



OTP BANK PLC

***CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
FOR THE SIX-MONTH PERIOD ENDED
30 JUNE 2024***

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OTP BANK PLC
CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED) AS AT 30 JUNE
2024
(in HUF mn)

	Note	30/06/2024	31/12/2023	30/06/2023
Cash, amounts due from banks and balances with the National Banks	2.	6,188,609	7,125,049	5,582,622
Placements with other banks	3.	1,733,546	1,566,998	1,305,309
Repo receivables	4.	351,106	223,884	164,830
Financial assets at fair value through profit or loss	5.	330,541	288,885	474,947
Securities at fair value through other comprehensive income	6.	1,587,552	1,601,461	1,853,511
Securities at amortized cost	7.	7,204,766	5,249,272	5,370,001
Loans at amortized cost	8.	19,008,243	17,676,533	17,973,435
Loans mandatorily at fair value through profit or loss	8.	1,454,589	1,400,485	1,302,501
Finance lease receivables		1,435,694	1,289,712	1,300,149
Associates and other investments		105,427	96,110	88,140
Property and equipment		551,931	523,124	493,644
Intangible assets and goodwill		307,968	291,358	247,005
Right-of-use assets		83,815	74,698	58,174
Investment properties		56,890	53,381	46,337
Derivative financial assets designated as hedge accounting		25,608	41,967	49,758
Deferred tax assets	23.	52,849	55,691	64,267
Current income tax receivables	23.	15,391	7,773	11,459
Other assets		506,379	509,430	480,571
Assets classified as held for sale	31.	<u>1,522,700</u>	<u>1,533,333</u>	-
TOTAL ASSETS		<u>42,523,604</u>	<u>39,609,144</u>	<u>36,866,660</u>
Amounts due to banks, the National Governments, deposits from the National Banks and other banks	9.	2,088,740	1,940,862	2,102,778
Repo liabilities	10.	232,637	126,237	565,949
Financial liabilities designated at fair value through profit or loss	11.	70,217	70,707	59,923
Deposits from customers	12.	29,968,256	28,332,431	26,903,982
Liabilities from issued securities	13.	2,580,402	2,095,548	1,727,388
Derivative financial liabilities held for trading		86,030	140,488	269,573
Derivative financial liabilities designated as hedge accounting		41,748	63,899	21,156
Leasing liabilities		83,134	76,313	60,373
Deferred tax liabilities	23.	28,985	28,663	34,810
Current income tax payable	23.	51,248	69,948	34,747
Provisions	14.	119,949	121,119	129,741
Other liabilities		918,002	745,820	807,857
Subordinated bonds and loans	15.	586,216	562,396	552,883
Liabilities directly associated with assets classified as held for sale	31.	<u>1,119,898</u>	<u>1,139,920</u>	-
TOTAL LIABILITIES		<u>37,975,462</u>	<u>35,514,351</u>	<u>33,271,160</u>
Share capital	16.	28,000	28,000	28,000
Retained earnings and reserves	17.	4,686,409	4,179,322	3,684,014
Treasury shares		<u>(175,710)</u>	<u>(120,489)</u>	<u>(125,907)</u>
Total equity attributable to the parent		<u>4,538,699</u>	<u>4,086,833</u>	<u>3,586,107</u>
Total equity attributable to non-controlling interest		<u>9,443</u>	<u>7,960</u>	<u>9,393</u>
TOTAL SHAREHOLDERS' EQUITY		<u>4,548,142</u>	<u>4,094,793</u>	<u>3,595,500</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>42,523,604</u>	<u>39,609,144</u>	<u>36,866,660</u>

OTP BANK PLC
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
(UNAUDITED) FOR THE SIX-MONTH PERIOD ENDED 30 JUNE
2024
(in HUF mn)

	Note	Six-month period ended 30 June 2024	Six-month period ended 30 June 2023	Year ended 31 December 2023
CONTINUING OPERATIONS				
Interest income calculated using the effective interest method	18.	1,251,706	1,061,414	2,314,677
Income similar to interest income	18.	<u>259,060</u>	<u>318,783</u>	<u>633,587</u>
Interest income and income similar to interest income		<u>1,510,766</u>	<u>1,380,197</u>	<u>2,948,264</u>
Interest expense		<u>(668,682)</u>	<u>(762,903)</u>	<u>(1,561,558)</u>
NET INTEREST INCOME		<u>842,084</u>	<u>617,294</u>	<u>1,386,706</u>
Loss allowance on loans, placements, amounts due from banks and on repo receivables	19.	(5,065)	(58,762)	(109,223)
Change in the fair value attributable to changes in the credit risk of loans mandatorily measured at fair value through profit or loss (Loss allowance) / Release of loss allowance on securities at fair value through other comprehensive income and on securities at amortized cost	19.	1,600	(1,501)	(91)
Release of provision / (Provision) for commitments and guarantees given	19.	(16,649)	4,832	8,831
Release of impairment of assets subject to operating lease and of investment properties	19.	1,221	(2,641)	19,870
	19.	<u>4</u>	<u>6</u>	<u>1,332</u>
Risk cost total		<u>(18,889)</u>	<u>(58,066)</u>	<u>(79,281)</u>
NET INTEREST INCOME AFTER RISK COST		<u>823,195</u>	<u>559,228</u>	<u>1,307,425</u>
Loss from derecognition				
of financial assets at amortized cost	21.	(10,728)	(6,223)	(17,182)
Modification loss		(5,657)	(19,286)	(38,141)
Income from fees and commissions	20.	468,020	392,725	861,309
Expense from fees and commissions	20.	<u>(90,255)</u>	<u>(75,534)</u>	<u>(169,316)</u>
Net profit from fees and commissions		<u>377,765</u>	<u>317,191</u>	<u>691,993</u>
Foreign exchange result, net	21.	1,862	26,207	13,827
Gain on securities, net	21.	5,171	18,845	7,283
Fair value adjustment on financial instruments measured at fair value through profit or loss	21.	(86)	43,776	94,613
Net results on derivative instruments and hedge relationships	21.	(1,141)	(18,486)	(12,760)
Profit from associates		9,832	1,737	14,766
Goodwill impairment		-	-	-
Other operating income	22.	65,392	293,751	324,266
Other operating expenses	22.	<u>(59,821)</u>	<u>(53,080)</u>	<u>(110,570)</u>
Net operating income		<u>21,209</u>	<u>312,750</u>	<u>331,425</u>
Personnel expenses	22.	(259,266)	(216,151)	(478,696)
Depreciation and amortization	22.	(63,230)	(54,109)	(111,996)
Other general expenses	22.	<u>(262,212)</u>	<u>(260,496)</u>	<u>(483,645)</u>
Other administrative expenses		<u>(584,708)</u>	<u>(530,756)</u>	<u>(1,074,337)</u>
PROFIT BEFORE INCOME TAX		<u>621,076</u>	<u>632,904</u>	<u>1,201,183</u>
Income tax expense	23.	<u>(122,055)</u>	<u>(68,468)</u>	<u>(189,478)</u>
PROFIT AFTER INCOME TAX FOR THE PERIOD				
FROM CONTINUING OPERATIONS		<u>499,021</u>	<u>564,436</u>	<u>1,011,705</u>

OTP BANK PLC
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
(UNAUDITED) FOR THE SIX-MONTH PERIOD ENDED 30 JUNE
2024 [continued]
(in HUF mn)

	Note	Six-month period ended 30 June 2024	Six-month period ended 30 June 2023	Year ended 31 December 2023
PROFIT AFTER INCOME TAX FOR THE PERIOD				
FROM CONTINUING OPERATIONS		<u>499,021</u>	<u>564,436</u>	<u>1,011,705</u>
DISCONTINUED OPERATIONS				
Net Gain / (Loss) from discontinued operations	31.	8,871	12,375	(21,246)
PROFIT AFTER INCOME TAX FROM CONTINUING AND DISCONTINUED OPERATION				
		<u>507,892</u>	<u>576,811</u>	<u>990,459</u>
From this, attributable to:				
Non-controlling interest		<u>1,863</u>	<u>625</u>	<u>1,801</u>
Owners of the company		<u>506,029</u>	<u>576,186</u>	<u>988,658</u>
Earnings per share (in HUF)				
From continuing operations				
Basic	28.	1,867	2,150	3,774
Diluted	28.	1,867	2,149	3,772
From continuing and discontinued operations				
Basic	28.	1,901	2,150	3,695
Diluted	28.	1,900	2,149	3,693

OTP BANK PLC
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(UNAUDITED) FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024
(in HUF mn)

	Six-month period ended 30 June 2024	Six-month period ended 30 June 2023	Year ended 31 December 2023
PROFIT AFTER INCOME TAX FOR THE YEAR	<u>507,892</u>	<u>576,811</u>	<u>990,459</u>
Items that may be reclassified subsequently to profit or loss:			
Fair value adjustment of securities at fair value through other comprehensive income	12,381	58,547	89,734
Deferred tax related to fair value adjustment of securities at fair value through other comprehensive income	(146)	(6,099)	(12,779)
Net investment hedge in foreign operations	(12,370)	8,943	(2,707)
Foreign currency translation difference	140,384	(268,829)	(200,928)
Items that will not be reclassified subsequently to profit or loss:			
Fair value changes of equity instruments at fair value through other comprehensive income	2,286	51	2,411
Deferred tax related to equity instruments at fair value through other comprehensive income	(205)	(401)	(947)
Change of actuarial gain related to employee benefits	28	(105)	(392)
Deferred tax related to change of actuarial gain related to employee benefits	=	=	(8)
Other comprehensive income	<u>142,358</u>	<u>(207,893)</u>	<u>(125,616)</u>
TOTAL COMPREHENSIVE INCOME	<u>650,250</u>	<u>368,918</u>	<u>864,843</u>
From this, attributable to:			
Non-controlling interest	<u>2,571</u>	<u>(587)</u>	<u>1,129</u>
Owners of the company	<u>647,679</u>	<u>369,505</u>	<u>863,714</u>

OTP BANK PLC
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED) FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024
(in HUF mn)

	Share capital	Capital reserve	Retained earnings and other reserves	Treasury shares	Total equity attributable to shareholders	Non-controlling interest	Total equity
Balance as at 1 January 2023	28,000	52	3,395,163	(106,862)	3,316,353	5,959	3,322,312
Profit after income tax for the period	-	-	576,186	-	576,186	625	576,811
Other Comprehensive Income	=	=	<u>(206,681)</u>	=	<u>(206,681)</u>	<u>(1,212)</u>	<u>(207,893)</u>
Total comprehensive income	=	=	<u>369,505</u>	=	<u>369,505</u>	<u>(587)</u>	<u>368,918</u>
Increase due to business combination	-	-	-	-	-	4,021	4,021
Share-based payment	-	-	1,394	-	1,394	-	1,394
Paid dividends for year 2022	-	-	(84,000)	-	(84,000)	-	(84,000)
Adjustment related to share-based payment	-	-	3,836	-	3,836	-	3,836
Sale of Treasury shares	-	-	-	17,835	17,835	-	17,835
Treasury shares - loss on sale	-	-	(1,936)	-	(1,936)	-	(1,936)
Treasury shares - acquisition	=	=	=	<u>(36,880)</u>	<u>(36,880)</u>	=	<u>(36,880)</u>
Balance as at 30 June 2023	<u>28,000</u>	<u>52</u>	<u>3,683,962</u>	<u>(125,907)</u>	<u>3,586,107</u>	<u>9,393</u>	<u>3,595,500</u>

	Share capital	Capital reserve	Retained earnings and other reserves	Treasury shares	Total equity attributable to shareholders	Non-controlling interest	Total equity
Balance as at 1 January 2024	28,000	52	4,179,270	(120,489)	4,086,833	7,960	4,094,793
Profit after income tax for the period	-	-	506,029	-	506,029	1,863	507,892
Other Comprehensive Income	=	=	<u>141,650</u>	=	<u>141,650</u>	<u>708</u>	<u>142,358</u>
Total comprehensive income	=	=	<u>647,679</u>	=	<u>647,679</u>	<u>2,571</u>	<u>650,250</u>
Dividend paid to non-controlling interest	-	-	-	-	-	(1,088)	(1,088)
Share-based payment	-	-	1,984	-	1,984	-	1,984
Paid dividends for years 2023	-	-	(150,000)	-	(150,000)	-	(150,000)
Adjustment related to share-based payment	-	-	6,928	-	6,928	-	6,928
Sale of Treasury shares	-	-	-	22,895	22,895	-	22,895
Treasury shares - loss on sale	-	-	496	-	496	-	496
Treasury shares - acquisition	=	=	=	<u>(78,116)</u>	<u>(78,116)</u>	=	<u>(78,116)</u>
Balance as at 30 June 2024	<u>28,000</u>	<u>52</u>	<u>4,686,357</u>	<u>(175,710)</u>	<u>4,538,699</u>	<u>9,443</u>	<u>4,548,142</u>

OTP BANK PLC
CONSOLIDATED STATEMENT OF CASH-FLOWS (UNAUDITED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024
(in HUF mn)

	Note	Six-month period ended 30 June 2024	Six-month period ended 30 June 2023	Year ended 31 December 2023
OPERATING ACTIVITIES				
Profit after income tax for the period				
(attributable to the owners of the company)		506,029	576,186	988,658
Net accrued interest		493,993	47,224	4,360
Dividend income		(9,956)	(1,745)	(14,787)
Depreciation and amortization		68,893	59,724	123,327
Goodwill impairment		-	-	-
Loss allowance / (Release of loss allowance) on securities	6.,7.	16,577	(5,133)	(9,066)
Loss allowance on loans and placements, amounts due from banks and on repo receivables	3, 4., 8.	18,751	60,244	116,002
Loss allowance / (Release of loss allowance) on investments		200	(28)	22
Release of loss allowance on investment properties		(3)	(6)	(1,362)
Impairment on tangible and intangible assets		263	3,689	5,824
Loss allowance on other assets		5,932	4,442	11,120
Release of provision on off-balance sheet commitments and contingent liabilities	14.	(2,503)	(170)	(10,052)
Share-based payment		1,984	1,394	3,292
Unrealized gains on fair value change of financial instrument at fair value through profit or loss	21.	(1,036)	(137,204)	(89,577)
Non-realized foreign exchange loss / (gain)	21.	21,034	(3,891)	6,945
(Gain) / Loss from sale of tangible and intangible assets		(2,128)	(566)	595
Unrealized gains on fair value change of derivative financial instruments	21.	(39,503)	(70,324)	(81,451)
Negative goodwill		-	(229,428)	(198,361)
Net changes in assets and liabilities in operating activities				
Net (increase) / decrease in securities at fair value through profit or loss	5.	(9,735)	61,087	120,890
Net increase in compulsory reserves at the National Banks	2.	(93,167)	(566,843)	(797,695)
Increase in placement with other banks, before loss allowance for placements	3.	(260,457)	(10,331)	(326,379)
Net (increase) / decrease in loans at amortized cost before loss allowance for loans and in loans at fair value	8.	(1,464,098)	816,961	(28,934)
Net decrease in other assets before loss allowance		2,934	50,403	95,512
Net increase / (decrease) in amounts due to banks, the National Governments, deposits from the National Banks and other banks and repo liabilities	9., 10.	189,883	398,134	(205,101)
Net (decrease) / increase in financial liabilities designated at fair value through profit or loss	11.	(74)	9,825	11,974
Net increase / (decrease) in deposits from customers	12.	1,539,267	(1,613,385)	846,428
Cash payments for the interest portion of the lease liability		(1,933)	(1,322)	(3,099)
Net increase / (decrease) in other liabilities	14.	215,813	(95,909)	40,695
Income tax paid	23.	(78,612)	(23,751)	(152,201)
Net Cash Provided by / (Used In) Operating Activities		<u>1,118,348</u>	<u>(670,723)</u>	<u>457,579</u>

OTP BANK PLC
CONSOLIDATED STATEMENT OF CASH-FLOWS (UNAUDITED) FOR THE
SIX-MONTH PERIOD ENDED 30 JUNE 2024
(in HUF mn)
[continued]

	Note	Six-month period ended 30 June 2024	Six-month period ended 30 June 2023	Year ended 31 December 2023
INVESTING ACTIVITIES				
Purchase of securities at fair value				
through other comprehensive income	6.	(648,591)	(340,943)	(871,512)
Proceeds from sale of securities at fair value				
through other comprehensive income	6.	675,972	416,350	1,176,467
Purchase of investments		(14,855)	(4,524)	(13,910)
Proceeds from sale of investments		3,023	-	-
Dividends received	17.	12,336	991	15,642
Purchase of securities at amortized cost	7.	(78,903,940)	(374,134)	(1,037,889)
Redemption of securities at amortized cost	7.	77,116,500	736,309	1,329,137
Purchase of property, equipment and intangible assets		(100,888)	(120,009)	(300,002)
Proceeds from disposals of property, equipment and intangible assets		2,128	95,530	139,155
Purchase of investment properties		(3,498)	(2,214)	(10,363)
Proceeds from sale of investment properties		-	12,722	14,782
Net cash paid for acquisition		=	<u>596,289</u>	<u>577,464</u>
Net Cash (Used in) / Provided by Investing Activities		<u>(1,861,813)</u>	<u>1,016,367</u>	<u>1,018,971</u>
FINANCING ACTIVITIES				
Cash received from issuance of securities	13.	2,099,447	593,118	1,090,039
Cash used for redemption of issued securities	13.	(2,151,388)	(10,182)	(172,413)
Cash payments for the principal portion of the lease liability		(17,613)	(6,184)	(32,567)
Cash received from issuance of subordinated bonds and loans	15.	-	286,541	290,159
Cash used for redemption of subordinated bonds and loans	15.	(2,684)	(45,827)	(49,445)
Sale of Treasury shares		23,391	15,899	23,456
Purchase of Treasury shares		(78,116)	(36,880)	(39,818)
Dividends paid	17.	<u>(142,990)</u>	<u>(80,132)</u>	<u>(80,159)</u>
Net Cash (Used in) / Provided by Financing Activities		<u>(269,953)</u>	<u>716,353</u>	<u>1,029,252</u>
TOTAL NET CASH (USED IN) / PROVIDED BY		<u>(1,013,418)</u>	<u>1,061,997</u>	<u>2,505,802</u>
Cash and cash equivalents				
at the beginning of the period	2.	4,859,342	2,597,688	2,597,688
Foreign currency translation		139,649	(267,610)	(200,253)
Net change in cash and cash equivalent		(1,013,418)	1,061,997	2,505,802
Adjustment due to discontinued operation		<u>(229,840)</u>	=	<u>(43,895)</u>
Cash and cash equivalents				
at the end of the period	2.	<u>3,755,733</u>	<u>3,392,075</u>	<u>4,859,342</u>

NOTE 1: ORGANIZATION AND BASIS OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1.1. General information

OTP Bank Plc (the “Bank” or “OTP Bank”) was established on 31 December 1990, when the previously State-owned company was transformed into a limited liability company. The Bank’s registered office address is 16, Nador Street, Budapest 1051, Hungary.

Due to Hungarian legislation audit services are a statutory requirement for OTP Bank. Disclosure information about the auditor: Ernst & Young Audit Ltd. (001165), 1132 Budapest Váci Street 20. Registered under 01-09-267553 by Budapest-Capital Regional Court, as registry court. Statutory registered auditor: Zsolt Kónya, registration number: 007383.

The Bank’s owners have the power to amend the Condensed Consolidated Financial Statements after issue if applicable.

In 1995, the shares of the Bank were introduced on the Budapest and the Luxembourg Stock Exchanges and were also traded on the SEAQ board on the London Stock Exchange and on PORTAL in the USA.

The structure of the Share capital by shareholders (%):

	30/06/2024	31/12/2023
Domestic and foreign private and institutional investors	98%	99%
Employees	1%	1%
Treasury shares	<u>1%</u>	=
Total	<u>100%</u>	<u>100%</u>

The Bank’s Registered Capital consists of 280.000.010 pieces of ordinary shares with the nominal value of HUF 100 each, representing the same rights to the shareholders.

The Bank and its subsidiaries (“Entities of the Group“, together the “Group” or “OTP Group”) provide a full range of commercial banking services through a wide network of 1,406 branches in the following countries Hungary, Bulgaria, Romania (classified as discontinued operation), Serbia, Croatia, Russia, Ukraine, Albania, Montenegro, Moldova, Slovenia and Uzbekistan, as well as provides other services in the Netherlands and Malta.

The number of the active employees without long-term breaks, and with part-time employees taken into account proportionately, and the average number of active employees on monthly basis at the Group (with employed agents):

	30/06/2024	31/12/2023
The number of employees at the Group	41,328	41,547
The average number of employees at the Group	41,391	40,237

NOTE 1: ORGANIZATION AND BASIS OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS [continued]

1.2. Basis of Accounting

These Condensed Consolidated Financial Statements were prepared based on the assumptions of the Management that the Bank will remain in business for the foreseeable future and that the Bank will not be forced to halt operations and liquidate its assets in the near term at what may be very low fire-sale prices.

The Entities of the Group maintain their accounting records and prepare their statutory accounts in accordance with the commercial, banking and fiscal regulations prevailing in Hungary and in case of foreign subsidiaries in accordance with the commercial, banking and fiscal regulations of the country in which they are domiciled.

The Bank's functional currency is the Hungarian Forint ("HUF"). It is also presentation currency for the Group. The financial statements of the subsidiaries used during the preparation of Consolidated Financial Statements of the Group have the same reporting period – starting from 1 January ending as at 31 December – like the reporting period of the Group.

Due to the fact that the Bank is listed on international and national stock exchanges, the Bank is obliged to present its financial statements. Certain adjustments have been made to the Entities' statutory accounts in order to present the Condensed Consolidated Financial Statements of the Group in accordance with IAS 34 approved by the International Accounting Standards Board ("IASB").

These Condensed Consolidated Financial Statements have been prepared in accordance with IAS 34 as adopted by the EU.

The Selected Explanatory Notes to these Condensed Consolidated Financial Statements form an integral part of these Condensed Consolidated Financial Statements prepared in accordance with IAS 34 as adopted by EU.

1.2. Material accounting policies

The accounting policies used in the preparation and presentation of these Condensed Consolidated Financial Statements are consistent with those used for the complete Consolidated Financial Statements for the year ended 31 December 2023.

1.3. Significant accounting estimates and decisions in the application of accounting policies

The presentation of financial statements in conformity with IFRS as adopted by EU requires the Management of the Group to make judgement about estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as at the date of the financial statements and their reported amounts of revenues and expenses during the reporting period. The estimates and associated assumptions are based on the expected loss and other factors that are considered to be relevant. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period. Actual results could differ from those estimates. Significant areas of subjective judgement include:

- Loss allowance on financial instruments exposed to credit risk
- Valuation of instruments without direct quotations
- Provisions
- Impairment on goodwill
- Contingent consideration

The same accounting estimates and decisions were applied for these Condensed Consolidated Financial Statements as for the complete Consolidated Financial Statements prepared in accordance with IFRS as adopted by the EU for the year ended 31 December 2023.

