OTP Bank Plc.

Summary of the first nine months 2021 results

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

Budapest, 5 November 2021

CONSOLIDATED FINANCIAL HIGHLIGHTS[1] AND SHARE DATA

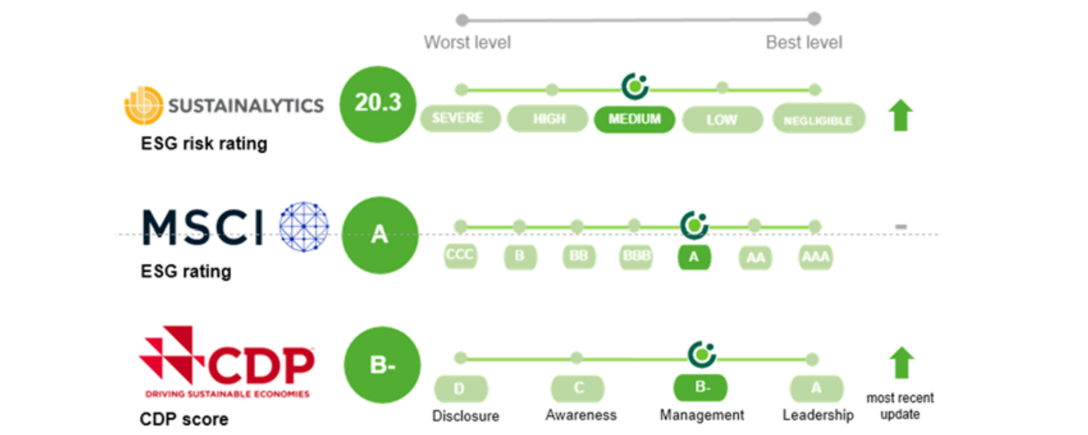
Main components of the adjusted Statement of recognised income, in HUF million	9M 2020	9M 2021	Y-o-Y	3Q 2020	2Q 2021	3Q 2021	Q-o-Q	Y-o-Y
Consolidated after tax profit	**188,171**	**335,321**	**78%**	**113,573**	**121,814**	**120,173**	**-1%**	**6%**
Adjustments (total)	-43,535	-38,257	-12%	-4,079	-7,182	-7,119	-1%	75%
Consolidated adjusted after tax profit without the effect of adjustments	**231,706**	**373,578**	**61%**	**117,652**	**128,997**	**127,293**	**-1%**	**8%**
Pre-tax profit	263,227	440,273	67%	134,531	150,850	151,023	0%	12%
Operating profit	397,520	483,506	22%	139,320	160,553	176,010	10%	26%
Total income	862,469	950,702	10%	294,395	316,474	333,097	5%	13%
Net interest income	590,501	636,484	8%	195,738	210,573	222,685	6%	14%
Net fees and commissions	210,059	238,235	13%	74,240	80,320	86,016	7%	16%
Other net non-interest income	61,909	75,983	23%	24,417	25,582	24,396	-5%	0%
Operating expenses	-464,950	-467,196	0%	-155,075	-155,921	-157,087	1%	1%
Total risk costs	-135,851	-43,233	-68%	-5,107	-9,703	-24,988	158%	389%
One off items	1,558	-		318	-	-		
Corporate taxes	-31,521	-66,695	112%	-16,879	-21,853	-23,730	9%	41%
Main components of the adjusted balance sheet, closing balances in HUF million	2020	9M 2021	YTD	3Q 2020	2Q 2021	3Q 2021	Q-o-Q	Y-o-Y
Total assets	23,335,841	26,180,508	12%	22,709,216	24,550,723	26,180,508	7%	15%
Total customer loans (net, FX adjusted)	**13,491,296**	**14,881,321**	**10%**	**13,618,499**	**14,337,287**	**14,868,037**	**4%**	**9%**
Total customer loans (gross, FX adjusted)	**14,333,319**	**15,742,171**	**10%**	**14,342,428**	**15,198,138**	**15,742,171**	**4%**	**10%**
Performing (Stage 1+2) customer loans (gross, FX-adjusted)	13,509,277	14,930,022	11%	13,527,247	14,372,899	14,930,022	4%	10%
Allowances for possible loan losses (FX adjusted)	-842,023	-860,851	2%	-723,929	-860,851	-874,134	2%	21%
Total customer deposits (FX adjusted)	**17,865,190**	**19,677,002**	**10%**	**17,255,191**	**18,584,819**	**19,677,002**	**6%**	**14%**
Issued securities	464,214	498,312	7%	444,337	497,045	498,312	0%	12%
Subordinated loans	274,704	270,448	-2%	273,542	267,378	270,448	1%	-1%
Total shareholders' equity	2,537,112	2,700,692	6%	2,473,108	2,696,923	2,700,692	0%	9%
