174	622,811	657,222	6%	-40%
Gross customer loans (FX-adjusted)	579,365	657,222	13%	560,812	605,804	657,222	8%	17%
Stage 1+2 customer loans (FX-adjusted)	487,733	561,303	15%	469,573	509,868	561,303	10%	20%
Retail loans	460,001	542,941	18%	436,722	491,715	542,941	10%	24%
Corporate loans	27,731	18,362	-34%	32,852	18,153	18,362	1%	-44%
Allowances for possible loan losses	-173,105	-129,416	-25%	-249,678	-129,642	-129,416	0%	-48%
Allowances for possible loan losses (FX-adjusted)	-128,230	-129,416	1%	-127,897	-126,264	-129,416	2%	1%
Deposits from customers	576,865	938,791	63%	735,613	749,532	938,791	25%	28%
Deposits from customers (FX-adjusted)	451,482	938,791	108%	439,989	740,930	938,791	27%	113%
Retail deposits	260,938	364,034	40%	255,209	319,658	364,034	14%	43%
Corporate deposits	190,545	574,757	202%	184,780	421,272	574,757	36%	211%
Liabilities to credit institutions	49,774	30,934	-38%	103,318	33,437	30,934	-7%	-70%
Total shareholders' equity	306,304	255,512	-17%	418,145	278,369	255,512	-8%	-39%
Loan Quality	9M 2022	9M 2023	Y-o-Y	3Q 2022	2Q 2023	3Q 2023	Q-o-Q	Y-o-Y
Stage 1 loan volume under IFRS 9 (in HUF million)	756,434	454,033	-40%	756,434	416,134	454,033	9%	-40%
Stage 1 loans under IFRS 9/gross customer loans	69.0%	69.1%	0.1%p	69.0%	66.8%	69.1%	2.3%p	0.1%p
Own coverage of Stage 1 loans under IFRS 9	4.7%	3.4%	-1.4%p	4.7%	3.0%	3.4%	0.4%p	-1.4%p
Stage 2 loan volume under IFRS 9 (in HUF million)	164,150	107,270	-35%	164,150	108,407	107,270	-1%	-35%
Stage 2 loans under IFRS 9/gross customer loans	15.0%	16.3%	1.3%p	15.0%	17.4%	16.3%	-1.1%p	1.3%p
Own coverage of Stage 2 loans under IFRS 9	29.4%	23.1%	-6.3%p	29.4%	23.2%	23.1%	-0.1%p	-6.3%p
Stage 3 loan volume under IFRS 9 (in HUF mill)	175,590	95,919	-45%	175,590	98,271	95,919	-2%	-45%
Stage 3 loans under IFRS 9/gross customer loans	16.0%	14.6%	-1.4%p	16.0%	15.8%	14.6%	-1.2%p	-1.4%p
Own coverage of Stage 3 loans under IFRS 9	94.3%	93.1%	-1.1%p	94.3%	93.6%	93.1%	-0.5%p	-1.1%p
Provision for impairment on loan losses/average gross loans	5.75%	1.96%	-3.79%p	0.06%	-0.68%	5.41%	6.09%p	5.36%p
90+ days past due loan volume (in HUF million)	156,950	95,582	-39%	156,950	97,938	95,582	-2%	-39%
90+ days past due loans/gross customer loans	14.3%	14.5%	0.2%p	14.3%	15.7%	14.5%	-1.2%p	0.2%p
Performance Indicators	9M 2022	9M 2023	Y-o-Y	3Q 2022	2Q 2023	3Q 2023	Q-o-Q	Y-o-Y
ROA	3.0%	8.7%	5.7%p	11.4%	12.1%	7.0%	-5.1%p	-4.4%p
ROE	11.4%	34.1%	22.7%p	42.9%	47.9%	30.7%	-17.2%p	-12.2%p
Total income margin	14.87%	19.72%	4.84%p	16.93%	20.98%	19.06%	-1.93%p	2.12%p
Net interest margin	10.26%	10.86%	0.60%p	10.42%	10.70%	10.13%	-0.56%p	-0.29%p
Operating costs / Average assets	7.1%	6.4%	-0.8%	6.8%	6.2%	5.1%	-1.1%	-1.7%
Cost/income ratio	47.9%	32.3%	-15.6%p	40.4%	29.5%	26.8%	-2.7%p	-13.6%p
Net loans to deposits (FX-adjusted)	98%	56%	-42%p	98%	65%	56%	-8%p	-42%p
FX rates (in HUF)	9M 2022	9M 2023	Y-o-Y	3Q 2022	2Q 2023	3Q 2023	Q-o-Q	Y-o-Y
HUF/RUB (closing)	7.5	3.8	-49%	7.5	3.9	3.8	-3%	-49%
HUF/RUB (average)	5.4	4.3	-20%	6.7	4.2	3.7	-12%	-44%

Due to the FX rate changes, the balance sheet and P&L dynamics of the Russian operation shown in Hungarian Forint terms may differ from the dynamics in local currency terms.

OTP Bank Russia posted HUF 72.6 billion cumulated profit in 2023, which is three times that of the base period. This improvement can be attributed to both the nearly doubling operating profit and the smaller risk costs. The third-quarter profit was HUF 21.3 billion, which is 36% lower than the result of the preceding quarter, resulting in 30.7% ROE.

The nine-month net interest income in Ruble terms increased by 41%, which was induced by the higher interest income realized on the growing deposit portfolio placed with the central bank, which was facilitated by the doubling of customer deposits, and was also supported by the rising interest rate environment from mid-2023. In addition, performing loans also increased from last year's low base. On 21 July the Russian central bank raised the key interest rate from 7.5% to 8.5%, on 15 August to 12%, and on 15 September to 13%. In 3Q, the net interest income in RUB terms increased by 18% q-o-q with the net interest margin narrowing by 49 bps q-o-q, which was largely caused by the increase in average funding costs due to the dynamic expansion of large corporate deposits in the rising interest rate environment, while loans have typically fixed interest rates.

Net fees and commissions grew by 64% y-o-y in the first nine months, and by 23% q-o-q in the third quarter, mostly driven by the rise in income from account management and transaction fees owing to the expansion in the deposit portfolio.

The outstanding y-o-y surge in nine-month other income reflects the effect of stronger income from currency conversion.

The main reasons for the 17% y-o-y growth in nine-month operating expenses in local currency terms were wage inflation and the increase in IT expenses related to the digital transformation of the bank's operation. In the third quarter, there was a 3% increase in RUB terms, which was mainly due to the write-off of certain phased-out IT systems, as well as higher supervisory charges. The number of employees shrunk by 5% since the beginning of the year, to 6,565, in addition to the decrease in the number of branches and ATMs (ytd -26% and -24%, respectively), which contributed to the improvement of the bank's cost efficiency: the cost/income ratio in the first in nine months was 32.3% (-15.6 pps y-o-y).

Nine-month total risk cost fell to a third, to HUF 12 billion, from more than HUF 37 billion in the previous year. Within that, HUF 9 billion loan loss provision was recorded in the third quarter, partly in relation to the retail volume growth, and partly related to the IFRS 9 impairment model parameter revision. The increase in other risk costs in the third quarter was predominantly due to provisions for lawsuits.

Underlying loan quality trends showed a favourable picture: the ratio of Stage 3 loans continued the decline (-1.2 pps q-o-q), making up 14.6% of the total loan book at the end of the third quarter; with q-o-q stable own coverage, standing at 93.1% at the end of the quarter. The Stage 2 ratio stood at 16.3% (-1.1 pps q-o-q) at end of the third quarter.

The bank's total assets increased by 24% q-o-q, and 85% y-o-y in RUB terms, which was fundamentally explained by the expansion of deposits. The FX-adjusted deposit stock doubled y-o-y and surged by 27% q-o-q, largely driven by deposits from large corporations. The Bank's net loan/deposit ratio dropped by 8 pps q-o-q, to 56%.

The FX-adjusted performing (Stage 1+2) loan volumes expanded by 10% q-o-q, in line with market trends and due to the increasing retail consumer loan placements through improved cross-selling. The 1% q-o-q increase in the corporate loan book was related to utilization of revolving credit lines; corporate loans fell by 84% compared to end-2021 levels in FX-adjusted terms (-34% ytd).

At the end of September, the Bank's capital adequacy ratio was at 24.5% (2Q 2023: 24.1%), steadily above the regulatory minimum level of 8%.

The Russian operation's gross intragroup subordinated loan amounted to HUF 10 billion at the end of the third quarter.

OTP BANK UKRAINE

Performance of OTP Bank Ukraine:

Main components of P&L account in HUF million	9M 2022	9M 2023	Y-o-Y	3Q 2022	2Q 2023	3Q 2023	Q-o-Q	Y-o-Y
Adjusted profit after tax	-25,968	52,188		8,286	17,764	21,784	23%	163%
Income tax	-909	-11,239		-1,224	-3,590	-4,029	12%	229%
Profit before income tax	-25,059	63,426		9,510	21,353	25,813	21%	171%
Operating profit	56,333	60,436	7%	19,974	19,466	19,921	2%	0%
Total income	78,929	82,543	5%	27,874	26,400	27,687	5%	-1%
Net interest income	63,897	69,879	9%	23,649	22,467	23,441	4%	-1%
Net fees and commissions	8,956	8,454	-6%	3,642	2,697	2,561	-5%	-30%
Other net non-interest income	6,076	4,209	-31%	582	1,237	1,685	36%	189%
Operating expenses	-22,596	-22,107	-2%	-7,900	-6,934	-7,766	12%	-2%
Total provisions	-81,392	2,990		-10,464	1,887	5,892	212%	
Provision for impairment on loan losses	-76,254	6,326		-10,795	2,685	6,928	158%	
Other provision	-5,138	-3,336	-35%	332	-798	-1,036	30%	-413%
Main components of balance sheet closing balances in HUF million	2022	9M 2023	YTD	3Q 2022	2Q 2023	3Q 2023	Q-o-Q	Y-o-Y
Total assets	1,048,713	1,061,869	1%	1,059,890	973,988	1,061,869	9%	0%
Gross customer loans	529,644	444,614	-16%	649,751	421,262	444,614	6%	-32%
Gross customer loans (FX-adjusted)	516,484	444,614	-14%	564,967	451,033	444,614	-1%	-21%
Stage 1+2 customer loans (FX-adjusted)	422,706	346,419	-18%	485,031	338,843	346,419	2%	-29%
Retail loans	47,391	32,067	-32%	65,141	34,340	32,067	-7%	-51%
Corporate loans	258,043	213,245	-17%	287,474	204,807	213,245	4%	-26%
Leasing	117,273	101,107	-14%	132,416	99,696	101,107	1%	-24%
Allowances for possible loan losses	-115,754	-97,372	-16%	-123,693	-104,527	-97,372	-7%	-21%
Allowances for possible loan losses (FX-adjusted)	-112,945	-97,372	-14%	-106,982	-112,127	-97,372	-13%	-9%
Deposits from customers	783,009	740,752	-5%	751,897	691,316	740,752	7%	-1%
Deposits from customers (FX-adjusted)	762,589	740,752	-3%	653,691	740,198	740,752	0%	13%
Retail deposits	295,381	284,324	-4%	278,676	288,140	284,324	-1%	2%
Corporate deposits	467,207	456,427	-2%	375,016	452,059	456,427	1%	22%
Liabilities to credit institutions	108,678	94,918	-13%	125,113	93,971	94,918	1%	-24%
Total shareholders' equity	122,493	177,893	45%	130,501	142,789	177,893	25%	36%
Loan Quality	9M 2022	9M 2023	Y-o-Y	3Q 2022	2Q 2023	3Q 2023	Q-o-Q	Y-o-Y
Stage 1 loan volume under IFRS 9 (in HUF million)	288,048	218,449	-24%	288,048	189,468	218,449	15%	-24%
Stage 1 loans under IFRS 9/gross customer loans	44.3%	49.1%	4.8%p	44.3%	45.0%	49.1%	4.2%p	4.8%p
Own coverage of Stage 1 loans under IFRS 9	3.5%	1.8%	-1.7%p	3.5%	1.9%	1.8%	-0.1%p	-1.7%p
Stage 2 loan volume under IFRS 9 (in HUF million)	269,308	127,970	-52%	269,308	127,119	127,970	1%	-52%
Stage 2 loans under IFRS 9/gross customer loans	41.4%	28.8%	-12.7%p	41.4%	30.2%	28.8%	-1.4%p	-12.7%p
Own coverage of Stage 2 loans under IFRS 9	20.2%	14.9%	-5.3%p	20.2%	17.3%	14.9%	-2.4%p	-5.3%p
Stage 3 loan volume under IFRS 9 (in HUF million)	92,395	98,195	6%	92,395	104,674	98,195	-6%	6%
Stage 3 loans under IFRS 9/gross customer loans	14.2%	22.1%	7.9%p	14.2%	24.8%	22.1%	-2.8%p	7.9%p
Own coverage of Stage 3 loans under IFRS 9	64.0%	75.7%	11.7%p	64.0%	75.3%	75.7%	0.4%p	11.7%p
Provision for impairment on loan losses/average gross loans	15.26%	-1.86%	-17.12%p	6.60%	-2.43%	-6.44%	-4.01%p	-13.04%p
90+ days past due loan volume (in HUF million)	52,346	44,795	-14%	52,346	46,118	44,795	-3%	-14%
90+ days past due loans/gross customer loans	8.1%	10.1%	2.0%p	8.1%	10.9%	10.1%	-0.9%p	2.0%p
Performance Indicators	9M 2022	9M 2023	Y-o-Y	3Q 2022	2Q 2023	3Q 2023	Q-o-Q	Y-o-Y
ROA	-3.5%	6.9%	10.4%p	3.2%	7.1%	8.6%	1.5%p	5.4%p
ROE	-26.7%	50.4%	77.1%p	27.1%	53.3%	55.1%	1.8%p	28.0%p
Total income margin	10.59%	10.96%	0.37%p	10.84%	10.54%	10.92%	0.37%p	0.08%p
Net interest margin	8.57%	9.28%	0.71%p	9.20%	8.97%	9.24%	0.27%p	0.04%p
Operating costs / Average assets	3.0%	2.9%	-0.1%p	3.1%	2.8%	3.1%	0.3%p	0.0%p
Cost/income ratio	28.6%	26.8%	-1.8%p	28.3%	26.3%	28.0%	1.8%p	-0.3%p
Net loans to deposits (FX-adjusted)	70%	47%	-23%p	70%	46%	47%	1%p	-23%p
FX rates (in HUF)	9M 2022	9M 2023	Y-o-Y	3Q 2022	2Q 2023	3Q 2023	Q-o-Q	Y-o-Y
HUF/UAH (closing)	11.6	10.0	-14%	11.6	9.3	10.0	8%	-14%
HUF/UAH (average)	11.7	9.6	-18%	11.4	9.3	9.6	3%	-16%

Due to the FX rate changes, the balance sheet and P&L dynamics of the Ukrainian operation shown in Hungarian Forint terms may differ from the dynamics in local currency terms.

OTP Bank Ukraine's adjusted profit after tax amounted to HUF 52.2 billion in the first nine months of the year, while the Bank maintained its stable liquidity and capital position. The significant improvement compared to the base period can be attributed to the substantial improvement in risk costs, while operating profit grew by 7%. The third quarter's profit contribution was HUF 21.8 billion (+23% q-o-q); this brought the third quarter ROE to 55%.

In the first nine months of 2023, net interest income jumped by 33% in local currency terms (by +9% in HUF terms), predominantly supported by the higher interest income on deposits placed at the National Bank of Ukraine. Third-quarter net interest income grew by 1% q-o-q in UAH, owing to the increase in the average volume of financial assets placed at the national bank, while the average interest rate on this volume declined, following the decrease of the overnight central bank deposit rate (28 July: from 20% to 18%; 15 September: to 16%). Net interest margin rose by 27 bps q-o-q in the third quarter.