NOTE 2: CASH, AMOUNTS DUE FROM BANKS AND BALANCES WITH THE NATIONAL BANKS (in HUF mn)

	30/06/2024	31/12/2023
Cash on hand		
In HUF	69,516	86,498
In foreign currency	<u>459,139</u>	<u>519,333</u>
	<u>528,655</u>	<u>605,831</u>
Amounts due from banks and balances with the National Banks		
	30/06/2024	31/12/2023
Within one year		
In HUF	2,588,045	2,275,719
In foreign currency	<u>3,072,231</u>	<u>4,244,007</u>
	<u>5,660,276</u>	<u>6,519,726</u>
Over one year		
In HUF	-	-
In foreign currency	-	-
	-	-
Loss allowance on amounts due from bank and balances with the National Banks	<u>(322)</u>	<u>(508)</u>
Total	<u>6,188,609</u>	<u>7,125,049</u>
Compulsory reserve set by the National Banks	<u>(2,432,876)</u>	<u>(2,265,707)</u>
Cash and cash equivalents	<u>3,755,733</u>	<u>4,859,342</u>

NOTE 3: PLACEMENTS WITH OTHER BANKS (in HUF mn)

	30/06/2024	31/12/2023
Within one year		
In HUF	157,813	343,022
In foreign currency	<u>1,325,582</u>	<u>961,554</u>
	<u>1,483,395</u>	<u>1,304,576</u>
Over one year		
In HUF	184,878	184,696
In foreign currency	<u>68,372</u>	<u>79,973</u>
	<u>253,250</u>	<u>264,669</u>
Loss allowance on placements	<u>(3,099)</u>	<u>(2,247)</u>
Total	<u>1,733,546</u>	<u>1,566,998</u>

NOTE 4: REPO RECEIVABLES (in HUF mn)

	30/06/2024	31/12/2023
Within one year		
In HUF	50,612	18,341
In foreign currency	<u>302,143</u>	<u>206,077</u>
	<u>352,755</u>	<u>224,418</u>
Over one year		
In HUF	20	37
In foreign currency	<u>4</u>	<u>22</u>
	<u>24</u>	<u>59</u>
Loss allowance on repo receivables	<u>(1,673)</u>	<u>(593)</u>
Total	<u>351,106</u>	<u>223,884</u>

NOTE 5: FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (in HUF mn)

	30/06/2024	31/12/2023
Trading securities at fair value through profit or loss		
Government bonds	73,476	58,232
Equity instruments and fund units	887	513
Corporate bonds	751	584
Discounted Treasury bills	11,893	3,959
Mortgage bonds	95	97
National Bank of Hungary bonds	36,068	-
Other interest-bearing securities	4,551	3,852
Other non-interest-bearing securities	<u>1,010</u>	<u>331</u>
	<u>128,731</u>	<u>67,568</u>
Non-trading instruments mandatorily at fair value through profit or loss		
Equity instruments, shares and open-ended fund units	71,873	64,002
Bonds	<u>3,976</u>	<u>3,686</u>
	<u>75,849</u>	<u>67,688</u>
Total	<u>204,580</u>	<u>135,256</u>

NOTE 6: SECURITIES AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (in HUF mn)

	30/06/2024	31/12/2023
Securities at fair value through other comprehensive income		
Government bonds	1,277,923	1,288,230
Corporate bonds	34,377	34,996
Listed securities:		
<i>In HUF</i>	-	-
<i>In foreign currency</i>	<u>19,360</u>	<u>16,989</u>
	<u>19,360</u>	<u>16,989</u>
Non-listed securities:		
<i>In HUF</i>	11,041	12,115
<i>In foreign currency</i>	<u>3,976</u>	<u>5,892</u>
	<u>15,017</u>	<u>18,007</u>
Mortgage bonds	30,609	30,344
Interest bearing treasury bills	990	235
Securities issued by the National Bank of Hungary	119,051	114,746
Other securities	<u>59,964</u>	<u>72,429</u>
Total	<u>1,522,914</u>	<u>1,540,980</u>
	30/06/2024	31/12/2023
Non-interest-bearing instruments at fair value through other comprehensive income		
Listed securities:		
<i>In HUF</i>	-	-
<i>In foreign currency</i>	<u>8,642</u>	<u>9,472</u>
	<u>8,642</u>	<u>9,472</u>
Non-listed securities:		
<i>In HUF</i>	403	403
<i>In foreign currency</i>	<u>55,593</u>	<u>50,606</u>
	<u>55,996</u>	<u>51,009</u>
	<u>64,638</u>	<u>60,481</u>
Total	<u>1,587,552</u>	<u>1,601,461</u>

NOTE 7: SECURITIES AT AMORTIZED COST (in HUF mn)

	30/06/2024	31/12/2023
Government bonds	5,030,794	4,468,813
Corporate bonds	324,496	310,514
Discounted Treasury bills	40,468	67,653
Mortgage bonds	23,971	24,738
Interest bearing Treasury bills	3,511	6,480
Other securities	<u>1,816,863</u>	<u>403,722</u>
	<u>7,240,103</u>	<u>5,281,920</u>
Loss allowance on securities at amortized cost	<u>(35,337)</u>	<u>(32,648)</u>
Total	<u>7,204,766</u>	<u>5,249,272</u>

NOTE 8: LOANS AT AMORTIZED COST AND AT FAIR VALUE (in HUF mn)**Loans at amortized cost**

	30/06/2024	31/12/2023
Within one year		
In HUF	1,493,242	1,340,659
In foreign currency	<u>3,935,384</u>	<u>3,714,471</u>
	<u>5,428,626</u>	<u>5,055,130</u>
Over one year		
In HUF	2,408,310	2,516,270
In foreign currency	<u>12,095,615</u>	<u>10,999,164</u>
	<u>14,503,925</u>	<u>13,515,434</u>
	<u>19,932,551</u>	<u>18,570,564</u>
Loss allowance on loans	<u>(924,308)</u>	<u>(894,031)</u>
Total	<u>19,008,243</u>	<u>17,676,533</u>

Loans mandatorily at fair value through profit or loss

	30/06/2024	31/12/2023
Within one year		
In HUF	77,610	77,886
In foreign currency	<u>1</u>	<u>131</u>
	<u>77,611</u>	<u>78,017</u>
Over one year		
In HUF	1,376,978	1,320,889
In foreign currency	<u>-</u>	<u>1,579</u>
	<u>1,376,978</u>	<u>1,322,468</u>
Total	<u>1,454,589</u>	<u>1,400,485</u>

NOTE 9: AMOUNTS DUE TO BANKS, THE NATIONAL GOVERNMENTS, DEPOSITS FROM THE NATIONAL BANKS AND OTHER BANKS (in HUF mn)

	30/06/2024	31/12/2023
Within one year		
In HUF	466,408	179,321
In foreign currency	<u>422,329</u>	<u>244,011</u>
	<u>888,737</u>	<u>423,332</u>
Over one year		
In HUF	421,814	737,892
In foreign currency	<u>778,189</u>	<u>779,638</u>
	<u>1,200,003</u>	<u>1,517,530</u>
Total	<u>2,088,740</u>	<u>1,940,862</u>

NOTE 10: REPO LIABILITIES (in HUF mn)

	30/06/2024	31/12/2023
Within one year		
In HUF	120,176	24,572
In foreign currency	<u>112,461</u>	<u>101,665</u>
	<u>232,637</u>	<u>126,237</u>
Over one year		
In HUF	-	-
In foreign currency	-	-
	-	-
Total	<u>232,637</u>	<u>126,237</u>

NOTE 11: FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS (in HUF mn)

	30/06/2024	31/12/2023
Within one year		
In HUF	1,758	1,816
In foreign currency	=	=
	<u>1,758</u>	<u>1,816</u>
Over one year		
In HUF	68,459	68,891
In foreign currency	=	=
	<u>68,459</u>	<u>68,891</u>
Total	<u>70,217</u>	<u>70,707</u>
Contractual amount outstanding	<u>17,069</u>	<u>17,747</u>
Result from associated entity's measured at fair value attributable to the Group	<u>51,607</u>	<u>50,921</u>

NOTE 12: DEPOSITS FROM CUSTOMERS (in HUF mn)

	30/06/2024	31/12/2023
Within one year		
In HUF	8,430,376	7,584,728
In foreign currency	<u>21,072,372</u>	<u>20,332,448</u>
	<u>29,502,748</u>	<u>27,917,176</u>
Over one year		
In HUF	231,043	244,965
In foreign currency	<u>234,465</u>	<u>170,290</u>
	<u>465,508</u>	<u>415,255</u>
Total	<u>29,968,256</u>	<u>28,332,431</u>

NOTE 13: LIABILITIES FROM ISSUED SECURITIES (in HUF mn)

	30/06/2024	31/12/2023
With original maturity		
Within one year		
In HUF	248,978	399,897
In foreign currency	<u>39,431</u>	<u>153,264</u>
	<u>288,409</u>	<u>553,161</u>
Over one year		
In HUF	341,639	283,165
In foreign currency	<u>1,950,354</u>	<u>1,259,222</u>
	<u>2,291,993</u>	<u>1,542,387</u>
Total	<u>2,580,402</u>	<u>2,095,548</u>

Issued securities denominated in HUF as at 30 June 2024 (in HUF mn)

Name	Date of issue	Maturity	Nominal value (in HUF mn)	Amortized cost (in HUF mn)	Interest conditions (actual interest rate in % p.a.)	Hedged
1 OTPHB 4 3/4 06/12/28	12/06/2024	12/06/2028	25,563	28,522	fix 15.00	hedged
2 OTPHB 6 1/8 10/05/27	05/10/2023	05/10/2027	10,228	11,070	fix 12.00	hedged
3 OTPHB 7.35 03/04/26	01/12/2022	04/03/2026	8,461	8,554	fix 6.00	
4 OTPHB 5 01/31/29	31/01/2024	31/01/2029	6,062	6,195	fix 6.50	
5 OTPHB 0 05/07/27	25/05/2023	25/05/2027	6,048	6,087	fix 6.00	
6 OTP 5 1/2 07/13/25	13/07/2022	13/07/2025	5,940	5,964	fix 6.00	
7 OTPHB 7 1/2 06/27/26	27/06/2023	27/06/2026	5,679	5,776	fix 6.50	
8 OTPHB 6.1 22/06/26	22/12/2023	22/06/2026	5,115	5,119	fix 12.00	
9 OTPHB 7 1/4 09/29/26	29/09/2022	29/09/2026	3,424	3,606	fix 8.50	
10 OTPHB 8.1 10/13/26	13/10/2023	13/10/2026	3,397	3,605	fix 8.75	
11 OTP_HUF_24/9	28/07/2023	28/07/2024	<u>295</u>	<u>353</u>	floating 0.70	hedged
Subtotal			<u>80,212</u>	<u>84,851</u>		

NOTE 13: LIABILITIES FROM ISSUED SECURITIES (in HUF mn) [continued]**Issued securities denominated in HUF as at 30 June 2024 (in HUF mn) [continued]**

Name	Date of issue	Maturity	Nominal value (in HUF mn)	Amortized cost (in HUF mn)	Interest conditions (actual interest rate in % p.a.)	Hedged	
12	OTP_HUF_24/14	17/11/2023	17/11/2024	242	286	floating 0.60	hedged
13	OTP_HUF_25/1	18/11/2022	18/11/2025	4,115	4,517	fix 10.50	
14	OTP_HUF_25/2	30/06/2023	30/06/2025	647	673	fix 7.40	
15	OTP_HUF_25/5	01/03/2024	01/03/2025	2,583	2,793	fix 9.75	
16	OTP_HUF_2025/6	28/03/2024	28/03/2025	1,377	1,501	fix 10.00	
17	OTP_HUF_2025/7	26/04/2024	26/04/2025	2,675	2,861	fix 9.00	
18	OTP_HUF_2025/8	24/05/2024	24/05/2025	2,199	2,261	fix 6.75	
19	OTP_HUF_2025/9	07/06/2024	07/06/2025	1,965	2,034	fix 7.50	
20	OTP_HUF_2026/1	22/12/2022	05/01/2026	2,887	3,011	fix 8.00	
21	OTP_TBSZ_HUF_2028/1	13/10/2023	15/12/2028	155	169	fix 12.00	
22	OJB2024/C	24/02/2020	24/10/2024	80,000	79,783	floating 7.29	
23	OJB2029/A	25/07/2022	24/05/2029	71,899	71,695	floating 7.24	
24	OJB2029_B	10/04/2024	20/06/2029	55,709	55,577	floating 7.23	
25	OJB2032/A	20/09/2023	24/11/2032	25,000	24,906	floating 7.24	
26	OJB2024_II	10/10/2018	24/10/2024	96,800	98,204	fix 2.50	
27	OJB2025/II	03/02/2020	26/11/2025	22,550	21,414	fix 1.50	hedged
28	OJB2027/I	23/07/2020	27/10/2027	76,850	68,193	fix 1.25	
29	OJB2031/I	18/08/2021	22/10/2031	82,000	65,684	fix 2.50	
30	Other			<u>204</u>	<u>204</u>		
Total issued securities in HUF				<u>610,069</u>	<u>590,617</u>		

Issued securities denominated in foreign currency as at 30 June 2024

Name	Date of issue	Maturity	Type of FX	Nominal value		Amortized cost		Interest conditions	
				(FX mn)	(HUF mn)	(FX mn)	(HUF mn)	(actual interest rate in % p.a.)	
1	XS2838495542	12/06/2024	12/06/2028	EUR	697	275,459	697	275,421	fix 4.75
2	XS2698603326	05/10/2023	05/10/2027	EUR	650	256,825	684	270,186	fix 6.13
3	XS2560693181	01/12/2022	04/03/2026	EUR	649	256,319	665	262,616	fix 7.35
4	XS2754491640	31/01/2024	31/01/2029	EUR	600	237,090	606	239,633	fix 5.00
5	XS2626773381	25/05/2023	25/05/2027	USD	499	184,440	494	182,443	fix 7.50
6	XS2499691330	13/07/2022	13/07/2025	EUR	398	157,417	420	165,828	fix 5.50
7	XS2642536671	27/06/2023	27/06/2026	EUR	110	43,467	110	43,511	fix 7.50
8	XS2737630314	22/12/2023	22/06/2026	EUR	75	29,636	75	29,604	fix 6.10
9	XS2536446649	29/09/2022	29/09/2026	USD	60	22,164	61	22,579	fix 7.25
10	XS2703264635	13/10/2023	13/10/2026	RON	170	13,496	180	14,283	floating 8.10
11	KBM12	25/05/2021	25/05/2027	EUR	176	67,254	156	61,473	fix 1.63
12	NOVAKR 7 3/8	29/06/2023	29/06/2026						
	06/29/26			EUR	400	158,060	395	156,224	fix 1.88
13	NOVAKR 4 3/4	03/04/2024	03/04/2028						
	04/03/28			EUR	300	118,545	299	118,054	fix 7.38
14	XS2260457754	19/11/2020	19/11/2025	USD	300	3,766,548	289	106,784	fix 5.50
15	XS2331929963	22/04/2024	27/04/2027	UZS	1,370,220	<u>1,370,220</u>	1,399,522	<u>41,146</u>	fix 20.50
Total issued securities in FX					<u>6,956,940</u>	<u>1,989,785</u>			
Total issued securities							<u>2,580,402</u>		

NOTE 13: LIABILITIES FROM ISSUED SECURITIES (in HUF mn) [continued]**Issued securities denominated in HUF as at 31 December 2023 (in HUF mn)**

Name	Date of issue	Maturity	Nominal value (in HUF mn)	Amortized cost (in HUF mn)	Interest conditions (actual interest rate in % p.a.)		Hedged
1	OTPX2024A	18/06/2014	21/06/2024	241	283	indexed 1.30	hedged
2	OTPX2024B	10/10/2014	16/10/2024	295	339	indexed 0.70	hedged
3	OTPX2024C	15/12/2014	20/12/2024	242	275	indexed 0.60	hedged
4	OTP_HUF_24/1	17/02/2023	17/02/2024	26,079	28,593	fix 11.00	
5	OTP_HUF_24/2	10/03/2023	10/03/2024	22,977	25,048	fix 11.00	
6	OTP_HUF_24/3	31/03/2023	31/03/2024	17,015	18,441	fix 11.00	
7	OTP_HUF_24/4	21/04/2023	21/04/2024	14,698	15,837	fix 11.00	
8	OTP_HUF_24/5	12/05/2023	12/05/2024	13,946	14,937	fix 11.00	
9	OTP_HUF_24/6	02/06/2023	02/06/2024	16,722	17,806	fix 11.00	
10	OTP_HUF_24/7	23/06/2023	23/06/2024	11,232	11,859	fix 10.50	
11	OTP_HUF_24/8	30/06/2023	30/06/2024	3,730	3,931	fix 10.50	
12	OTP_HUF_24/9	28/07/2023	28/07/2024	4,173	4,364	fix 10.50	
13	OTP_HUF_24/10	07/08/2023	07/08/2024	1,431	1,490	fix 10.00	
14	OTP_HUF_24/11	01/09/2023	01/09/2024	2,655	2,743	fix 9.75	
15	OTP_HUF_24/12	25/09/2023	25/09/2024	2,777	2,845	fix 9.00	
16	OTP_HUF_24/13	20/10/2023	20/10/2024	3,494	3,557	fix 8.75	
17	OTP_HUF_24/14	17/11/2023	17/11/2024	3,509	3,547	fix 8.50	
18	OTP_HUF_24/15	20/12/2023	20/12/2024	2,994	3,004	fix 8.00	
19	OTP_HUF_25/1	18/11/2022	18/11/2025	25,563	27,042	fix 15.00	hedged
20	OTP_HUF_25/2	30/06/2023	30/06/2025	5,116	5,431	fix 12.00	
21	OTP_HUF_26/1	22/12/2022	05/01/2026	10,228	11,856	fix 12.00	hedged
22	OTP_HUF_26/2	15/12/2023	15/12/2026	647	649	fix 7.40	
23	OTP_TBSZ_HUF_2028/1	13/10/2023	15/12/2028	155	159	fix 12.00	
24	OJB2024_A	17/09/2018	20/05/2024	59,999	59,999	floating 11.32	
25	OJB2024_C	24/02/2020	24/10/2024	80,000	79,818	floating 10.90	
26	OJB2024_II	10/10/2018	24/10/2024	96,800	92,101	fix 2.50	
27	OJB2025_II	03/02/2020	26/11/2025	22,550	21,140	fix 1.50	hedged
28	OJB2027_I	23/07/2020	27/10/2027	76,850	67,619	fix 1.25	
29	OJB2029_A	25/07/2022	24/05/2029	66,520	66,360	floating 10.85	
30	OJB2031_I	18/08/2021	22/10/2031	82,000	66,867	fix 2.50	
31	OJB2032_A	20/09/2023	24/11/2032	25,000	24,916	floating 10.85	
16	Other			<u>206</u>	<u>206</u>		
	Total issued securities in HUF			<u>699,844</u>	<u>683,062</u>		

NOTE 13: LIABILITIES FROM ISSUED SECURITIES (in HUF mn) [continued]**Issued securities denominated in foreign currency as at 31 December 2023**

	Name	Date of issue	Maturity	Type of FX	Nominal value		Amortized cost		Interest conditions	
					(FX mn)	(HUF mn)	(FX mn)	(HUF mn)	(actual interest rate in % p.a.)	
1	XS2560693181	01/12/2022	04/03/2026	EUR	649	248,497	689	263,732	fix	7.35
2	XS2626773381	25/05/2023	25/05/2027	USD	500	173,152	499	173,011	fix	7.50
3	XS2499691330	13/07/2022	13/07/2025	EUR	400	153,111	410	157,095	fix	5.50
4	XS2642536671	27/06/2023	27/06/2026	EUR	110	42,106	114	43,745	fix	7.50
5	XS2536446649	29/09/2022	29/09/2026	USD	60	20,786	61	21,180	fix	7.25
6	XS2698603326	05/10/2023	05/10/2027	EUR	650	248,725	674	258,006	fix	6.13
7	XS2737630314	22/12/2023	22/06/2026	EUR	75	28,709	75	28,778	fix	6.10
8	XS2703264635	13/10/2023	13/10/2026	RON	170	13,082	173	13,320	floating	8.10
9	SI0022104176	25/05/2021	25/05/2027	EUR	176	67,254	156	59,728	fix	1.63
10	XS2430442868	27/01/2022	27/01/2024	EUR	300	114,834	304	116,407	fix	1.88
11	XS2639027346	29/06/2023	29/06/2026	EUR	400	153,112	416	159,266	fix	7.38
12	XS2260457754	19/11/2020	19/11/2025	USD	300	103,932	285	98,589	fix	5.50
13	XS2331929963	16/04/2021	16/04/2024	UZS	685,065	<u>19,250</u>	698,553	<u>19,629</u>	fix	16.00
Total issued securities in FX						<u>1,386,550</u>		<u>1,412,486</u>		
Total issued securities								<u>2,095,548</u>		

NOTE 14: PROVISIONS (in HUF mn)

The provisions are detailed as follows:

	30/06/2024	31/12/2023
Commitments and guarantees given	<u>46,592</u>	<u>46,137</u>
Total provision according to IFRS 9	<u>46,592</u>	<u>46,137</u>
Pending legal issues and tax litigation	37,493	39,351
Pensions and other retirement benefit obligations	8,332	9,336
Other long-term employee benefits	2,180	2,510
Restructuring	6,212	6,206
Other provision	<u>19,140</u>	<u>17,579</u>
Total provision according to IAS 37	<u>73,357</u>	<u>74,982</u>
Total	<u>119,949</u>	<u>121,119</u>

The movements of provisions according to IFRS 9 can be summarized as follows:

	30/06/2024	31/12/2023
Balance as at 1 January	46,137	63,372
Provision for the period	44,200	104,871
Release of provision for the period	(45,421)	(124,741)
Use of provision	(3)	(59)
Change due to acquisition	-	11,439
Liabilities held for sale	-	(4,728)
Foreign currency translation differences	<u>1,679</u>	<u>(4,017)</u>
Closing balance	<u>46,592</u>	<u>46,137</u>

The movements of provisions according to IAS 37 can be summarized as follows:

	30/06/2024	31/12/2023
Balance as at 1 January	74,982	68,249
Provision for the period	4,159	30,927
Release of provision for the period	(6,063)	(17,433)
Use of provision	(3,587)	(7,354)
Change due to actuarial gains or losses related to employee benefits	-	350
Change due to acquisition	1,209	11,626
Unwinding of the discounted amount	-	88
Liabilities held for sale	-	(8,430)
Foreign currency translation differences	<u>2,657</u>	<u>(3,041)</u>
Closing balance	<u>73,357</u>	<u>74,982</u>

NOTE 15: SUBORDINATED BONDS AND LOANS (in HUF mn)

	30/06/2024	31/12/2023
Within one year		
In HUF	-	-
In foreign currency	<u>17,296</u>	<u>19,727</u>
	<u>17,296</u>	<u>19,727</u>
Over one year		
In HUF	-	-
In foreign currency	<u>568,920</u>	<u>542,669</u>
	<u>568,920</u>	<u>542,669</u>
Total	<u>586,216</u>	<u>562,396</u>

Types of subordinated bonds and loans are as follows:

	30/06/2024	31/12/2023
Debt securities issued	21,065	19,727
Loan received	<u>565,151</u>	<u>542,669</u>
Total	<u>586,216</u>	<u>562,396</u>

Subordinated bonds and loans can be detailed as follows:

Type	Nominal value	Date of issuance	Date of maturity	Issue price	Interest conditions	Interest rate as at 30 June 2024
Subordinated bond	EUR 230 million	07/11/2006	Perpetual	99.375%	Three-month EURIBOR + 3%, variable after year 10 (payable quarterly)	6.79%
Subordinated bond	EUR 493 million	15/07/2019	15/07/2029	99.738%	Fixed 2.875%, annually	2.88%
Subordinated bond	USD 650 million	15/02/2023	15/05/2033	99.417%	Fix 8.75%, annually	8.75%
Subordinated loan	USD 17 million	05/06/2018	30/06/2025	100.00%	Bullet repayment, once at the end of the loan agreement	5.00%
Subordinated bond	EUR 7.46 million	22/12/2023	22/12/2030	100.00%	Fix 4.50%, semi-annually	4.50%
Subordinated bond	90.4 million EUR	09/10/2019	09/10/2029	100.00%	Fix 4.00%, annually	4.00%
Subordinated loan	UZS 152,004 million	30/04/2019	10/11/2028	100.00%	Fix 3.00%, quarterly	3.00%
Subordinated loan	UZS 40,105 million	30/04/2019	10/11/2029	100.00%	Fix 3.00%, quarterly	3.00%
Subordinated loan	UZS 170,691 million	30/04/2019	10/11/2030	100.00%	Fix 3.00%, quarterly	3.00%
Subordinated loan	USD 25 million	30/03/2023	31/03/2030	100.00%	Fix 0.00%, quarterly	0.00%

NOTE 16: SHARE CAPITAL (in HUF mn)

	30/06/2024	31/12/2023
Authorized, issued and fully paid:		
Ordinary shares	28,000	28,000

Share capital is the portion of the Bank's equity that has been obtained by the issue of shares in the corporation to a shareholder, usually for cash.