Indicators based on adjusted earnings	9M 2020	9M 2021	Y-o-Y	3Q 2020	2Q 2021	3Q 2021	Q-o-Q	Y-o-Y
ROE (from accounting net earnings)	10.7%	16.9%	6.2%p	19.0%	18.5%	17.3%	-1.2%p	-1.7%p
ROE (from adjusted net earnings)	13.2%	18.8%	5.7%p	19.7%	19.6%	18.3%	-1.3%p	-1.4%p
ROA (from adjusted net earnings)	1.4%	2.0%	0.6%p	2.1%	2.1%	2.0%	-0.2%p	-0.2%p
Operating profit margin	2.48%	2.63%	0.15%p	2.53%	2.65%	2.73%	0.08%p	0.20%p
Total income margin	5.38%	5.18%	-0.20%p	5.35%	5.22%	5.17%	-0.05%p	-0.18%p
Net interest margin	3.68%	3.47%	-0.22%p	3.56%	3.47%	3.46%	-0.02%p	-0.10%p
Cost-to-asset ratio	2.90%	2.54%	-0.36%p	2.82%	2.57%	2.44%	-0.13%p	-0.38%p
Cost/income ratio	53.9%	49.1%	-4.8%p	52.7%	49.3%	47.2%	-2.1%p	-5.5%p
Provision for impairment on loan and placement losses-to-average gross loans ratio	1.14%	0.23%	-0.91%p	0.00%	0.02%	0.38%	0.36%p	0.38%p
Total risk cost-to-asset ratio	0.85%	0.24%	-0.61%p	0.09%	0.16%	0.39%	0.23%p	0.30%p
Effective tax rate	12.0%	15.1%	3.2%p	12.5%	14.5%	15.7%	1.2%p	3.2%p
Net loan/(deposit+retail bond) ratio (FX adjusted)	79%	76%	-3%p	79%	77%	76%	-2%p	-3%p
Capital adequacy ratio (consolidated, IFRS) - Basel3	17.0%	17.0%	0.0%p	17.0%	18.1%	17.0%	-1.1%p	0.0%p
Tier 1 ratio - Basel3	14.6%	15.4%	0.8%p	14.6%	15.9%	15.4%	-0.5%p	0.8%p
Common Equity Tier 1 ('CET1') ratio - Basel3	14.6%	15.4%	0.8%p	14.6%	15.9%	15.4%	-0.5%p	0.8%p
Share Data	9M 2020	9M 2021	Y-o-Y	3Q 2020	2Q 2021	3Q 2021	Q-o-Q	Y-o-Y
EPS base (HUF) (from unadjusted net earnings)	725	1,306	80%	442	474	468	-1%	6%
EPS diluted (HUF) (from unadjusted net earnings)	725	1,306	80%	442	474	468	-1%	6%
EPS diluted (HUF) (from adjusted net earnings)	893	1,457	63%	459	503	496	-1%	8%
Closing price (HUF)	9,340	18,200	95%	9,340	15,955	18,200	14%	95%
Highest closing price (HUF)	15,630	18,750	20%	11,210	16,955	18,750	11%	67%
Lowest closing price (HUF)	8,010	12,920	61%	8,880	12,935	15,570	20%	75%
Market Capitalization (EUR billion)	7.2	14.1	97%	7.2	12.7	14.1	11%	97%
Book Value Per Share (HUF)	8,833	9,645	9%	8,833	9,632	9,645	0%	9%
Tangible Book Value Per Share (HUF)	7,992	9,010	13%	7,992	9,020	9,010	0%	13%
Price/Book Value	1.1	1.9	78%	1.1	1.7	1.9	14%	78%
Price/Tangible Book Value	1.2	2.0	73%	1.2	1.8	2.0	14%	73%
P/E (trailing, from accounting net earnings)	9.0	12.5	39%	9.0	11.2	12.5	12%	39%
P/E (trailing, from adjusted net earnings)	7.7	11.3	46%	7.7	10.1	11.3	12%	46%
Average daily turnover (EUR million)	23	16	-29%	14	18	14	-23%	-2%
Average daily turnover (million share)	0.7	0.4	-48%	0.5	0.4	0.3	-32%	-41%