Inflationary pressure was reflected largely through higher personnel expenses within the nine-month operating expenses' 19% y-o-y growth in local currency terms. The 9% q-o-q increase in the third quarter stemmed from the general wage hike in the second quarter. Overall, cost efficiency indicators

were stable; the cost/income ratio of 28% in the third quarter remained the lowest in OTP Group.

In the first nine months of the year, positive risk cost totalled HUF 3 billion, partly because of the revision of the IFRS 9 impairment model parameters, which resulted in HUF 6 billion provision release in the third quarter. In 3Q other risk cost was created for the Ukrainian government bond portfolio.

The FX-adjusted volume of performing (Stage 1+2) loans contracted by 18% ytd, despite a 2% q-o-q increase in the third quarter, owing to the volume growth in the large corporate segment. The retail loan book contracted further, by 7% q-o-q.

The ratio of Stage 2 loans declined by 1.4 pps q-o-q, to 28.8%, and that of Stage 3 loans dropped by 2.8 pps, to 22.1%; the latter mostly due to the large corporate and leasing portfolios. The ratio of total provisions to total gross loans moderated to 21.9% (2Q: 24.8%, 1Q: 24.5%).

The FX-adjusted deposit book contracted by 3% ytd and stagnated in the third quarter. The net loan/deposit ratio was 47% (+1 pp q-o-q; -23 pps y-o-y, FX-adjusted).

At the end of September, the Bank's CAR ratio stood at 43.4% (1Q 2023: 32.7%, 2Q: 41.2%; regulatory minimum: 10.0%)

Gross intragroup financing towards the Ukrainian operation represented HUF 85 billion at the end of September.

OTP BANK ROMANIA

Performance of OTP Bank Romania:

Main components of P&L account in HUF million	9M 2022	9M 2023	Y-o-Y	3Q 2022	2Q 2023	3Q 2023	Q-o-Q	Y-o-Y
Adjusted profit after tax	-1,050	18,014		-58	12,698	4,067	-68%	
Income tax	-784	-3,165	304%	-231	-2,165	-715	-67%	210%
Profit before income tax	-265	21,180		173	14,862	4,782	-68%	
Operating profit	11,464	15,711	37%	4,911	5,491	6,413	17%	31%
Total income	44,283	50,765	15%	15,972	15,846	17,919	13%	12%
Net interest income	37,812	39,594	5%	13,996	17,175	5,955	-65%	-57%
Net fees and commissions	3,443	3,959	15%	1,107	1,054	1,184	12%	7%
Other net non-interest income	3,028	7,212	138%	870	-2,383	10,779		
Operating expenses	-32,819	-35,055	7%	-11,062	-10,355	-11,506	11%	4%
Total provisions	-11,729	5,469		-4,738	-1,631	-1,631		-66%
Provision for impairment on loan losses	-8,712	5,551		-4,230	9,459	-1,980		-53%
Other provision	-3,017	-82	-97%	-508	-88	349		-169%
Main components of balance sheet closing balances in HUF million	2022	9M 2023	YTD	3Q 2022	2Q 2023	3Q 2023	Q-o-Q	Y-o-Y
Total assets	1,687,581	1,663,221	-1%	1,829,378	1,536,871	1,663,221	8%	-9%
Gross customer loans	1,228,254	1,166,695	-5%	1,328,309	1,118,022	1,166,695	4%	-12%
Gross customer loans (FX-adjusted)	1,196,996	1,166,695	-3%	1,228,424	1,177,474	1,166,695	-1%	-5%
Stage 1+2 customer loans (FX-adjusted)	1,134,285	1,100,912	-3%	1,167,027	1,116,255	1,100,912	-1%	-6%
Retail loans	550,423	502,099	-9%	567,939	515,851	502,099	-3%	-12%
Corporate loans	522,025	528,433	1%	538,608	534,272	528,433	-1%	-2%
Leasing	61,836	70,380	14%	60,479	66,132	70,380	6%	16%
Allowances for possible loan losses	-62,442	-57,964	-7%	-68,721	-53,377	-57,964	9%	-16%
Allowances for possible loan losses (FX-adjusted)	-60,918	-57,964	-5%	-63,540	-56,242	-57,964	3%	-9%
Deposits from customers	998,452	1,018,020	2%	994,485	926,339	1,018,020	10%	2%
Deposits from customers (FX-adjusted)	973,818	1,018,020	5%	920,863	974,873	1,018,020	4%	11%
Retail deposits	578,259	643,533	11%	505,622	599,145	643,533	7%	27%
Corporate deposits	395,559	374,486	-5%	415,241	375,729	374,486	0%	-10%
Liabilities to credit institutions	446,641	397,607	-11%	589,498	373,727	397,607	6%	-33%
Total shareholders' equity	181,206	201,295	11%	185,571	181,812	201,295	11%	8%
Loan Quality	9M 2022	9M 2023	Y-o-Y	3Q 2022	2Q 2023	3Q 2023	Q-o-Q	Y-o-Y
Stage 1 loan volume under IFRS 9 (in HUF million)	1,073,047	943,985	-12%	1,073,047	904,986	943,985	4%	-12%
Stage 1 loans under IFRS 9/gross customer loans	80.8%	80.9%	0.1%p	80.8%	80.9%	80.9%	0.0%p	0.1%p
Own coverage of Stage 1 loans under IFRS 9	1.1%	1.1%	0.0%p	1.1%	1.1%	1.1%	0.0%p	0.0%p
Stage 2 loan volume under IFRS 9 (in HUF million)	188,886	156,927	-17%	188,886	154,928	156,927	1%	-17%
Stage 2 loans under IFRS 9/gross customer loans	14.2%	13.5%	-0.8%p	14.2%	13.9%	13.5%	-0.4%p	-0.8%p
Own coverage of Stage 2 loans under IFRS 9	9.3%	8.8%	-0.5%p	9.3%	8.6%	8.8%	0.2%p	-0.5%p
Stage 3 loan volume under IFRS 9 (in HUF million)	66,377	65,783	-1%	66,377	58,109	65,783	13%	-1%
Stage 3 loans under IFRS 9/gross customer loans	5.0%	5.6%	0.6%p	5.0%	5.2%	5.6%	0.4%p	0.6%p
Own coverage of Stage 3 loans under IFRS 9	59.7%	51.4%	-8.3%p	59.7%	51.9%	51.4%	-0.5%p	-8.3%p
Provision for impairment on loan losses/average gross loans	1.01%	-0.65%	-1.66%	1.31%	-3.40%	0.69%	4.09%	-0.63%
90+ days past due loan volume (in HUF million)	44,155	35,049	-21%	44,155	32,069	35,049	9%	-21%
90+ days past due loans/gross customer loans	3.3%	3.0%	-0.3%p	3.3%	2.9%	3.0%	0.1%p	-0.3%p
Performance Indicators	9M 2022	9M 2023	Y-o-Y	3Q 2022	2Q 2023	3Q 2023	Q-o-Q	Y-o-Y
ROA	-0.1%	1.5%	1.6%p	0.0%	3.3%	1.0%	-2.3%p	1.0%p
ROE	-0.8%	13.4%	14.2%p	-0.1%	29.1%	8.5%	-20.7%p	8.6%p
Total income margin	3.77%	4.24%	0.48%p	3.63%	4.13%	4.41%	0.29%p	0.79%p
Net interest margin	3.22%	3.31%	0.09%p	3.18%	4.47%	1.47%	-3.01%p	-1.71%p
Operating costs / Average assets	2.79%	2.93%	0.14%p	2.51%	2.70%	2.83%	0.14%p	0.32%p
Cost/income ratio	74.1%	69.1%	-5.1%p	69.3%	65.3%	64.2%	-1.1%p	-5.0%p
Net loans to deposits (FX-adjusted)	126%	109%	-18%p	126%	115%	109%	-6%p	-18%p
FX rates (in HUF)	9M 2022	9M 2023	Y-o-Y	3Q 2022	2Q 2023	3Q 2023	Q-o-Q	Y-o-Y
HUF/RON (closing)	74.6	80.9	8%	74.6	85.2	80.9	-5%	8%
HUF/RON (average)	72.8	79.4	9%	73.6	82.0	83.5	2%	13%

In the first nine months of 2023, **OTP Bank Romania** generated HUF 18 billion profit after tax, including HUF 4 billion in the third quarter. ROE reached 13.4% in the first nine months of the year.

The nine-month operating profit grew by 39% y-o-y in local currency terms, as a result of 15% rise in total income and a 7% increase in operating expenses.

Net interest income grew by 6% in local currency terms in the January-September period. The nine-month net interest income was shaped by the higher average interest rate of both corporate and retail loans, while their overall volume remained stable. The dynamics was materially influenced by the change in the accounting of result on FX swap deals: this year's cumulated result of these swaps (-HUF 10 billion) was shifted in lump sum in the third quarter, from other income to the net interest income line. Had the new accounting method been applied from the beginning of the year, the third-quarter net interest income would have increased by 9% q-o-q, and by 18% y-o-y in local currency terms.

Net fees and commissions grew by 15% in local currency terms in the first nine months, largely as a result of higher deposit and transaction-related fee income.

Nine-month operating expenses rose by 7% in local currency, including a 6% q-o-q increase in the third quarter, mainly driven by the payment of first-half-year bonuses.

In the third quarter of 2023, risk cost amounted to HUF 2 billion. The main reason for credit risk costs creation was the extra provision on account of the restructuring of a corporate customer's syndicated loan, which exposure was shifted into the Stage 3 bucket for precautionary reasons.

The ratio of Stage 3 loans upped by 0.4 pp q-o-q, to 5.6%, chiefly because of the reclassification of the above corporate loan. The own provision coverage of Stage 3 loans dropped by 50 bps, to 51.4%.

Total assets increased by 3% in local currency in the third quarter. Regarding business activity, Stage 1+2 loan volumes dropped by an FX-adjusted 1% q-o-q, largely driven by the decline in retail loans, which was only partly offset by leasing volume growth.

Deposits from customers increased by an FX-adjusted 4% q-o-q, owing to a 7% rise in retail deposits, while corporate deposits remained stable. In year-on-year comparison, deposits expanded by an FX-adjusted 11%, driven by a 27% surge in the retail segment. The net loan/deposit ratio sank by 18 pps y-o-y and 6 pps q-o-q, to 109%.

OTP BANK MOLDOVA

Performance of OTP Bank Moldova:

Main components of P&L account in HUF million	9M 2022	9M 2023	Y-o-Y	3Q 2022	2Q 2023	3Q 2023	Q-o-Q	Y-o-Y
Adjusted profit after tax	5,602	11,775	110%	3,386	4,090	3,188	-22%	-6%
Income tax	-777	-1,632	110%	-516	-572	-454	-21%	-12%
Profit before income tax	6,378	13,408	110%	3,902	4,662	3,642	-22%	-7%
Operating profit	11,433	10,513	-8%	5,259	2,976	2,588	-13%	-51%
Total income	18,543	19,016	3%	7,994	5,699	5,564	-2%	-30%
Net interest income	12,736	13,108	3%	5,729	4,181	3,147	-25%	-45%
Net fees and commissions	2,044	1,696	-17%	792	508	583	15%	-26%
Other net non-interest income	3,763	4,213	12%	1,473	1,010	1,834	82%	25%
Operating expenses	-7,110	-8,503	20%	-2,734	-2,723	-2,976	9%	9%
Total provisions	-5,055	2,895	-157%	-1,357	1,686	1,055	-37%	-178%
Provision for impairment on loan losses	-4,291	2,763	-164%	-1,010	1,053	1,268	20%	-226%
Other provision	-764	131	-117%	-347	633	-213	-134%	-39%
Main components of balance sheet closing balances in HUF million	2022	9M 2023	YTD	3Q 2022	2Q 2023	3Q 2023	Q-o-Q	Y-o-Y
Total assets	365,658	409,275	12%	400,212	352,452	409,275	16%	2%
Gross customer loans	171,412	152,702	-11%	199,461	148,555	152,702	3%	-23%
Gross customer loans (FX-adjusted)	173,546	152,702	-12%	184,061	159,426	152,702	-4%	-17%
Stage 1+2 customer loans (FX-adjusted)	168,754	145,703	-14%	179,431	154,079	145,703	-5%	-19%
Retail loans	85,906	70,571	-18%	94,894	74,084	70,571	-5%	-26%
Corporate loans	77,982	70,556	-10%	79,872	75,234	70,556	-6%	-12%
Leasing	4,865	4,576	-6%	4,665	4,762	4,576	-4%	-2%
Allowances for possible loan losses	-11,177	-7,948	-29%	-10,374	-8,700	-7,948	-9%	-23%
Allowances for possible loan losses (FX-adjusted)	-11,357	-7,948	-30%	-9,568	-9,348	-7,948	-15%	-17%
Deposits from customers	264,031	312,099	18%	281,334	265,168	312,099	18%	11%
Deposits from customers (FX-adjusted)	266,797	312,099	17%	257,325	284,894	312,099	10%	21%
Retail deposits	179,241	201,613	12%	169,922	194,388	201,613	4%	19%
Corporate deposits	87,556	110,486	26%	87,404	90,507	110,486	22%	26%
Liabilities to credit institutions	42,083	29,207	-31%	48,088	27,529	29,207	6%	-39%
Total shareholders' equity	53,430	61,725	16%	55,969	53,905	61,725	15%	10%
Loan Quality	9M 2022	9M 2023	Y-o-Y	3Q 2022	2Q 2023	3Q 2023	Q-o-Q	Y-o-Y
Stage 1 loan volume under IFRS 9 (in HUF million)	177,009	127,886	-28%	177,009	122,469	127,886	4%	-28%
Stage 1 loans under IFRS 9/gross customer loans	88.7%	83.7%	-5.0%p	88.7%	82.4%	83.7%	1.3%p	-5.0%p
Own coverage of Stage 1 loans under IFRS 9	2.3%	1.5%	-0.9%p	2.3%	1.8%	1.5%	-0.3%p	-0.9%p
Stage 2 loan volume under IFRS 9 (in HUF million)	17,426	17,817	2%	17,426	21,112	17,817	-16%	2%
Stage 2 loans under IFRS 9/gross customer loans	8.7%	11.7%	2.9%p	8.7%	14.2%	11.7%	-2.5%p	2.9%p
Own coverage of Stage 2 loans under IFRS 9	19.4%	12.3%	-7.1%p	19.4%	14.9%	12.3%	-2.6%p	-7.1%p
Stage 3 loan volume under IFRS 9 (in HUF million)	5,026	6,999	39%	5,026	4,975	6,999	41%	39%
Stage 3 loans under IFRS 9/gross customer loans	2.5%	4.6%	2.1%p	2.5%	3.3%	4.6%	1.2%p	2.1%p
Own coverage of Stage 3 loans under IFRS 9	56.6%	55.1%	-1.4%p	56.6%	66.7%	55.1%	-11.6%p	-1.4%p
Provision for impairment on loan losses/average gross loans	3.18%	-2.36%	-5.54%p	2.04%	-2.72%	-3.32%	-0.60%p	-5.36%p
90+ days past due loan volume (in HUF million)	3,901	4,400	13%	3,901	2,911	4,400	51%	13%
90+ days past due loans/gross customer loans	2.0%	2.9%	0.9%p	2.0%	2.0%	2.9%	0.9%p	0.9%p
Performance Indicators	9M 2022	9M 2023	Y-o-Y	3Q 2022	2Q 2023	3Q 2023	Q-o-Q	Y-o-Y
ROA	2.3%	4.3%	2.0%p	3.6%	4.6%	3.3%	-1.3%p	-0.3%p
ROE	16.2%	27.9%	11.8%p	26.1%	28.7%	22.1%	-6.7%p	-4.0%p
Total income margin	7.53%	6.97%	-0.56%p	8.61%	6.38%	5.80%	-0.58%p	-2.81%p
Net interest margin	5.17%	4.81%	-0.37%p	6.17%	4.68%	3.28%	-1.40%p	-2.89%p
Operating costs / Average assets	2.89%	3.12%	0.23%p	2.95%	3.05%	3.10%	0.05%p	0.16%p
Cost/income ratio	38.3%	44.7%	6.4%p	34.2%	47.8%	53.5%	5.7%p	19.3%p
Net loans to deposits (FX-adjusted)	68%	46%	-21%p	68%	53%	46%	-6%p	-21%p
FX rates (in HUF)	9M 2022	9M 2023	Y-o-Y	3Q 2022	2Q 2023	3Q 2023	Q-o-Q	Y-o-Y
HUF/MDL (closing)	21.9	20.3	-7%	21.9	18.7	20.3	8%	-7%
HUF/MDL (average)	19.4	19.4	0%	20.7	19.1	19.7	3%	-5%

In the first nine months of 2023, **OTP Bank Moldova** contributed HUF 11.8 billion to the Group's adjusted profit, which is more than double of the profit in the base period, thanks largely to reversal of impairments.