The nominal value of the shares is HUF 100 per shares. All of the shares are ordinary shares representing the same rights to the shareholders. Furthermore, there are no restrictions on the distribution of dividends and the repayment of capital.

NOTE 17: RETAINED EARNINGS AND RESERVES (in HUF mn)

In 2023 dividend of HUF 84,000 million was paid out from the profit of the year 2022, which meant HUF 300 dividend per share payable to the shareholders. In 2024 dividend of HUF 150,000 million was paid out to from the profit of the year 2023, which meant HUF 535.71 dividend per share payable to the shareholders.

The retained earnings and reserves according to IFRS contains the retained earnings (HUF 669,175 million and HUF 459,037 million) and reserves (HUF 4,017,234 million and HUF 3,720,285 million) as at 30 June 2024 and 31 December 2023, respectively. The reserves include mainly the option reserve, other reserves, the fair value adjustment of financial instruments at fair value through other comprehensive income, share-based payment reserve, fair value of hedge transactions, changes in equity accumulated in the previous years at the subsidiaries and due to consolidation as well as translation of foreign exchange differences.

In these Condensed Consolidated Financial Statements, the Group recognizes the non-monetary items at historical cost. The difference between the historical cost of the non-monetary items in HUF amount and the translated foreign currencies into the presentation currency using the exchange rate at the balance sheet date, is presented in the shareholders' equity as a translation difference. The accumulated amounts of exchange differences were HUF 177,248 million and HUF 37,600 million as at 30 June 2024 and 31 December 2023, respectively.

NOTE 18: INTEREST INCOME, INCOME SIMILAR TO INTEREST INCOME AND EXPENSE (in HUF mn)

	Six-month period ended 30 June 2024	Six-month period ended 30 June 2023
Interest income calculated using the effective interest method from / on		
loans	766,547	604,159
securities at amortized cost	186,132	97,174
finance lease receivables	53,936	47,664
securities at fair value through other comprehensive income	27,883	29,318
banks and balances with the National Banks	93,820	185,052
placements with other banks	112,631	89,892
liabilities (negative interest expense)	305	345
repo receivables	<u>10,452</u>	<u>7,810</u>
Subtotal	<u>1,251,706</u>	<u>1,061,414</u>
Income similar to interest income from		
swap deals related to credit institutions	174,371	203,969
loans mandatorily at fair value through profit or loss	47,527	39,415
swap deals related to clients	29,732	70,020
rental income	6,696	5,379
non-trading instruments mandatorily at fair value through profit or loss	734	-
Subtotal	<u>259,060</u>	<u>318,783</u>
Total interest income and incomes similar to interest income	<u>1,510,766</u>	<u>1,380,197</u>
	Six-month period ended 30 June 2024	Six-month period ended 30 June 2023
Interest expense due to / from / on		
swaps related to banks, National Governments and to deposits from the National Banks	199,994	267,048
deposits from customers	222,177	230,282
swaps related to deposits from customers	73,614	149,143
banks, National Governments and on deposits from the National Banks	63,819	27,319
issued securities	76,178	41,893
subordinated and supplementary bonds and loans	18,438	14,138
financial assets (negative interest income)	3,145	6,464
depreciation of assets subject to operating lease and investment properties	2,979	2,529
leases	1,869	1,258
repo liabilities	5,649	21,266
other	<u>820</u>	<u>1,563</u>
Total interest expense	<u>668,682</u>	<u>762,903</u>

NOTE 19: LOSS ALLOWANCES / IMPAIRMENT / PROVISIONS (in HUF mn)

	Six-month period ended 30 June 2024	Six-month period ended 30 June 2023
Loss allowance on loans		
Loss allowance for the period	40,857	80,847
Income from loan recoveries	(34,175)	(22,455)
<i>Income from recoveries exceeding the gross loans</i>	(5,179)	(5,652)
<i>Impairment gain</i>	(22,771)	(10,765)
<i>Income from provisions on loans before OTP acquisition</i>	(365)	(496)
<i>Income from recoveries of written-off, but legally existing loans</i>	(5,860)	(5,542)
Change in the fair value attributable to changes in the credit risk of loans mandatorily measured at fair value through profit of loss	(1,600)	1,501
(Release of loss allowance) / Loss allowance on finance lease	<u>(2,885)</u>	<u>1,728</u>
	<u>2,197</u>	<u>61,621</u>
Loss allowance / (Release of loss allowance) on due from banks, balances with National Banks placements	(216)	(670)
repo receivables	400	(857)
	<u>1,084</u>	<u>169</u>
	<u>1,268</u>	<u>(1,358)</u>
Subtotal	<u>3,465</u>	<u>60,263</u>
Loss allowance / (Release of loss allowance) on securities at fair value through other comprehensive income	14,393	(506)
securities at amortized cost	<u>2,256</u>	<u>(4,326)</u>
	<u>16,649</u>	<u>(4,832)</u>
Release of impairment on intangible, tangible assets subject to operating lease	(1)	-
investment properties	<u>(3)</u>	<u>(6)</u>
	<u>(4)</u>	<u>(6)</u>
(Release of provision) / Provision on commitments and guarantees given	(1,221)	2,641
	<u>(1,221)</u>	<u>2,641</u>
Total loss allowances, impairment and provisions	<u>18,889</u>	<u>58,066</u>

NOTE 20: NET PROFIT FROM FEES AND COMMISSIONS (in HUF mn)

	Six-month period ended 30 June 2024	Six-month period ended 30 June 2023
Income from fees and commissions		
Fees and commissions related to lending¹	<u>24,302</u>	<u>25,708</u>
Deposit and account maintenance fees and commissions	162,419	134,113
Fees and commissions related to the issued bank cards	86,404	71,254
Currency exchange gains and losses	70,641	49,569
Fees related to cash withdrawal	34,442	32,980
Fees and commissions related to security trading	22,328	17,343
Fees and commissions related to fund management	27,913	18,663
Insurance fee income	11,925	10,330
Other	<u>27,646</u>	<u>32,765</u>
Fees and commissions from contracts with customers	<u>443,718</u>	<u>367,017</u>
Total	<u>468,020</u>	<u>392,725</u>

¹ Fees and commissions related to lending aren't included in the effective interest rate calculation due to their nature..

	Six-month period ended 30 June 2024	Six-month period ended 30 June 2023
Expense from fees and commissions		
Fees and commissions related to issued bank cards	35,369	27,537
Interchange fees	19,484	17,333
Fees and commissions paid on loans	5,682	4,735
Fees and commissions related to deposits	5,686	4,925
Cash withdrawal transaction fees	4,020	3,545
Fees and commissions related to security trading	3,884	2,478
Insurance fees	996	831
Fees and commissions related to collection of loans	309	386
Postal fees	2,370	2,516
Money market transaction fees and commissions	452	411
Other agent fee	891	868
Other	<u>11,112</u>	<u>9,969</u>
Total	<u>90,255</u>	<u>75,534</u>
Net profit from fees and commissions	<u>377,765</u>	<u>317,191</u>

NOTE 21: GAINS AND LOSSES (in HUF mn)

	Six-month period ended 30 June 2024	Six-month period ended 30 June 2023
Gains and losses		
(Loss) / Gain from derecognition of loans, placements, finance lease	(5,924)	1,757
Loss from derecognition of securities and other receivables at amortized cost	<u>(4,804)</u>	<u>(7,980)</u>
Loss from derecognition of financial assets at amortized cost	<u>(10,728)</u>	<u>(6,223)</u>

Derecognition of financial assets is mainly related to sale transactions both in case of securities and loans due to better investment options related to short-term opportunities on the market.

Foreign exchange result consists of revaluation difference from converting assets and liabilities in foreign currencies into the presentation currency of the consolidation financial statements.

	Six-month period ended 30 June 2024	Six-month period ended 30 June 2023
Gains and losses		
Fx gain on securities at fair value through profit or loss	6,597	18,497
Fx (loss) / gain on derecognition of investment in subsidiaries, associates	(331)	638
Fx loss on securities at fair value through other comprehensive income	<u>(1,095)</u>	<u>(290)</u>
Gain on securities, net	<u>5,171</u>	<u>18,845</u>
Gain on non-trading securities mandatorily at fair value through profit or loss	1,759	3,083
(Loss) / Gain on loans mandatorily at fair value through profit or loss (adjustment resulting from change in market factors)	(2,478)	45,459
Gain / (Loss) on financial assets and liabilities designated at fair value through profit or loss	<u>633</u>	<u>(4,766)</u>
Fair value adjustment on financial instruments measured at fair value through profit or loss	<u>(86)</u>	<u>43,776</u>
Loss from fx swap, swap and option deals	(1,773)	(22,392)
Gain / (Loss) from option deals	27	(421)
Gain from commodities deals	406	3,154
Gain from futures deals	<u>199</u>	<u>1,173</u>
Net results on derivative instruments and hedge relationships	<u>(1,141)</u>	<u>(18,486)</u>

NOTE 22: OTHER OPERATING INCOME AND EXPENSES AND OTHER ADMINISTRATIVE EXPENSES (in HUF mn)

	Six-month period ended 30 June 2024	Six-month period ended 30 June 2023
Other operating income		
Income from agricultural activity	39,548	34,297
Income from tourism activity	1,675	1,403
Gains on transactions related to property activities	4,208	4,006
Rental income	1,178	1,908
Income from computer programming	1,237	1,626
Fair value adjustment of biological assets and agricultural produce	(513)	(3,003)
Income from written-of receivable	2,034	2,161
Income from air passenger transport	1,296	1,670
Gains on transactions related to insurance activity	1,130	814
Non-repayable assets received	100	122
Negative goodwill due to acquisition	-	229,428
Other income from non-financial activities	<u>13,499</u>	<u>19,319</u>
Total	<u>65,392</u>	<u>293,751</u>

	Six-month period ended 30 June 2024	Six-month period ended 30 June 2023
Other operating expenses		
Expense related to agricultural activity	31,752	25,370
Release of provision for off-balance sheet commitments and contingent liabilities	(1,904)	(266)
Financial support for sport association and organization of public utility	14,387	14,186
Loss allowance and loan losses on other financial assets	4,790	3,355
Release of impairment on investments	(154)	(62)
Non-repayable assets contributed	1,422	276
Impairment on tangible and intangible assets	264	3,689
Impairment and loan losses on other non-financial assets and assets measured under IAS 2	852	72
Operating expenses of assets subject to operating lease and investment property	521	634
Other	7,891	5,826
<i>Other expenses from non-financial activities</i>	3,273	3,477
<i>Other costs</i>	<u>4,618</u>	<u>2,349</u>
Total	<u>59,821</u>	<u>53,080</u>

NOTE 22: OTHER OPERATING INCOME AND EXPENSES AND OTHER ADMINISTRATIVE EXPENSES (in HUF mn) [continued]

	Six-month period ended 30 June 2024	Six-month period ended 30 June 2023
Other administrative expenses		
Personnel expenses		
Wages	198,166	164,368
Taxes related to personnel expenses	32,948	26,698
Other personnel expenses	<u>28,152</u>	<u>25,085</u>
Subtotal	<u>259,266</u>	<u>216,151</u>
Depreciation, amortization of tangible, intangible assets, right-of-use assets	<u>63,230</u>	<u>54,109</u>
Other administrative expenses		
Taxes, other than income tax ¹	90,547	110,255
Services	93,474	83,308
Professional fees	14,853	11,658
Fees payable to authorities and other fees	38,356	36,491
Advertising	13,895	8,686
Administration expenses	7,846	7,122
Rental fees	<u>3,241</u>	<u>2,976</u>
Subtotal	<u>262,212</u>	<u>260,496</u>
Total	<u>584,708</u>	<u>530,756</u>

¹ Special tax of financial institutions was paid by the Group in the amount of HUF 36,712 million for the half-year ended 30 June 2024 and HUF 56,572 million for the year ended 31 December 2023, recognized as an expense thus decreased the corporate tax base. For the half-year ended 30 June 2024 financial transaction duty was paid by the Bank in the amount of HUF 45,548 million while for the year ended 31 December 2023 the same duty was HUF 97,704 million.

NOTE 23: INCOME TAXES (in HUF mn)

The Group is presently liable for income tax at rates between 9% and 35% of taxable income.

Deferred tax is calculated at the income tax rate of 9% in Hungary and Montenegro, 10% in Bulgaria, 12% in Moldova, 15% in Serbia and Albania, 16% in Romania, 18% in Croatia and Ukraine, 20% in Russia and Uzbekistan, 22% in Slovenia, 25.8% in the Netherlands and 35% in Malta.

The breakdown of the income tax expense is:

	30/06/2024	31/12/2023
Current tax expense	116,872	185,055
Deferred tax expense	5,183	4,423
Total	<u>122,055</u>	<u>189,478</u>

Global minimum tax

The global minimum tax legislation has been enacted, or substantively enacted, in certain jurisdictions the Group operates, mainly in the EU Member States. The Group is in scope of the global minimum tax legislation. The legislation is effective for the Group's financial year beginning 1 January 2024 and introduces a minimum rate of effective taxation of 15%.

From an accounting perspective, it is unclear if the global minimum tax rules create additional temporary differences, whether to remeasure deferred taxes for the global minimum tax rules and which tax rate to use to measure deferred taxes. In response to this uncertainty, IAS 12 'Income taxes' has been amended to introduce a mandatory temporary exception to the requirements of IAS 12. Under the mandatory temporary exception, a company does not recognize or disclose information about deferred tax assets and liabilities related to the global minimum tax rules. The Group applies the temporary exception.

In Hungary, the most relevant taxes determining the global minimum tax effective tax rate are corporate income tax, local business tax and innovation contribution. The taxable income for local business tax and innovation contribution (with a combined statutory tax rate of 2.3%) purposes is significantly higher than the taxable income for corporate income tax purposes due to the scope (and hence, the amount) of deductible expenses under local business tax and innovation contribution being more limited than under corporate income tax. The proportion of taxable income for local business tax and innovation contribution and corporate income tax, respectively, may vary year-by-year to a significant extent. Based on the data as at 30 June 2024, the effective tax rate calculated as per the global minimum tax rules exceeds the required 15%, and therefore, no global minimum tax has been accounted for.

The non-EU countries where the group operate in have not introduced global minimum tax legislation. Out of those countries, the Group calculated global minimum tax payable in the amount of HUF 487.9 million in respect of Serbia, Moldova and Montenegro (HUF 283.7 million, HUF 175.4 million and 28.8 million, respectively). In the absence of global minimum tax legislation introduced in those countries, any global minimum tax payable in respect of the OTP Group entities operating in those countries will be payable by OTP Bank Plc to the Hungarian tax authority.

The effective tax rate is below 15% in Bulgaria for the first six months of 2024. The calculated global minimum tax amount is HUF 5,194 million. The global minimum tax will be payable by the Bulgarian entities to the Bulgarian taxation authorities based on a ratio determined in the Bulgarian global minimum tax legislation.

NOTE 24: FINANCIAL RISK MANAGEMENT (in HUF mn)

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial instruments may result in certain risks to the Group. The most significant risks the Group faces include:

24.1. Credit risk

The Group takes on exposure to credit risk which is the risk that a counter-party will be unable to pay amounts in full when due. The Group structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or banks of borrowers, and to geographical areas and loan types. Such risks are monitored on a periodical basis and are subject to an annual or more frequent review. The exposure to any borrower including banks and brokers is further restricted by sub-limits covering on and off-balance sheet exposures and daily delivery risk limits in relation to trading items such as forward foreign exchange contracts. Actual exposures against limits are monitored daily.

Exposure to credit risk is managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and principal repayment obligations and by changing these lending limits when appropriate. Exposure to credit risk is managed by obtaining collateral, corporate and personal guarantees.

Defining the expected credit loss on individual and collective basis

On individual basis:

Individually assessed are the non-retail or non- micro- and small enterprise exposure of significant amount on a stand-alone basis:

- exposure in stage 3,
- exposure in workout management,
- purchased or originated credit-impaired instruments which are in accordance with the conditions mentioned above.

The calculation of impairment must be prepared and approved by the risk management functional areas. The calculation, all relevant factors (amortized cost, original and current EIR, contracted and expected cash flows (from business and/or collateral) for the individual periods of the entire lifecycle, other essential information enforced during the valuation) and the criteria thereof (including the factors underlying the classification as stage 3) must be documented individually.

The expected credit loss of the exposure equals the difference of the items' AC (gross book value) on the valuation date and the present value of the receivable's expected cash flows discounted to the valuation date by the exposure's original effective interest rate (EIR) (calculated at the initial recognition, or in the case of variable rate, recalculated due to the last interest rate change). The estimation of the expected future cash flows should be forward looking, it must also contain the effects of the possible change of macroeconomic outlook.

At least two scenarios must be used for the estimation of the expected cash flow. It should be at least one scenario in which the entity anticipates that realized cash flows will be significantly different from the contractual cash flows. Probability weights must be allocated to the individual scenarios. The estimation must reflect the probability of the occurrence and non-occurrence of the credit loss, even if the most probable result is the non-occurrence of the loss.

NOTE 24: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

24.1. Credit risk [continued]

Defining the expected credit loss on individual and collective basis [continued]

On collective basis:

The following exposures are subject to collective assessment:

- retail exposure irrespective of the amount,
- micro and small enterprise exposures irrespective of the amount,
- all other exposure which are insignificant on a stand-alone basis and not part of the workout management,
- exposure which are not in stage 3, significant on a stand-alone basis,
- purchased or originated credit-impaired instruments which are in accordance with the conditions mentioned above.

In the collective impairment methodology credit risk and the change of credit risk can be correctly captured by understanding the risk characteristics of the portfolio. In order to achieve this, the main risk drivers shall be identified and used to form homogeneous segments having similar risk characteristics. The segmentation is expected to stay stable from month to month, however a regular (at least yearly) revision of the segmentation process should be set up to capture the change of risk characteristics. The segmentation must be performed separately for each parameter, since in each case different factors may have relevance.

The Bank's Headquarter Group Reserve Committee stipulates the guidelines related to the collective impairment methodology at group level. In addition, it has right of agreement in respect of the risk parameters (PD -probability of default, LGD - loss given default, EAD – exposure at default) and segmentation criteria proposed by the group members.

The review of the parameters must be performed at least annually, and the results should be approved by the Group Reserve Committee. Local Risk Managements are responsible for parameter estimations / updates, macroeconomic scenarios are calculated by OTP Bank Headquarter for each subsidiary and each parameter. Based on the consensus proposal of Local Risk Management and OTP Bank Headquarter, the Group Reserve Committee decides on the modification of parameters (all parameters for impairment calculation).

At least on a yearly basis the impairment parameters should be back tested as well.

The expected loss calculation should be forward looking, including forecasts of future economic conditions. This may be achieved by applying 3-5 different macroeconomic scenarios, which may be integrated in the PD, LGD and EAD parameters.

During 2023 there were ECL SICR methodological changes in Hungary. The previously used methodology – which was based on rating category changes – was replaced by the advanced, lifetime-based methodology to identify the significant increase in credit risk. The changes resulted HUF 2.8 billion more impairment in 2023.

In the first half year of 2024 DSK Bank implemented the advanced SICR methodology, this methodological change resulted in HUF 3 billion provision creation.

NOTE 24: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

24.1. Credit risk [continued]

24.1.1. Gross values and loss allowance / provision of financial instruments by stages

Gross carrying amount and accumulated loss allowance of financial assets at amortized cost and of interest-bearing securities at fair value through other comprehensive income and financial commitments and provision on them by stages as at 30 June 2024:

30/06/2024	Carrying amount / Exposure	Gross carrying amount / Notional value					Accumulated loss allowance / Provision				
		Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
Placements with other banks	1,733,546	1,732,043	4,591	11	-	1,736,645	2,054	1,035	10	-	3,099
Repo receivables	351,106	352,779	-	-	-	352,779	1,673	-	-	-	1,673
Mortgage loans	5,444,644	4,920,077	489,214	102,743	50,993	5,563,027	8,464	33,867	52,092	23,960	118,383
Loans to medium and large corporates	8,229,322	7,024,064	1,177,633	271,932	62,363	8,535,992	50,985	85,096	152,531	18,058	306,670
Consumer loans	4,094,965	3,577,165	587,073	327,162	11,353	4,502,753	53,049	96,928	251,450	6,361	407,788
Loans to micro and small enterprises	925,610	680,998	237,041	71,653	12,891	1,002,583	7,068	18,907	48,152	2,846	76,973
Car-finance loans	313,702	<u>286,725</u>	<u>35,459</u>	<u>5,891</u>	<u>121</u>	328,196	<u>4,426</u>	<u>5,083</u>	<u>4,889</u>	<u>96</u>	14,494
Loans at amortized cost	<u>19,008,243</u>	<u>16,489,029</u>	<u>2,526,420</u>	<u>779,381</u>	<u>137,721</u>	<u>19,932,551</u>	<u>123,992</u>	<u>239,881</u>	<u>509,114</u>	<u>51,321</u>	<u>924,308</u>
Finance lease receivable	1,435,694	1,221,093	194,772	62,190	493	1,478,548	3,091	8,247	31,075	441	42,854
Interest-bearing securities at fair value through other comprehensive income ¹	1,522,914	1,405,496	87,147	30,271	-	1,522,914	8,693	255	41,260	-	50,208
Securities at amortized cost	7,204,766	7,184,668	12,696	42,739	-	7,240,103	13,646	581	21,110	-	35,337
Financial assets total	<u>31,256,269</u>	<u>28,385,108</u>	<u>2,825,626</u>	<u>914,592</u>	<u>138,214</u>	<u>32,263,540</u>	<u>153,149</u>	<u>249,999</u>	<u>602,569</u>	<u>51,762</u>	<u>1,057,479</u>
Loan commitments given	5,329,788	5,064,270	278,341	18,017	606	5,361,234	20,925	8,286	2,087	148	31,446
Financial guarantees given	1,717,867	1,564,293	150,103	11,220	65	1,725,681	4,813	1,977	961	63	7,814
Other commitments given	931,831	891,493	37,018	9,057	1,595	939,163	1,716	1,308	2,876	1,432	7,332
Financial liabilities total	<u>7,979,486</u>	<u>7,520,056</u>	<u>465,462</u>	<u>38,294</u>	<u>2,266</u>	<u>8,026,078</u>	<u>27,454</u>	<u>11,571</u>	<u>5,924</u>	<u>1,643</u>	<u>46,592</u>

¹ Interest bearing securities at fair value through other comprehensive income are recognized in the Consolidated statement of financial position as at fair value (see in Note 6). Loss allowances for securities at fair value through other comprehensive income that are in Stage 1 and / or in Stage 2 is recognized in the Other comprehensive income. It is included in the accumulated loss allowance of this table showed above.