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

ACTUAL CREDIT RATINGS

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

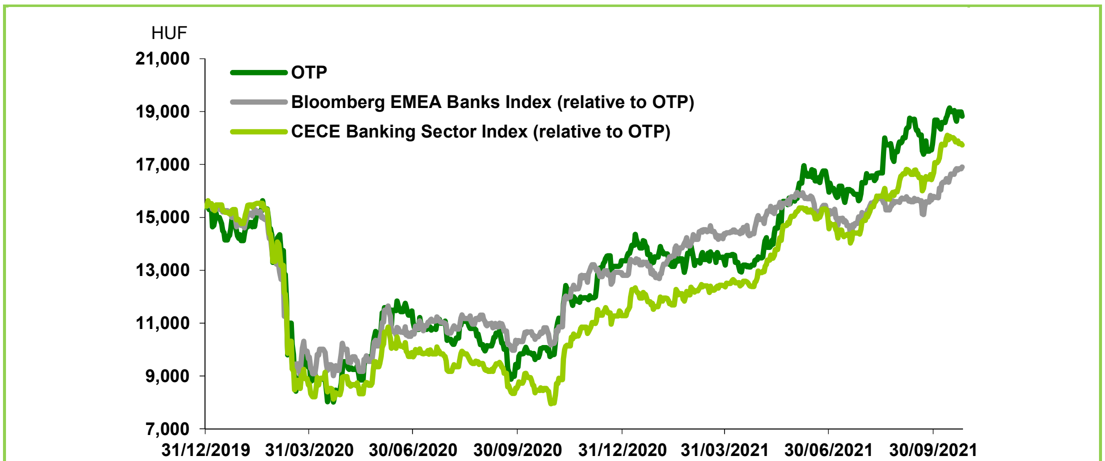
ACTUAL ESG RATINGS



AWARDS

In the Euromoney Awards for Excellence 2021 OTP Bank received the "Best Bank in Central and Eastern Europe" award. In addition, the Bank won the title of "Best Bank in Hungary" and its subsidiaries also proved to be the best in Bulgaria, Montenegro and Albania. Global Finance named again in 2021 OTP Bank the safest bank in Hungary, thus it joined the group the World's Safest Banks, furthermore OTP Bank received the "Best Bank Award" again in Hungary in 2021.

SHARE PRICE PERFORMANCE



SUMMARY – OTP BANK'S RESULTS FOR FIRST NINE MONTHS OF 2021

The Summary of the first nine months 2021 results of OTP Bank Plc. has been prepared on the basis of its non-audited separate and consolidated IFRS financial statements for the I-III. quarters ended 30 September 2021 or derived from that. However, for the purpose of including the group level consolidated profit of the quarter in the regulatory capital and to comply with the provisions of Article 26 (2) of CRR, OTP Bank provides with respect to the III. quarter 2021 results the documents specifically prepared for this purpose as predefined in the legislation (OTP Group management representation letter, special purpose review report) to the Supervisory Authority in due time (until the pre-determined deadline).