The nine-month operating result was 8% below the base period, within which the cumulative net interest income increased by 3%. On the other hand, the 3Q net interest income fell by 25% q-o-q, mainly as a result of the central bank's interest rate reduction that began in December 2022 (the central bank's base interest rate was reduced in several steps from 20% in December 2022 to 6% by June 2023, while the overnight deposit interest rate in the same period dropped from 18% to 4%). Due to the high proportion of high interest rate long-term time deposits from customers made in previous periods, the average interest rate on deposits decreased at a slower pace. On the asset side, on the other hand, interest income realized on deposits placed with the Central Bank of Moldova and on government securities investments decreased, which, in addition to the shrinking of loan portfolios, further narrowed the net interest margin in the third quarter (3.28%, -1.4 pps q-o-q).

Net fee and commission income decreased by 17% in the first nine months of the year compared to the base period due to the more subdued business activity. The increase in the third quarter can be attributed to the increase in commission income related to the expanding deposit portfolios of large companies.

The 12% increase in other net non-interest income in the first nine months was shaped by higher income from currency exchange, the volatility of which during the year is reflected in the third-quarter increase as a result of base effect.

In the first nine months, positive risk costs totalled HUF 2.8 billion, fundamentally as a result of the provisions released in the wake of the IFRS 9 parameter revision, of which HUF 0.9 billion occurred in the third quarter.

The adjusted profit after tax in the third quarter reached HUF 3.2 billion, the 22% q-o-q decrease was shaped by the 2% contraction of revenues and the 9% increase in operating costs, as well as the positive, yet 37% lower than base period risk cost. In the other risk costs line, HUF 0.2 billion loan loss provision was created in the third quarter, mostly in association with the securities portfolio.

At the end of the 3Q of 2023, the rate of Stage 3 loans was 4.6%, the q-o-q increase in the rate was mainly related to individual corporate deals. The own coverage of Stage 3 loans with provisions stood at 55.1% (-1.4 pps y-o-y, -11.6 pps q-o-q).

The continued contraction of the FX-adjusted volume of performing (Stage 1+2) loans in the third quarter brought the nine-month decline to -14% ytd. The contraction was stronger in the retail segment (-18% ytd), however, new placements started to increase in 3Q from a low level. The decrease in the corporate performing portfolio in 3Q was largely due to significant amount of repayments.

With the 10% expansion seen in 3Q, the FX-adjusted deposit portfolio increased by 17%, the expansion being mainly driven by the growth of corporate sight deposits. The net loan/deposit ratio stood at 46% at the end of September, which represents a 21 pps drop y-o-y (-6 pps q-o-q).

STAFF LEVEL AND OTHER INFORMATION

	31/12/2022				30/09/2023			
	Branches	ATM	POS	Headcount (closing)	Branches	ATM	POS	Headcount (closing)
OTP Core	352	1,866	143,078	10,985	351	1,868	154,188	11,181
DSK Group (Bulgaria)	305	998	16,559	5,358	302	990	17,181	5,008
OTP Bank Slovenia	49	81	4,925	875	114	443	15,533	2,359
OBH (Croatia)	111	428	11,344	2,294	108	440	10,729	2,348
OTP Bank Serbia	155	265	18,049	2,632	154	270	17,207	2,663
OTP Bank Albania	58	213	831	730	50	154	949	723
CKB Group (Montenegro)	33	116	7,529	497	31	108	8,337	494
Ipoteka Bank (Uzbekistan)					39	647	232	4,359
OTP Bank Russia (w/o employed agents)	108	191	534	4,471	82	167	295	4,486
OTP Bank Ukraine (w/o employed agents)	71	150	263	2,134	71	162	263	2,077
OTP Bank Romania	97	156	8,325	1,826	95	157	12,204	1,778
OTP Bank Moldova	53	156	0	896	53	149	0	875
Foreign subsidiaries, total	1,040	2,754	68,359	21,713	1,099	3,687	82,930	27,170
Other Hungarian and foreign subsidiaries				619				648
OTP Group (w/o employed agents)				33,318				38,999
OTP Bank Russia - employed agents				2,431				2,079
OTP Bank Ukraine - employed agents				227				132
OTP Group (aggregated)	1,392	4,620	211,437	35,976	1,450	5,555	237,118	41,210

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

As of 1 January 2023, Mr. Antal György Kovács was replaced by Mr. András Becsei as Deputy CEO of the Retail Division. Mr. Antal György Kovács retained his employment status, thus his position as Deputy CEO until the Annual General Meeting closing the financial year 2022, during which time he was mainly be responsible for group governance.

On 28 April 2023, concerning the audit of OTP Bank Plc.'s separate and consolidated annual financial statements in accordance with International Financial Reporting Standards for the year 2023, the Annual General Meeting elected Ernst & Young Ltd. (001165, H-1132 Budapest, Váci út 20.) as the Company's auditor from 1 May 2023 until 30 April 2024.

On 28 April 2023 the Annual General Meeting elected Mr. Antal György Kovács as member of the Board of Directors of the Company until the Annual General Meeting of the Company closing the 2025 business year, but not later than 30 April 2026.

On 28 April 2023 the Annual General Meeting elected

Mr. Tibor Tolnay

Dr. József Gábor Horváth

Dr. Tamás Gudra

Mr. Olivier Péqueux

Mrs. Klára Bella

Mr. András Michnai

as member of the Supervisory Board of the Company until the Annual General Meeting of the Company closing the 2025 business year, but not later than 30 April 2026.

On 28 April 2023 the Annual General Meeting elected

Mr. Tibor Tolnay

Dr. József Gábor Horváth

Dr. Tamás Gudra

Mr. Olivier Péqueux

as member of the Audit Committee of the Company until the Annual General Meeting of the Company closing the 2025 business year, but not later than 30 April 2026.

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.

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

FINANCIAL DATA

OTP BANK SEPARATE IFRS STATEMENT OF FINANCIAL POSITION

in HUF million	30/09/2023	31/12/2022	30/09/2022	change ytd	change y-o-y
Cash, amounts due from banks and balances with the National Bank of Hungary	2,462,369	1,092,198	922,476	125%	167%
Placements with other banks, net of allowance for placement losses	2,694,987	2,899,829	3,087,311	-7%	-13%
Repo receivables	252,800	246,529	122,586	3%	106%
Financial assets at fair value through profit or loss	479,619	410,012	565,883	17%	-15%
Financial assets at fair value through other comprehensive income	532,974	797,175	920,780	-33%	-42%
Securities at amortised cost	2,952,943	3,282,373	3,616,261	-10%	-18%
Loans at amortised cost	4,723,988	4,825,040	4,969,025	-2%	-5%
Loans mandatorily measured at fair value through profit or loss	890,413	793,242	762,573	12%	17%
Investments in subsidiaries	2,031,004	1,596,717	1,482,214	27%	37%
Property and equipment	96,937	94,564	84,933	3%	14%
Intangible assets	76,597	69,480	62,660	10%	22%
Right of use assets	58,615	39,882	41,004	47%	43%
Investments properties	4,238	4,207	4,227	1%	0%
Current tax assets	1,285	1,569	3,277	-18%	-61%
Deferred tax asset	12,670	35,742	31,852	-65%	-60%
Derivative financial assets designated as hedge accounting relationships	36,223	47,220	37,279	-23%	-3%
Other assets	670,248	329,752	316,841	103%	112%
TOTAL ASSETS	17,977,910	16,565,531	17,031,182	9%	6%
Amounts due to banks and deposits from the National Bank of Hungary and other banks	1,901,960	1,736,128	1,668,349	10%	14%
Repo liabilities	844,438	408,366	506,734	107%	67%
Deposits from customers	10,765,624	11,119,158	11,523,773	-3%	-7%
Leasing liabilities	60,840	41,464	43,602	47%	40%
Liabilities from issued securities	1,118,436	498,709	212,215	124%	427%
Financial liabilities at fair value through profit or loss	19,814	16,576	16,545	20%	20%
Derivative financial liabilities designated as held for trading	216,884	373,401	503,728	-42%	-57%
Derivative financial liabilities designated as hedge accounting relationships	43,869	50,623	96,780	-13%	-55%
Deferred tax liabilities	0	0	0		
Current tax assets	2,868	3,199	781	-10%	267%
Other liabilities	348,213	313,188	471,035	11%	-26%
Subordinated bonds and loans	541,284	294,186	308,566	84%	75%
Provisions	30,244	29,656	25,571	2%	18%
TOTAL LIABILITIES	15,894,474	14,884,654	15,377,679	7%	3%
Share capital	28,000	28,000	28,000	0%	0%
Retained earnings and reserves	1,607,274	1,648,969	1,646,557	-3%	-2%
Profit after tax	454,672	6,632	-18,257		
Treasury shares	-6,510	-2,724	-2,797	139%	133%
TOTAL SHAREHOLDERS' EQUITY	2,083,436	1,680,877	1,653,503	24%	26%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	17,977,910	16,565,531	17,031,182	9%	6%

CONSOLIDATED IFRS STATEMENT OF FINANCIAL POSITION

in HUF million	30/09/2023	31/12/2022	30/09/2022	change ytd	change y-o-y
Cash, amounts due from banks and balances with the National Banks	6,557,052	4,221,392	3,598,087	55%	82%
Placements with other banks, net of loss allowance for placements	1,500,795	1,351,082	1,776,714	11%	-16%
Repo receivables	264,209	41,009	25,337	544%	943%
Financial assets at fair value through profit or loss	528,080	436,387	562,021	21%	-6%
Securities at fair value through other comprehensive income	1,664,591	1,739,603	2,024,179	-4%	-18%
Loans at amortized cost	18,802,518	16,094,458	16,905,119	17%	11%
Loans mandatorily at fair value through profit or loss	1,345,620	1,247,414	1,202,462	8%	12%
Finance lease receivables	1,385,365	1,298,752	1,372,245	7%	1%
Associates and other investments	93,834	73,849	75,308	27%	25%
Securities at amortized cost	5,596,136	4,891,938	5,039,491	14%	11%
Property and equipment	520,363	464,469	460,359	12%	13%
Intangible assets and goodwill	257,382	237,031	231,923	9%	11%
Right-of-use assets	76,366	58,937	63,509	30%	20%
Investment properties	49,206	47,452	28,572	4%	72%
Derivative financial assets designated as hedge accounting	38,377	48,247	38,061	-20%	1%
Deferred tax assets	52,691	75,421	76,618	-30%	-31%
Current income tax receivable	20,536	5,650	39,760	263%	-48%
Other assets	820,911	471,119	479,682	74%	71%
TOTAL ASSETS	39,574,032	32,804,210	34,022,405	21%	16%
Amounts due to banks, the National Governments, deposits from the National Banks and other banks	2,119,865	1,463,158	1,720,768	45%	23%
Repo liabilities	312,809	217,369	312,721	44%	0%
Financial liabilities designated at fair value through profit or loss	71,225	54,191	60,727	31%	17%
Deposits from customers	28,968,038	25,188,805	25,814,547	15%	12%
Liabilities from issued securities	2,082,051	870,682	587,987	139%	254%
Derivative financial liabilities held for trading	232,323	385,747	507,133	-40%	-54%
Derivative financial liabilities designated as hedge accounting	24,158	27,949	74,607	-14%	-68%
Leasing liabilities	80,159	63,778	71,107	26%	13%
Deferred tax liabilities	34,336	40,094	37,372	-14%	-8%
Current income tax payable	54,819	28,866	122,081	90%	-55%
Provisions	135,830	131,621	138,740	3%	-2%
Other liabilities	867,052	707,654	804,799	23%	8%
Subordinated bonds and loans	584,626	301,984	317,368	94%	84%
TOTAL LIABILITIES	35,567,291	29,481,898	30,569,957	21%	16%
Share capital	28,000	28,000	28,000	0%	0%
Retained earnings and reserves	4,092,934	3,395,215	3,524,339	21%	16%
Treasury shares	-122,109	-106,862	-107,625	14%	13%
Total equity attributable to the parent	3,998,825	3,316,353	3,444,714	21%	16%
Total equity attributable to non-controlling interest	7,916	5,959	7,734	33%	2%
TOTAL SHAREHOLDERS' EQUITY	4,006,741	3,322,312	3,452,448	21%	16%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	39,574,032	32,804,210	34,022,405	21%	16%

OTP BANK SEPARATE IFRS STATEMENT OF RECOGNIZED INCOME

in HUF million	9M 2023	9M 2022	change
Interest income calculated using the effective interest method	913,868	467,683	95%
Income similar to interest income	593,090	224,234	164%
Total Interest Income	1,506,958	691,917	118%
Total Interest Expense	-1,189,762	-481,029	147%
NET INTEREST INCOME	317,196	210,888	50%
Risk cost total	12,688	-74,720	
NET INTEREST INCOME AFTER RISK COST	329,884	136,168	142%
Losses arising from derecognition of financial assets measured at amortised cost	-10,800	-27,752	-61%
Modification loss	-6,952	-4,267	63%
Income from fees and commissions	293,277	262,802	12%
Expenses from fees and commissions	-55,708	-44,808	24%
Net profit from fees and commissions	237,569	217,994	9%
Foreign exchange gains (+)/ loss (-)	-11,238	16,976	
Gains (+) or loss (-) on securities, net	10,847	-12,658	
Losses on financial instruments at fair value through profit or loss	70,915	-12,614	
Gains on derivative instruments, net	12,868	-7,907	
Dividend income	243,734	194,499	25%
Other operating income	22,775	9,956	129%
Net other operating expenses	-5,927	-177,740	-97%
Net operating income	343,974	10,512	
Personnel expenses	-136,211	-103,051	32%
Depreciation and amortization	-36,795	-34,357	7%
Other administrative expenses	-219,218	-228,281	-4%
Other administrative expenses	-392,224	-365,689	7%
PROFIT BEFORE INCOME TAX	501,451	-33,034	
Income tax expense	-46,779	-14,777	217%
PROFIT AFTER TAX FOR THE PERIOD	454,672	-18,257	