NOTE 24: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

24.1. Credit risk [continued]

24.1.1. Gross values and loss allowance / provision of financial instruments by stages [continued]

Gross carrying amount and accumulated loss allowance of financial assets at amortized cost and of interest-bearing securities at fair value through other comprehensive income and financial commitments and provision on them by stages as at 31 December 2023:

31/12/2023	Carrying amount / Exposure	Gross carrying amount / Notional value					Accumulated loss allowance / Provision				
		Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
Placements with other banks	1,566,998	1,569,167	63	15	-	1,569,245	2,182	55	10	-	2,247
Repo receivables	223,884	224,477	-	-	-	224,477	593	-	-	-	593
Mortgage loans	4,083,763	3,620,661	432,031	93,436	54,751	4,200,879	18,097	27,882	46,945	24,192	117,116
Loans to medium and large corporates	7,664,086	6,512,294	1,182,063	207,043	39,638	7,941,038	54,429	84,790	127,978	9,755	276,952
Consumer loans	4,533,639	4,073,601	524,459	299,390	11,637	4,909,087	52,181	89,813	227,238	6,216	375,448
Loans to micro and small enterprises	753,268	483,993	245,532	93,106	36,449	859,080	8,035	30,768	55,620	11,389	105,812
Car-finance loans	641,777	<u>573,379</u>	<u>71,559</u>	<u>14,946</u>	<u>596</u>	660,480	<u>5,050</u>	<u>4,891</u>	<u>8,287</u>	<u>475</u>	18,703
Loans at amortized cost	<u>17,676,533</u>	<u>15,263,928</u>	<u>2,455,644</u>	<u>707,921</u>	<u>143,071</u>	<u>18,570,564</u>	<u>137,792</u>	<u>238,144</u>	<u>466,068</u>	<u>52,027</u>	<u>894,031</u>
Finance lease receivable	1,289,712	1,095,039	176,856	62,799	38	1,334,732	5,331	8,342	31,309	38	45,020
Interest-bearing securities at fair value through other comprehensive income ¹	1,540,980	1,423,021	87,085	30,874	-	1,540,980	11,395	258	22,920	-	34,573
Securities at amortized cost	5,249,272	5,228,599	12,224	41,097	-	5,281,920	17,141	755	14,752	-	32,648
Financial assets total	<u>27,547,379</u>	<u>24,804,231</u>	<u>2,731,872</u>	<u>842,706</u>	<u>143,109</u>	<u>28,521,918</u>	<u>174,434</u>	<u>247,554</u>	<u>535,059</u>	<u>52,065</u>	<u>1,009,112</u>
Loan commitments given	4,755,009	4,495,101	277,346	11,673	823	4,784,943	19,890	7,772	2,007	265	29,934
Financial guarantees given	1,474,285	1,381,657	92,012	10,222	64	1,483,955	6,392	2,012	1,206	60	9,670
Other commitments given	864,718	829,611	34,112	5,909	1,619	871,251	1,860	1,388	2,354	931	6,533
Financial liabilities total	<u>7,094,012</u>	<u>6,706,369</u>	<u>403,470</u>	<u>27,804</u>	<u>2,506</u>	<u>7,140,149</u>	<u>28,142</u>	<u>11,172</u>	<u>5,567</u>	<u>1,256</u>	<u>46,137</u>

¹ Interest bearing securities at fair value through other comprehensive income are recognized in the Consolidated statement of financial position as at fair value (see in Note 6). Loss allowances for securities at fair value through other comprehensive income that are in Stage 1 and / or in Stage 2 is recognized in the Other comprehensive income. It is included in the accumulated loss allowance of this table showed above.

NOTE 24: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]**24.1. Credit risk [continued]****24.1.2. Collateral**

The values of collateral received and held by the Group by types are as follows (**total value of the collaterals**).
The collateral covers loans as well as off-balance sheet exposures.

Held collaterals on book value by type of collateral

	30/06/2024	31/12/2023
Mortgages	21,680,787	21,549,776
Guarantees and warranties	1,552,023	1,436,170
Guarantees of state or organizations owned by state	1,874,462	1,786,112
Assignments (revenue or other receivables)	208,382	263,292
Securities	252,743	235,213
Cash deposits	527,331	285,722
Other	<u>3,077,901</u>	<u>2,973,138</u>
Total	<u>29,173,629</u>	<u>28,529,423</u>

Held collaterals on fair value by type of collateral

	30/06/2024	31/12/2023
Mortgages	26,196,891	25,222,164
Guarantees and warranties	1,549,988	1,411,444
Guarantees of state or organizations owned by state	1,873,197	1,659,146
Assignments (revenue or other receivables)	346,500	410,643
Securities	322,638	394,575
Cash deposits	524,470	359,261
Other	<u>3,626,129</u>	<u>3,471,916</u>
Total	<u>34,439,813</u>	<u>32,929,149</u>

The values of collateral received and held by the Group by types are as follows (**to the extent of the exposures**).
The collaterals cover loans as well as off-balance sheet exposures.

Held collaterals on book value by type of collateral

	30/06/2024	31/12/2023
Mortgages	9,073,740	9,155,801
Guarantees of state or organizations owned by state	1,494,587	1,466,444
Guarantees and warranties	1,286,541	996,758
Assignments (revenue or other receivables)	108,004	148,043
Securities	90,844	79,742
Cash deposits	91,132	103,650
Other	<u>1,119,146</u>	<u>1,286,908</u>
Total	<u>13,263,994</u>	<u>13,237,346</u>

The coverage level of the loan portfolio to the total collateral on book value decreased from 115.14% to 108.21% and the coverage level to the extent of the exposures on book value decreased from 53.42% to 49.20% as at 30 June 2024 comparing with the previous period.

NOTE 24: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

24.1. Credit risk [continued]

24.1.2. Collateral [continued]

The values of collateral received and held by the Group by the positions of the related exposures are as follows:

30/06/2024	Maximum exposure to credit risk, book value	Fair value of collaterals	Surplus collateral	Net exposure	Associated expected credit loss
On balance items					
Cash, due from banks and balances with the National Banks	6,185,608	-	-	6,185,608	(319)
Placements with other banks	1,733,005	269,660	(38,558)	1,501,903	(2,212)
Cash collateral on securities borrowed and reversed repurchase agreements	351,049	2,758	-	348,291	(1,673)
Financial assets at fair value through profit or loss	1,659,827	930,974	(41,195)	770,048	-
Financial assets at fair value through other comprehensive income	1,391,922	12,604	(541)	1,379,859	-
Securities at amortized cost	7,376,469	23,430	(860)	7,353,899	(39,052)
Loans and undrawn line of credit	25,646,342	31,881,305	(16,326,706)	10,091,743	(962,488)
Derivative financial instruments	<u>151,336</u>	-	-	<u>151,336</u>	-
Total on balance sheet items	<u>44,495,558</u>	<u>33,120,731</u>	<u>(16,407,860)</u>	<u>27,782,687</u>	<u>(1,005,744)</u>
Off-balance items					
Financial guarantees	1,588,580	1,137,303	(444,428)	895,705	(5,319)
Letter of credit	40,202	9,425	(1,702)	32,479	(287)
Other off-balance sheet commitments	<u>552,716</u>	<u>172,354</u>	<u>(80,784)</u>	<u>461,146</u>	<u>(6,659)</u>
Total off-balance sheet items	<u>2,181,498</u>	<u>1,319,082</u>	<u>(526,914)</u>	<u>1,389,330</u>	<u>(12,265)</u>
31/12/2023					
	Maximum exposure to credit risk, book value	Fair value of collaterals	Surplus collateral	Net exposure	Associated expected credit loss
On balance items					
Cash, due from banks and balances with the National Banks	7,321,496	1,528	-	7,319,968	(514)
Placements with other banks	1,576,344	10,801	(1,090)	1,566,633	(2,257)
Cash collateral on securities borrowed and reversed repurchase agreements	224,418	17,711	-	206,707	(593)
Financial assets at fair value through profit or loss	1,500,875	918,520	(44,555)	626,910	-
Financial assets at fair value through other comprehensive income	1,416,133	13,646	(597)	1,403,084	-
Securities at amortized cost	5,705,754	45,954	(844)	5,660,644	(36,549)
Loans and undrawn line of credit	24,730,993	30,948,896	(9,314,169)	3,096,266	(902,092)
Derivative financial instruments	<u>195,312</u>	-	-	<u>195,312</u>	-
Total on balance sheet items	<u>42,671,325</u>	<u>31,957,056</u>	<u>(9,361,255)</u>	<u>20,075,524</u>	<u>(942,005)</u>
Off-balance items					
Financial guarantees	1,421,958	809,462	(253,697)	866,193	(7,923)
Letter of credit	61,997	1,078	(421)	61,340	(335)
Other off-balance sheet commitments	<u>532,165</u>	<u>161,553</u>	<u>(80,478)</u>	<u>451,090</u>	<u>(1,781)</u>
Total off-balance sheet items	<u>2,016,120</u>	<u>972,093</u>	<u>(334,596)</u>	<u>1,378,623</u>	<u>(10,039)</u>

NOTE 24: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]**24.1. Credit risk [continued]****24.1.2. Collateral [continued]**

Returns from realization of collaterals taken into possession by types of collateral

Types of collateral	30/06/2024	31/12/2023
Real estate	8,750	13,944
from this: real estate taken into possession by OTP group member	2,256	2,597
Guarantee	24,921	28,062
Bail	6	407
Movable property	3,175	3,576
Other	<u>2,038</u>	<u>1,138</u>
Proceeds from enforcement of collaterals	<u>38,890</u>	<u>47,127</u>

24.1.3. Restructured loans

	30/06/2024		31/12/2023	
	Gross portfolio	Loss allowance	Gross portfolio	Loss allowance
Retail mortgage loans	28,108	(2,043)	31,828	(2,570)
Loans to medium and large corporations	185,788	(22,067)	212,158	(24,634)
Retail consumer loans	47,912	(18,479)	45,587	(17,525)
Loans to micro and small enterprises	28,742	(2,675)	33,102	(2,991)
Municipal	74	(1)	1,134	(52)
Other loans	<u>1,764</u>	<u>(840)</u>	<u>1,752</u>	<u>(791)</u>
Total	<u>292,388</u>	<u>(46,105)</u>	<u>325,561</u>	<u>(48,563)</u>

The forbore definition used by the Group is based on EU 2015/227 regulation.

Restructuring (forbearance) is a modification of the contract – initiated by either the client or the bank – that provides a concession or allowance towards the client in respect to the client’s current or future financial difficulties. The table of restructured loans contains exposures classified as performing forbore. An exposure is considered performing forbore if the conditions of the non-performing status are not met at the time of the restructuring, or the exposure fulfilled the requirements of the minimum one-year cure period as non-performing forbore.

There is no significant change in the forbore exposures compared to the end of previous year 2023.

NOTE 24: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

24.2. Capital management

Capital management

The primary objective of the capital management of the Group is to ensure the prudent operation, the entire compliance with the prescriptions of the regulator for a persistent business operation and maximising the shareholder value, accompanied by an optimal financing structure.

The capital management of the Group members includes the management and evaluation of the shareholders' equity and other types of funds available for hedging risks, to be recorded in the equity and all material risks to be covered by the capital.

The basis of the capital management of the Group members in the short run is the continuous monitoring of their capital position, in the long run the strategic and the business planning, which includes the monitoring and forecast of the capital position.

The Group members maintain the capital adequacy required by the regulatory bodies and the planned risk taking mainly by means of ensuring and developing their profitability. In the event that the planned risk level of a Group member exceeded its Core and the previously raised Supplementary capital, it ensures the prudent operation by occasional measures. A further tool in the capital management of the Bank is the dividend policy, and the transactions performed with the treasury shares.

Capital adequacy on the basis of CRR consolidation

The Capital Requirements Directive package (CRDIV/CRR) transposes the new global standards on banking regulation (known as the Basel III agreement) into the EU legal framework. The new rules are applied from 1 January 2014. They set stronger prudential requirements for institutions, requiring them to keep sufficient capital reserves and liquidity. This new framework makes institutions in the EU more solid and strengthens their capacity to adequately manage the risks linked to their activities and absorb any losses they may incur in doing business.

The capital adequacy of the Group is supervised based on the financial statements data prepared in accordance with IFRS applying the current directives, rulings and indicators from 1 January 2014.

For regulatory compliance the capital adequacy ratios according to regulatory scope of consolidation are relevant. The Pillar3 Disclosure of OTP Group contains the capital adequacy ratios calculated under regulatory scope of consolidation.

The Group has entirely complied with the regulatory capital requirements both in the half-year ended 30 June 2024 and 31 December 2023.

The Group uses the standard method for determining the regulatory capital requirements of the credit risk and market risk, and parallel to that, the base indicator method, and the advanced method ("AMA") in case of the operational risk.

For international comparison purposes, the Group calculated the Regulatory capital based on CRR data as adopted by the EU, and the consolidated Capital adequacy ratio based on this in accordance with the regulations of Basel III. The Capital adequacy ratio of the Group (CRR) was 18.8%, the Regulatory capital was HUF 4,749,800 million and the Total regulatory capital requirement was HUF 2,025,674 million as at 30 June 2024. The same ratios calculated as at 31 December 2023 were the following: 18.9%, HUF 4,475,381 million and HUF 1,896,022 million.

NOTE 24: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]**24.2. Capital management [continued]****Capital adequacy [continued]**

Calculation on CRR basis (in HUF million)	30/06/2024	31/12/2023
Core capital (Tier 1) = Common Equity Tier 1 (CET 1)	4,394,793	3,945,571
Issued capital	28,000	28,000
Reserves ¹	4,435,261	3,992,843
Fair value adjustments	(62,081)	(64,033)
Other capital components	232,654	92,443
Non-controlling interests	32,961	28,542
Treasury shares	(79,315)	(13,226)
Goodwill and other intangible assets	(198,511)	(188,894)
Other adjustments	5,824	69,896
Additional Tier 1 (AT1)	-	-
Supplementary capital (Tier 2)	355,007	529,810
Subordinated bonds and loans	325,631	500,555
Other issued capital components	-	-
Components recognized in T2 capital issued by subsidiaries	<u>29,376</u>	<u>29,255</u>
Regulatory capital	<u>4,749,800</u>	<u>4,475,381</u>
Credit risk capital requirement	1,828,633	1,702,000
Market risk capital requirement	32,190	29,346
Operational risk capital requirement	<u>164,851</u>	<u>164,676</u>
Total requirement regulatory capital	<u>2,025,674</u>	<u>1,896,022</u>
Surplus capital	<u>2,724,126</u>	<u>2,579,359</u>
CET 1 ratio	17.40%	16.60%
Tier 1 ratio	17.40%	16.60%
Capital adequacy ratio	<u>18.80%</u>	<u>18.90%</u>

¹ The dividend amount planned to pay out / paid out is deducted from reserves.

Basel III

The components of the Common Equity Tier 1 capital (CET 1) are the following: Issued capital, Reserves (Retained earnings, Other reserves, Changes in the equity of subsidiaries, Net Profit for the year, Changes due to consolidation) Fair value adjustments, Other capital components, (Revaluation reserves, Share based payments, Cash-flow hedges, Net investment hedge in foreign operations), Non-controlling interest, Treasury shares, Goodwill and other Intangible assets, other adjustments (due to prudential filters, due to deferred tax receivables, due to temporary regulations).

Supplementary capital (Tier 2): Subordinated loan capital, Supplementary loan capital, Other issued capital components, Components recognized in T2 capital issued by subsidiaries.

NOTE 25: OFF-BALANCE SHEET ITEMS AND DERIVATIVE FINANCIAL INSTRUMENTS (in HUF mn)

In the normal course of business, the Group becomes a party to various financial transactions that are not reflected on the Consolidated statement of financial position and are referred to as off-balance sheet financial instruments. The following represent notional amounts of these off-balance sheet financial instruments, unless stated otherwise.

Contingent liabilities	30/06/2024	31/12/2023
Commitments to extend credit	5,361,234	4,784,943
Guarantees arising from banking activities	1,667,566	1,421,958
Factoring loan commitment	512,472	460,455
Confirmed letters of credit	58,115	61,997
Other	<u>426,691</u>	<u>410,796</u>
Contingent liabilities and commitments total in accordance with IFRS 9	<u>8,026,078</u>	<u>7,140,149</u>
Legal disputes (disputed value)	102,157	88,750
Underwriting guarantees	21,274	29,915
Other	<u>3,104</u>	<u>2,990</u>
Contingent liabilities and commitments total in accordance with IAS 37	<u>126,535</u>	<u>121,655</u>
Total	<u>8,152,613</u>	<u>7,261,804</u>

Legal disputes

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

The Group believes that the various asserted claims and litigations in which it is involved will not materially affect its financial position, future operating results or cash-flows, although no assurance can be given with respect to the ultimate outcome of any such claim or litigation. Provisions due to legal disputes were HUF 37,493 million as at 30 June 2024 and HUF 39,351 million as at 31 December 2023, respectively. (See Note 14.)

NOTE 26: RELATED PARTY TRANSACTIONS (in HUF mn)

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	30/06/2024	31/12/2023
Short-term employee benefits	6,107	9,974
Share-based payment	1,928	2,173
Other long-term employee benefits	409	556
Termination benefits	<u>117</u>	<u>126</u>
Total	<u>8,561</u>	<u>12,829</u>

An analysis of payment to executives of the Group related to their activity in Board of Directors and Supervisory Board is as follows:

	30/06/2024	31/12/2023
Members of Board of Directors	3,325	3,225
Members of Supervisory Board	<u>298</u>	<u>432</u>
Total	<u>3,623</u>	<u>3,657</u>

NOTE 26: RELATED PARTY TRANSACTIONS (in HUF mn) [continued]

Connections with related party (key management personnel and their close family member and companies) by which line of the consolidated statement of financial position and off-balance sheet is presented:

Assets	30/06/2024				31/12/2023			
	Other related parties	Associated companies	Other companies	Total	Other related parties	Associated companies	Other companies	Total
Securities (net value)	618	8	-	626	608	52	-	660
Fair value adjustment of								
derivative financial instruments	-	77	-	77	-	164	-	164
Loans at amortized cost (net value)	66,625	22,369	2,329	91,323	70,091	22,048	2,459	94,598
Finance lease receivable (net value)	-	13	-	13	-	47	-	47
Loans mandatorily at fair value through profit or loss	<u>180</u>	-	-	<u>180</u>	<u>200</u>	<u>1,711</u>	-	<u>1,911</u>
Total assets	<u>67,423</u>	<u>22,467</u>	<u>2,329</u>	<u>92,219</u>	<u>70,899</u>	<u>24,022</u>	<u>2,459</u>	<u>97,380</u>
Liabilities								
Deposits from customers and loan liabilities	<u>69,984</u>	<u>13,012</u>	<u>2,428</u>	<u>85,424</u>	<u>87,857</u>	<u>22,042</u>	<u>1,373</u>	<u>111,272</u>
Total liabilities	<u>69,984</u>	<u>13,012</u>	<u>2,428</u>	<u>85,424</u>	<u>87,857</u>	<u>22,042</u>	<u>1,373</u>	<u>111,272</u>

NOTE 26: RELATED PARTY TRANSACTIONS (in HUF mn) [continued]

Connections with related party (key management personnel and their close family member and companies) by which line of the consolidated statement of financial position and off-balance sheet is presented [continued]:

Off-balance sheet items	30/06/2024				31/12/2023			
	Other related parties	Associated companies	Other companies	Total	Other related parties	Associated companies	Other companies	Total
Undrawn line of credit	49,986	450	1,880	52,316	64,900	50	1,910	66,860
Bank Guarantee	10,780	1,976	2,536	15,292	11,080	1,914	2,491	15,485
Commitments and guarantees given	<u>37</u>	=	=	<u>37</u>	<u>40</u>	=	=	<u>40</u>
Total off-balance sheet items	<u>60,803</u>	<u>2,426</u>	<u>4,416</u>	<u>67,645</u>	<u>76,020</u>	<u>1,964</u>	<u>4,401</u>	<u>82,385</u>

Statement of profit or loss (turnover during the current period)	30/06/2024	31/12/2023
Interest income	1,482	2,448
Fees and commissions	90	164
Interest expense	(449)	(514)
Fees and commission expenses	(992)	(2,094)
Loss allowance / Provision on loans, placements, for commitments and guarantees given	(14)	(86)
Operational costs	(2,496)	(4,093)
Net income from sale of assets	-	-

In the normal course of business, the Bank enters into other transactions with its unconsolidated subsidiaries of the Group, the amounts and volumes of which are not significant to these Condensed Consolidated Financial Statements taken as a whole. Related party transactions were made on terms equivalent to those that prevail in arm's length transactions and such terms can be substantiated.

NOTE 27: SIGNIFICANT SUBSIDIARIES AND ASSOCIATES (in HUF mn)

Investments in companies in which the Bank has a controlling interest are detailed below. They are fully consolidated companies and incorporated in Hungary unless otherwise stated.

Significant subsidiaries

Name	Ownership (Direct and Indirect)		Activity
	30/06/2024	31/12/2023	
DSK Bank AD (Bulgaria)	99.92%	99.92%	commercial banking services
OTP Bank JSC (Ukraine)	100.00%	100.00%	commercial banking services
JSC "OTP Bank" (Russia)	97.92%	97.92%	commercial banking services
OTP banka d.d. (Croatia)	100.00%	100.00%	commercial banking services
OTP Bank Romania S.A. (Romania)	100.00%	100.00%	commercial banking services
OTP banka Srbija a.d. Novi Sad (Serbia)	100.00%	100.00%	commercial banking services
Crnogorska komercijalna banka a.d. (Montenegro)	100.00%	100.00%	commercial banking services
Banka OTP Albania SH.A. (Albania)	100.00%	100.00%	commercial banking services
OTP Bank S.A. (Moldova)	98.26%	98.26%	commercial banking services
SKB Banka d.d. Ljubljana (Slovenia)	100.00%	100.00%	commercial banking services
Nova Kreditna Banka Maribor d.d. (Slovenia)	100.00%	100.00%	commercial banking services
JSCMB 'Ipoteka Bank' (Uzbekistan)	79.58%	79.58%	commercial banking services
OTP Financing Malta Company Ltd. (Malta)	100.00%	100.00%	refinancing activities
OTP Holding Ltd. (Cyprus)	100.00%	100.00%	refinancing activities
OTP Factoring Ltd.	100.00%	100.00%	work-out
OTP Mortgage Bank Ltd.	100.00%	100.00%	mortgage lending
OTP Real Estate Ltd.	100.00%	100.00%	real estate management and development
Merkantil Bank Ltd.	100.00%	100.00%	finance lease
OTP Building Society Ltd.	100.00%	100.00%	housing savings and loan
OTP Fund Management Ltd.	100.00%	100.00%	fund management
Bank Center No. 1. Ltd.	100.00%	100.00%	real estate lease
OTP Funds Servicing and Consulting Ltd.	100.00%	100.00%	fund services
OTP Real Estate Leasing Ltd.	100.00%	100.00%	real estate leasing

NOTE 27: SIGNIFICANT SUBSIDIARIES AND ASSOCIATES (in HUF mn) [continued]

Significant associates and joint ventures

Summarized financial and non-financial information of associates which are accounted according to IAS 28 and in line with IFRS 9 as at 30 June 2024 is as follows:

List of associated entities	Carrying amount	Ownership of OTP Bank	Profit after tax	Country / Headquarter	Activity
Edrone spółka z ograniczoną odpowiedzialnością	937	24.38%	362	Poland / Krakow	Computer programming activities
NovaKid Inc.	1,763	4.07%	193	USA / San Francisco	Online kids English learning platform operator
Banzai Cloud Closed Co. Plc	4	17.42%	(267)	Hungary /Budapest	Computer programming activities
CodeCool Ltd	901	47.24%	3,306	Hungary /Budapest	Other education
Pepita.hu Closed Co. Plc	2,679	38.75%	987	Hungary / Szeghalom	Retail sale via mail order houses or via Internet
Seon Holdings Ltd	14,854	19.26%	1,210	UK / London	Computer programming activities
VCC Live Group Closed Co. Plc	1,216	24.72%	243	Hungary /Budapest	Computer programming activities
Cursor Insight Ltd	77	6.75%	51	UK / London	Computer programming activities
Packhelp Spółka Akcyjna	899	3.14%	2,509	Poland / Warsaw	Manufacture of corrugated paper and paperboard and of containers of paper and paperboard
Phoenix Play Invest Closed Co. Plc	5,813	21.68%	(151)	Hungary /Budapest	Activities of holding companies
Algorithmiq Invest Closed Co. Plc	4,695	21.68%	8,907	Hungary /Budapest	Activities of holding companies
Deligo Vision Technologies Ltd	302	8.70%	272	Hungary /Budapest	Other information service activities
Shopper Park Plus Closed Co. Plc.	5,216	2.80%	(4,398)	Hungary /Budapest	Sale and purchase of own real estate
New Frontier Technology Invest SARL	3,677	14.00%	(103)	Luxemburg / Luxembourg	Activities of holding companies
Mindgram sp. z.o.o	238	2.63%	1,133	Poland / Warsaw	Other human health activities
Tine Limited	1,152	13.07%	1,086	Great Britain / London	Child day-care services
Renewabl Ltd.	202	5.01%	269	Great Britain / London	Other information technology services
Giganci Programowania sp. z.o.o.	1,038	5.73%	149	Poland / Warsaw	Other education
FlowX.Ai., Inc	2,401	9.50%	1,786	USA / Camano Park	Computer programming activities
Commsignia Inc.	1,880	3.17%	1,534	USA / Santa Clara	Retail sale of computers, peripheral units and software in specialized stores
Deskbird AG	1,074	8.46%	2,168	St. Gallen / Switzerland	Computer programming activities
Actis Luna GP S.a r.l.	11,858	11.25%	n.a.	Luxemburg / Luxembourg	Business management
Ontotext AD	843	5.03%	1,322	Bulgaria / Sofia	Computer programming activities
Tree.ly Flexco	514	11.12%	n.a.	Austria / Dornbir	Computer programming activities
Subtotal (Investments through funds)	64,233		22,568		
OTP-DayOne Magvető Fund	280	22.00%	(308)	Hungary /Budapest	Trusts, funds and similar financial entities
D-ÉG Thermoset Ltd 'u.l.'	-	46.99%	n.a.	Hungary / Dunaujváros	Wholesale of hardware, plumbing and heating equipment and supplies
Company for Cash Services AD	392	25.00%	(333)	Bulgaria / Sofia	Other financial service activities, except insurance and pension funding
Fabetker Ltd	3	20.00%	(155)	Hungary / Nádudvar	Manufacture of concrete products for construction purposes
NGY Propertiers Investment SRL	11,637	14.54%	(1,447)	Romania / Bucharest	Renting and operating of own or leased real estate
Fintech CEE Software Invest Ltd	507	20.04%	7	Hungary /Budapest	Activities of holding companies
Bankart Procesiranje Placilnih Instrumentov d.o.o.	7,219	43.06%	(1,103)	Ljubjana / Slovenia	Data processing, web hosting services
Dél-borsodi Gazdák Ltd.	4	40.92%	(4)	Hungary / Mezőkeresztes	Wholesale of grain, tobacco, seeds and animal feeds.
"Egertej" Ltd.	8	28.12%	(264)	Hungary / Eger	Manufacture of dairy products.
Orbánhegyi Szőlőbirtok	13	25.00%	(128)	Hungary / Budapest	Viticulture
Subtotal	20,063		(3,735)		
Total	84,296		18,833		

NOTE 27: SIGNIFICANT SUBSIDIARIES AND ASSOCIATES (in HUF mn) [continued]**Significant associates and joint ventures [continued]**

Summarized financial and non-financial information of associates which are accounted according to IAS 28 and in line with IFRS 9 as at 31 December 2023 is as follows:

List of associated entities	Carrying amount	Ownership of OTP Bank	Profit after tax	Country / Headquarter	Activity
Edrone spółka z ograniczoną odpowiedzialnością	848	23.54%	(342)	Poland / Krakow	Computer programming activities
NovaKid Inc.	2,009	4.07%	(231)	USA / San Francisco	Online kids English learning platform operator
Banzai Cloud Closed Co. Plc	4	17.42%	267	Hungary /Budapest	Computer programming activities
CodeCool Ltd	1,310	7.26%	(731)	Hungary /Budapest	Other education
Pepita.hu Closed Co. Plc	2,679	38.75%	(580)	Hungary / Szeghalom	Retail sale via mail order houses or via Internet
Seon Holdings Ltd	8,070	19.26%	(1,210)	UK / London	Computer programming activities
VCC Live Group Closed Co. Plc	1,632	24.72%	(220)	Hungary /Budapest	Computer programming activities
Cursor Insight Ltd	73	6.75%	(51)	UK / London	Computer programming activities
OneSoil Ag.	6	3.72%	(819)	Switzerland / Zurich	Computer programming activities
Packhelp Spółka Akcyjna	899	3.14%	(2,725)	Poland / Warsaw	Manufacture of corrugated paper and paperboard and of containers of paper and paperboard
Phoenix Play Invest closed Co. Plc	6,368	21.68%	151	Hungary /Budapest	Activities of holding companies
Algorithmiq Invest Closed Co. Plc	5,185	21.68%	(8,907)	Hungary /Budapest	Activities of holding companies
Deligo Vision Technologies Ltd	302	8.70%	(215)	Hungary /Budapest	Other information service activities
Shopper Park Plus Closed Co. Plc.	5,237	2.80%	3,175	Hungary /Budapest	Sale and purchase of own real estate
New Frontier Technology Invest SARL	3,624	14.00%	103	Luxemburg / Luxembourg	Activities of holding companies
Mindgram sp. z.o.o	206	2.38%	(1,083)	Poland / Warsaw	Other human health activities
Tine Limited	-	0.00%	(1,086)	Great Britain / London	Child day-care services
Renewabl Ltd.	102	5.01%	(269)	Great Britain / London	Other information technology services
Giganci Programowania sp. z.o.o.	514	5.03%	(149)	Poland / Warsaw	Other education
FlowX.Ai., Inc	2,252	9.50%	(1,786)	USA / Camano Park	Computer programming activities
Commsignia Inc.	1,763	3.17%	(1,438)	USA / Santa Clara	Retail sale of computers, peripheral units and software in specialized stores
Deskbird AG	1,079	8.46%	(1,944)	St. Gallen / Switzerland	Computer programming activities
Subtotal (Investments through funds)	44,162		(20,090)		
OTP Risk Fund I.	611	44.12%	158	Hungary /Budapest	Trusts, funds and similar financial entities
OTP-DayOne Magvető Fund	280	22.00%	308	Hungary /Budapest	Trusts, funds and similar financial entities
D-ÉG Thermoset Ltd 'u.l.'	-	46.99%	n.a.	Hungary / Dunaujváros	Wholesale of hardware, plumbing and heating equipment and supplies
Company for Cash Services AD	392	25.00%	337	Bulgaria / Sofia	Other financial service activities, except insurance and pension funding
Fabetker Ltd	3	20.00%	119	Hungary / Nádudvar	Manufacture of concrete products for construction purposes
NGY Propertiers Investment SRL	11,637	14.54%	6,903	Romania / Bucharest	Renting and operating of own or leased real estate
Fintech CEE Software Invest Ltd	408	20.04%	(7)	Hungary /Budapest	Activities of holding companies
Bankart Procesiranje Placilnih Instrumentov d.o.o.	7,219	43.06%	(1,733)	Ljubljana / Slovenia	Data processing, web hosting services
Mortgage refinancing Company of Uzbekistan	1,030	20.00%	(615)	Tashkent / Uzbekistan	Refinancing mortgage loans
Dél-borsodi Gazdák Ltd.	4	40.92%	(4)	Hungary / Mezőkeresztes	Wholesale of grain, tobacco, seeds and animal feeds.
"Egertej" Ltd.	8	28.12%	78	Hungary / Eger	Manufacture of dairy products.
Orbánhegyi Szőlőbirtok	-	25.00%	28	Hungary / Budapest	Viticulture
Subtotal	21,592		5,572		
Total	65,754		(14,518)		

NOTE 28: EARNINGS PER SHARE

Consolidated Earnings per share attributable to the ordinary shares of the Group are determined by dividing consolidated Net profit for the year attributable to ordinary shareholders, after the deduction of declared preference dividends, by the weighted average number of ordinary shares outstanding during the year. Dilutive potential ordinary shares are deemed to have been converted into ordinary shares.

Earnings per share from continuing and discontinued operations	30/06/2024	31/12/2023
Consolidated profit after income tax for the period attributable to ordinary shareholders (in HUF mn)	506,029	988,658
Weighted average number of ordinary shares outstanding during the year for calculating basic EPS (number of share)	266,236,012	267,591,265
Basic Earnings per share (in HUF)	<u>1,901</u>	<u>3,695</u>
Consolidated profit after income tax for the period attributable to ordinary shareholders (in HUF mn)	506,029	988,658
Modified weighted average number of ordinary shares outstanding during the year for calculating diluted EPS (number of share)	266,337,179	267,737,358
Diluted Earnings per share (in HUF)	<u>1,900</u>	<u>3,693</u>
Earnings per share from continuing operations	30/06/2024	31/12/2023
Consolidated profit after income tax for the period attributable to ordinary shareholders (in HUF mn)	497,158	1,009,904
Weighted average number of ordinary shares outstanding during the year for calculating basic EPS (number of share)	266,236,012	267,591,265
Basic Earnings per share (in HUF)	<u>1,867</u>	<u>3,774</u>
Consolidated profit after income tax for the period attributable to ordinary shareholders (in HUF mn)	497,158	1,009,904
Modified weighted average number of ordinary shares outstanding during the year for calculating diluted EPS (number of share)	266,337,179	267,737,358
Diluted Earnings per share (in HUF)	<u>1,867</u>	<u>3,772</u>

NOTE 28: EARNINGS PER SHARE [continued]

	30/06/2024	31/12/2023
Earnings per share from discontinued operations		
Consolidated profit after income tax for the period attributable to ordinary shareholders (in HUF mn)	8,871	(21,246)
Weighted average number of ordinary shares outstanding during the year for calculating basic EPS (number of share)	266,236,012	267,591,265
Basic Earnings per share (in HUF)	<u>33</u>	<u>(79)</u>
Consolidated profit after income tax for the period attributable to ordinary shareholders (in HUF mn)	8,871	(21,246)
Modified weighted average number of ordinary shares outstanding during the year for calculating diluted EPS (number of share)	266,337,179	267,737,358
Diluted Earnings per share (in HUF)	<u>33</u>	<u>(79)</u>
	30/06/2024	31/12/2023
Weighted average number of ordinary shares	280,000,010	280,000,010
Average number of Treasury shares	13,763,998	12,408,745
Weighted average number of ordinary shares outstanding during the year for calculating basic EPS	<u>266,236,012</u>	<u>267,591,265</u>
Dilutive effects of options issued in accordance with the remuneration policy and convertible into ordinary shares ¹	101,167	146,093
The modified weighted average number of ordinary shares outstanding during the year for calculating diluted EPS	<u>266,337,179</u>	<u>267,737,358</u>

¹ Both in the first half year of 2024 and for the year 2023 the dilutive effect is in connection with the Remuneration Policy and the Management Option Program.

NOTE 29: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF mn)

In determining the fair value of a financial asset or liability the Group uses the market price in the case of instruments that are quoted on an active market. In most cases market price is not publicly available, so the Group has to make assumptions or use valuation techniques to determine the fair value of a financial instrument. See Note 29.3. for more information about fair value classes applied for financial assets and liabilities measured at fair value in these financial statements.

To provide a reliable estimate of the fair value of those financial instruments that are originally measured at amortized cost, the Group used the discounted cash-flow analyses (loans, placements with other banks, repo receivables, amounts due to banks, repo liabilities, deposits from customers). The fair value of issued securities and subordinated bonds is based on quoted prices (e.g. Reuters). Cash and amounts due from banks and balances with the National Banks represent amounts available immediately thus the fair value equals to the cost.

The assumptions used when calculating the fair value of financial assets and liabilities when using valuation technique are the following:

- the discount rates are the risk-free rates related to the denomination currency adjusted by the appropriate risk premium as of the end of the reporting period,
- the contractual cash-flows are considered for the performing loans and for the non-performing loans, the amortized cost less impairment is considered as fair value,
- the future cash-flows for floating interest rate instruments are estimated from the yield curves as of the end of the reporting period,
- the fair value of the deposit which can be due in demand cannot be lower than the amount payable on demand.

Classes of assets and liabilities not measured at fair value in the Consolidated Statement of Financial Position, the income approach was used to convert future cash-flows to a single current amount. Fair value of current assets is equal to carrying amount, fair value of liabilities from issued securities and other bond-type classes of assets and liabilities not measured at fair value measured based on Reuters market rates, and the fair value of other classes not measured at fair value of the Consolidated Statement of Financial Position is measured at discounted cash-flow method. Fair value of loans, net of loss allowance for loans measured at discount rate adjustment technique, the discount rate is derived from observed rates of return for comparable assets or liabilities that are traded in the market.

Methods and significant assumptions used to determine fair value of the different levels of financial instruments:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1, that are observable for the asset or liability either directly or indirectly.
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Asset held for sale is valued at fair value less cost to sell, that is in this case equal to the sales price and would be classified as Level 3 fair value.

Use of modified yield curve

Yield curves derived from Hungarian government bonds (“ÁKK curve”) have become distorted due to certain market events, which means that real liquidity has concentrated on certain part of the yield curve. Therefore, a modified yield curve - which is not observable on the market - has been used at the concerning fair value calculations. This yield curve is based on the relevant yield curve points of the original ÁKK curve. Based on Management’s discretion fair value calculated with modified yield curves can represent the perspective of market participants reliable at current market conditions.

Modified yield curve was used for calculating fair value in case of subsidized personal loans represented in “Loans mandatorily measured at fair value through profit or loss” line.

NOTE 29: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF mn) [continued]

29.1. Fair value of financial assets and liabilities at amortized cost by level of hierarchy and their carrying amount

		Carrying amount	Fair value	Level 1	Level 2	Level 3
	30/06/2024					
Cash, amounts due from banks and balances with the National Banks		6,188,609	6,188,611	5,389,214	799,397	-
Placements with other banks		1,733,546	1,752,361	175,946	1,576,415	-
Repo receivables		351,106	351,203	2,547	321,249	27,407
Securities at amortized cost		7,204,766	6,882,746	5,028,514	1,768,637	85,595
Loans at amortized cost		19,008,243	19,180,208	-	-	19,180,208
Finance lease receivables		1,435,694	1,479,759	-	101,077	1,378,682
Other financial assets		<u>275,840</u>	<u>275,832</u>	<u>512</u>	<u>4,507</u>	<u>270,813</u>
Total financial assets at amortized cost		<u>36,197,804</u>	<u>36,110,720</u>	<u>10,596,733</u>	<u>4,571,282</u>	<u>20,942,705</u>
Amounts due to the National Governments, to the National Banks and other banks		2,088,740	2,065,965	390,217	1,675,748	-
Repo liabilities		232,637	234,804	-	234,804	-
Deposits from customers		29,968,256	29,925,184	-	10,807,770	19,117,414
Liabilities from issued securities		2,580,402	2,631,826	2,237,061	41,146	353,619
Leasing liabilities		83,134	83,123	222	121	82,780
Other financial liabilities		798,663	778,505	17	1,918	776,570
Subordinated bonds and loans		<u>586,216</u>	<u>590,555</u>	<u>532,738</u>	<u>21,078</u>	<u>36,739</u>
Total financial liabilities at amortized cost		<u>36,338,048</u>	<u>36,309,962</u>	<u>3,160,255</u>	<u>12,782,585</u>	<u>20,367,122</u>
	31/12/2023					
Cash, amounts due from banks and balances with the National Banks		7,125,049	7,125,049	6,005,164	1,119,885	-
Placements with other banks		1,566,998	1,448,684	1,059,696	375,266	13,722
Repo receivables		223,884	223,884	-	223,884	-
Securities at amortized cost		5,249,272	5,184,729	4,478,411	640,591	65,727
Loans at amortized cost		17,676,533	17,723,130	-	1,219	17,721,911
Finance lease receivables		1,289,712	1,504,439	189,830	91,948	1,222,661
Other financial assets		<u>282,400</u>	<u>282,400</u>	-	-	<u>282,400</u>
Total financial assets at amortized cost		<u>33,413,848</u>	<u>33,492,315</u>	<u>11,733,101</u>	<u>2,452,793</u>	<u>19,306,421</u>
Amounts due to the National Governments, to the National Banks and other banks		1,940,862	1,974,503	458,700	690,452	825,351
Repo liabilities		126,237	126,237	-	126,237	-
Deposits from customers		28,332,431	28,295,214	-	10,459,658	17,835,556
Liabilities from issued securities		2,095,548	2,118,233	1,770,138	19,629	328,466
Leasing liabilities		76,313	76,313	-	-	76,313
Other financial liabilities		656,864	656,864	-	-	656,864
Subordinated bonds and loans		<u>562,396</u>	<u>452,595</u>	<u>410,495</u>	-	<u>42,100</u>
Total financial liabilities at amortized cost		<u>33,790,651</u>	<u>33,699,959</u>	<u>2,639,333</u>	<u>11,295,976</u>	<u>19,764,650</u>

NOTE 29: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF mn) [continued]

29.2. Fair value of derivative instruments

The Group regularly enters into hedging transactions in order to decrease its financial risks. However some economically hedging transaction do not meet the criteria to qualify as hedge accounting, therefore these transactions were accounted for as derivatives held for trading.

The assessment of the hedge effectiveness (both for fair value hedges and cash flow hedges) to determine the economic relationship between the hedged item and the hedging instrument is accomplished with prospective scenario analysis via different rate shift scenarios of the relevant risk factor(s) of the hedged risk component(s). The fair value change of the hedged item and the hedging instrument is compared in the different scenarios. Economic relationship is justified if the change of the fair value of the hedged item and the hedging instrument are in the opposite direction and the absolute changes are similar amounts. The hedge ratio is determined as the ratio of the notional of the hedged item and the notional of the hedging instrument. The sources of hedge ineffectiveness are the not hedged risk components (e.g. change of cross currency basis spreads in case of interest rate risk hedges), slight differences in maturity dates and interest payment dates in case of fair value hedges, and differences between the carrying amount of the hedged item and the carrying amount of the hedging instrument in case of FX hedges (e.g. caused by interest rate risk components in the fair value of the hedging instrument).

The summary of the derivatives held for trading and derivatives designated as hedge accounting of the Group are as follows:

NOTE 29: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF mn) [continued]

29.2. Fair value of derivative instruments [continued]

	30/06/2024		31/12/2023							
	Before netting Assets	Liabilities	Netting	Before netting Assets	Liabilities	Netting	After netting Assets	Liabilities		
Held for trading derivative financial instruments										
Interest rate derivatives										
Interest rate swaps	121,755	(99,194)	103,141	18,614	3,947	134,599	(117,778)	110,939	23,660	(6,839)
Cross currency interest rate swaps	6,890	(6,175)	-	6,890	(6,175)	8,644	(6,544)	-	8,644	(6,544)
OTC options	1,951	(1,956)	-	1,951	(1,956)	2,024	(2,033)	-	2,024	(2,033)
Forward rate agreement	<u>103</u>	=	<u>103</u>	=	<u>103</u>	=	<u>(214)</u>	=	=	<u>(214)</u>
Total interest rate derivatives (OTC derivatives)	<u>130,699</u>	<u>(107,325)</u>	<u>103,244</u>	<u>27,455</u>	<u>(4,081)</u>	<u>145,267</u>	<u>(126,569)</u>	<u>110,939</u>	<u>34,328</u>	<u>(15,630)</u>
Foreign exchange derivatives										
Foreign exchange swaps	16,737	(14,649)	-	16,737	(14,649)	31,397	(32,382)	-	31,397	(32,382)
Foreign exchange forward contracts	7,246	(8,054)	-	7,246	(8,054)	7,101	(11,061)	-	7,101	(11,061)
OTC options	1,168	(1,210)	-	1,168	(1,210)	1,016	(871)	-	1,016	(871)
Foreign exchange spot conversion	<u>209</u>	<u>(172)</u>	=	<u>209</u>	<u>(172)</u>	<u>170</u>	<u>(319)</u>	=	<u>170</u>	<u>(319)</u>
Total foreign exchange derivatives (OTC derivatives)	<u>25,360</u>	<u>(24,085)</u>	=	<u>25,360</u>	<u>(24,085)</u>	<u>39,684</u>	<u>(44,633)</u>	=	<u>39,684</u>	<u>(44,633)</u>
Equity stock and index derivatives										
Commodity Swaps	25,450	(25,025)	-	25,450	(25,025)	32,336	(31,661)	-	32,336	(31,661)
Equity swaps	=	<u>(1,166)</u>	=	=	<u>(1,166)</u>	<u>126</u>	<u>(3,826)</u>	=	<u>126</u>	<u>(3,826)</u>
OTC derivatives total	<u>25,450</u>	<u>(26,191)</u>	=	<u>25,450</u>	<u>(26,191)</u>	<u>32,462</u>	<u>(35,487)</u>	=	<u>32,462</u>	<u>(35,487)</u>
Exchange traded futures and options	<u>1,874</u>	<u>(1,227)</u>	=	<u>1,874</u>	<u>(1,227)</u>	<u>433</u>	<u>(451)</u>	=	<u>433</u>	<u>(451)</u>
Total equity stock and index derivatives	<u>27,324</u>	<u>(27,418)</u>	=	<u>27,324</u>	<u>(27,418)</u>	<u>32,895</u>	<u>(35,938)</u>	=	<u>32,895</u>	<u>(35,938)</u>
Derivatives held for risk management not designated in hedge										
Interest rate swaps	53,452	(43,222)	18,552	34,900	(24,670)	64,288	(44,577)	22,237	42,051	(22,340)
Foreign exchange swaps	3,643	(3,500)	-	3,643	(3,500)	4,671	(19,546)	-	4,671	(19,546)
Cross currency interest rate swaps	<u>7,382</u>	<u>(2,379)</u>	=	<u>7,382</u>	<u>(2,379)</u>	=	<u>(2,401)</u>	=	=	<u>(2,401)</u>
Total derivatives held for risk management not designated in hedge	<u>64,477</u>	<u>(49,101)</u>	<u>18,552</u>	<u>45,925</u>	<u>(30,549)</u>	<u>68,959</u>	<u>(66,524)</u>	<u>22,237</u>	<u>46,722</u>	<u>(44,287)</u>
Total held for trading derivative financial instruments	<u>247,860</u>	<u>(207,929)</u>	<u>121,796</u>	<u>126,064</u>	<u>(86,133)</u>	<u>286,805</u>	<u>(273,664)</u>	<u>133,176</u>	<u>153,629</u>	<u>(140,488)</u>

NOTE 29: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF mn) [continued]

29.2. Fair value of derivative instruments [continued]

	30/06/2024		30/06/2024			31/12/2023		31/12/2023		
	Before netting Assets	Liabilities	Netting	After netting Assets	Liabilities	Before netting Assets	Liabilities	Netting	After netting Assets	Liabilities
Derivative financial instruments designated as hedge accounting										
Derivatives designated in cash flow hedges										
Interest rate swaps	<u>1,010</u>	<u>(1,010)</u>	<u>1,010</u>	=	=	<u>1,066</u>	<u>(1,066)</u>	<u>1,066</u>	=	=
Total derivatives designated in cash flow hedges	<u>1,010</u>	<u>(1,010)</u>	<u>1,010</u>	=	=	<u>1,066</u>	<u>(1,066)</u>	<u>1,066</u>	=	=
Derivatives designated in fair value hedges										
Interest rate swaps	37,969	(57,495)	26,458	11,511	(31,037)	42,347	(79,069)	25,130	17,217	(53,939)
Cross currency interest rate swaps	14,097	(10,652)	-	14,097	(10,652)	24,750	(10,009)	-	24,750	(10,009)
Interest rate swaps	<u>1,559</u>	<u>(1,618)</u>	<u>1,559</u>	=	(59)	<u>168</u>	<u>(119)</u>	<u>168</u>	=	<u>49</u>
Total derivatives designated in fair value hedges	<u>53,625</u>	<u>(69,765)</u>	<u>28,017</u>	<u>25,608</u>	<u>(41,748)</u>	<u>67,265</u>	<u>(89,197)</u>	<u>25,298</u>	<u>41,967</u>	<u>(63,899)</u>
Total derivatives held for risk management (OTC derivatives)	<u>54,635</u>	<u>(70,775)</u>	<u>29,027</u>	<u>25,608</u>	<u>(41,748)</u>	<u>68,331</u>	<u>(90,263)</u>	<u>26,364</u>	<u>41,967</u>	<u>(63,899)</u>