EXECUTIVE SUMMARY: SUMMARY OF THE FIRST NINE MONTHS OF 2021

In 2Q 2021 the Hungarian economy posted a robust,17.9% y-o-y growth, accordingly the Research Centre of OTP Bank forecasts a 7.3% annual growth rate of GDP for 2021. The fourth wave of COVID-19 pandemic might have a moderate impact due to the vaccination rate piercing 60%, however other exogenous factors like energy supply difficulties and surging energy prices, problems arising in global supply chains, lower growth rate of the Chinese economy might have an impact on the long-term outlook. Currently, the Hungarian Government and most of the analysts expect a GDP growth between 5-6% for 2022.

On 24 September Moody's upgraded the Hungarian sovereign rating from 'Baa3' to 'Baa2' and the outlook was changed into stable. As a result, currently Hungary enjoys a 'triple B flat' category from all the three major rating agencies.

After the start of the monetary tightening cycle in June, in 3Q 2021 NBH hiked the base rate by 75 bps in total, and by another 15 bps in October, as a result, currently it stands at 1.80%. The whole yield curve shifted upward significantly in 3Q, whereas the 3M Bubor jumped to 1.76% by end-September (+71 bps q-o-q) and by the end of October it was already 2.03%. According to NBH's Inflation Report published in September the average 2021 inflation might hover around 4.6-4.7%. In October, the deputy governor suggested that the average inflation may return close to the Central Bank's tolerance level of 3% only by the end of 2022, accordingly, for the rest of the year NBH keeps hiking rates with the monthly steps likely to be 15 bps and in December while publishing the Inflation Report it may decide about the future scale of rate hikes.

In line with NBH's earlier announcement, in October 2021 the Funding for Growth Go! Scheme phased out; within its framework the contracted amount of loans for the local SME sector reached HUF 3,000 billion during the previous one and a half year. At the same time NBH launched its FGS Green Home programme focused on households with an initial amount of HUF 200 billion.

In order to boost economic growth in autumn the Government decided about a couple of measures, the most important ones were the targeted extension of the payment moratorium from 1 November 2021 until 30 June 2022, the payment of a one-off pension premium in November and a refund of around HUF 600 billion personal income tax to eligible citizens by mid-February 2022. (The summary of economic measures can be read in the following chapter).

According to the report published by the NBH on 3 November, in 1-9M 2021 the expansion of household loan volumes and corporate exposures moderately accelerated. Household loans expanded by 16.1% supported by the increasing contractual volumes, as well as by the payment moratorium containing principal amortization. Corporate exposures grew by 7.6% y-o-y in 3Q. Within the retail segment one of the main engines was the subsidized baby loans; total sector level volumes reached HUF 1,462 billion by the end of 3Q. Housing loan volumes grew by 14.8% y-o-y in 3Q. In 3Q contractual volumes hit a new record with HUF 375 billion. Cash loan volumes leaped by 16.0% y-o-y, whereas home equity exposures kept eroding by 4.7% y-o-y following the trend of recent years.

As for the operating environment of foreign Group members, according the preliminary 3Q macroeconomic indicators most of them may enjoy better conditions than originally expected. However, in a few countries (Romania, Bulgaria, Ukraine, and Russia) COVID-19 infection numbers keep worsening due to lower level of vaccination, as a result restriction measures had to be introduced again. In September there were further rate hikes in Russia and Ukraine (25 bps and 50 bps, respectively), Romania tightened by 25 bps at the beginning of October, whereas the Central Bank of Russia hiked rates again on 22 October (+75 bps).

In line with the earlier practice, in 3Q the Bank had a review according to ISRE 2410 auditing standards in case of the consolidated third quarter result, as a result the 9 months accounting results were incorporated into the consolidated regulatory capital. Consequently, the CET1 ratio stood at 15.4%, significantly exceeding the regulatory minimum levels. The ratio already reflects the deduction of HUF 64.8 billion dividend for 1-9M 2021.