CONSOLIDATED IFRS STATEMENT OF RECOGNIZED INCOME

in HUF million	9M 2023	9M 2022	change
CONTINUING OPERATIONS			
Interest income calculated using the effective interest method	1,758,930	1,028,544	71%
Income similar to interest income	470,516	342,293	37%
Interest incomes	2,229,446	1,370,837	63%
Interest expenses	-1,195,408	-575,083	108%
NET INTEREST INCOME	1,034,038	795,754	30%
Risk cost total	-52,982	-169,104	-69%
Loss allowance / Release of loss allowance on loans, placements, amounts due from banks and repo receivables	-66,417	-125,620	-47%
Change in the fair value attributable to changes in the credit risk of loans mandatorily measured at fair value through profit of loss	-1,438	13,118	-111%
Loss allowance / Release of loss allowance on securities at fair value through other comprehensive income and on securities at amortized cost	8,347	-57,237	-115%
Provision for commitments and guarantees given	5,133	494	939%
Impairment / (Release of impairment) of assets subject to operating lease and of investment properties	1,393	141	888%
NET INTEREST INCOME AFTER RISK COST	981,056	626,650	57%
Income from fees and commissions	642,104	529,080	21%
Expense from fees and commissions	-127,963	-98,960	29%
Net profit from fees and commissions	514,141	430,120	20%
Modification gain or loss	-29,066	-15,253	91%
Foreign exchange gains / losses, net	7,921	6,132	29%
Foreign exchange gains / losses, net	-6,968	-15,810	-56%
Net results on derivative instruments and hedge relationships	14,889	21,942	-32%
Gains / Losses on securities, net	9,800	-6,849	-243%
Gains / Losses on financial assets /liabilities measured at fair value through profit or loss	67,415	-7,695	-976%
Gain from derecognition of financial assets at amortized cost	-2,287	-707	223%
Profit from associates	18,625	16,718	11%
Other operating income	311,938	81,891	281%
Gains and losses on real estate transactions	5,082	3,050	67%
Other non-interest income	305,528	77,844	292%
Net insurance result	1,327	996	33%
Other operating expense	-87,557	-93,664	-7%
Net operating income	325,855	-4,174	
Personnel expenses	-353,530	-279,348	27%
Depreciation and amortization	-86,543	-146,613	-41%
Other administrative expenses	-373,874	-354,793	5%
Other administrative expenses	-813,947	-780,754	4%
PROFIT BEFORE INCOME TAX	978,039	256,589	281%
Income tax expense	-120,161	-34,913	244%
PROFIT AFTER INCOME TAX FOR THE PERIOD FROM CONTINUING OPERATIONS	857,878	221,676	287%
From this, attributable to:			
Non-controlling interest	1,302	398	227%
Owners of the company	856,576	221,278	287%
DISCONTINUED OPERATIONS			
Gains from disposal of subsidiary classified as held for sale	0	10,222	
Net loss / gain from discontinued operation	0	0	
PROFIT AFTER INCOME TAX FROM CONTINUING AND DISCONTINUED OPERATION	857,878	231,898	270%

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 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
Purchase of non-controlling interests	--	--	--	--	-535	-535
Increase due to business combinations	--	--	-1,321	--	--	-1,321
Share-based payment	--	--	2,211	--	--	2,211
Dividend	--	--	-120,248	--	--	-120,248
Correction due to ESOP	--	--	4,066	--	--	4,066
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

in HUF million	Share capital	Capital reserve	Retained earnings and reserves	Treasury shares	Non-controlling interest	Total
Balance as at 1 January 2023	28,000	52	3,395,163	-106,862	5,959	3,322,312
Profit after tax for the year	--	--	856,576	--	1,302	857,878
Other comprehensive income	--	--	-78,025	--	-1,987	-80,012
Purchase of non-controlling interests	--	--	--	--	-819	-819
Increase due to business combinations	--	--	--	--	3,461	3,461
Share-based payment	--	--	2,091	--	--	2,091
Dividend	--	--	-84,000	--	--	-84,000
Correction due to ESOP	--	--	3,836	--	--	3,836
Treasury shares	--	--	--	--	--	--
– sale	--	--	--	23,951	--	23,951
– loss on sale	--	--	-2,759	--	--	-2,759
– volume change	--	--	--	-39,198	--	-39,198
Balance as at 30 September 2023	28,000	52	4,092,882	-122,109	7,916	4,006,741

¹The deduction related to repurchased treasury shares (3Q 2023: HUF 122,109 million) includes the book value of OTP shares held by ESOP (3Q 2023: 12,206,117 shares).

OTP BANK SEPARATE IFRS STATEMENT OF CASH FLOWS

in HUF million	30/09/2023	30/09/2022	change
OPERATING ACTIVITIES			
Profit before income tax	501,451	-33,034	
Net accrued interest	2,685	-4,908	
Income tax paid	-19,964	-15,108	32%
Depreciation and amortization	36,899	34,458	7%
Loss allowance / (Release of loss allowance)	-15,748	236,348	
Share-based payment	2,091	2,211	-5%
Exchange rate gains on securities	9,685	34,109	-72%
Unrealised gains on fair value adjustment of financial instruments at fair value through profit or loss	-74,204	-12,486	494%
Unrealised losses on fair value adjustment of derivative financial instruments	-91,153	64,612	
Interest expense from leasing liabilities	1,413	-783	
Effect of currency revaluation	-6,381	53,483	
Result from the sale of property, plant and equipment and intangible assets	-1,221	-141	766%
Net change in assets and liabilities in operating activities	-632,756	633,173	
Net cash provided by operating activities	-287,203	991,935	
INVESTING ACTIVITIES			
Net cash used in investing activities	370,360	-654,294	
FINANCING ACTIVITIES			
Net cash provided by / (used in) financing activities	769,804	90,401	752%
Net decrease in cash and cash equivalents	852,962	428,042	99%
Cash and cash equivalents at the beginning of the year	351,770	375,642	-6%
Cash and cash equivalents at the end of the year	1,204,732	803,684	50%
Cash, amounts due from banks and balances with the National Bank of Hungary	1,092,198	474,945	130%
Cash and cash equivalents at the beginning of the year	1,092,198	474,945	130%
Cash, amounts due from banks and balances with the National Bank of Hungary	2,462,369	922,476	167%
Cash and cash equivalents at the end of the year	2,462,369	922,476	167%

CONSOLIDATED IFRS STATEMENT OF CASH FLOWS

in HUF million	30/09/2023	30/09/2022	change
OPERATING ACTIVITIES			
Profit after tax for the period	856,576	231,500	270%
Net changes in assets and liabilities in operating activities			
Income tax paid	-28,800	-54,796	-47%
Depreciation and amortization	90,369	82,853	9%
Goodwill impairment	0	67,715	
Loss allowance	70,473	196,621	-64%
Net accrued interest	15,365	64,934	-76%
Share-based payment	2,091	2,211	-5%
Unrealized exchange differences	41,192	52,032	-21%
Unrealized (gain) / losses on fair value adjustment of securities valued at fair value	-70,264	-84,240	-17%
Unrealised losses / (gains) on fair value adjustment of derivative financial instruments	-94,301	107,559	
Other changes in assets and liabilities in operating activities	-1,231,391	912,679	
Net change in assets and liabilities in operating activities	-348,690	1,579,068	
INVESTING ACTIVITIES			
Net cash used in investing activities	962,492	-1,171,308	
FINANCING ACTIVITIES			
Net cash used in financing activities	877,395	437,192	101%
Net increase (+) / decrease (-) of cash	1,491,197	844,952	76%
Cash and cash equivalents at the beginning of the year	2,597,688	1,701,564	53%
Cash and cash equivalents at the end of the year	4,088,885	2,546,516	61%

CONSOLIDATED SUBSIDIARIES AND ASSOCIATES

Name of the company		Initial capital/Equity (HUF)	Ownership Directly + indirectly (%)	Voting rights (%)	Classification ¹
1	OTP Real Estate Ltd.	1,100,000,000	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.	82,000,000,000	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 AD	BGN 1,328,659,920	99.92	99.92	L
13	POK DSK-Rodina AD	BGN 10,010,198	99.85	99.85	L
14	NIMO 2002 Ltd.	1,156,000,000	100.00	100.00	L
15	OTP Real Estate Investment Fund Management Ltd.	100,000,000	100.00	100.00	L
16	OTP Card Factory Ltd.	450,000,000	100.00	100.00	L
17	OTP Bank Romania S.A.	RON 2,279,253,360	100.00	100.00	L
18	DSK Asset Management EAD	BGN 1,000,000	100.00	100.00	L
19	OTP banka dioničko društvo	EUR 539,156,898	100.00	100.00	L
20	Air-Invest Ltd.	700,000,000	100.00	100.00	L
21	DSK Leasing AD	BGN 3,334,000	100.00	100.00	L
22	OTP Invest društvo s ograničenom odgovornošću za upravljanje fondovima	EUR 2,417,030	100.00	100.00	L
23	OTP Nekretnine d.o.o.	EUR 34,485,100	100.00	100.00	L
24	SPLC-P Ltd.	15,000,000	100.00	100.00	L
25	SPLC Ltd.	10,000,000	100.00	100.00	L
26	OTP Real Estate Leasing Ltd.	214,000,000	100.00	100.00	L
27	OTP Life Annuity Real Estate Investment Plc.	2,000,000,000	100.00	100.00	L
28	OTP Leasing d.d.	EUR 1,067,560	100.00	100.00	L
29	Joint-Stock Company OTP Bank	UAH 6,186,023,111	100.00	100.00	L
30	JSC "OTP Bank" (Russia)	RUB 2,797,887,853	97.92	97.92	L
31	Montenegrin Commercial Bank Shareholding Company, Podgorica Montenegro	EUR 181,875,221	100.00	100.00	L
32	OTP banka Srbija, joint-stock company, Novi Sad)	RSD 56,830,752,260	100.00	100.00	L
33	OTP Investments d.o.o. Novi Sad	RSD 203,783,061	100.00	100.00	L
34	OTP Leasing Romania IFN S.A.	RON 33,556,300	100.00	100.00	L
35	OTP Ingatlanpont Ltd.	7,500,000	100.00	100.00	L
36	OTP Hungaro-Projekt Ltd.	27,720,000	100.00	100.00	L
37	OTP Mérnöki Ltd.	3,000,000	100.00	100.00	L
38	OTP Ingatlanüzemeltető Ltd.	30,000,000	100.00	100.00	L
39	LLC AMC OTP Capital	UAH 10,000,000	100.00	100.00	L
40	CRESCO d.o.o.	EUR 5,170	100.00	100.00	L
41	LLC OTP Leasing	UAH 45,495,340	100.00	100.00	L
42	OTP Asset Management SAI S.A.	RON 5,795,323	100.00	100.00	L
43	OTP Financing Solutions	EUR 18,000	100.00	100.00	L
44	Velvin Ventures Ltd.	USD 50,000	100.00	100.00	L
45	OTP Factoring SRL	RON 600,405	100.00	100.00	L
46	OTP Factoring Ukraine LLC	UAH 6,227,380,554	100.00	100.00	L
47	OTP Insurance Broker EOOD	BGN 5,000	100.00	100.00	L
48	PortfoLion Venture Capital Fund Management Ltd.	39,500,000	100.00	100.00	L
49	SC Aloha Buzz SRL	RON 260,200	100.00	100.00	L
50	SC Favo Consultanta SRL	RON 10,200	100.00	100.00	L
51	SC Tezaur Cont SRL	RON 10,200	100.00	100.00	L
52	OTP Holding Ltd.	EUR 131,000	100.00	100.00	L
53	OTP Debt Collection d.o.o. Podgorica	EUR 49,000,001	100.00	100.00	L
54	OTP Factoring Serbia d.o.o.	RSD 782,902,282	100.00	100.00	L
55	MONICOMP Ltd.	203,000,000	100.00	100.00	L
56	CIL Babér Ltd.	71,890,330	100.00	100.00	L
57	Project 01 Consulting, s. r. o.	EUR 22,540,000	100.00	100.00	L
58	R.E. Four d.o.o., Novi Sad	RSD 1,983,643,761	100.00	100.00	L
59	OTP Financial point Ltd.	52,500,000	100.00	100.00	L
60	Bajor-Polár Center Real Estate Management Ltd.	30,000,000	100.00	100.00	L
61	OTP Mobile Service Ltd.	1,400,000,000	100.00	100.00	L
62	OTP Holding Malta Ltd.	EUR 104,950,000	100.00	100.00	L
63	OTP Financing Malta Ltd.	EUR 105,000,000	100.00	100.00	L
64	LLC MFO "OTP Finance"	RUB 6,533,000,000	100.00	100.00	L
65	OTP Travel Limited	27,000,000	100.00	100.00	L
66	OTP Ecosystem Limited Liability Company; OTP Ecosystem Llc.	281,100,000	100.00	100.00	L
67	DSK ventures EAD	BGN 250,000	100.00	100.00	L
68	OTP ESOP	141,900,342,191	0.00	0.00	L
69	PEVEC d.o.o. Beograd	RSD 812,844,640	100.00	100.00	L
70	PortfoLion Digital Kft.	101,000,000	100.00	100.00	L

SUMMARY OF THE FIRST NINE MONTHS 2023 RESULTS

Name of the company	Initial capital/Equity (HUF)	Ownership Directly + indirectly (%)	Voting rights (%)	Classification ¹
71 OTP Ingatlankezelő Korlátolt Felelősségű Társaság	50,000,000	100.00	100.00	L
72 MFM Project Investment and Development Ltd.	20,000,000	100.00	100.00	L
73 OTP Leasing d.o.o. Beograd	RSD 112,870,710	100.00	100.00	L
74 Venture Closed-End Non Diversified Mutual Investment Fund "OTP Solution"	UAH 43,347,201	100.00	100.00	L
75 OTP Services Ltd.	RSD 40,028	100.00	100.00	L
76 Club Hotel Füred Szálloda Kft.	90,000,000	100.00	100.00	L
77 DSK DOM EAD	BGN 100,000	100.00	100.00	L
78 ShiwaForce.com Inc.	114,107,000	92.30	92.30	L
79 OTP Leasing EOOD	BGN 4,100,000	100.00	100.00	L
80 Regional Urban Development Fund AD	BGN 250,000	52.00	52.00	L
81 Banka OTP Albania SHA	ALL 6,740,900,000	100.00	100.00	L
82 OTP Leasing Srbija d.o.o. Beograd	RSD 314,097,580	100.00	100.00	L
83 OTP Osiguranje AKCIONARSKO DRUŠTVO ZA	RSD 537,606,648	100.00	100.00	L
84 OTP Bank S.A.	MDL 100,000,000	98.26	98.26	L
85 SKB Banka d.d. Ljubljana	EUR 52,784,176	100.00	100.00	L
86 SKB Leasing d.o.o.	EUR 16,809,031	100.00	100.00	L
87 SKB Leasing Select d.o.o.	EUR 5,000,000	100.00	100.00	L
88 OTP Home Solutions Limited Liability Company	15,000,000	100.00	100.00	L
89 Georg d.o.o	EUR 3,000	76.00	76.00	L
90 Nova Kreditna Banka Maribor d.d.	EUR 150,000,000	100.00	100.00	L
91 ALEJA FINANCE, FINANCNE IN DRUGE STORITVE, D.O.O.	EUR 500,000	100.00	100.00	L
92 OTP Luxembourg S.à r.l.	EUR 2,711,440	100.00	100.00	L
93 Foglajjorvost Online Ltd	7,002,400	100.00	100.00	L
94 OD Ltd.	6,000,000	60.00	60.00	L
95 JN Parkoló Ltd.	10,000,000	100.00	100.00	L
96 JSCMB 'IPOTEKA BANK'	UZS 2,989,584,338,941	74.02	74.02	L
97 ILIRIKA DZU a.d. Belgrade	RSD 177,032,000	100.00	100.00	L
98 Balanz Real Estate Institute Fund	70,708,097,047	100.00	100.00	L
99 PortfoLion Zöld Fund	27,521,000,000	100.00	100.00	L
100 PortfoLion Digitális Magántőkealap I.	6,600,000,000	100.00	100.00	L
101 PortfoLion Regionális Fund	251,680,000	50.00	50.00	L
102 PortfoLion Regionális Fund II.	25,060,000,000	49.88	49.88	L
103 PortfoLion Partner Magántőke Alap	72,000,000,000	30.56	30.56	L
104 PortfoLion Digitális Magántőkealap II.	2,800,000,000	100.00	100.00	L
105 "Nemesszalóki Mezőgazdasági"Állattenyésztési, Növénytermesztési, Termelő és Szolgáltató Zrt.	924,124,000	100.00	100.00	L
106 ZA-Invest Béta Kft.	8,000,000	100.00	100.00	L
107 NAGISZ Mezőgazdasági Termelő és Szolgáltató Zártkörűen Működő Részvénytársaság	3,802,080,000	100.00	100.00	L
108 Nádudvari Élelmiszer Feldolgozó és Kereskedelmi Korlátolt Felelősségű Társaság	1,954,680,000	99.96	99.96	L
109 HAGE Ltd.	2,689,000,000	99.61	99.61	L
110 AFP Private Equity Invest Zártkörűen Működő Részvénytársaság	EUR 452,000	29.14	29.14	L
111 Mendota Invest, Nepremicninska druzba, d.o.o.	EUR 257,500	100.00	100.00	L
112 ZA-Invest Delta Ltd.	4,000,000	100.00	100.00	L
113 ZA-Invest Kappa Korlátolt Felelősségű Társaság	11,000,000	100.00	100.00	L
114 Aranykalász 1955. Ltd	55,560,000	75.00	100.00	L
115 AGROMAG-PLUSZ Ltd.	39,110,000	73.25	98.34	L
116 ARANYMEZŐ 2001. Ltd	3,000,000	75.00	100.00	L

¹ Full consolidated - L

Ownership structure of OTP Bank Plc.