Financial assets subject to offsetting, netting arrangement as at 30 June 2024

30/06/2024	Offsetting recognised on the balance sheet			Netting potential not recognised on the balance sheet			Assets not subject to netting arrangements	Total assets	Maximum exposure to risk
	Gross assets before offset	Offsetting with gross liabilities	Net assets recognized on the statement of financial position	Financial liabilities	Collateral received	Assets after consideration of netting potential	Assets recognized on the statement of financial position	Recognized in the statement of financial position	After consideration of netting potential
Derivative financial instruments	287,944	(150,823)	137,121	(45,330)	(61,510)	30,281	14,551	151,672	44,832

NOTE 29: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF mn) [continued]**29.2. Fair value of derivative instruments [continued]****Financial liabilities subject to offsetting, netting arrangement as at 30 June 2024**

30/06/2024	Offsetting recognised on the balance sheet			Netting potential not recognised on the balance sheet			Liabilities not subject to netting arrangements	Total liabilities	Maximum exposure to risk
	Gross liabilities before offset	Offsetting with gross assets	Net liabilities recognized on the statement of financial position	Financial assets	Collateral pledged	Liabilities after consideration of netting potential	Liabilities recognized on the statement of financial position	Recognized in the statement of financial position	After consideration of netting potential
Derivative financial instruments	281,088	(150,823)	130,265	(45,330)	(63,812)	21,123	(2,384)	127,881	18,739

Financial assets subject to offsetting, netting arrangement as at 31 December 2023

31/12/2023	Offsetting recognised on the balance sheet			Netting potential not recognised on the balance sheet			Assets not subject to netting arrangements	Total assets	Maximum exposure to risk
	Gross assets before offset	Offsetting with gross liabilities	Net assets recognized on the statement of financial position	Financial liabilities	Collateral received	Assets after consideration of netting potential	Assets recognized on the statement of financial position	Recognized in the statement of financial position	After consideration of netting potential
Derivative financial instruments	324,446	(158,844)	165,602	(60,721)	(76,853)	28,028	29,994	195,596	58,022

Financial liabilities subject to offsetting, netting arrangement as at 31 December 2023

31/12/2023	Offsetting recognised on the balance sheet			Netting potential not recognised on the balance sheet			Liabilities not subject to netting arrangements	Total liabilities	Maximum exposure to risk
	Gross liabilities before offset	Offsetting with gross assets	Net liabilities recognized on the statement of financial position	Financial assets	Collateral pledged	Liabilities after consideration of netting potential	Liabilities recognized on the statement of financial position	Recognized in the statement of financial position	After consideration of netting potential
Derivative financial instruments	347,414	(158,844)	188,570	(60,721)	(103,563)	24,286	15,817	204,387	40,103

NOTE 29: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF mn) [continued]

29.3. Fair value levels

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

30/06/2024	Total	Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss	330,541	141,970	176,258	12,313
<i>Trading securities at fair value through profit or loss</i>	128,731	82,758	45,973	-
<i>Positive fair value of derivative financial assets held for trading</i>	125,961	1,874	124,087	-
<i>Non-trading instruments mandatorily at fair value through profit or loss¹</i>	75,849	57,338	6,198	12,313
Interest-bearing securities at fair value through other comprehensive income ²	1,522,914	761,977	658,771	102,166
Non-interest bearing instruments at fair value through other comprehensive income	64,638	26,230	28,787	9,621
Loans mandatorily at fair value through profit or loss	1,454,589	-	-	1,454,589
Equity instruments measured at fair value ³	64,233	-	-	64,233
Positive fair value of derivative financial assets designated as fair value hedge	<u>25,608</u>	=	<u>25,608</u>	=
Financial assets measured at fair value total	<u>3,462,523</u>	<u>930,177</u>	<u>889,424</u>	<u>1,642,922</u>
Financial liabilities designated at fair value through profit or loss	70,217	-	-	70,217
Negative fair value of held-for-trading derivative financial liabilities	86,030	1,227	83,637	1,166
Negative fair value of derivative financial liabilities designated as fair value hedge	<u>41,748</u>	=	<u>41,748</u>	=
Financial liabilities measured at fair value total	<u>197,995</u>	<u>1,227</u>	<u>125,385</u>	<u>71,383</u>

¹ The portfolio in level 3 mainly includes Visa C shares, East West Venture Capital Fund and TCEE Fund III.

² The portfolio in level 3 includes HUF 68,727 million Ukrainian and HUF 33,439 million Russian government bonds.

³ The detailed list of equity investments measured at fair value categorized in level 3 is presented in Note 27.

The fair value of investment properties is categorized in level 3.

Asset held for sale is valued at fair value less cost to sell, that is in this case equal to the sales price and would be classified as Level 3 fair value.

NOTE 29: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF mn) [continued]**29.3. Fair value levels [continued]**

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

31/12/2023	Total	Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss	288,885	96,816	179,786	12,283
<i>Trading securities at fair value through profit or loss</i>	67,568	48,016	19,552	-
<i>Positive fair value of derivative financial assets held for trading</i>	153,629	433	153,196	-
<i>Non-trading instruments mandatorily at fair value through profit or loss¹</i>	67,688	48,367	7,038	12,283
Interest-bearing securities at fair value through other comprehensive income ²	1,540,980	800,168	634,396	106,416
Non-interest bearing instruments at fair value through other comprehensive income	60,481	23,809	30,029	6,643
Loans mandatorily at fair value through profit or loss	1,400,485	-	-	1,400,485
Equity instruments measured at fair value ³	44,162	-	-	44,162
Positive fair value of derivative financial assets designated as fair value hedge	41,967	-	41,967	-
Financial assets measured at fair value total	<u>3,376,960</u>	<u>920,793</u>	<u>886,178</u>	<u>1,569,989</u>
Financial liabilities designated at fair value through profit or loss	70,707	-	-	70,707
Negative fair value of held-for-trading derivative financial liabilities	140,488	517	136,263	3,708
Negative fair value of derivative financial liabilities designated as fair value hedge	63,899	-	63,899	-
Financial liabilities measured at fair value total	<u>275,094</u>	<u>517</u>	<u>200,162</u>	<u>74,415</u>

¹ The portfolio in level 3 mainly includes Visa C shares, East West Venture Capital Fund and TCEE Fund III.

² The portfolio in level 3 includes HUF 78,355 million Ukrainian and HUF 22,452 million Russian government bonds.

³ The detailed list of equity investments measured at fair value categorized in level 3 is presented in Note 27.

The fair value of investment properties is categorized in level 3.

NOTE 29: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF mn) [continued]

29.3. Fair value levels [continued]

Movements in Level 3 financial instruments measured at fair value

The following table shows a reconciliation of the opening and closing amount of Level 3 financial assets and liabilities which are recorded at fair value:

30/06/2024	Opening balance	Purchase / Issuance / Disbursement (+)	Settlement / Close / Sale (-)	FVA (+/-)	Transfer (+/-)	Fx effect / Revaluation	Other	Closing balance
Non-trading securities mandatorily at fair value through profit or loss	12,283	41	-	(250)	(1)	166	74	12,313
Interest-bearing securities at fair value through other comprehensive income	106,416	7,995	(91)	(603)	(15,519)	-	3,968	102,166
Non-interest-bearing instruments at fair value through other comprehensive income	6,643	2,661	(21)	-	-	499	(161)	9,621
Loans mandatorily at fair value through profit or loss ¹	1,400,485	104,978	(49,931)	(1,076)	-	(4)	137	1,454,589
Equity instruments measured at fair value	<u>44,162</u>	<u>14,253</u>	=	<u>(1,892)</u>	<u>7,140</u>	<u>570</u>	=	<u>64,233</u>
Financial assets measured at fair value total	<u>1,569,989</u>	<u>129,928</u>	<u>(50,043)</u>	<u>(3,821)</u>	<u>(8,380)</u>	<u>1,231</u>	<u>4,018</u>	<u>1,642,922</u>
Financial liabilities designated at fair value through profit or loss	70,707	-	(760)	(633)	-	-	903	70,217
Negative fair value of held-for-trading derivative financial liabilities	<u>3,708</u>	=	=	<u>(2,534)</u>	=	<u>(8)</u>	=	<u>1,166</u>
Financial liabilities designated at fair value total	<u>74,415</u>	=	<u>(760)</u>	<u>(3,167)</u>	=	<u>(8)</u>	<u>903</u>	<u>71,383</u>

¹ HUF 1,600 million fair value adjustment resulting from risk factors and HUF (2,478) million adjustment resulting from market factors are included into FVA change for the current period at loans mandatorily measured at fair value through profit or loss.

NOTE 29: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF mn) [continued]**29.3. Fair value levels [continued]****Movements in Level 3 financial instruments measured at fair value [continued]**

The following table shows a reconciliation of the opening and closing amount of Level 3 financial assets and liabilities which are recorded at fair value:

31/12/2023	Opening balance	Purchase / Issuance / Disbursement (+)	Settlement / Close / Sale (-)	FVA (+/-)	Transfer (+/-)	Fx effect / Revaluation	Other	Closing balance
Non-trading securities mandatorily at fair value through profit or loss	11,988	-	(3)	(359)	39	(116)	734	12,283
Interest-bearing securities at fair value through other comprehensive income	64,695	78,411	(21,594)	3,458	(2,143)	(2,838)	(13,573)	106,416
Non-interest-bearing instruments at fair value through other comprehensive income	9,745	-	(2)	-	(2,704)	(541)	145	6,643
Loans mandatorily at fair value through profit or loss ¹	1,247,414	154,902	(96,390)	91,575	394	11	2,579	1,400,485
Equity instruments measured at fair value	<u>42,558</u>	<u>5,782</u>	<u>(4,769)</u>	<u>498</u>	=	<u>93</u>	=	<u>44,162</u>
Financial assets measured at fair value total	<u>1,376,400</u>	<u>239,095</u>	<u>(122,758)</u>	<u>95,172</u>	<u>(4,414)</u>	<u>(3,391)</u>	<u>(10,115)</u>	<u>1,569,989</u>
Financial liabilities designated at fair value through profit or loss	54,191	-	(1,332)	4,543	-	-	13,305	70,707
Negative fair value of held-for-trading derivative financial liabilities	<u>650</u>	=	=	<u>3,050</u>	=	=	<u>8</u>	<u>3,708</u>
Financial liabilities designated fair value total	<u>54,841</u>	=	<u>(1,332)</u>	<u>7,593</u>	=	=	<u>13,313</u>	<u>74,415</u>

¹ HUF (91) million fair value adjustment resulting from risk factors and HUF 93,581 million adjustment resulting from market factors are included into FVA change for the current period at loans mandatorily measured at fair value through profit or loss.

NOTE 29: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF mn) [continued]

29.3. Fair value levels [continued]

Valuation techniques on Level 2 instruments

The fair value of Level 2 instruments is calculated by discounting their expected interest and capital cash flows. Discounting is done with the respective swap curve of each currency.

Valuation techniques and sensitivity analysis on Level 3 instruments

Sensitivity analysis is performed on products with significant unobservable inputs (Level 3) to generate a range of reasonably possible alternative valuations. The sensitivity methodologies applied take account of the nature of the valuation techniques used, as well as the availability and reliability of observable proxy and historical data and the impact of using alternative models.

The calculation is based on a range or spread data of reliable reference source or a scenario based on relevant market analysis alongside the impact of using alternative models. Sensitivities are calculated without reflecting the impact of any diversification in the portfolio.

Unobservable inputs used in measuring fair value

Type of financial instrument	Presentation in the Statement of Financial Position	Valuation technique	Significant unobservable input	Range of estimates for unobservable input
VISA C shares	Financial assets at fair value through profit or loss	Market approach combined with expert judgement.	Illiquidity	+ 12% / (12%)
MFB refinanced loans	Loans mandatorily at fair value through profit or loss	Discounted cash flow model	Probability of default	+ 20% / (20)%
Subsidized personal loans	Loans mandatorily at fair value through profit or loss	Discounted cash flow model	Probability of default	+ 20% / (20)%
Subsidized personal loans	Loans mandatorily at fair value through profit or loss	Discounted cash flow model	Operational costs	+20% / (20)%
Subsidized personal loans	Loans mandatorily at fair value through profit or loss	Discounted cash flow model	Demography	Change in the cash flow estimation + 5% / (5)%
Ministry of Finance of Russia	Securities at fair value through other comprehensive income	Discounted cash flow model	Credit risk	+15% / (15)%
Ministry of Finance of Ukraine	Securities at fair value through other comprehensive income	Discounted cash flow model	Credit risk	+1% / (1)%
Subsidized mortgage loan for families "CSOK"	Loans mandatorily at fair value through profit or loss	Discounted cash flow model	Probability of default	+20% / (20)%
Subsidized mortgage loan for families "CSOK"	Loans mandatorily at fair value through profit or loss	Discounted cash flow model	Operational costs	+20% / (20)%

NOTE 29: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF mn) [continued]

29.3. Fair value levels [continued]

The effect of unobservable inputs on fair value measurement

Although the Group believes that its estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value. For fair value measurements in Level 3 changing the assumptions used to reasonably possible alternative assumptions would have the following effects.

30/06/2024	Presentation in the Statement of Financial Position	Unobservable inputs	Book value	Fair values		Effect on profit and loss	
				Favourable	Unfavourable	Favourable	Unfavourable
VISA C shares	Financial assets at fair value through profit or loss	Illiquidity	8,599	9,631	7,567	1,032	(1,032)
MFB refinanced loans	Loans mandatorily at fair value through profit or loss	Probability of default	17,630	18,024	17,236	394	(394)
Subsidised personal loans	Loans mandatorily at fair value through profit or loss	Probability of default	935,917	937,897	933,948	1,980	(1,969)
Subsidised personal loans	Loans mandatorily at fair value through profit or loss	Operational costs	935,917	941,349	930,517	5,432	(5,400)
Subsidised personal loans	Loans mandatorily at fair value through profit or loss	Demography	935,917	936,624	935,363	707	(554)
Russian government bonds	Securities at fair value through other comprehensive income	Credit risk	33,439	43,670	23,208	10,231	(10,231)
Ukrainian government bonds	Securities at fair value through other comprehensive income	Credit risk	68,727	69,360	67,980	633	(747)
Subsidized mortgage loan for families "CSOK"	Loans mandatorily at fair value through profit or loss	Probability of default	497,131	496,889	497,377	(242)	246
Subsidized mortgage loan for families "CSOK"	Loans mandatorily at fair value through profit or loss	Operational costs	497,131	491,221	503,215	(5,910)	6,084
Total			<u>3,930,408</u>	<u>3,944,665</u>	<u>3,916,411</u>	<u>14,257</u>	<u>(13,997)</u>

NOTE 29: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF mn) [continued]

29.3. Fair value levels [continued]

The effect of unobservable inputs on fair value measurement [continued]

31/12/2023	Presentation in the Statement of Financial Position	Unobservable	Book value	Fair values		Effect on profit and loss	
				Favourable	Unfavourable	Favourable	Unfavourable
VISA C shares	Financial assets at fair value through profit or loss	Illiquidity	10,301	11,538	9,065	1,237	(1,236)
MFB refinanced loans	Loans mandatorily at fair value through profit or loss	Probability of default	19,154	19,499	18,809	345	(345)
Subsidised personal loans	Loans mandatorily at fair value through profit or loss	Probability of default	911,190	913,292	909,097	2,102	(2,093)
Subsidised personal loans	Loans mandatorily at fair value through profit or loss	Operational costs	911,190	916,712	905,728	5,522	(5,462)
Subsidised personal loans	Loans mandatorily at fair value through profit or loss	Demography	911,190	911,939	910,577	749	(613)
Russian government bonds	Securities at fair value through other comprehensive income	Credit risk	22,452	27,909	16,995	5,457	(5,457)
Ukrainian government bonds	Securities at fair value through other comprehensive income	Credit risk	78,355	79,138	77,572	783	(783)
Subsidized mortgage loan for families "CSOK"	Loans mandatorily at fair value through profit or loss	Probability of default	463,926	464,170	463,682	244	(244)
Subsidized mortgage loan for families "CSOK"	Loans mandatorily at fair value through profit or loss	Operational costs	463,926	470,864	457,215	6,938	(6,711)
Total			<u>3,791,684</u>	<u>3,815,061</u>	<u>3,768,741</u>	<u>23,376</u>	<u>(22,944)</u>

NOTE 29: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF mn) [continued]

29.3. Fair value levels [continued]

The effect of unobservable inputs on fair value measurement [continued]

The favourable and unfavourable effects of using reasonably possible alternative assumptions for the valuation of Visa C shares have been calculated by modifying the discount rate used for the valuation by +/-12% as being the best estimates of the management as at 30 June 2024 and 31 December 2023, respectively.

In the case of Hungarian Development Bank (“MFB”) refinancing loans and subsidised personal loans the Bank calculated the favourable and unfavourable effects of using reasonably possible alternative assumptions by modifying the rates of probability of default by +/- 20% as one of the most significant unobservable inputs.

In case of subsidised personal loans operational cost and factors related to demography are considered as unobservable inputs to the applied fair value calculation model in addition to credit risk.

The Bank calculated the favourable and unfavourable effects of using reasonably possible alternative assumptions by modifying the rates of operational costs by +/- 20% as one of the most significant unobservable inputs.

In case of subsidised personal loans cash flow estimation are based on assumption related to the future number of childbirths performed by the debtors both in the current and the comparative period. According to the assumptions used in comparative period 15% of the debtors will not fulfill the conditions of the subsidy determined by the government after 5 years (“breach of conditions”), thereby debtors will be obliged to pay back the interest subsidy given in advance. Furthermore, in this case subsidised loans are converted to loans provided based on market conditions. Loans are prepaid by the government as part of the subsidy after the second and the third childbirth following the signatory of the loan contract. The Bank calculated the favourable and unfavourable effects of using reasonably possible alternative assumptions by modifying the demographical assumption of breach of conditions by +/- 5% as the most significant unobservable input in the cash flow estimation.

For the year ended 31 December 2022 the Bank used a new and more detailed model for cash flow calculations of the subsidised personal loans. The new model uses more scenarios compared to the previous one. These scenarios based on the above-mentioned events (child births after signatory and breach of conditions) and also the event of divorce. The model uses public statistical information for these events to estimate. The Bank calculated the favourable and unfavourable effects of using reasonably possible alternative assumptions by modifying the demographical assumption of future child births by +/-5% as one of the most significant unobservable inputs in the cash flow estimation.

The favourable and unfavourable effects of using reasonably possible alternative assumptions for the valuation of FVOCI securities have been calculated by modifying the discount rate used for the valuation by +/-15% and +/- 1% as being the best estimates of the management as at 30 June 2024 and 31 December 2023, respectively.

NOTE 30: SEGMENT REPORTING BY BUSINESS AND GEOGRAPHICAL SEGMENTS (in HUF mn)

The Group distinguishes business and geographical segments. The report on the base of the business and geographical segments is reported below.

The reportable segments of the Group on the base of IFRS 8 are as follows:

OTP Core Hungary, Russia, Ukraine, Bulgaria, Romania, Serbia, Croatia, Montenegro, Albania, Moldova, Slovenia, Uzbekistan, Merkantil Group, Asset Management subsidiaries and Other subsidiaries. Although Romanian segment is classified as discontinued operation from 2023 in these condensed consolidated financial statements, segment reporting still contains it as a separate segment because – in line with the structure of the financial statements monitored by the management (Stock Exchange Report) – the Romanian operation was presented in a way as if it was still classified as continuing operation.

OTP Core is an economic unit for measuring the result of core business activity of the Group in Hungary. Financials for OTP Core are calculated from the partially financial statements of the companies engaged in the Group's underlying banking 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. The Bank Employee Stock Ownership Plan Organization was included from the fourth quarter of 2016; OTP Card Factory Ltd., OTP Facility Management Llc., Monicomp Ltd. and OTP Real Estate Lease Ltd. were included from the first quarter of 2017 (from the first quarter of 2019 OTP Real Estate Lease Ltd. was eliminated from OTP Core); OTP Mobile Service Llc., OTP Inगतlanpont Llc. were included from the first quarter of 2019, OTP Ecosystem Ltd. (previous name: OTP eBIZ Ltd. it was eliminated from the first quarter of 2023) from the first quarter of 2020; OTP Home Solutions Ltd. was included from the second quarter of 2021; Bajor-Polár Center, Real Estate Management Ltd., CIL Babér Ltd., BANK CENTER No. 1. Ltd. and MFM Project Investment and Development Ltd. were included from the first quarter of 2024.

The statement of financial position of Ipoteka Bank in Uzbekistan was consolidated from June 2023. The profit contribution of Ipoteka Bank was recognized in the consolidated profit or loss from the third quarter of 2023.

The results of foreign factoring companies (OTP Factoring Ukraine LLC, OTP Factoring Bulgaria LLC (it was merged into DSK Bank EAD in the second quarter of 2023), OTP Factoring Serbia d.o.o., and OTP Debt Collection d.o.o. (formerly known as: OTP Factoring Montenegro d.o.o.)), as well as the foreign leasing companies are included into the relevant foreign bank's segment.

The Other subsidiaries include, among others: OTP Real Estate Ltd., OTP Life Annuity Ltd, OTP Funds Servicing and Consulting Ltd.

The reportable business and geographical segments of the Group are those components where:

- separated income and expenses, assets and liabilities can be identified and assignable to the segments,
- transactions between the different segments were eliminated,
- the main decisive board of the Group regularly controls the operating results,
- separated financial information is available.

In accordance with the management's decision, the scope of adjustment items presented in the stock exchange report on consolidated level changed from the first quarter of 2024.

According to the methodology applied until the end of 2023 (hereinafter: old methodology), in 2023 the following adjustment items were carved out of the regular profit or loss accounts of individual segments, with after tax amount: dividends and net cash transfers, goodwill/investment impairment charges, special tax on financial institutions, expected one-off effect of the interest rate cap for certain loans in Hungary and Serbia, effect of the winding up of Sberbank Hungary, effect of acquisitions, result of the treasury share swap agreement, and impairments on Russian government bonds at OTP Core and DSK Bank.

According to the methodology applied from 2024 onwards (hereinafter: new methodology), only the following adjustment items are carved out and presented on consolidated level, with after tax amount: goodwill impairment, and the direct effect of acquisitions. Starting from 2024, the direct effect of acquisitions includes only three items: badwill and initial risk cost related to acquisitions, and the gain or loss on the sale of a subsidiary. Under the old methodology, the effect of acquisitions line included further acquisition-related items, such as integration costs, and customer base value amortization.

NOTE 30: SEGMENT REPORTING BY BUSINESS AND GEOGRAPHICAL SEGMENTS (in HUF mn) [continued]

Under the new methodology, items previously presented as adjustments are now presented in the relevant geographical or business segment where they occurred (e.g. the special banking taxes in Hungary are presented partly within OTP Core and partly within Merkantil Group segment).

For the sake of comparability, in the condensed semi-annual report the relevant consolidated tables are presented in accordance with both the old and the new methodologies for 2023.

This change in methodology does not affect the consolidated and separate statements of financial position, as, according to both the old and the new methodologies, the adjustment items affect only the profit and loss statement and the relevant performance indicators calculated from the profit and loss lines concerned, but not the statement of financial position.