2021 management guidance:

For the first nine months Group-level trends played out overall positively. According to the management guidance:

- ***Based on the ytd performing (Stage 1+2) loan volume growth of 11%, the loan book might expand by around 15% (FX-adjusted) for the whole year.***
- ***Assuming that positive risk trends continue to prevail, adjusted ROE for 2021 may end up between 18-20%.***

OTP Bank's management is committed to distribute dividends, including the HUF 119 billion dividend amount after 2019 and 2020, which had been already deducted from the regulatory capital. Regarding the dividend to be paid out after the 2021 financial year, the Bank so far has deducted HUF 64.8 billion in 1-9M. However, this amount should not be considered as an indication from the management for the final dividend amount after 2021. It was determined in accordance with the Commission Delegated Regulation (EU) No. 241/2014. Article 2. (7) Paragraph.

Consolidated earnings: HUF 373.6 billion 1-9M adjusted profit after tax (3Q: HUF 127.3 billion), q-o-q marginal NIM erosion, stable credit quality, with steadily strong business activity performing loan volumes ytd increased by 11% (FX-adjusted)

The nine months consolidated adjusted profit of HUF 373.6 billion exceeded the base period by 61%.

The total volume of 1-9M adjustment items represented -HUF 38.3 billion within the accounting earnings of HUF 335.3 billion (after tax), of which -HUF 7.2 billion was booked in 3Q.

The major items were as follows:

- -HUF 9.2 billion related to the Hungarian payment moratorium (after tax). The amount comprised three components: on 9 September the Government decided on extending the prevailing moratorium by an additional month, i.e. until 31 October, while keeping all conditions unchanged. The expected negative NPV impact is -HUF 2.7 billion after tax. Besides, the Government extended the moratorium from 1 November 2021 until 30 June 2022, however only for a narrower eligible client base and with opt-in format. (-HUF 2 billion one-off expected after tax impact). By the deadline of 31 October clients applying for the extended payment holiday represented 4.2% of the gross loan portfolio at OTP Core, and 1.0%at Merkantil Group, respectively. And finally, the Government obliged the banks to re-calculate the interest deferred during the period spent in the moratorium in the case of overdraft and credit card exposures. The base for the interest re-calculation to be used by the banks was the NBH's statistical data for the average annualized cash loan interest rate published for February 2020. The difference between the originally deferred interest and the re-calculated amount shall be refunded to the borrowers, for which the Bank created provisions in 3Q 2021 (-HUF 4.5 billion after tax effect);
- -HUF 4.6 billion effect of acquisitions (after tax) related mainly to the integration costs of the Serbian, Slovenian and Bulgarian banks.
- +HUF 6.4 billion related to the treasury share swap agreement between MOL and OTP, as the model calculation for the share price performance and the dividend pay-out practice has been updated.

Based on the first nine months consolidated adjusted profit of HUF 373.6 billion, the adjusted ROE for the period stood at 18.8% (+5.7 pps y-o-y). Apart from the Romanian subsidiary the nine months profit for all foreign subsidaries exceeded the 2020 full-year results. The profit contribution of foreign subsidiaries increased by 4 pps y-o-y to 52%.

For the first nine months of 2021 OTP Group realized HUF 483.5 billion operating profit (+22% y-o-y). Total income advanced by 10% y-o-y with net interest income growing by 8% and net fees & commissions income increasing even faster, by 13%. Other net non-interest income surged by 23% y-o-y.

Despite the nine months net interest margin eroded further (9M 2021: 3.47%, y-o-y -22 bps), the pace of decline was less than half of that in the base period and showed signs of stablisiation in the recent quarters. The interest rate erosion being common for the previous years turned around, and in 2021 first the Ukrainian and Russian central banks, later the Hungarian, and most recently the Romanian hiked rates. However, so far the higher rates had only a limited impact on margins (despite in Ukraine), partly as a result of the typical 3 or 6 months repricing periods for most of the products. Furthermore, the Slovenian subsidiary being part of the Group since 2020 has a significantly lower NIM versus the rest of the Group. The stronger HUF also had a negative FX impact on NIM: during the first nine months the HUF y-o-y was stronger by 7.1% against the Ukrainian hryvna and by 8.1% against RUB, respectively. Finally, NIM was negatively affected by the steady increase of deposit and repo volumes through the dilution impact of higher total assets.