Description of owner	Ownership share	Total equity				
		1 January 2023 Voting rights ¹	Quantity	30 September 2023 Voting rights ¹	Quantity	
Domestic institution/company	31.80%	31.84%	89,040,716	31.24%	31.30%	87,462,423
Foreign institution/company	50.05%	50.11%	140,129,576	53.67%	53.78%	150,266,882
Domestic individual	16.91%	16.93%	47,338,305	13.85%	13.88%	38,776,092
Foreign individual	0.52%	0.52%	1,464,494	0.35%	0.36%	992,340
Employees, senior officers	0.55%	0.55%	1,526,762	0.62%	0.62%	1,728,800
Treasury shares ²	0.13%	0.00%	354,144	0.22%	0.00%	602,180
Government held owner	0.05%	0.05%	139,946	0.05%	0.05%	139,036
International Development Institutions	0.00%	0.00%	3,183	0.01%	0.01%	28,603
Other ³	0.00%	0.00%	2,884	0.00%	0.00%	3,654
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 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 2023 ESOP owned 12,206,117 OTP shares.

³ Non-identified shareholders according to the shareholders' registry.

Number of treasury shares held in the year under review (2023)

	1 January	31 March	30 June	30 September	31 December
OTP Bank	354,144	1,107,117	585,596	602,180	
Subsidiaries	0	0	0	0	
TOTAL	354,144	1,107,117	585,596	602,180	

Shareholders with over/around 5% stake as at 30 September 2023

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%	8.59%	
Groupama Group	F/D	C	14,256,056	5.09%	5.10%	
Groupama Gan Vie SA	F	C	14,140,000	5.05%	5.06%	
Groupama Biztosító Ltd.	D	C	116,056	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 2023

Type ¹	Name	Position	Commencement date of the term	Expiration/termination of the term	Number of shares
IG	dr. Sándor Csányi ²	Chairman and CEO	15/05/1992	2026	394,745
IG	Tamás Erdei	Deputy Chairman	27/04/2012	2026	53,885
IG	Gabriella Balogh	member	16/04/2021	2026	17,793
IG	Mihály Baumstark	member	29/04/1999	2026	63,200
IG	Péter Csányi	member, Deputy CEO	16/04/2021	2026	25,939
IG	dr. István Gresá	member	27/04/2012	2026	192,458
IG	Antal Kovács ³	member	15/04/2016	2026	128,219
IG	György Nagy ⁴	member	16/04/2021	2026	44,400
IG	dr. Márton Gellért Vági	member	16/04/2021	2026	18,100
IG	dr. József Vörös	member	15/05/1992	2026	196,314
IG	László Wolf	member, Deputy CEO	15/04/2016	2026	545,217
FB	Tibor Tolnay	Chairman	15/05/1992	2026	54
FB	dr. Gábor Horváth	Deputy Chairman	19/05/1995	2026	0
FB	Klára Bella	member	12/04/2019	2026	0
FB	dr. Tamás Gudra	member	16/04/2021	2026	0
FB	András Michnai	member	25/04/2008	2026	100
FB	Olivier Péqueux	member	13/04/2018	2026	0
SP	András Becsei	Deputy CEO			7,199
SP	László Bencsik	Deputy CEO			15,462
SP	György Kiss-Haypál	Deputy CEO			15,160
SP	Imre Bertalan	MC member			0
SP	Dr. Bálint Csere	MC member			10,555
TOTAL No. of shares held by management					1,728,800

¹ Board Member (IG), Supervisory Board Member (FB), Employee in strategic position (SP)

² Number of OTP shares owned by Dr. Sándor Csányi, Chairman and CEO, directly or indirectly: 4,671,872.

³ Number of OTP shares owned by Antal Kovács, Member of Board of Directors, directly or indirectly: 132,519.

⁴ Number of OTP shares owned by György Nagy, Member of Board of Directors, directly or indirectly: 1,128,855.

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

a) Contingent liabilities

	30/09/2023	30/09/2022
Commitments to extend credit	4,891,354	4,660,902
Guarantees arising from banking activities	1,400,959	1,362,896
Confirmed letters of credit	85,823	79,528
Legal disputes (disputed value)	91,529	90,430
Other	822,128	638,842
TOTAL	7,291,793	6,832,598

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	10,123	10,277	10,433
Consolidated ²	35,880	35,976	41,210

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 01/10/2022 and 30/09/2023

Issuer	Type of security	Security name	Date of issue	Date of maturity	Ccy	Outstanding consolidated debt (in original currency or HUF million) 30/09/2023	Outstanding consolidated debt (in HUF million) 30/09/2023
OTP Mortgage Bank	Mortgage bond	OJB2032/A	20/09/2023	24/11/2032	HUF	0	0
OTP Bank Plc.	Retail bond	OTP HUF 2025/1	18/11/2022	18/11/2025	HUF	25,563	25,563
OTP Bank Plc.	Retail bond	OTP HUF 2026/1	22/12/2022	05/01/2026	HUF	10,228	10,228
OTP Bank Plc.	Retail bond	OTP HUF 2024/1	17/02/2023	17/02/2024	HUF	26,391	26,391
OTP Bank Plc.	Retail bond	OTP HUF 2024/2	10/03/2023	10/03/2024	HUF	23,311	23,311
OTP Bank Plc.	Retail bond	OTP HUF 2024/3	31/03/2023	31/03/2024	HUF	17,184	17,184
OTP Bank Plc.	Retail bond	OTP HUF 2024/4	21/04/2023	21/04/2024	HUF	14,890	14,890
OTP Bank Plc.	Retail bond	OTP HUF 2024/5	12/05/2023	12/05/2024	HUF	14,067	14,067
OTP Bank Plc.	Retail bond	OTP HUF 2024/6	02/06/2023	02/06/2024	HUF	16,931	16,931
OTP Bank Plc.	Retail bond	OTP HUF 2024/7	23/06/2023	23/06/2024	HUF	11,377	11,377
OTP Bank Plc.	Retail bond	OTP HUF 2025/2	30/06/2023	30/06/2025	HUF	5,116	5,116
OTP Bank Plc.	Retail bond	OTP HUF 2024/8	30/06/2023	30/06/2024	HUF	3,750	3,750
OTP Bank Plc.	Retail bond	OTP HUF 2024/9	28/07/2023	28/07/2024	HUF	4,184	4,184
OTP Bank Plc.	Retail bond	OTP HUF 2024/10	07/08/2023	07/08/2024	HUF	1,510	1,510
OTP Bank Plc.	Retail bond	OTP HUF 2024/11	01/09/2023	01/09/2024	HUF	2,676	2,676
OTP Bank Plc.	Retail bond	OTP HUF 2024/12	25/09/2023	25/09/2024	HUF	2,819	2,819
OTP Bank Plc.	Corporate bond	OTP DK HUF 2028/III	01/06/2023	31/05/2028	HUF	0	0
OTP Bank Plc.	Corporate bond	OTP DK HUF 2029/III	01/06/2023	31/05/2029	HUF	0	0
OTP Bank Plc.	Corporate bond	OTP DK HUF 2030/III	01/06/2023	31/05/2030	HUF	0	0
OTP Bank Plc.	Corporate bond	OTP DK HUF 2031/II	01/06/2023	31/05/2031	HUF	0	0
OTP Bank Plc.	Corporate bond	OTP DK HUF 2032/II	01/06/2023	31/05/2032	HUF	0	0
OTP Bank Plc.	Corporate bond	OTP DK HUF 2033/I	01/06/2023	31/05/2033	HUF	0	0
OTP Bank Plc.	Corporate bond	XS2560693181	01/12/2022	04/03/2026	EUR	649,265,000	254,025
OTP Bank Plc.	Corporate bond	XS2586007036	15/02/2023	15/05/2033	USD	647,633,000	238,821
OTP Bank Plc.	Corporate bond	XS2626773381	25/05/2023	25/05/2027	USD	499,403,000	184,160
OTP Bank Plc.	Corporate bond	XS2642536671	27/06/2023	27/06/2026	EUR	110,000,000	43,038
NKBM	Corporate bond	XS2639027346	29/06/2023	29/06/2026	EUR	400,000,000	156,500

Security redemptions on Group level between 01/10/2022 and 30/09/2023

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	OTPRF2022E	29/10/2012	31/10/2022	HUF	938	938
OTP Bank Plc.	Corporate bond	OTPRF2022F	28/12/2012	28/12/2022	HUF	773	773
OTP Bank Plc.	Corporate bond	OTPX2022C	29/10/2012	28/10/2022	HUF	166	166
OTP Bank Plc.	Corporate bond	OTPX2022D	28/12/2012	27/12/2022	HUF	238	238
OTP Bank Plc.	Corporate bond	OTPRF2023A	22/03/2013	24/03/2023	HUF	983	983
OTP Bank Plc.	Corporate bond	OTPX2023A	22/03/2013	24/03/2023	HUF	312	312
OTP Bank Plc.	Corporate bond	OTP DK HUF 2023/I	15/12/2018	31/05/2023	HUF	0	0
OTP Bank Plc.	Corporate bond	OTP DK HUF 2023/II	29/05/2020	31/05/2023	HUF	0	0
OTP Bank Plc.	Corporate bond	OTPX2023B	28/06/2013	26/06/2023	HUF	198	198

Security listed on the Budapest Stock Exchange between 01/01/2014 and 30/09/2023

Issuer	Type of security	Security name	Date of issue	Date of maturity	Ccy
OTP Bank Plc.	Retail bond	OTP EURO 1 2015/II	17/01/2014	31/01/2015	EURO
OTP Bank Plc.	Retail bond	OTP EURO 2 2016/I	17/01/2014	17/01/2016	EURO
OTP Bank Plc.	Retail bond	OTP EURO 1 2015/III	31/01/2014	14/02/2015	EURO
OTP Bank Plc.	Retail bond	OTP EURO 2 2016/II	31/01/2014	31/01/2016	EURO
OTP Bank Plc.	Retail bond	OTP EURO 1 2015/IV	14/02/2014	28/02/2015	EURO
OTP Bank Plc.	Retail bond	OTP EURO 2 2016/III	14/02/2014	14/02/2016	EURO
OTP Bank Plc.	Retail bond	OTP EURO 1 2015/V	28/02/2014	14/03/2015	EURO
OTP Bank Plc.	Retail bond	OTP EURO 2 2016/IV	28/02/2014	28/02/2016	EURO
OTP Bank Plc.	Retail bond	OTP EURO 1 2015/VI	14/03/2014	28/03/2015	EURO
OTP Bank Plc.	Retail bond	OTP EURO 2 2016/V	14/03/2014	14/03/2016	EURO
OTP Bank Plc.	Retail bond	OTP EURO 1 2015/VII	21/03/2014	04/04/2015	EURO
OTP Bank Plc.	Retail bond	OTP EURO 2 2016/VI	21/03/2014	21/03/2016	EURO
OTP Bank Plc.	Retail bond	OTP EURO 1 2015/VIII	11/04/2014	25/04/2015	EURO
OTP Bank Plc.	Retail bond	OTP EURO 2 2016/VII	11/04/2014	11/04/2016	EURO
OTP Bank Plc.	Retail bond	OTP EURO 1 2015/IX	18/04/2014	02/05/2015	EURO
OTP Bank Plc.	Retail bond	OTP EURO 2 2016/VIII	18/04/2014	18/04/2016	EURO
OTP Bank Plc.	Retail bond	OTP EURO 1 2015/X	09/05/2014	23/05/2015	EURO
OTP Bank Plc.	Retail bond	OTP EURO 2 2016/IX	09/05/2014	09/05/2016	EURO
OTP Bank Plc.	Retail bond	OTP EURO 1 2015/XI	23/05/2014	06/06/2015	EURO
OTP Bank Plc.	Retail bond	OTP EURO 2 2016/X	23/05/2014	23/05/2016	EURO
OTP Bank Plc.	Retail bond	OTP EURO 1 2015/XII	06/06/2014	20/06/2015	EURO
OTP Bank Plc.	Retail bond	OTP EURO 2 2016/XI	06/06/2014	06/06/2016	EURO
OTP Bank Plc.	Retail bond	OTP EURO 1 2015/XIII	20/06/2014	04/07/2015	EURO
OTP Bank Plc.	Retail bond	OTP EURO 2 2016/XII	20/06/2014	20/06/2016	EURO
OTP Bank Plc.	Retail bond	OTP EURO 1 2015/XIV	04/07/2014	18/07/2015	EURO
OTP Bank Plc.	Retail bond	OTP EURO 2 2016/XIII	04/07/2014	04/07/2016	EURO
OTP Bank Plc.	Retail bond	OTP EURO 1 2015/XV	18/07/2014	01/08/2015	EURO
OTP Bank Plc.	Retail bond	OTP EURO 2 2016/XIV	18/07/2014	18/07/2016	EURO
OTP Bank Plc.	Retail bond	OTP EURO 1 2015/XVI	30/07/2014	13/08/2015	EURO
OTP Bank Plc.	Retail bond	OTP EURO 2 2016/XV	30/07/2014	30/07/2016	EURO
OTP Bank Plc.	Retail bond	OTP EURO 1 2015/XVII	08/08/2014	22/08/2015	EURO
OTP Bank Plc.	Retail bond	OTP EURO 2 2016/XVI	08/08/2014	08/08/2016	EURO
OTP Bank Plc.	Retail bond	OTP EURO 1 2015/XVIII	29/08/2014	12/09/2015	EURO
OTP Bank Plc.	Retail bond	OTP EURO 2 2016/XVII	29/08/2014	29/08/2016	EURO
OTP Bank Plc.	Retail bond	OTP EURO 1 2015/XIX	12/09/2014	26/09/2015	EURO
OTP Bank Plc.	Retail bond	OTP EURO 2 2016/XVIII	12/09/2014	12/09/2016	EURO
OTP Bank Plc.	Retail bond	OTP EURO 1 2015/XX	03/10/2014	17/10/2015	EURO
OTP Bank Plc.	Retail bond	OTP EURO 2 2016/XIX	03/10/2014	03/10/2016	EURO
OTP Bank Plc.	Retail bond	OTP EURO 1 2015/XXI	22/10/2014	05/11/2015	EURO
OTP Bank Plc.	Retail bond	OTP EURO 1 2015/XXII	31/10/2014	14/11/2015	EURO
OTP Bank Plc.	Retail bond	OTP EURO 1 2015/XXIII	14/11/2014	28/11/2015	EURO
OTP Bank Plc.	Retail bond	OTP EURO 1 2015/XXIV	28/11/2014	12/12/2015	EURO
OTP Bank Plc.	Retail bond	OTP VK USD 2 2016/I	28/11/2014	28/11/2016	USD
OTP Bank Plc.	Retail bond	OTP EURO 1 2015/XXV	19/12/2014	02/01/2016	EURO
OTP Bank Plc.	Retail bond	OTP EURO 1 2015/XXVI	09/01/2015	23/01/2016	EURO
OTP Bank Plc.	Retail bond	OTP EURO 1 2016/I	30/01/2015	13/02/2016	EURO
OTP Bank Plc.	Retail bond	OTP EURO 1 2016/II	20/02/2015	06/03/2016	EURO
OTP Bank Plc.	Retail bond	OTP EURO 1 2016/III	20/03/2015	03/04/2016	EURO
OTP Bank Plc.	Retail bond	OTP VK USD 2 2017/I	10/04/2015	10/04/2017	USD
OTP Bank Plc.	Retail bond	OTP EURO 1 2016/IV	10/04/2015	24/04/2016	EURO
OTP Bank Plc.	Retail bond	OTP EURO 1 2016/V	24/04/2015	08/05/2016	EURO
OTP Bank Plc.	Retail bond	OTP VK USD 1 2016/I	24/04/2015	24/04/2016	USD
OTP Bank Plc.	Retail bond	OTP EURO 1 2016/VI	29/05/2015	12/06/2016	EURO
OTP Bank Plc.	Retail bond	OTP EURO 1 2016/VII	30/06/2015	14/07/2016	EURO
OTP Bank Plc.	Retail bond	OTP EURO 1 2016/VIII	24/07/2015	07/08/2016	EURO
OTP Bank Plc.	Retail bond	OTP VK USD 1 2016/II	24/07/2015	24/07/2016	USD
OTP Bank Plc.	Retail bond	OTP VK USD 1 2016/III	25/09/2015	25/09/2016	USD
OTP Bank Plc.	Retail bond	OTP EURO 1 2016/IX	25/09/2015	09/10/2016	EURO
OTP Bank Plc.	Retail bond	OTP EURO 1 2016/X	30/10/2015	13/11/2016	EURO
OTP Bank Plc.	Retail bond	OTP EURO 1 2016/XI	11/11/2015	25/11/2016	EURO
OTP Bank Plc.	Retail bond	OTP EURO 1 2016/XII	27/11/2015	11/12/2016	EURO
OTP Bank Plc.	Retail bond	OTP EURO 1 2016/XIII	30/12/2015	13/01/2017	EURO
OTP Bank Plc.	Retail bond	OTP VK USD 1 2017/I	29/01/2016	29/01/2017	USD
OTP Bank Plc.	Retail bond	OTP EURO 1 2017/I	29/01/2016	12/02/2017	EURO
OTP Bank Plc.	Retail bond	OTP EURO 1 2017/II	12/02/2016	26/02/2017	EURO
OTP Bank Plc.	Retail bond	OTP EURO 1 2017/III	26/02/2016	12/03/2017	EURO
OTP Bank Plc.	Retail bond	OTP VK USD 1 2017/II	18/03/2016	18/03/2017	USD
OTP Bank Plc.	Retail bond	OTP EURO 1 2017/IV	18/03/2016	01/04/2017	EURO
OTP Bank Plc.	Retail bond	OTP EURO 1 2017/V	15/04/2016	29/04/2017	EURO
OTP Bank Plc.	Retail bond	OTP VK USD 1 2017/III	27/05/2016	27/05/2017	USD
OTP Bank Plc.	Retail bond	OTP EURO 1 2017/VI	27/05/2016	10/06/2017	EURO
OTP Bank Plc.	Retail bond	OTP EURO 1 2017/VII	10/06/2016	24/06/2017	EURO
OTP Bank Plc.	Retail bond	OTP EURO 1 2017/VIII	01/07/2016	15/07/2017	EURO
OTP Bank Plc.	Retail bond	OTP EURO 1 2017/IX	10/08/2016	24/08/2017	EURO
OTP Bank Plc.	Retail bond	OTP VK USD 1 2017/IV	16/09/2016	16/09/2017	USD