Adjustments

According to the new methodology concerning the scope of adjustment items applied from 2024 but retroactively from 2023, the following adjustment items which are carved out and presented on consolidated level, with after tax amount: goodwill impairment, and the direct effect of acquisitions amounted to zero in the first half year of 2024.

Explanation to the segments in the following table below:

3; 4; 6: The segments distinguished by geographical basis contain banks in that country and sometimes other financial institutions (like leasing or factoring companies) or other companies. The incomes mainly arise from providing financial services like: collecting deposits, granting loans, leasing and treasury activities, payment and investment services and other financial services.

7: Merkantil Group conducts leasing activities in Hungary, originates its income from providing leasing services (financing cars and production equipment).

8: Incomes arising in this segment is mainly fee income of fund management companies in Hungary, Bulgaria, Romania, Ukraine based on capital in investment funds or assets in funds.

9: The activities of other Hungarian and foreign subsidiaries are very divergent, so their income also originates from different sources. The main part of the income in the Other subsidiaries segment comes from the activities of OTP Funds Servicing and Consulting, OTP Real Estate, OTP Real Estate Investment Fund Management and PortfoLion Funds.

NOTE 30: SEGMENT REPORTING BY BUSINESS AND GEOGRAPHICAL SEGMENTS (in HUF mn) [continued]

Information regarding the Group's reportable segments is presented below:

As at 30 June 2024

Main components of the consolidated statement of profit or loss in HUF million	OTP Group - in the consolidated statement of profit or loss - structure of accounting reports a	Adjustments on the accounting in Recognized Income b	OTP Group - in the consolidated statement of profit or loss - structure of management reports 1=a+b
Profit after income tax for the year from continued and discontinued operations	507,892		507,892
Profit after income tax for the year from discontinued operations	8,871	(8,871)	-
Profit after income tax for the year from continued operations	<u>499,021</u>	<u>(8,871)</u>	<u>507,892</u>

NOTE 30: SEGMENT REPORTING BY BUSINESS AND GEOGRAPHICAL SEGMENTS (in HUF mn) [continued]

Information regarding the Group's reportable segments is presented below [continued]:

As at 30 June 2024 [continued]

Main components of the consolidated statement of profit or loss in HUF million	OTP Group - in the consolidated statement of profit or loss - structure of accounting reports	Adjustments on the accounting in Recognized Income	OTP Group - in the consolidated statement of profit or loss - structure of management reports	Hungarian segment and other foreign subsidiaries not reported in "Foreign bank segment" subtotal (without adjustments)	Foreign banks in EU subtotal (without adjustments)	Foreign banks not in EU subtotal (without adjustments)	Eliminations and adjustments
	a	b	1=a+b; 1=2+3+4+5	2	3	4	5
Consolidated adjusted profit after income tax for the year	499,021	8,871	507,892	136,268	189,795	175,059	6,770
Profit before income tax	621,076	61,278	682,354	212,578	231,477	231,031	7,268
Adjusted operating profit	660,198	66,178	726,376	240,821	234,744	252,077	(1,266)
Adjusted total income	1,244,906	11,824	1,256,730	477,351	406,337	379,674	(6,632)
Adjusted net interest income	842,084	35,566	877,650	295,115	304,575	278,194	(234)
Adjusted net profit	-	-	-	-	-	-	-
from fees and commissions	377,765	(117,912)	259,853	127,937	82,896	49,592	(572)
Adjusted other net non-interest income	25,057	94,170	119,227	54,299	18,866	51,888	(5,826)
Adjusted other administrative expenses	(584,708)	54,354	(530,354)	(236,530)	(171,593)	(127,597)	5,366
Personnel expenses	(259,266)	(14,133)	(273,399)	(113,037)	(85,504)	(74,898)	40
Depreciation and amortization	(63,230)	6,719	(56,511)	(30,001)	(13,884)	(12,414)	(212)
Other general expenses	(262,212)	61,768	(200,444)	(93,492)	(72,205)	(40,285)	5,538
Gains from derecognition of financial assets at amortized cost	(10,728)	83	(10,645)	(4,853)	(167)	(5,625)	-
Modification loss	(5,657)	-	(5,657)	(5,715)	(7)	66	(1)
Total risk costs	(22,737)	(4,983)	(27,720)	(17,675)	(3,093)	(15,487)	8,535
Adjusted loss allowance on financial assets and liabilities (without the effect of revaluation of FX)	(18,889)	13,521	(5,368)	5,995	(193)	(11,789)	619
Goodwill impairment	-	-	-	-	-	-	-
Other impairment (adjustment)	(3,848)	(18,504)	(22,352)	(23,670)	(2,900)	(3,698)	7,916
from this: Adjusted impairment under IAS 36	(395)	135	(260)	(195)	123	-	(188)
Income tax	(122,055)	(52,407)	(174,462)	(76,310)	(41,682)	(55,972)	(498)
Total Assets	41,000,904	1,522,700	42,523,604	21,847,484	18,002,925	9,380,519	(6,707,324)
Total Liabilities	36,855,564	1,119,898	37,975,462	18,509,124	15,781,569	8,043,872	(4,359,103)

NOTE 30: SEGMENT REPORTING BY BUSINESS AND GEOGRAPHICAL SEGMENTS (in HUF mn) [continued]

Information regarding the Group's reportable segments is presented below [continued]:

As at 30 June 2024 [continued]

Main components of the consolidated statement of profit or loss in HUF million [continued]	Hungarian segment and other foreign subsidiaries not reported in "Foreign bank segment" subtotal (without adjustments) 2=6+...+9	OTP CORE (Hungary) 6	Merkantil Group (Hungary) 7	Asset Management subsidiaries 8	Other subsidiaries 9
Consolidated adjusted profit after income tax for the year	136,268	112,498	3,384	11,683	8,703
Profit before income tax	212,578	182,804	6,162	12,945	10,667
Adjusted operating profit	240,821	210,684	6,395	12,923	10,819
Adjusted total income	477,351	420,483	13,687	15,931	27,250
Adjusted net interest income	295,115	280,314	12,479	38	2,284
Adjusted net profit					
from fees and commissions	127,937	105,682	396	14,526	7,333
Adjusted other net non-interest income	54,299	34,487	812	1,367	17,633
Adjusted other administrative expenses	(236,530)	(209,799)	(7,292)	(3,008)	(16,431)
Personnel expenses	(113,037)	(101,183)	(3,581)	(1,879)	(6,394)
Depreciation and amortization	(30,001)	(26,620)	(1,049)	(75)	(2,257)
Other general expenses	(93,492)	(81,996)	(2,662)	(1,054)	(7,780)
Gains from derecognition of financial assets at amortized cost	(4,853)	(4,983)	130	-	-
Modification loss	(5,715)	(5,583)	(132)	-	-
Total risk costs	(17,675)	(17,314)	(231)	22	(152)
Adjusted loss allowance on financial assets and liabilities (without the effect of revaluation of FX)	5,995	6,208	(262)	13	36
Goodwill impairment	-	-	-	-	-
Other impairment (adjustment)	(23,670)	(23,522)	31	9	(188)
from this: Adjusted impairment under IAS 36	(195)	(187)	-	-	(8)
Income tax	(76,310)	(70,306)	(2,778)	(1,262)	(1,964)
Total Assets	21,847,484	20,204,376	888,975	42,748	711,385
Total Liabilities	18,509,124	17,406,447	830,353	23,763	248,561

NOTE 30: SEGMENT REPORTING BY BUSINESS AND GEOGRAPHICAL SEGMENTS (in HUF mn) [continued]

Information regarding the Group's reportable segments is presented below [continued]:

As at 30 June 2024 [continued]

Main components of the consolidated statement of profit or loss in HUF million [continued]	Foreign banks in EU subtotal (without adjustments) 3=10+...+13	DSK Bank AD (Bulgaria) 10	OTP banka d.d. (Croatia) 11	SKB Banka and Nova KBM d.d. (Slovenia) 12	OTP Bank Romania S.A. (Romania) 13
Consolidated adjusted profit after income tax for the year	189,795	97,599	33,265	56,881	2,050
Profit before income tax	231,477	114,636	40,512	71,649	4,680
Adjusted operating profit	234,744	116,760	34,151	74,244	9,589
Adjusted total income	406,337	178,757	65,535	128,179	33,866
Adjusted net interest income	304,575	129,498	50,002	98,029	27,046
Adjusted net profit					
from fees and commissions	82,896	39,200	13,266	27,359	3,071
Adjusted other net non-interest income	18,866	10,059	2,267	2,791	3,749
Adjusted other administrative expenses	(171,593)	(61,997)	(31,384)	(53,935)	(24,277)
Personnel expenses	(85,504)	(27,804)	(16,476)	(27,228)	(13,996)
Depreciation and amortization	(13,884)	(5,090)	(2,920)	(4,190)	(1,684)
Other general expenses	(72,205)	(29,103)	(11,988)	(22,517)	(8,597)
Gains from derecognition of financial assets at amortized cost	(167)	315	-	(566)	84
Modification loss	(7)	-	-	(7)	-
Total risk costs	(3,093)	(2,439)	6,361	(2,022)	(4,993)
Adjusted loss allowance on financial assets and liabilities (without the effect of revaluation of FX)	(193)	(1,436)	8,345	(2,305)	(4,797)
Goodwill impairment	-	-	-	-	-
Other impairment (adjustment)	(2,900)	(1,003)	(1,984)	283	(196)
from this: Adjusted impairment under IAS 36	123	122	1	-	-
Income tax	(41,682)	(17,037)	(7,247)	(14,768)	(2,630)
Total Assets	18,002,925	6,959,673	3,522,652	5,933,955	1,586,645
Total Liabilities	15,781,569	6,053,444	3,099,827	5,242,623	1,385,675

NOTE 30: SEGMENT REPORTING BY BUSINESS AND GEOGRAPHICAL SEGMENTS (in HUF mn) [continued]

Information regarding the Group's reportable segments is presented below [continued]:

As at 30 June 2024 [continued]

Main components of the consolidated statement of profit or loss in HUF million [continued]	Foreign banks not in EU subtotal (without adjustments) 4=14+...+20	OTP banka Srbija a.d. (Serbia) 14	OTP Bank JSC (Ukraine) 15	JSC "OTP Bank" (Russia) and Touch Bank 16	Crnogorska komercijalna banka a.d. (Montenegro) 17	Banka OTP Albania SHA (Albania) 18	OTP Bank S.A. (Moldova) 19	JSCMB Ipoteka Bank (Uzbekistan) 20
Consolidated adjusted profit after income tax for the year	175,059	41,227	27,190	57,181	11,257	9,973	5,508	22,723
Profit before income tax	231,031	47,702	35,657	86,623	13,209	11,852	6,295	29,693
Adjusted operating profit	252,077	46,267	33,610	101,837	13,537	11,036	5,840	39,950
Adjusted total income	379,674	72,967	49,177	143,195	21,931	19,092	12,286	61,026
Adjusted net interest income	278,194	56,371	44,724	82,653	17,129	16,359	7,686	53,272
Adjusted net profit								
from fees and commissions	49,592	9,844	4,338	23,600	4,430	1,661	1,153	4,566
Adjusted other net non-interest income	51,888	6,752	115	36,942	372	1,072	3,447	3,188
Adjusted other administrative expenses	(127,597)	(26,700)	(15,567)	(41,358)	(8,394)	(8,056)	(6,446)	(21,076)
Personnel expenses	(74,898)	(13,571)	(9,553)	(26,012)	(3,935)	(3,235)	(3,772)	(14,820)
Depreciation and amortization	(12,414)	(2,423)	(1,374)	(3,872)	(1,077)	(1,060)	(699)	(1,909)
Other general expenses	(40,285)	(10,706)	(4,640)	(11,474)	(3,382)	(3,761)	(1,975)	(4,347)
Gains from derecognition of financial assets at amortized cost	(5,625)	(34)	157	450	(18)	(1,363)	(256)	(4,561)
Modification loss	66	-	55	-	11	-	-	-
Total risk costs	(15,487)	1,469	1,835	(15,664)	(321)	2,179	711	(5,696)
Adjusted loss allowance on financial assets and liabilities (without the effect of revaluation of FX)	(11,789)	1,668	4,091	(15,466)	296	1,679	930	(4,987)
Goodwill impairment	-	-	-	-	-	-	-	-
Other impairment (adjustment)	(3,698)	(199)	(2,256)	(198)	(617)	500	(219)	(709)
from this: Adjusted impairment under IAS 36	-	-	-	-	-	-	-	-
Income tax	(55,972)	(6,475)	(8,467)	(29,442)	(1,952)	(1,879)	(787)	(6,970)
Total Assets	9,380,519	3,090,927	1,097,728	2,042,270	690,662	718,645	423,196	1,317,091
Total Liabilities	8,043,872	2,695,464	912,032	1,723,573	586,665	622,431	362,349	1,141,358

NOTE 30: SEGMENT REPORTING BY BUSINESS AND GEOGRAPHICAL SEGMENTS (in HUF mn) [continued]

Information regarding the Group's reportable segments is presented below according to the NEW methodology [continued]:

As at 31 December 2023

Main components of the consolidated statement of profit or loss in HUF million	OTP Group - in the consolidated statement of profit or loss - structure of accounting reports a	Adjustments on the accounting in Recognized Income b	OTP Group - in the consolidated statement of profit or loss - structure of management reports 1=a+b
Profit after income tax for the year from continued and discontinued operations	990,459		990,459
Profit after income tax for the year from held-for-sale operation		-	-
Profit after income tax for the year from discontinued operations	<u>(21,246)</u>	<u>21,246</u>	<u>-</u>
Profit after income tax for the year from continued operations	<u>1,011,705</u>	<u>21,246</u>	<u>990,459</u>
Adjustments (total)		85,507	85,507
Effect of acquisition (after income tax)		85,507	85,507

NOTE 30: SEGMENT REPORTING BY BUSINESS AND GEOGRAPHICAL SEGMENTS (in HUF mn) [continued]

Information regarding the Group's reportable segments is presented below according to the NEW methodology [continued]:

As at 31 December 2023 [continued]

Main components of the consolidated statement of profit or loss in HUF million	OTP Group - in the consolidated statement of profit or loss - structure of accounting reports	Adjustments on the accounting in Recognized Income	OTP Group - in the consolidated statement of profit or loss - structure of management reports	Hungarian segment and other foreign subsidiaries not reported in "Foreign bank segment" subtotal (without adjustments)	Foreign banks in EU subtotal (without adjustments)	Foreign banks not in EU subtotal (without adjustments)	Eliminations and adjustments
	a	b	1=a+b; 1=2+3+4+5	2	3	4	5
Consolidated adjusted profit after income tax for the year	1,011,705	(106,753)	904,952	297,338	383,980	230,959	(7,325)
Profit before income tax	1,201,183	(21,959)	1,179,224	434,423	427,854	323,542	(6,595)
Adjusted operating profit	1,365,111	(80,678)	1,284,433	457,799	434,851	398,769	(6,986)
Adjusted total income	2,439,448	(175,218)	2,264,230	931,929	726,750	627,569	(22,018)
Adjusted net interest income	1,386,706	75,144	1,461,850	474,616	538,796	446,302	2,136
Adjusted net profit							
from fees and commissions	691,993	(213,875)	478,118	241,178	149,074	88,999	(1,133)
Adjusted other net non-interest income	360,749	(36,487)	324,262	216,135	38,880	92,268	(23,021)
Adjusted other administrative expenses	(1,074,337)	94,540	(979,797)	(474,130)	(291,899)	(228,800)	15,032
Personnel expenses	(478,696)	(27,769)	(506,465)	(229,991)	(150,979)	(126,364)	869
Depreciation and amortization	(111,996)	11,538	(100,458)	(52,018)	(26,088)	(21,817)	(535)
Other general expenses	(483,645)	110,771	(372,874)	(192,121)	(114,832)	(80,619)	14,698
Gains from derecognition of financial assets at amortized cost	(17,182)	6,624	(10,558)	(20,137)	8,010	1,572	(3)
Modification loss	(38,141)	36,909	(1,232)	(27)	4	(1,209)	-
Total risk costs	(108,605)	15,186	(93,419)	(3,212)	(15,011)	(75,590)	394
Adjusted loss allowance on financial assets and liabilities (without the effect of revaluation of FX)	(79,281)	857	(78,424)	(12,149)	(4,235)	(62,230)	190
Goodwill impairment	-	-	-	-	-	-	-
Other impairment (adjustment)	(29,324)	14,329	(14,995)	8,937	(10,776)	(13,360)	204
from this: adjusted impairment under IAS 36	(5,216)	3,566	(1,650)	(439)	(1,046)	(130)	(35)
Income tax	(189,478)	(84,794)	(274,272)	(137,085)	(43,874)	(92,583)	(730)
Total Assets	38,075,811	1,533,333	39,609,144	20,253,197	17,227,907	8,331,503	(6,203,463)
Total Liabilities	34,374,431	1,139,920	35,514,351	17,276,859	15,071,974	7,128,153	(3,962,635)

NOTE 30: SEGMENT REPORTING BY BUSINESS AND GEOGRAPHICAL SEGMENTS (in HUF mn) [continued]

Information regarding the Group's reportable segments is presented below according to the NEW methodology [continued]:

As at 31 December 2023 [continued]

Main components of the consolidated statement of profit or loss in HUF million [continued]	Hungarian segment and other foreign subsidiaries not reported in "Foreign bank segment" subtotal (without adjustments) 2=6+...+9	OTP CORE (Hungary) 6	Merkantil Group (Hungary) 7	Asset Management subsidiaries 8	Other subsidiaries 9
Consolidated adjusted profit after income tax for the year	297,338	233,871	6,647	19,860	36,960
Profit before income tax	434,423	359,862	10,507	22,376	41,678
Adjusted operating profit	457,799	380,027	14,396	22,425	40,951
Adjusted total income	931,929	793,953	27,442	29,051	81,483
Adjusted net interest income	474,616	432,651	26,257	52	15,656
Adjusted net profit					
from fees and commissions	241,178	197,341	759	27,056	16,022
Adjusted other net non-interest income	216,135	163,961	426	1,943	49,805
Adjusted other administrative expenses	(474,130)	(413,926)	(13,046)	(6,626)	(40,532)
Personnel expenses	(229,991)	(205,223)	(6,658)	(4,437)	(13,673)
Depreciation and amortization	(52,018)	(44,745)	(1,648)	(195)	(5,430)
Other general expenses	(192,121)	(163,958)	(4,740)	(1,994)	(21,429)
Gains from derecognition of financial assets at amortized cost	(20,137)	(20,690)	553	-	-
Modification loss	(27)	-	(27)	-	-
Total risk costs	(3,212)	525	(4,415)	(49)	727
Adjusted loss allowance on financial assets and liabilities (without the effect of revaluation of FX)	(12,149)	(9,558)	(4,393)	(39)	1,841
Goodwill impairment	-	-	-	-	-
Other impairment (adjustment)	8,937	10,083	(22)	(10)	(1,114)
from this: adjusted impairment under IAS 36	(439)	(1,816)	(4)	-	1,381
Income tax	(137,085)	(125,991)	(3,860)	(2,516)	(4,718)
Total Assets	20,253,197	18,459,423	930,761	42,031	820,982
Total Liabilities	17,276,859	16,087,459	869,524	11,609	308,267

NOTE 30: SEGMENT REPORTING BY BUSINESS AND GEOGRAPHICAL SEGMENTS (in HUF mn) [continued]

Information regarding the Group's reportable segments is presented below according to the NEW methodology [continued]:

As at 31 December 2023 [continued]

Main components of the consolidated statement of profit or loss in HUF million [continued]	Foreign banks in EU subtotal (without adjustments) 3=10+...+13	DSK Bank AD (Bulgaria) 10	OTP banka d.d. (Croatia) 11	SKB Banka and Nova KBM d.d. (Slovenia) 12	OTP Bank Romania S.A. (Romania) 13
Consolidated adjusted profit after income tax for the year	383,980	198,182	53,334	112,343	20,121
Profit before income tax	427,854	219,485	65,120	119,569	23,680
Adjusted operating profit	434,851	216,102	66,117	131,637	20,995
Adjusted total income	726,750	316,105	123,133	218,877	68,635
Adjusted net interest income	538,796	226,693	91,117	167,121	53,865
Adjusted net profit					
from fees and commissions	149,074	72,366	25,661	46,028	5,019
Adjusted other net non-interest income	38,880	17,046	6,355	5,728	9,751
Adjusted other administrative expenses	(291,899)	(100,003)	(57,016)	(87,240)	(47,640)
Personnel expenses	(150,979)	(47,720)	(29,235)	(47,716)	(26,308)
Depreciation and amortization	(26,088)	(9,116)	(5,592)	(7,351)	(4,029)
Other general expenses	(114,832)	(43,167)	(22,189)	(32,173)	(17,303)
Gains from derecognition of financial assets at amortized cost	8,010	1,638	-	(251)	6,623
Modification loss	4	-	-	4	-
Total risk costs	(15,011)	1,745	(997)	(11,821)	(3,938)
Adjusted loss allowance on financial assets and liabilities (without the effect of revaluation of FX)	(4,235)	1,141	721	(2,245)	(3,852)
Goodwill impairment	-	-	-	-	-
Other impairment (adjustment)	(10,776)	604	(1,718)	(9,576)	(86)
from this: adjusted impairment under IAS 36	(1,046)	(838)	(25)	(9)	(174)
Income tax	(43,874)	(21,303)	(11,786)	(7,226)	(3,559)
Total Assets	17,227,907	6,456,668	3,278,199	5,892,803	1,600,237
Total Liabilities	15,071,974	5,566,481	2,874,712	5,223,180	1,407,601

NOTE 30: SEGMENT REPORTING BY BUSINESS AND GEOGRAPHICAL SEGMENTS (in HUF mn) [continued]

Information regarding the Group's reportable segments is presented below according to the NEW methodology [continued]:

As at 31 December 2023 [continued]

Main components of the consolidated statement of profit or loss in HUF million [continued]	Foreign banks not in EU subtotal (without adjustments) 4=14+...+20	OTP banka Srbija a.d. (Serbia) 14	OTP Bank JSC (Ukraine) 15	JSC "OTP Bank" (Russia) and Touch Bank 16	Crnogorska komercijalna banka a.d. (Montenegro) 17	Banka OTP Albania SHA (Albania) 18	OTP Bank S.A. (Moldova) 19	JSCMB Ipoteka Bank (Uzbekistan) 20
Consolidated adjusted profit after income tax for the year	230,959	58,211	44,909	95,675	21,359	11,603	14,624	(15,422)
Profit before income tax	323,542	67,354	82,083	130,181	25,220	14,074	16,671	(12,041)
Adjusted operating profit	398,769	81,179	78,019	149,307	23,019	13,750	13,352	40,143
Adjusted total income	627,569	132,149	108,854	223,654	38,425	33,123	25,275	66,089
Adjusted net interest income	446,302	103,730	93,450	122,084	29,771	27,912	16,349	53,006
Adjusted net profit								
from fees and commissions	88,999	18,419	10,837	40,831	7,797	3,465	2,389	5,261
Adjusted other net non-interest income	92,268	10,000	4,567	60,739	857	1,746	6,537	7,822
Adjusted other administrative expenses	(228,800)	(50,970)	(30,835)	(74,347)	(15,406)	(19,373)	(11,923)	(25,946)
Personnel expenses	(126,364)	(25,710)	(18,046)	(45,063)	(7,299)	(6,610)	(7,013)	(16,623)
Depreciation and amortization	(21,817)	(4,547)	(2,472)	(8,660)	(1,838)	(1,494)	(1,234)	(1,572)
Other general expenses	(80,619)	(20,713)	(10,317)	(20,624)	(6,269)	(11,269)	(3,676)	(7,751)
Gains from derecognition of financial assets at amortized cost	1,572	53	328	1,487	932	(219)	(1,009)	-
Modification loss	(1,209)	-	(1,239)	-	30	-	-	-
Total risk costs	(75,590)	(13,878)	4,975	(20,613)	1,239	543	4,328	(52,184)
Adjusted loss allowance on financial assets and liabilities (without the effect of revaluation of FX)	(62,230)	(11,085)	11,565	(17,765)	1,967	327	4,115	(51,354)
Goodwill impairment	-	-	-	-	-	-	-	-
Other impairment (adjustment)	(13,360)	(2,793)	(6,590)	(2,848)	(728)	216	213	(830)
from this: adjusted impairment under IAS 36	(130)	(93)	-	-	-	-	(37)	-
Income tax	(92,583)	(9,143)	(37,174)	(34,506)	(3,861)	(2,471)	(2,047)	(3,381)
Total Assets	8,331,503	2,874,794	1,036,912	1,470,796	663,676	669,765	428,192	1,187,368
Total Liabilities	7,128,153	2,506,449	879,824	1,196,279	550,672	588,663	364,839	1,041,427