Despite the lower NIM the net interest income adjusted for FX and the sale of the Slovakian bank y-o-y surged by 10% due to the robust increase of performing loan volumes. The stronger business activity coupled with higher transaction volumes had a positive impact on net fee & commissions income, too.

Despite the strong business activity nominal operating expenses in 9M remained basically flat y-o-y at Group level, though the reclassification of the Hungarian local business tax and innovation contribution (IPA) from the cost line into the corporate tax also took its toll. Adjusted for IPA and the sale of the Slovakian subsidiary the FX-adjusted y-o-y increase would be 6.1%. The nine months cost-to-income ratio fell below 50%.

In 3Q 2021 OTP Group posted HUF 127.3 billion adjusted profit after tax underpining a q-o-q 1% decline. The adjusted ROE for the period was 18.3%.

The q-o-q lower bottom line earnings were reasoned by higher quarterly risk costs, partially due to one-offs, but also to methodology changes. At the same time in 3Q the quality of the credit portfolio remained stable.

Similar to the last two quarters the pre-provision profit demonstrated a decent performance (+9% q-o-q, FX-adjusted) with all Group members demonstrating q-o-q improving results.

With the exception of the Romanian subsidiary all other Group members posted positive 3Q results, in most cases the profit after tax improved q-o-q.

The profit contribution of foreign subsidiaries in 3Q comprised 53% remaining flat q-o-q, but increasing y-o-y by 4%. It should be noted that in 3Q the weaker HUF against UAH and RUB (on average by 4.4 and 2.8% q-o-q) positively affected the contribution of the Ukrainian and Russian subsidiaries.

In 3Q the operating income reached HUF 176 billion (+10% q-o-q). Total income advanced by 5% q-o-q mainly due to the 6% q-o-q increase of net interest income supported by improving business activity, as well as the 7% q-o-q surge in net fee and commission income. Other net non-interest income declined by 5% q-o-q.

It was positive that similar to the previous quarters consolidated NIM remained stable (3Q: 3.46%, q/q -2 bps). Out of the major Group members there was a marginal NIM erosion at OTP Core, as well as at the Serbian, Croatian and Slovenian subsidiaries, but it remained flat q-o-q in Bulgaria and improved in Ukraine. The lower q-o-q Russian NIM is reasoned by increasing funding costs and also, by structural changes within the loan book.

Despite the higher rates the positive impact remained muted due to the slower repricing of 3 or 6M Bubor based assets; also, the massive deposit inflow increased total assets substantially and had a diluting impact on NIM.

The meaningful q-o-q surge in F&C is definitely explained by strengthening business activity and higher transactional volumes: in 3Q the Croatian operation posted an outstanding result (+21% q-o-q) on the back of the strong tourist season, but OTP Core also posted a decent performance (+9% q-o-q).

Operating expenses grew marginally q-o-q (+1%); all the three major cost items increased in 3Q. As a result, in 3Q the cost-to-income ratio improved by 2.1 pps q-o-q to 47.2%.

The steady increase of FX-adjusted consolidated performing (Stage 1+2) loan volumes continued in 3Q: following a 5% growth in the previous quarter it expanded by 4% q-o-q. As a result, the growth of performing loan volumes ytd reached 11% (+HUF 1,421 billion). The y-o-y expansion demonstrated similar dynamism.

During the first nine months, out of the major Group members the fastest loan growth was posted at the Ukrainian, Romanian and Hungarian operations (+31%, 17% and 15%, respectively). The Hungarian payment moratorium had a 1% positive impact on the consolidated portfolio volume, whereas at OTP Core it contributed to the loan growth by around 3%.

While in 3Q the volume growth at the three Group members remained steady (+10, 7 and 5%, respectively), the Russian loan book also expanded in a spectacular way (+8% q-o-q), true, such leap was mainly reasoned by an expansion of car loans and corporate exposures, whereas the POS, cash loan and credit card book increased only moderately.Apart from the stagnating volumes in Slovenia and the marginal decline in Montenegro, the loan book in other geographies kept increasing.