SUMMARY OF THE FIRST NINE MONTHS 2023 RESULTS

Issuer	Type of security	Security name	Date of issue	Date of maturity	Ccy
OTP Bank Plc.	Retail bond	OTP EURO 1 2017/X	16/09/2016	30/09/2017	EURO
OTP Bank Plc.	Retail bond	OTP VK USD 1 2018/I	20/01/2017	20/01/2018	USD
OTP Mortgage Bank	Mortgage bond	OJB2021/I	15/02/2017	27/10/2021	HUF
OTP Mortgage Bank	Mortgage bond	OJB2020/III	23/02/2017	20/05/2020	HUF
OTP Mortgage Bank	Mortgage bond	OJB2022/I	24/02/2017	24/05/2022	HUF
OTP Bank Plc.	Retail bond	OTP VK USD 1 2018/II	03/03/2017	03/03/2018	USD
OTP Bank Plc.	Retail bond	OTP VK USD 1 2018/III	13/04/2017	13/04/2018	USD
OTP Bank Plc.	Retail bond	OTP VK USD 1 2018/IV	02/06/2017	02/06/2018	USD
OTP Bank Plc.	Retail bond	OTP VK USD 1 2018/V	14/07/2017	14/07/2018	USD
OTP Bank Plc.	Retail bond	OTP VK USD 1 2018/VI	04/08/2017	04/08/2018	USD
OTP Bank Plc.	Retail bond	OTP VK USD 1 2018/VII	29/09/2017	29/09/2018	USD
OTP Bank Plc.	Retail bond	OTP VK USD 1 2018/VIII	17/11/2017	17/11/2018	USD
OTP Bank Plc.	Retail bond	OTP VK USD 1 2018/IX	20/12/2017	20/12/2018	USD
OTP Bank Plc.	Retail bond	OTP VK USD 1 2019/I	16/02/2018	16/02/2019	USD
OTP Bank Plc.	Retail bond	OTP VK USD 1 2019/II	29/03/2018	29/03/2019	USD
OTP Mortgage Bank	Mortgage bond	OJB2023/I	05/04/2018	24/11/2023	HUF
OTP Bank Plc.	Retail bond	OTP VK USD 1 2019/III	18/05/2018	18/05/2019	USD
OTP Bank Plc.	Retail bond	OTP VK USD 1 2019/IV	28/06/2018	28/06/2019	USD
OTP Bank Plc.	Retail bond	OTP VK USD 1 2019/V	06/08/2018	06/08/2019	USD
OTP Mortgage Bank	Mortgage bond	OJB2024/A	17/09/2018	20/05/2024	HUF
OTP Mortgage Bank	Mortgage bond	OJB2024/B	18/09/2018	24/05/2024	HUF
OTP Bank Plc.	Retail bond	OTP VK USD 1 2019/VI	04/10/2018	04/10/2019	USD
OTP Mortgage Bank	Mortgage bond	OJB2024/II	10/10/2018	24/10/2024	HUF
OTP Bank Plc.	Retail bond	OTP VK USD 1 2019/VII	15/11/2018	15/11/2019	USD
OTP Bank Plc.	Corporate bond	OTP DK HUF 2019/II	15/12/2018	31/05/2019	HUF
OTP Bank Plc.	Corporate bond	OTP DK HUF 2020/I	15/12/2018	31/05/2020	HUF
OTP Bank Plc.	Corporate bond	OTP DK HUF 2021/I	15/12/2018	31/05/2021	HUF
OTP Bank Plc.	Corporate bond	OTP DK HUF 2022/I	15/12/2018	31/05/2022	HUF
OTP Bank Plc.	Corporate bond	OTP DK HUF 2023/I	15/12/2018	31/05/2023	HUF
OTP Bank Plc.	Retail bond	OTP VK USD 1 2019/VIII	20/12/2018	20/12/2019	USD
OTP Bank Plc.	Retail bond	OTP VK USD 1 2020/I	21/02/2019	21/02/2020	USD
OTP Bank Plc.	Retail bond	OTP VK USD 1 2020/II	04/04/2019	04/04/2020	USD
OTP Bank Plc.	Retail bond	OTP VK USD 1 2020/III	16/05/2019	16/05/2020	USD
OTP Bank Plc.	Corporate bond	OTP DK HUF 2024/I	30/05/2019	31/05/2024	HUF
OTP Bank Plc.	Corporate bond	OTP DK HUF 2025/I	30/05/2019	31/05/2025	HUF
OTP Bank Plc.	Retail bond	OTP VK USD 1 2020/IV	27/06/2019	27/06/2020	USD
OTP Bank Plc.	Retail bond	OTP VK USD 1 2020/V	15/08/2019	15/08/2020	USD
OTP Bank Plc.	Retail bond	OTP VK USD 1 2020/VI	26/09/2019	26/09/2020	USD
OTP Bank Plc.	Retail bond	OTP VK USD 1 2020/VII	07/11/2019	07/11/2020	USD
OTP Bank Plc.	Retail bond	OTP VK USD 1 2020/VIII	19/12/2019	19/12/2020	USD
OTP Mortgage Bank	Mortgage bond	OJB2025/II	03/02/2020	26/11/2025	HUF
OTP Bank Plc.	Retail bond	OTP VK USD 1 2021/I	20/02/2020	20/02/2021	USD
OTP Mortgage Bank	Mortgage bond	OJB2024/C	24/02/2020	24/10/2024	HUF
OTP Bank Plc.	Retail bond	OTP VK USD 1 2021/II	02/04/2020	02/04/2021	USD
OTP Bank Plc.	Retail bond	OTP VK USD 1 2021/III	14/05/2020	14/05/2021	USD
OTP Bank Plc.	Corporate bond	OTP DK HUF 2022/II	29/05/2020	31/05/2022	HUF
OTP Bank Plc.	Corporate bond	OTP DK HUF 2023/II	29/05/2020	31/05/2023	HUF
OTP Bank Plc.	Corporate bond	OTP DK HUF 2024/II	29/05/2020	31/05/2024	HUF
OTP Bank Plc.	Corporate bond	OTP DK HUF 2025/II	29/05/2020	31/05/2025	HUF
OTP Bank Plc.	Corporate bond	OTP DK HUF 2026/I	29/05/2020	31/05/2026	HUF
OTP Bank Plc.	Corporate bond	OTP DK HUF 2027/I	29/05/2020	31/05/2027	HUF
OTP Bank Plc.	Retail bond	OTP VK USD 1 2021/IV	18/06/2020	18/06/2021	USD
OTP Mortgage Bank	Mortgage bond	OJB2027/I	23/07/2020	27/10/2027	HUF
OTP Bank Plc.	Corporate bond	OTP DK HUF 2025/III	31/05/2021	31/05/2025	HUF
OTP Bank Plc.	Corporate bond	OTP DK HUF 2024/III	31/05/2021	31/05/2024	HUF
OTP Bank Plc.	Corporate bond	OTP DK HUF 2027/II	31/05/2021	31/05/2027	HUF
OTP Bank Plc.	Corporate bond	OTP DK HUF 2026/II	31/05/2021	31/05/2026	HUF
OTP Bank Plc.	Corporate bond	OTP DK HUF 2028/I	31/05/2021	31/05/2028	HUF
OTP Bank Plc.	Corporate bond	OTP DK HUF 2029/I	31/05/2021	31/05/2029	HUF
OTP Bank Plc.	Corporate bond	OTP DK HUF 2030/I	31/05/2021	31/05/2030	HUF
OTP Mortgage Bank	Mortgage bond	OJB2031/I	18/08/2021	22/10/2031	HUF
OTP Bank Plc.	Corporate bond	OTP DK HUF 2026/III	31/03/2022	31/05/2026	HUF
OTP Bank Plc.	Corporate bond	OTP DK HUF 2027/III	31/03/2022	31/05/2027	HUF
OTP Bank Plc.	Corporate bond	OTP DK HUF 2028/II	31/03/2022	31/05/2028	HUF
OTP Bank Plc.	Corporate bond	OTP DK HUF 2029/II	31/03/2022	31/05/2029	HUF
OTP Bank Plc.	Corporate bond	OTP DK HUF 2030/II	31/03/2022	31/05/2030	HUF
OTP Bank Plc.	Corporate bond	OTP DK HUF 2031/I	31/03/2022	31/05/2031	HUF
OTP Bank Plc.	Corporate bond	OTP DK HUF 2032/I	31/03/2022	31/05/2032	HUF
OTP Mortgage Bank	Mortgage bond	OJB2029/A	25/07/2022	24/05/2029	HUF
OTP Bank Plc.	Retail bond	OTP HUF 2025/1	18/11/2022	18/11/2025	HUF
OTP Bank Plc.	Retail bond	OTP HUF 2026/1	22/12/2022	05/01/2026	HUF
OTP Bank Plc.	Retail bond	OTP HUF 2024/1	17/02/2023	17/02/2024	HUF
OTP Bank Plc.	Retail bond	OTP HUF 2024/2	10/03/2023	10/03/2024	HUF
OTP Bank Plc.	Retail bond	OTP HUF 2024/3	31/03/2023	31/03/2024	HUF
OTP Bank Plc.	Retail bond	OTP HUF 2024/4	21/04/2023	21/04/2024	HUF
OTP Bank Plc.	Retail bond	OTP HUF 2024/5	12/05/2023	12/05/2024	HUF

Issuer	Type of security	Security name	Date of issue	Date of maturity	Ccy
OTP Bank Plc.	Corporate bond	OTP DK HUF 2028/III	01/06/2023	31/05/2028	HUF
OTP Bank Plc.	Corporate bond	OTP DK HUF 2029/III	01/06/2023	31/05/2029	HUF
OTP Bank Plc.	Corporate bond	OTP DK HUF 2030/III	01/06/2023	31/05/2030	HUF
OTP Bank Plc.	Corporate bond	OTP DK HUF 2031/II	01/06/2023	31/05/2031	HUF
OTP Bank Plc.	Corporate bond	OTP DK HUF 2032/II	01/06/2023	31/05/2032	HUF
OTP Bank Plc.	Corporate bond	OTP DK HUF 2033/I	01/06/2023	31/05/2033	HUF
OTP Bank Plc.	Retail bond	OTP HUF 2024/6	02/06/2023	02/06/2024	HUF
OTP Bank Plc.	Retail bond	OTP HUF 2024/7	23/06/2023	23/06/2024	HUF
OTP Bank Plc.	Retail bond	OTP HUF 2024/8	30/06/2023	30/06/2024	HUF
OTP Bank Plc.	Retail bond	OTP HUF 2025/2	30/06/2023	30/06/2025	HUF
OTP Bank Plc.	Retail bond	OTP HUF 2024/9	28/07/2023	28/07/2024	HUF
OTP Bank Plc.	Retail bond	OTP HUF 2024/10	07/08/2023	07/08/2024	HUF
OTP Bank Plc.	Retail bond	OTP HUF 2024/11	01/09/2023	01/09/2024	HUF
OTP Mortgage Bank	Mortgage bond	OJB2032/A	20/09/2023	24/11/2032	HUF
OTP Bank Plc.	Retail bond	OTP HUF 2024/12	25/09/2023	25/09/2024	HUF

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	9M 2022	9M 2023	Y-o-Y	3Q 2022	2Q 2023	3Q 2023	Q-o-Q	Y-o-Y
Total compensation for key management personnel	10,170	11,117	9%	3,310	3,631	4,162	15%	26%
Short-term employee benefits	7,438	8,390	13%	2,567	2,805	3,341	19%	30%
Share-based payment	1,856	2,012	8%	592	701	703	0%	19%
Other long-term employee benefits	851	715	-16%	149	119	124	4%	-17%
Termination benefits	24	0	-100%	1	0	0		-100%
Redundancy payments	1	0	-100%	1	6	-6	-200%	-700%
Loans to key management individuals and their close family members as well as to entities in which they have an interest	92,889	82,745	-11%	92,889	87,350	82,745	-5%	-11%
Credit lines of key management individuals and their close family members as well as entities in which they have an interest	28,293	46,166	63%	28,293	48,437	46,166	-5%	63%
Loans provided to unconsolidated subsidiaries	3,915	3,430	-12%	3,915	3,000	3,430	14%	-12%

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.) recommendation⁸**

Alternative performance measures name	Description	Calculation (data in HUF million)	Measures value	
			9M 2022	9M 2023
Leverage, consolidated ⁹	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 2023: $\frac{3,929,662.4}{42,388,056.8} = 9.3\%$ Example for 9M 2022: $\frac{3,620,662.2}{36,600,856.0} = 9.9\%$	9.9%	9.3%
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) $\geq 100\%$. 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 2023: $\frac{10,331,972.2}{7,026,504.1 - 2,406,809.2} = 223.7\%$ Example for 9M 2022: $\frac{7,152,720.2}{6,225,771.8 - 2,036,159.8} = 170.7\%$	170.7%	223.7%
ROE (accounting), consolidated	The return on equity ratio shall be calculated the consolidated accounting after-tax profit 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 after-tax profit 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 2023: $\frac{857,878.6 * 1.3}{3,497,219.2} = 32.8\%$ Example for 9M 2022: $\frac{231,897.5 * 1.3}{3,079,313.4} = 10.1\%$	10.1%	32.8%
ROE (adjusted), consolidated	The return on equity ratio shall be calculated the consolidated adjusted after-tax profit 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 after-tax profit for the given period (annualized for periods less than one year), the denominator is the average consolidated equity. Example for 9M 2023: $\frac{778,595.7 * 1.3}{3,497,219.2} = 29.8\%$ Example for 9M 2022: $\frac{439,126.2 * 1.3}{3,079,313.4} = 19.1\%$	19.1%	29.8%

⁸ 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.