NOTE 30: SEGMENT REPORTING BY BUSINESS AND GEOGRAPHICAL SEGMENTS (in HUF mn) [continued]

Information regarding the Group's reportable segments is presented below according to the OLD methodology [continued]:

As at 31 December 2023 [continued]

Main components of the consolidated statement of profit or loss in HUF million	OTP Group - in the consolidated statement of profit or loss - structure of accounting reports a	Adjustments on the accounting in Recognized Income b	OTP Group - in the consolidated statement of profit or loss - structure of management reports 1=a+b
Profit after income tax for the year from continued and discontinued operations	990,459		990,459
Profit after income tax for the year from held-for-sale operation		-	-
Profit after income tax for the year from discontinued operations	<u>(21,246)</u>	<u>21,246</u>	-
Profit after income tax for the year from continued operations	<u>1,011,705</u>	<u>21,246</u>	<u>990,459</u>
Adjustments (total)		(18,123)	(18,123)
Dividends and net cash transfers (after income tax)		(1,911)	(1,911)
Goodwill /investment impairment (after income tax)		(3,919)	(3,919)
Special tax on financial institutions (after income tax)		(62,551)	(62,551)
Effect of acquisition (after income tax)		64,887	64,887
Result of the treasury share swap agreement at OTP Core (after income tax)		10,680	10,680
Loss allowance on Russian government bonds at OTP Core and DSK Bank (after income tax)		(2,799)	(2,799)
Effect of the winding up of Sberbank Hungary (after income tax)		10,388	10,388
Expected one-off effect of the extension of the interest rate cap for certain retail loans in Hungary (after income tax)		(32,898)	(32,898)

NOTE 30: SEGMENT REPORTING BY BUSINESS AND GEOGRAPHICAL SEGMENTS (in HUF mn) [continued]

Information regarding the Group's reportable segments is presented below according to the OLD methodology [continued]:

As at 31 December 2023 [continued]

Main components of the consolidated statement of profit or loss in HUF million	OTP Group - in the consolidated statement of profit or loss - structure of accounting reports	Adjustments on the accounting in Recognized Income	OTP Group - in the consolidated statement of profit or loss - structure of management reports	Hungarian segment and other foreign subsidiaries not reported in "Foreign bank segment" subtotal (without adjustments)	Foreign banks in EU subtotal (without adjustments)	Foreign banks not in EU subtotal (without adjustments)	Eliminations and adjustments
	a	b	1=a+b; 1=2+3+4+5	2	3	4	5
Consolidated adjusted profit after income tax for the year	1,011,705	(3,123)	1,008,582	364,621	404,779	238,565	617
Profit before income tax	1,201,183	21,145	1,222,328	437,074	450,536	333,369	1,349
Adjusted operating profit	1,365,111	(85,737)	1,279,374	432,460	445,671	400,279	964
Adjusted total income	2,439,448	(196,339)	2,243,109	903,559	730,860	622,761	(14,071)
Adjusted net interest income	1,386,706	72,988	1,459,694	474,616	543,257	439,685	2,136
Adjusted net profit							
from fees and commissions	691,993	(213,847)	478,146	240,942	149,074	89,263	(1,133)
Adjusted other net non-interest income	360,749	(55,480)	305,269	188,001	38,529	93,813	(15,074)
Adjusted other administrative expenses	(1,074,337)	110,602	(963,735)	(471,099)	(285,189)	(222,482)	15,035
Personnel expenses	(478,696)	(25,263)	(503,959)	(229,992)	(149,674)	(125,163)	870
Depreciation and amortization	(111,996)	16,435	(95,561)	(52,017)	(22,271)	(20,738)	(535)
Other general expenses	(483,645)	119,430	(364,215)	(189,090)	(113,244)	(76,581)	14,700
Gains from derecognition of financial assets at amortized cost	(17,182)	6,624	(10,558)	(20,137)	8,261	1,572	(254)
Modification loss	(38,141)	36,909	(1,232)	(27)	-	(1,209)	4
Total risk costs	(108,605)	63,349	(45,256)	24,778	(3,396)	(67,273)	635
Adjusted loss allowance on financial assets and liabilities (without the effect of revaluation of FX)	(79,281)	37,766	(41,515)	16,023	(4,475)	(53,493)	430
Goodwill impairment	-	-	-	-	-	-	-
Other impairment (adjustment)	(29,324)	25,583	(3,741)	8,755	1,079	(13,780)	205
from this: adjusted impairment under IAS 36	(5,216)	3,566	(1,650)	(452)	(1,037)	(130)	(31)
Income tax	(189,478)	(24,268)	(213,746)	(72,453)	(45,757)	(94,804)	(732)
Total Assets	38,075,811	1,533,333	39,609,144	20,253,197	17,227,907	8,331,503	(6,203,463)
Total Liabilities	34,374,431	1,139,920	35,514,351	17,276,859	15,071,959	7,128,153	(3,962,620)

NOTE 30: SEGMENT REPORTING BY BUSINESS AND GEOGRAPHICAL SEGMENTS (in HUF mn) [continued]

Information regarding the Group's reportable segments is presented below according to the OLD methodology [continued]:

As at 31 December 2023 [continued]

Main components of the consolidated statement of profit or loss in HUF million [continued]	Hungarian segment and other foreign subsidiaries not reported in "Foreign bank segment" subtotal (without adjustments) 2=6+...+9	OTP CORE (Hungary) 6	Merkantil Group (Hungary) 7	Asset Management subsidiaries 8	Other subsidiaries 9
Consolidated adjusted profit after income tax for the year	364,621	302,936	10,266	19,860	31,559
Profit before income tax	437,074	366,502	11,949	22,376	36,247
Adjusted operating profit	432,460	360,132	14,382	22,425	35,521
Adjusted total income	903,559	771,037	27,428	29,051	76,043
Adjusted net interest income	474,616	432,651	26,257	52	15,656
Adjusted net profit					
from fees and commissions	240,942	197,104	759	27,056	16,023
Adjusted other net non-interest income	188,001	141,282	412	1,943	44,364
Adjusted other administrative expenses	(471,099)	(410,905)	(13,046)	(6,626)	(40,522)
Personnel expenses	(229,992)	(205,223)	(6,658)	(4,437)	(13,674)
Depreciation and amortization	(52,017)	(44,745)	(1,648)	(195)	(5,429)
Other general expenses	(189,090)	(160,937)	(4,740)	(1,994)	(21,419)
Gains from derecognition of financial assets at amortized cost	(20,137)	(20,690)	553	-	-
Modification loss	(27)	-	(27)	-	-
Total risk costs	24,778	27,060	(2,959)	(49)	726
Adjusted loss allowance on financial assets and liabilities (without the effect of revaluation of FX)	16,023	16,977	(2,756)	(39)	1,841
Goodwill impairment	-	-	-	-	-
Other impairment (adjustment)	8,755	10,083	(203)	(10)	(1,115)
from this: adjusted impairment under IAS 36	(452)	(1,816)	(4)	-	1,368
Income tax	(72,453)	(63,566)	(1,683)	(2,516)	(4,688)
Total Assets	20,253,197	18,459,423	930,761	42,031	820,982
Total Liabilities	17,276,859	16,087,459	869,524	11,609	308,267

NOTE 30: SEGMENT REPORTING BY BUSINESS AND GEOGRAPHICAL SEGMENTS (in HUF mn) [continued]

Information regarding the Group's reportable segments is presented below according to the OLD methodology [continued]:

As at 31 December 2023 [continued]

Main components of the consolidated statement of profit or loss in HUF million [continued]	Foreign banks in EU subtotal (without adjustments) 3=10+...+13	DSK Bank AD (Bulgaria) 10	OTP banka d.d. (Croatia) 11	SKB Banka and Nova KBM d.d. (Slovenia) 12	OTP Bank Romania S.A. (Romania) 13
Consolidated adjusted profit after income tax for the year	404,779	201,991	53,960	128,729	20,099
Profit before income tax	450,536	223,731	65,746	137,401	23,658
Adjusted operating profit	445,671	217,238	66,743	140,717	20,973
Adjusted total income	730,860	315,980	122,952	223,315	68,613
Adjusted net interest income	543,257	226,693	90,996	171,703	53,865
Adjusted net profit					
from fees and commissions	149,074	72,366	25,661	46,028	5,019
Adjusted other net non-interest income	38,529	16,921	6,295	5,584	9,729
Adjusted other administrative expenses	(285,189)	(98,742)	(56,209)	(82,598)	(47,640)
Personnel expenses	(149,674)	(47,720)	(29,235)	(46,411)	(26,308)
Depreciation and amortization	(22,271)	(7,855)	(4,785)	(5,602)	(4,029)
Other general expenses	(113,244)	(43,167)	(22,189)	(30,585)	(17,303)
Gains from derecognition of financial assets at amortized cost	8,261	1,638	-	-	6,623
Modification loss	-	-	-	-	-
Total risk costs	(3,396)	4,855	(997)	(3,316)	(3,938)
Adjusted loss allowance on financial assets and liabilities (without the effect of revaluation of FX)	(4,475)	1,141	721	(2,485)	(3,852)
Goodwill impairment	-	-	-	-	-
Other impairment (adjustment)	1,079	3,714	(1,718)	(831)	(86)
from this: adjusted impairment under IAS 36	(1,037)	(838)	(25)	-	(174)
Income tax	(45,757)	(21,740)	(11,786)	(8,672)	(3,559)
Total Assets	17,227,907	6,456,668	3,278,199	5,892,803	1,600,237
Total Liabilities	15,071,959	5,566,481	2,874,712	5,223,180	1,407,586

NOTE 30: SEGMENT REPORTING BY BUSINESS AND GEOGRAPHICAL SEGMENTS (in HUF mn) [continued]

Information regarding the Group's reportable segments is presented below according to the OLD methodology [continued]:

As at 31 December 2023 [continued]

Main components of the consolidated statement of profit or loss in HUF million [continued]	Foreign banks not in EU subtotal (without adjustments) 4=14+...+20	OTP banka Srbija a.d. (Serbia) 14	OTP Bank JSC (Ukraine) 15	JSC "OTP Bank" (Russia) and Touch Bank 16	Crnogorska komercijalna banka a.d. (Montenegro) 17	Banka OTP Albania SHA (Albania) 18	OTP Bank S.A. (Moldova) 19	JSCMB Ipoteka Bank (Uzbekistan) 20
Consolidated adjusted profit after income tax for the year	238,565	68,025	45,184	95,666	21,814	15,033	14,700	(21,857)
Profit before income tax	333,369	78,646	82,358	130,172	25,737	18,173	16,759	(18,476)
Adjusted operating profit	400,279	83,734	78,294	149,298	23,536	18,269	13,440	33,708
Adjusted total income	622,761	133,591	108,854	223,645	38,362	33,387	25,268	59,654
Adjusted net interest income	439,685	104,050	93,450	122,084	29,717	27,912	16,349	46,123
Adjusted net profit								
from fees and commissions	89,263	18,419	10,837	40,831	7,797	3,729	2,389	5,261
Adjusted other net non-interest income	93,813	11,122	4,567	60,730	848	1,746	6,530	8,270
Adjusted other administrative expenses	(222,482)	(49,857)	(30,560)	(74,347)	(14,826)	(15,118)	(11,828)	(25,946)
Personnel expenses	(125,163)	(25,710)	(18,046)	(45,063)	(6,910)	(5,798)	(7,013)	(16,623)
Depreciation and amortization	(20,738)	(3,661)	(2,472)	(8,660)	(1,645)	(1,494)	(1,234)	(1,572)
Other general expenses	(76,581)	(20,486)	(10,042)	(20,624)	(6,271)	(7,826)	(3,581)	(7,751)
Gains from derecognition of financial assets at amortized cost	1,572	53	328	1,487	932	(219)	(1,009)	-
Modification loss	(1,209)	-	(1,239)	-	30	-	-	-
Total risk costs	(67,273)	(5,141)	4,975	(20,613)	1,239	123	4,328	(52,184)
Adjusted loss allowance on financial assets and liabilities (without the effect of revaluation of FX)	(53,493)	(2,348)	11,565	(17,765)	1,967	327	4,115	(51,354)
Goodwill impairment	-	-	-	-	-	-	-	-
Other impairment (adjustment)	(13,780)	(2,793)	(6,590)	(2,848)	(728)	(204)	213	(830)
from this: adjusted impairment under IAS 36	(130)	(93)	-	-	-	-	(37)	-
Income tax	(94,804)	(10,621)	(37,174)	(34,506)	(3,923)	(3,140)	(2,059)	(3,381)
Total Assets	8,331,503	2,874,794	1,036,912	1,470,796	663,676	669,765	428,192	1,187,368
Total Liabilities	7,128,153	2,506,449	879,824	1,196,279	550,672	588,663	364,839	1,041,427

NOTE 31: DISCONTINUED OPERATIONS (in HUF mn)

On 9 February 2024 OTP Bank announced the signing of the share sale and purchase agreement to sell its Romanian operation. As a result of this, according to IFRS 5, as at 30 June 2024 and at the end of 2023 the Romanian operation was presented as assets /liabilities held for sale in the consolidated statement of financial position and as discontinued operation in the consolidated profit or loss. With regards to the consolidated financial position, all Romanian assets and liabilities were shown on a separate line both in the first half year of 2024 and in the year 2023 closing financial position. As for the consolidated profit or loss, the Romanian contribution for both the first half year of 2024 and the end of year 2023 was shown separately from the result of continuing operation, on the “Net gain / (loss) from discontinued operations” line, that is the particular profit or loss lines in the ‘continuing operations’ section of the profit or loss don’t incorporate the contribution from the Romanian subsidiaries.

The selling price is EUR 347.5 million which is smaller than the net asset value of the to be sold subsidiaries recognized in the consolidated accounts, accordingly the transaction resulted in a negative profit or loss impact of HUF 55.9 billion (before tax) on consolidated level, which has already been booked in the fourth quarter of 2023. On 30 June 2024 and on 31 December 2023, the Romanian segment of the Group which was classified as discontinued operation includes the following companies: OTP Bank Romania S.A., OTP Asset Management SAI S.A., OTP Leasing Romania IFN S.A., OTP Factoring SRL, SC Favo Consultanta SRL, SC Aloha Buzz SRL, SC Tezaur Cont SRL.

The major classes of assets and liabilities comprising the assets classified as held for sale and liabilities directly associated with assets classified as held for sale are as follows:

	30/06/2024	31/12/2023
Cash, amounts due from banks and balances with the National Banks	355,426	199,587
Placements with other banks	13,809	8,147
Financial assets at fair value through profit or loss	2,407	2,090
Securities at fair value through other comprehensive income	22,404	39,430
Securities at amortized cost	86,941	226,427
Loans at amortized cost	999,318	1,013,582
Finance lease receivables	67,216	67,068
Associates and other investments	189	236
Property and equipment	9,613	10,313
Intangible assets and goodwill	3,482	3,848
Right-of-use assets	3,809	4,299
Investment properties	31	40
Deferred tax assets	181	224
Current income tax receivables	59	55
Other assets	<u>13,755</u>	<u>13,927</u>
TOTAL ASSETS	<u>1,578,640</u>	<u>1,589,273</u>
Amounts due to banks, the National Governments, deposits from the National Banks and other banks	12,725	1,764
Deposits from customers	1,068,808	1,095,853
Derivative financial liabilities held for trading	352	311
Leasing liabilities	3,965	4,348
Deferred tax liabilities	974	912
Current income tax payable	1,773	1,865
Provisions	9,709	9,006
Other liabilities	<u>21,592</u>	<u>25,861</u>
TOTAL LIABILITIES	<u>1,119,898</u>	<u>1,139,920</u>

NOTE 31: DISCONTINUED OPERATIONS (in HUF mn) [continued]

The results of discontinued operations, which have been separated on line “Net Gain / (Loss) from discontinued operations” in the consolidated statement of profit or loss, were as follows:

	Six-month period ended 30 June 2024	Year ended 31 December 2023
Interest income calculated using the effective interest method	54,388	103,321
Income similar to interest income	<u>4,055</u>	<u>15,252</u>
Interest income and income similar to interest income	58,443	118,573
Interest expense	<u>(24,810)</u>	<u>(50,513)</u>
NET INTEREST INCOME	33,633	68,060
Loss allowance on loans, placements, amounts due from banks and on repo receivables	(3,789)	(6,779)
Release of loss allowance on securities at fair value through other comprehensive income and on securities at amortized cost	72	235
(Provision) / Release of provision for commitments and guarantees given	<u>(1,012)</u>	<u>2,931</u>
Risk cost total	<u>(4,729)</u>	<u>(3,613)</u>
NET INTEREST INCOME AFTER RISK COST	28,904	64,447
Gain from derecognition of financial assets at amortized cost	85	6,624
Income from fees and commissions	9,800	22,351
Expense from fees and commissions	<u>(2,977)</u>	<u>(7,036)</u>
Net profit from fees and commissions	6,823	15,315
Foreign exchange result, net	(1,705)	(11,397)
(Loss) / Gain on securities, net	(12)	37
Fair value adjustment on financial instruments measured at fair value through profit or loss	36	157
Net results on derivative instruments and hedge relationships	1,811	11,526
Profit from associates	124	22
Other operating income	370	409
Other operating expenses	<u>(570)</u>	<u>(1,105)</u>
Net operating income / (expense)	54	(351)
Personnel expenses	(14,133)	(26,571)
Depreciation and amortization	(2,676)	(5,998)
Other general expenses	<u>(8,867)</u>	<u>(15,197)</u>
Other administrative expenses	<u>(25,676)</u>	<u>(47,766)</u>
PROFIT BEFORE INCOME TAX	10,190	38,269
Income tax expense	<u>(1,319)</u>	<u>(3,575)</u>
PROFIT AFTER INCOME TAX FOR THE PERIOD	<u>8,871</u>	<u>34,694</u>

During the first half year of 2024, the Romanian subsidiaries contributed to the Group’s operating activity with HUF 77,296 million, to the Group’s investing activity with HUF 153,898 million, and in respect of the Group’s financing activity with HUF 4,797 million which were modified by the eliminations during the consolidation by HUF (6,150) million.

The Group intends to increase its market share with new acquisitions and organic increase in the Middle East European Region and although during the near 20 years attendance on the Romanian market followed this strategy, the Group has not managed to reach the optimal share market, the management decided to sell this member of the Group. As a result this allows of the Group to focus on those markets where it can reach significant market share and to strengthen its position in those countries where it has already operated.

NOTE 32: POST BALANCE SHEET EVENTS

Summary of economic policy measures made and other relevant regulatory changes as post-balance sheet events

Post-balance sheet events cover the period until 22 August 2024.

Hungary

- The government extended childbirth pledge deadline until 1 July 2026, for all baby loan borrowers whose deadline was or will be between 1 July 2024 and 30 June 2026, based on Government Decree No. 190/2024. (VII. 8.).
- On 8 July 2024, the Government took measures to increase budget revenues.
 - Based on Government Decree No. 183/2024. (VII. 8.) the existing financial transaction tax rates were increased, and a new, additional levy will be introduced on FX conversions:

	Previously	Upcoming	Effect
General levy and currency exchange levy	0.30%, maximum HUF 10,000	0.45%, maximum HUF 20,000	from 1 August 2024
Cash withdrawal levy	0.60%	0.90%	from 1 August 2024
Additional FX conversion tax	-	0.45%, maximum HUF 20,000	from 1 October 2024

Notes: in the case of the general levy, the exemption for residential customers increased to HUF 50,000 from the previous HUF 20,000. The foreign exchange conversion tax does not apply to credit card transactions.

- Based on Government Decree No. 187/2024. (VII. 8.) the government obliged banks to freeze account fees for retail customers until 31 December 2024: any unilateral modification of existing contracts is prohibited either in terms of payment obligations or discounts.
 - According to Government Decree No. 183/2024. (VII. 8.) the windfall tax burden in 2024 can be reduced in proportion of the growth of government bonds maturing after 2027 only if the total volume of government bonds increases at least with the same amount. The reduction can be up to 10% of the growth in the notional of government bonds, but not more than 50% of the windfall tax payment obligation.
 - On 8 July 2024, the Ministry for National Economy stated in its press release that the Government decided to extend the windfall tax into 2025 in a way that the sector-level total gross levy shall not decline y-o-y, and the tax base will be the 2023 adjusted profit before tax. In 2025 the reduction opportunity will depend on the change in the average stock of government securities between January-November 2024 and January-November 2025.
- On 15 July 2024, OTP Bank Plc. redeemed senior preferred notes (5.500 per cent. Green Senior Preferred Fixed-to-Floating Callable Notes due 2025) in the total nominal amount of EUR 400 million. The principal amount, together with accrued and unpaid interest was paid to the holders of the Notes. Following the redemption, the Notes have been cancelled.
 - On 15 July 2024, OTP Bank Plc. redeemed Tier 2 notes (Fixed Rate Reset Callable Subordinated Notes due 15 July 2029) in the total nominal amount of EUR 500 million. The principal amount, together with accrued and unpaid interest was paid to the holders of the Notes. Following the redemption, the Notes have been cancelled.
 - On 23 July 2024, the National Bank of Hungary cut the policy rate by 25 bps to 6.75%.
 - According to the preliminary estimate of the Hungarian Central Statistical Office, in 2Q 2024 the Hungarian GDP increased by 1.5% y-o-y and was down by 0.2% compared to the previous quarter. The economic growth was held back by a decrease in the value added of industry which has a high share in the economy as a whole.
 - On 30 July 2024, the financial closing of the sale and purchase transaction with Banca Transilvania S.A. took place, as a result of which Banca Transilvania S.A. acquired 100% of the direct and indirect shares in OTP Bank Romania S.A., the Romanian subsidiary bank of OTP Group. As part of the transaction, OTP Group also sold OTP Leasing Romania IFN S.A. to Banca Transilvania Group. The closing of the sale of OTP Asset Management S.A.I. S.A. may take place at a later date, subject to the relevant regulatory approvals.

NOTE 32: POST BALANCE SHEET EVENTS [continued]

- On 22 August, 2024 the two members of the banking group in Slovenia, Nova KBM d.d. and SKB banka d.d. - after all the necessary regulatory approvals - successfully completed the legal merger, and will continue to operate under one brand name, OTP banka d.d.. This is the largest merger of banks in the history of Slovenia, and OTP banka d.d. will have the largest market share of loans and deposits in Slovenia and will be the second largest non-Hungarian branch of the international OTP Group (after the Bulgarian DSK).

Albania

- On 3 July 2024 the National Bank of Albania cut the base rate by 25 bps to 3%.

Serbia

- On 10 July 2024 the National Bank of Serbia cut the base rate by 25 bps to 6%.

Russia

- On 26 July 2024 the Central Bank of Russia hiked the base rate by 200 bps to 18%.

Ukraine

- On 24 July 2024 Fitch lowered Ukraine's foreign currency issuer rating from 'CC' to 'C'.
- On 2 August 2024 Standard & Poor's cut Ukraine's long term foreign currency debt rating from 'C' to 'Selective Default'.