As for the major loan segments, during the first nine months the consolidated FX-adjusted performing corporate exposures increased by around 10% ytd, whereas the consumer and leasing loan book grew by 11% each and the mortgage portfolio by 12%, respectively.

Out of individual performances the Hungarian consumer book surged by 25% ytd, the corporate portfolio by 14%, and the mortgage book by 11%.

The FX-adjusted deposits grew by 6% q-o-q, thus ytd volumes advanced by 10% or HUF 1 813 billion. As a result, in 3Q the trend observed for many quarters and temporary interrupted in 2Q came back again: in absolute terms the expansion of deposit volumes outpaced that of loans. The Hungarian deposit volumes surged massively in 3Q by 8% q-o-q (+HUF 710 billion).

As a result, the consolidated net loan-to-deposit ratio decreased from 77.1% to 75.6% q-o-q.

At the end of September 2021, the gross operative liquidity reserves of the Group comprised EUR 8.2 billion equivalent (-EUR 0.4 billion q-o-q).

There was no international bond transactions neither in 2020, nor in 2021, accordingly for meeting the minimum MREL target the Bank is expected to execute transactions in the next 14 months through Tier2 and Senior Preferred bonds.

The 3Q Stage 3 ratio under IFRS 9 was 5.2%, -0.2 pp q-o-q (-0.5 pp y-o-y). The own coverage of Stage 1, 2 and 3 exposures were 1.1%, 10.4% and 64.4%, respectively.

By the end of 3Q 2021 material participation in payment moratoria amongst Group members was only in Hungary, but even there the ratio demonstrated a declining trend with 24.0% at OTP Core and Merkantil Group (versus 28% in 2Q). By 31 October 2021 the participation ratio comprised 6.8% and 1.0% of the retail and corporate gross portfolio at OTP Core in case of clients who opted-in the extended moratorium. At Merkantil Group such ratio comprised 1.0%.

In other countries, where the participation ratio was substantial, no meaningful credit quality deterioration occurred, Stage 3 ratio improved q-o-q in all those geographies.

The volume of total risk costs in 3Q reached HUF 25 billion, as a result for the first nine months it comprised HUF 43.2 billion versus HUF 135.9 billion in the base period. The substantial q-o-q increase in 3Q was due mainly to one-offs and methodological fine-tunings.

Geographically, in 3Q the biggest provisions were made again in Russia partly as a result of q-o-q increasing newly originated volumes, but also due to higher provisions made on corporate credit lines and guarantees. In case of OTP Core the Bank applied a more conservative classification approach on corporate exposures under the moratorium and it generated additional HUF 3 billion risk provisions. Furthermore, in 3Q Faktoring realized lower recovery gains compared to previous quarters.

The nine months risk cost rate was 0.23% (1Q:0.28%, 2Q: 0.02%, 3Q: 0.38%).

Consolidated capital adequacy ratio (in accordance with BASEL III)

At the end of 3Q 2021, the consolidated Common Equity Tier 1 ratio uder the scope of consolidation according to IFRS was 15.4% (-0.5 pp q-o-q). This ratio equals to the Tier 1 ratio and reflects the net earnings for the period, the accrued and deducted dividend, as well as the negative impact of the redeeming ICES bonds on regulatory capital, of which -55 bps was the effect on the CET1 ratio.

Capital buffer requirements remained unchanged, accordingly, effective from 1 July 2020 the original level of O-SII capital buffer (2%) was modified to 0% by the NBH until 31 December 2021. Afterwards, this buffer shall be rebuilt gradually between 1 January 2022 and 31 December 2023. The effective rate of the countercyclical buffer is currently 0% in Hungary. However, in Bulgaria the local central bank prescribed a 0.5% buffer for the local subsidiary, thus, the institution-specific countercyclical buffer for OTP Group is 0.1%. As a result, the effective regulatory minimum level of Tier 1 capital adequacy ratio for OTP Group is 9.6% (which also incorporates the effective SREP rate of 117.25%), whereas the minimum CET1 requirement is 7.9%.