⁹ Based on the prudential consolidation scope, which is different from the consolidation scope used in this report.

SUMMARY OF THE FIRST NINE MONTHS 2023 RESULTS

Alternative performance measures name	Description	Calculation (data in HUF million)	Measures value	
			9M 2022	9M 2023
ROA (adjusted), consolidated	The return on asset ratio shall be calculated the consolidated adjusted net profit 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 net profit 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 2023: $\frac{778,595.7 * 1.3}{36,365,074.6} = 2.9\%$ Example for 9M 2022: $\frac{439,126.2 * 1.3}{30,364,046.3} = 1.9\%$	1.9%	2.9%
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 2023: $\frac{920,508.9 * 1.3}{36,365,074.6} = 3.38\%$ Example for 9M 2022: $\frac{645,329.6 * 1.3}{30,364,046.3} = 2.84\%$	2.84%	3.38%
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 2023: $\frac{1,602,388.3 * 1.3}{36,365,074.6} = 5.89\%$ Example for 9M 2022: $\frac{1,205,424.3 * 1.3}{30,364,046.3} = 5.31\%$	5.31%	5.89%
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 2023: $\frac{1,034,650.1 * 1.3}{36,365,074.6} = 3.80\%$ Example for 9M 2022: $\frac{797,079.9 * 1.3}{30,364,046.3} = 3.51\%$	3.51%	3.80%
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 2023: $\frac{681,879.4 * 1.3}{36,365,074.6} = 2.51\%$ Example for 9M 2022: $\frac{560,094.7 * 1.3}{30,364,046.3} = 2.47\%$	2.47%	2.51%
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 2023: $\frac{681,879.4}{1,602,388.3} = 42.6\%$ Example for 9M 2022: $\frac{560,094.7}{1,205,424.3} = 46.5\%$	46.5%	42.6%

SUMMARY OF THE FIRST NINE MONTHS 2023 RESULTS

Alternative performance measures name	Description	Calculation (data in HUF million)	Measures value	
			9M 2022	9M 2023
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.	<p>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.)</p> <p>Example for 9M 2023: $\frac{5,429.9 * 1.3}{21,025,267.9} = 0.03\%$</p> <p>Example for 9M 2022: $\frac{101,512.3 * 1.3}{18,116,965.7} = 0.75\%$</p>	0.75%	0.03%
Total risk cost (adjusted)/ total asset ratio, consolidated	The indicator shows the amount of total risk cost relative to the balance sheet total.	<p>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.</p> <p>Example for 9M 2023: $\frac{2,970.4 * 1.3}{36,365,074.6} = 0.01\%$</p> <p>Example for 9M 2022: $\frac{136,688.1 * 1.3}{30,364,046.3} = 0.60\%$</p>	0.60%	0.01%
Effective tax rate (adjusted), consolidated	The indicator shows the amount of corporate income tax accounted on pre-tax profit.	<p>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.</p> <p>Example for 9M 2023: $\frac{138,942.8}{917,538.5} = 15.1\%$</p> <p>Example for 9M 2022: $\frac{69,515.2}{508,641.4} = 13.7\%$</p>	13.7%	15.1%
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.	<p>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).</p> <p>Example for 9M 2023: $\frac{21,533,502.7}{28,968,037.3 + 194,833.0} = 74\%$</p> <p>Example for 9M 2022: $\frac{18,081,775.6}{24,222,911.8 + 0.0} = 75\%$</p>	75%	74%

SUPPLEMENTARY DATA

CHANGE IN THE SCOPE OF CONSOLIDATION FOR THE CONSOLIDATED CAPITAL ADEQUACY RATIOS PRESENTED IN THE STOCK EXCHANGE REPORTS

According to the decision by the management, starting from 3Q 2023 the consolidated capital adequacy ratios for the actual period and retrospectively for the base periods presented in the Stock Exchange Reports will be based on the prudential scope of consolidation, i.e. in line with Capital Requirements Regulation (CRR).

OTP Bank Plc. reports its consolidated capital adequacy ratios to the National Bank of Hungary in charge of financial supervision based on the prudential scope of consolidation.

In previous periods the consolidated capital adequacy ratios based on the prudential scope of consolidation were

disclosed after the release of the Stock Exchange Reports, in the document titled *OTP Group Disclosure on consolidated basis* (2Q 2023: [link](#)).

In the previous Stock Exchange Reports the presented consolidated capital adequacy ratios were calculated based on the accounting scope of consolidation, in line with IFRS standards.

The below table shows the consolidated capital adequacy ratios (Basel 3, IFRS) from 1Q 2022 according to both prudential and accounting scope of consolidation.

According to PRUDENTIAL scope of consolidation (HUF million / %)	1Q 2022	2Q 2022	3Q 2022	4Q 2022	1Q 2023	2Q 2023	3Q 2023
Capital adequacy ratio	18.4%	18.4%	18.1%	17.8%	17.2%	17.9%	18.8%
Tier 1 ratio	16.9%	16.9%	16.7%	16.4%	14.8%	15.6%	16.4%
Common Equity Tier 1 ('CET1') capital ratio	16.9%	16.9%	16.7%	16.4%	14.8%	15.6%	16.4%
Own funds	3,217,591	3,635,663	3,922,723	3,671,104	3,767,588	4,076,508	4,489,776
o/w Tier1 Capital	2,950,935	3,347,375	3,620,662	3,383,161	3,242,569	3,551,485	3,929,662
o/w Common Equity Tier 1 capital	2,950,935	3,347,375	3,620,662	3,383,161	3,242,569	3,551,485	3,929,662
Consolidated risk weighted assets (RWA) (Credit & Market & Operational risk)	17,464,356	19,772,146	21,643,869	20,607,706	21,920,451	22,713,600	23,922,959
According to ACCOUNTING scope of consolidation (HUF million / %)	1Q 2022	2Q 2022	3Q 2022	4Q 2022	1Q 2023	2Q 2023	3Q 2023
Capital adequacy ratio	17.8%	17.9%	17.8%	17.5%	16.8%	17.5%	18.4%
Tier1 ratio	16.2%	16.4%	16.4%	16.1%	14.4%	15.2%	16.1%
Common Equity Tier 1 ('CET1') capital ratio	16.2%	16.4%	16.4%	16.1%	14.4%	15.2%	16.1%
Own funds	3,078,173	3,515,020	3,828,083	3,565,932	3,661,078	3,951,088	4,366,482
o/w Tier1 Capital	2,811,517	3,226,731	3,526,063	3,277,984	3,136,729	3,426,218	3,806,368
o/w Common Equity Tier 1 capital	2,811,517	3,226,731	3,526,063	3,277,984	3,136,729	3,426,218	3,806,368
Consolidated risk weighted assets (RWA) (Credit & Market & Operational risk)	17,324,682	19,629,309	21,497,011	20,405,328	21,795,586	22,551,166	23,714,042

FOOTNOTES OF THE TABLE 'CONSOLIDATED PROFIT AFTER TAX 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 profit after tax 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 Ecosystem Ltd. (previous name: OTP eBIZ Ltd., it was eliminated from 1Q 2023) was included from 1Q 2020; OTP OTP Home Solutions was included from 2Q 2021.

The consolidated results of these companies were segmented into OTP Core and Corporate Centre until the end of 2022. According to the new methodology applied from 1Q 2023, Corporate Centre is no longer carved out of OTP Core. In the affected tables of this report, the 2022 base periods were presented both under the old and the new segment definitions.

(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 SKB Banka d.d. Ljubljana, SKB Leasing d.o.o., SKB Leasing Select d.o.o. and from February 2023 Nova Kreditna Banka Maribor d.d. is included.

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

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

(7) The balance sheet of the newly acquired Alpha Bank Albania was included from July 2022, its statement of recognised income from August 2022. Alpha Bank Albania merged with OTP Bank Albania in December 2022.

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

(9) The balance sheet of Ipoteka Bank in Uzbekistan was consolidated from June 2023, whereas the adjusted profit of

Ipoteka Bank was recognized in the consolidated P&L from 3Q 2023.

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

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

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

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

(14) LLC AMC OTP Capital, OTP Asset Management SAI S.A. (Romania), DSK Asset Management EAD (Bulgaria), ILIRIKA DZU a.d. Belgrade (Serbia).

(15) Velvin Ventures Ltd. (Belize), SC Aloha Buzz SRL, SC Favo Consultanta SRL, SC Tezaur Cont SRL (Romania), OTP Osiguranje d.d. (Serbia), OTP Solution Fund (Ukraine), Mendota Invest d.o.o. (Slovenia).

(16) Until the end of 2022 Corporate Centre acted 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, OTP Flat Lease Ltd, OTP Fund Management Ltd, OTP Real Estate Fund Management Ltd, OTP Life Annuity Ltd; foreigners: banks, leasing companies, factoring companies.

Starting from 2023 Corporate Centre is no longer carved out of OTP Core. In the affected tables of this report, the 2022 base periods were presented both under the old and the new segment definitions.

(17) The profit after tax of the Hungarian operation lines include the profit after tax or adjusted profit after tax of the Hungarian subsidiaries and Corporate Centre, as well as the eliminations allocated onto these entities.

(18) The profit after tax of the Foreign operation lines include the profit after tax or adjusted profit after tax of the Foreign subsidiaries, as well as the eliminations allocated onto these entities.

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 BALANCE SHEET AND P&L DYNAMICS

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 interest rate cap for certain loans in Hungary and Serbia, the effect of the winding up of Sberbank Hungary, the effect of acquisitions, the result of the treasury share swap agreement, and the impairments on Russian government bonds at OTP Core and DSK Bank booked from 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. 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 on loan losses* line.
- 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.
- 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.)* line. The change in the net asset value of the private equity funds managed by PortfoLion was reclassified to the *Net other non-interest result (adj.)* 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.
- The financial transaction tax paid in Hungary is reclassified from other (administrative) expenses to net fee and commission income in the adjusted P&L structure.
- 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 expected one-off effect of the interest rate cap for certain loans in Hungary and Serbia* line contains the expected effect of the Hungarian rate cap in the second half of 2022 and full-year 2023, and the expected effect of the Serbian rate cap effective from October 2023 until the end of 2024. The expected effect of the Hungarian rate cap effective in 1H 2022 was presented 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 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.
- Starting from 2Q 2023 and applied also for the base periods, in the *Consolidated financial highlights and share data* table the *Book Value Per Share* and the *Tangible Book Value Per Share*, as well as indicators derived from these are calculated based on the consolidated diluted share count used for EPS calculation.

- 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.
 - The *FX-adjusted* changes of certain consolidated or sub-consolidated P&L lines in HUF terms may be 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:**
- In the adjusted balance sheet, net customer loans include the stock of loans at amortized cost, loans mandatorily at fair value through profit or loss, and finance lease receivables.
 - In the adjusted balance sheets presented in the analytical section of the report, until the end of 2022 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 had an impact on the consolidated gross customer loans and allowances for loan losses. Starting from 2023 this adjustment is no longer applied.

ADJUSTMENTS OF CONSOLIDATED IFRS P&L LINES

in HUF million	1Q 22	2Q 22	3Q 22	9M 22	4Q 22 Audited	2022 Audited	1Q 23	2Q 23	3Q 23	9M 23
Net interest income	240,794	264,479	290,478	795,751	295,562	1,091,314	310,098	339,082	384,859	1,034,040
(+) Presentation of the revaluation result of intra-group swaps on the net interest income line realized at the Romanian operation	552	831	-65	1,318	716	2,034	0	0	0	0
(-) Netting of interest revenues on Stage 3 loans with the related provision (booked on the Provision for loan losses line)	2,679	205	1,053	3,937	1,398	5,335	-	-	-	-
(-) Effect of acquisitions	-728	-731	-783	-2,243	-937	-3,179	-1,297	-1,073	3,936	1,566
(-) Reclassification due to the introduction of IFRS16	-383	-580	-741	-1,704	-682	-2,386	-669	-653	-855	-2,176
Net interest income (adj.)	239,779	266,417	290,884	797,080	296,499	1,093,579	312,064	340,808	381,778	1,034,650
Net fees and commissions	127,595	137,856	164,671	430,122	170,239	600,361	149,915	174,828	189,397	514,140
(+) Financial Transaction Tax	-21,465	-19,153	-23,174	-63,793	-25,958	-89,751	-25,899	-23,827	-23,955	-73,681
(-) Effect of acquisitions	-1	0	-1	-2	0	-2	-7	-2	9	1
(-) Structural shift of income from currency exchange from net fees to the FX result	20,406	22,911	35,423	78,740	34,754	113,494	20,796	33,322	40,261	94,378
Net fees and commissions (adj.)	85,725	95,792	106,075	287,591	109,527	397,118	103,227	117,681	125,172	346,080
Foreign exchange result	11,910	-10,959	-16,761	-15,810	821	-14,989	30,109	10,741	-47,819	-6,968
(-) Presentation of the revaluation result of intra-group swaps on the net interest income line realized at the Romanian operations	5,571	-6,110	-1,965	-2,504	10,322	7,818	0	0	0	0
(-) Effect of acquisitions	2	-5	-1	-4	0	-4	0	-1	-209	-210
(+) Structural shift of income from currency exchange from net fees to the FX result	20,406	22,911	35,423	78,740	34,754	113,494	20,796	33,322	40,261	94,378
Foreign exchange result (adj.)	26,743	18,067	20,628	65,438	25,253	90,691	50,905	44,064	-7,349	87,620
Gain/loss on securities, net	-5,744	-2,116	1,012	-6,848	2,360	-4,488	7,317	11,539	-9,056	9,800
(-) Effect of acquisitions	-91	-466	0	-556	0	-556	-220	0	-905	-1,125
(-) Revaluation result of the treasury share swap agreement	-9,343	-26	-717	-10,086	83	-10,002	-22	7,120	-10,877	-3,779
(+) Structural adjustment due to the Gain from derecognition of financial assets at amortized cost line (against Gain/loss on securities, net)	41	0	-2,923	-2,882	-1,754	-4,636	-7,761	4	-2,767	-10,523
(+) Shifting of the <i>Gains and losses on non-trading securities mandatorily at fair value through profit or loss</i> line from the <i>Net other non-interest income</i> to the <i>Gains or losses from securities</i> line	400	-1,229	-575	-1,404	1,549	145	1,668	1,482	770	3,919
Gain/loss on securities, net (adj.)	4,131	-2,855	-1,769	-493	2,072	1,579	1,466	5,906	728	8,101
Gains and losses on real estate transactions	701	891	1,458	3,050	2,219	5,269	899	3,118	1,065	5,082
Result of discontinued operation and gains from disposal of subsidiaries classified as held for sale (adjusted)	986	0	9,236	10,222	1,222	11,444	0	0	0	0
(+) Other non-interest income	18,288	25,184	34,371	77,844	40,934	118,777	141,373	147,899	16,256	305,528
(+) Net results on derivative instruments and hedge relationships	-8,586	7,516	23,012	21,942	-11,384	10,558	-28,673	-12,347	55,909	14,889
(+) Net insurance result	165	440	391	996	373	1,370	334	480	513	1,327
(+) Losses on loans measured mandatorily at fair value through other comprehensive income and on securities at amortized cost	636	4,320	-12,651	-7,695	3,532	-4,164	6,225	37,618	23,573	67,415
(-) Shifting of the <i>Gains and losses on non-trading securities mandatorily at fair value through profit or loss</i> line from the <i>Net other non-interest income</i> to the <i>Gains or losses from securities</i> line	400	-1,229	-575	-1,404	1,549	145	1,668	1,482	770	3,919
(-) Received cash transfers	83	-6	-14	64	383	447	73	49	290	413
(+) Other other non-interest expenses	-12,266	-16,394	-18,154	-46,814	-26,155	-72,969	-18,046	-11,442	-18,744	-48,233
(+) 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	401	603	2,298	3,301	-2,461	840	492	711	2,507	3,710
(-) Effect of acquisitions	0	0	3,348	3,348	-80	3,268	99,458	124,906	-17,613	206,752
(-) Presentation of the revaluation result of intra-group swaps on the net interest income line realized at the Romanian operation	-5,018	6,941	1,900	3,823	-9,606	-5,783	0	0	0	0
(-) One-off impact of the CHF mortgage loan conversion programme and regulatory changes related to mortgage loans in Romania	-279	-130	-93	-501	-89	-591	0	0	0	0
(-) 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	-76	-65	-45	-186	-89	-275	0	0	0	0
(-) Expected one-off negative effect of the debt repayment moratorium in Hungary and Serbia	0	0	0	0	-5	-5	0	0	0	0
(+) Shifting of the costs of mediated services at Merkantil Bérlét Ltd. to the net other non-interest result line	-393	-531	-629	-1,553	-293	-1,846	-427	-473	-557	-1,457
(+) Structural adjustment due to the Gain from derecognition of financial assets at amortized cost line (against Net other non-interest result)			-342	-342	-150	-492	-94	-130	401	177
(-) Expected one-off effect of the interest rate cap for certain loans in Hungary and Serbia					-2,022	-2,022	0	0	0	0
(-) Effect of the winding up of Sberbank Hungary (recovery leg)							11,416	0	0	11,416
Net other non-interest result (adj.)	4,822	16,518	34,468	55,808	17,796	73,604	-10,533	38,995	97,475	125,938

SUMMARY OF THE FIRST NINE MONTHS 2023 RESULTS

in HUF million	1Q 22	2Q 22	3Q 22	9M 22	4Q 22 Audited	2022 Audited	1Q 23	2Q 23	3Q 23	9M 23
Gain from derecognition of financial assets at amortized cost	949	1,030	-2,685	-706	-948	-1,655	-6,442	7,010	-2,855	-2,287
(-) Structural adjustment due to the Gain from derecognition of financial assets at amortized cost line (against Gain/loss on securities, net)	41	0	-2,923	-2,882	-1,754	-4,636	-7,761	4	-2,767	-10,523
(-) Structural adjustment due to the Gain from derecognition of financial assets at amortized cost line (against Provision for impairment on loan losses)	908	1,030	580	2,517	955	3,473	1,412	7,136	-489	8,059
(-) Structural adjustment due to the Gain from derecognition of financial assets at amortized cost line (against Net other non-interest result)			-342	-342	-150	-492	-94	-130	401	177
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	-72,680	-15,908	-37,032	-125,620	-30,060	-155,680	-17,300	-42,943	-4,278	-64,520
(+) Modification gains or losses	-15	-13,059	-2,179	-15,253	-24,744	-39,997	298	-19,584	-9,780	-29,066
(+) Change in the fair value attributable to changes in the credit risk of loans mandatorily measured at fair value through profit of loss	13,758	1,229	-1,869	13,118	228	13,346	76	-1,577	63	-1,438
(+) Loss allowance on securities at fair value through other comprehensive income and on securities at amortized cost	-43,123	-6,087	-8,027	-57,238	-3,537	-60,775	-1,499	6,631	3,215	8,348
(+) Provision for commitments and guarantees given	-3,734	-2,200	6,428	494	-6,639	-6,145	-2,997	2,515	5,616	5,133
(+) Impairment of assets subject to operating lease and of investment properties	26	40	74	140	-1,345	-1,205	4	2	1,387	1,393
(-) One-off impact of the CHF mortgage loan conversion programme and regulatory changes related to mortgage loans in Romania	96	55	4	155	-17	138	0	0	0	0
(+) Netting of interest revenues on Stage 3 loans with the related provision (booked on the Provision for loan losses line)	2,679	205	1,053	3,937	1,398	5,335	-	-	-	-
(-) Effect of acquisitions	0	0	-3,407	-3,407	-86	-3,493	-11,813	-40,060	0	-51,873
(-) Structural correction between Provision for loan losses and Other provisions	-43,097	-6,047	-7,953	-57,097	-4,882	-61,979	-1,495	6,633	4,602	9,740
(-) Expected one-off negative effect of the debt repayment moratorium in Hungary and Serbia	6	-522	-2,184	-2,700	-2,117	-4,816	0	0	0	0
(+) Structural adjustment due to the <i>Gain from derecognition of financial assets at amortized cost</i> line (against <i>Provision for impairment on loan losses</i>)	908	1,030	580	2,517	955	3,473	1,412	7,136	-489	8,059
(-) Shifting of provision for impairment on placement losses to the other provisions line from 1Q 2022	-1,023	-1,031	-144	-2,199	1,937	-261	-887	2,181	1,974	3,268
(-) Expected one-off effect of the interest rate cap for certain loans in Hungary and Serbia		-11,144	0	-11,144	-24,861	-36,005	232	-19,601	-8,429	-27,797
Provision for impairment on loan losses (adj.)	-58,164	-16,060	-27,288	-101,512	-33,719	-135,231	-6,044	3,027	-2,414	-5,430
Profit from associates	462	794	15,462	16,718	-2,078	14,641	598	1,147	16,880	18,625
(+) Received cash transfers	83	-6	-14	64	383	447	73	49	290	413
(+) Paid cash transfers	-3,564	-5,483	-5,140	-14,187	-3,522	-17,709	-14,257	-206	-357	-14,819
(-) Sponsorships, subsidies and cash transfers to public benefit organisations	-3,451	-5,456	-5,137	-14,044	-3,475	-17,519	-14,234	-164	-274	-14,672
(-) Dividend income of swap counterparty shares kept under the treasury share swap agreement	0	0	12,130	12,130	0	12,130	0	0	14,200	14,200
(-) 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	401	603	2,298	3,301	-2,461	840	492	711	2,507	3,710
After tax dividends and net cash transfers	31	159	1,018	1,208	719	1,927	157	443	380	980
Depreciation	-91,354	-26,832	-28,427	-146,613	-28,691	-175,303	-29,113	-28,072	-29,359	-86,544
(-) Goodwill impairment charges	-67,715	0	0	-67,715	0	-67,715	0	0	0	0
(-) Effect of acquisitions	-1,252	-1,227	-1,222	-3,701	-1,216	-4,917	-1,127	-1,045	-1,503	-3,675
(-) Reclassification due to the introduction of IFRS16	-4,090	-4,485	-4,783	-13,358	-4,650	-18,008	-4,657	-4,566	-3,928	-13,151
(+) Structural shift of right of use asset depreciation between other non-interest expenses and depreciation line							-145	-111	96	-161
Depreciation (adj.)	-18,297	-21,119	-22,422	-61,838	-22,825	-84,663	-23,475	-22,571	-23,832	-69,879
Personnel expenses	-84,061	-90,691	-104,596	-279,348	-123,215	-402,563	-108,236	-120,733	-124,561	-353,530
(-) Effect of acquisitions	-232	-219	-340	-792	-468	-1,259	-528	-715	-452	-1,694
(-) Shifting of the support granted to the Special Employee Partial Ownership Plan Organizations booked within the Personnel expenses to the Other non-interest expenses line					-5,000	-5,000	0	0	0	0
Personnel expenses (adj.)	-83,830	-90,471	-104,256	-278,556	-117,747	-396,304	-107,708	-120,019	-124,109	-351,836

SUMMARY OF THE FIRST NINE MONTHS 2023 RESULTS

in HUF million	1Q 22	2Q 22	3Q 22	9M 22	4Q 22 Audited	2022 Audited	1Q 23	2Q 23	3Q 23	9M 23
Income taxes	-9,952	-4,542	-20,418	-34,912	-24,340	-59,252	-24,556	-46,370	-49,236	-120,161
(-) Corporate tax impact of goodwill/investment impairment charges	11,435	0	1,765	13,200	-4,740	8,461	0	-518	0	-518
(-) Corporate tax impact of the special tax on financial institutions	1,902	6,713	7	8,622	-3,166	5,456	8,611	-2,532	0	6,079
(+) Tax deductible transfers (offset against corporate taxes)	-1,669	-193	-4,431	-6,292	-8,187	-14,479	0	-62	0	-62
(-) Corporate tax impact of the effect of acquisitions	192	312	-262	242	302	543	3,433	6,231	1,177	10,841
(-) Corporate tax impact of the expected one-off negative effect of the debt repayment moratorium in Hungary and Serbia	-1	177	69	246	-2	244	0	0	0	0
(-) Corporate tax impact of the result of the treasury share swap agreement	841	2	65	908	-8	900	2	-641	979	340
(-) Corporate tax impact of the impairments on Russian government bonds booked at OTP Core and DSK Bank from 2022	3,465	55	-486	3,033	460	3,494	0	0	0	0
(-) Corporate tax impact of the winding up of Sberbank Hungary (contribution to the Deposit Protection Fund)		248	809	1,057	-30	1,027	-1,027	0	0	-1,027
(-) Corporate tax impact of the expected one-off effect of the interest rate cap for certain loans in Hungary and Serbia		1,003	0	1,003	2,615	3,618	-31	1,768	1,267	3,004
Corporate income tax (adj.)	-29,454	-13,246	-26,815	-69,515	-27,960	-97,475	-35,544	-50,740	-52,659	-138,943
Other operating expense	-25,896	-37,032	-30,736	-93,665	-35,120	-128,785	-36,587	-17,827	-35,040	-89,454
(-) Other costs and expenses	-1,547	-4,403	-11,726	-17,676	397	-17,279	-1,340	-1,039	-2,224	-4,602
(-) Other non-interest expenses	-15,831	-21,877	-23,294	-61,002	-29,676	-90,678	-32,303	-11,648	-19,101	-63,052
(-) Effect of acquisitions	0	0	-190	-190	-1,151	-1,341	-1,945	-2,442	-6,058	-10,444
(-) One-off impact of the CHF mortgage loan conversion programme and regulatory changes related to mortgage loans in Romania	182	75	89	347	106	453	0	0	0	0
(-) 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	76	65	45	186	89	275	0	0	0	0
(+) Structural correction between <i>Provision for loan losses</i> and <i>Other provisions</i>	-43,097	-6,047	-7,953	-57,097	-4,882	-61,979	-1,495	6,633	4,602	9,740
(-) Expected one-off negative effect of the debt repayment moratorium in Hungary and Serbia	0	-1,448	1,419	-29	2,133	2,104	0	0	0	0
(-) Impairments on Russian government bonds booked at OTP Core and DSK Bank from 2022	-37,989	-569	-275	-38,834	565	-38,268	0	0	0	0
(+) Shifting of provision for impairment on placement losses to the other provisions line from 1Q 2022	-1,023	-1,031	-144	-2,199	1,937	-261	-887	2,181	1,974	3,268
(-) Shifting of certain expenses arising from mediated services from other provisions to the other non-interest expenses line	-183	-178	-228	-588	-294	-882	-345	-288	-341	-975
(-) Expected one-off effect of the interest rate cap for certain loans in Hungary and Serbia					-2,175	-2,175	118	-41	92	169
Other provisions (adj.)	-14,726	-15,776	-4,675	-35,176	-8,058	-43,234	-3,154	6,446	-832	2,460
Other general expenses	-104,529	-158,296	-91,966	-354,792	-110,206	-464,998	-197,079	-71,108	-105,685	-373,872
(+) Other costs and expenses	-1,547	-4,403	-11,726	-17,676	397	-17,279	-1,340	-1,039	-2,224	-4,602
(+) Other non-interest expenses	-15,831	-21,877	-23,294	-61,002	-29,676	-90,678	-32,303	-11,648	-19,101	-63,052
(-) Paid cash transfers	-3,564	-5,483	-5,140	-14,187	-3,522	-17,709	-14,257	-206	-357	-14,819
(+) Film subsidies and cash transfers to public benefit organisations	-3,451	-5,456	-5,137	-14,044	-3,475	-17,519	-14,234	-164	-274	-14,672
(-) Other other non-interest expenses	-12,266	-16,394	-18,154	-46,814	-26,155	-72,969	-18,046	-11,442	-18,744	-48,233
(-) Special tax on financial institutions (recognised as other administrative expenses)	-22,128	-74,588	-86	-96,802	-7	-96,808	-96,742	28,127	-8	-68,622
(-) Tax deductible transfers (offset against corporate taxes)	-1,669	-193	-4,431	-6,292	-8,187	-14,479	0	-62	0	-62
(-) Financial Transaction Tax	-21,465	-19,153	-23,174	-63,793	-25,958	-89,751	-25,899	-23,827	-23,955	-73,681
(-) Effect of acquisitions	-420	-1,039	-813	-2,271	-2,383	-4,654	-1,025	-1,814	-2,460	-5,299
(+) Reclassification due to the introduction of IFRS16	-4,473	-5,065	-5,524	-15,063	-5,332	-20,395	-5,326	-5,219	-4,783	-15,327
(-) Expected one-off negative effect of the debt repayment moratorium in Hungary and Serbia	-3	0	-2	-5	5	0	0	0	0	0
(-) Shifting of the costs of mediated services at Merkantil Bérlet Ltd. to the net other non-interest result line	-393	-531	-629	-1,553	-293	-1,846	-427	-473	-557	-1,457
(+) Shifting of certain expenses arising from mediated services from other provisions to the other non-interest expenses line	-183	-178	-228	-588	-294	-882	-345	-288	-341	-975
(-) Effect of the winding up of Sberbank Hungary (contribution to the Deposit Protection Fund)		-2,756	-8,992	-11,747	331	-11,416	0	0	0	0
(+) Shifting of the support granted to the Special Employee Partial Ownership Plan Organizations booked within the Personnel expenses to the Other non-interest expenses line					-5,000	-5,000	0	0	0	0
(-) Structural shift of right of use asset depreciation between other non-interest expenses and depreciation line							-145	-111	96	-161
Other non-interest expenses (adj.)	-68,105	-75,140	-76,455	-219,700	-87,417	-307,117	-94,085	-79,658	-86,422	-260,165

ADJUSTMENTS OF CONSOLIDATED IFRS BALANCE SHEET LINES

in HUF million	1Q 2022	2Q 2022	3Q 2022	4Q 2022	1Q 2023	2Q 2023	3Q 2023
Gross customer loans (incl. finance lease receivables and accrued interest receivables related to loans)	17,023,639	19,031,165	20,682,060	19,690,287	20,850,594	21,563,617	22,554,157
(-) Accrued interest receivables related to Stage 3 loans	38,045	42,983	47,410	46,730	-	-	-
Gross customer loans (adjusted)	16,985,594	18,988,181	20,634,650	19,643,558	20,850,594	21,563,617	22,554,157
Allowances for loan losses (incl. impairment of finance lease receivables)	-969,797	-1,145,091	-1,202,235	-1,049,663	-998,098	-987,532	-1,020,654
(-) Allocated provision on accrued interest receivables related to Stage 3 loans	-38,045	-42,983	-47,410	-46,730	-	-	-
Allowances for loan losses (adjusted)	-931,752	-1,102,107	-1,154,824	-1,002,933	-998,098	-987,532	-1,020,654



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