At the end of 3Q the regulatory capital was boosted by the interim nine months accounting profit (HUF 270 billion) reduced by the calculated dividend (HUF 64.8 billion). The deducted dividend amount for 1-9M 2021 can't be considered as an indication from the management for the dividend after the 2021 fiscal year, as it was determined in accordance with the Commission Delegated Regulation (EU) No. 241/2014. Article 2. (7) Paragraph. Accordingly, in the absence of a stated dividend policy, the amount of the dividend to be deducted should be calculated as follows: out of the previous three years' average dividend payment ratio and that of the preceding year the higher ratio must be applied. The accrued dividend amount of HUF 119 billion after 2019 and 2020 financial years reduced the retained earnings.

The redemption of the ICES bonds reduced CET1 by HUF 90 billion through the decrease of retained earnings. Other items (intangible assets, lower deduction on DTA, FX impact) improved CET1 by HUF 80 billion mainly through the change of HUF exchange rate.

The 3Q risk weighted assets (RWA) increased by 6.7% q-o-q, mainly due to the growth of credit risk RWA (6.1%). The market risk, partner risk and operational risk RWA in total grew by 0.6% q-o-q. The quarterly growth of credit risk weighted assets (+HUF 930 billion) was reasoned mainly by organic volume growth (+HUF 612 billion) and, to a lesser extent to FX effect (+HUF 304 billion).

Credit rating, shareholder structure

In 3Q 2021 there was no change in S&P Global Ratings, accordingly, OTP Bank Plc.'s long-term issuer rating is 'BBB' with stable outlook. As for Moody's Investors Service the long-term FX deposit rating of OTP Bank Plc. is 'Baa1' and the dated subordinated FX debt rating is 'Ba1'. On 28 September OTP Bank's Counterparty Risk Assessment (CRA) was upgraded from 'Baa2' to 'Baa1', at the same time the long-term deposit rating of 'Baa1' and the long-term Counterparty Risk Ratings (CRR) were put on credit watch with potential upgrade. Furthermore, Moody's upgraded OTP Mortgage Bank Ltd.'s CRA rating from 'Baa2' to 'Baa1' and put on credit watch with potential upgrade its long-term CRR rating. Finally, OTP MB's mortgage bond rating was also upgraded from 'A2' to 'A1'.

Fitch's 'BB+' rating on OTP Bank Russia has not changed, the outlook is stable.

Regarding the ownership structure of the Bank, on 30 September 2021 the following investors had more than 5% influence (voting rights) in the Company: MOL (the Hungarian Oil and Gas Company, 8.60%), the Kafijat Group (7.07%), OPUS Securities SA (5.20%) and Groupama Group (5.13%).

DISCLAIMER − Risks relating to the impact of COVID-19 pandemic

The COVID-19 pandemic has had, and continues to have, a material impact on businesses around the world and the economic environment. There are a number of factors associated with the COVID-19 pandemic and its impact on global economies that could have a material adverse effect on (among other things) the profitability, capital and liquidity of financial institutions such as the OTP Group.

The COVID-19 pandemic has caused disruption to the OTP Group's customers, suppliers and staff. A number of jurisdictions in which the OTP Group operates have implemented severe restrictions on the movement of their respective populations, with a resultant significant impact on economic activity in those jurisdictions. These restrictions are being determined by the governments of individual jurisdictions and impacts (including the timing of implementation and any subsequent lifting of restrictions) may vary from jurisdiction to jurisdiction. It remains unclear how this will evolve through 2020 and the OTP Group continues to monitor the situation closely. However, the OTP Group's ability to conduct business may be adversely affected by disruptions to its infrastructure, business processes and technology services, resulting from the unavailability of staff due to illness or the failure of third parties to supply services. This may cause significant customer detriment, costs to reimburse losses incurred by the OTP Group's customers, and reputational damage.

Furthermore, the OTP Group relies on models to support a broad range of business and risk management activities, including informing business decisions and strategies, measuring and limiting risk, valuing exposures, conducting stress testing and assessing capital adequacy. Models are, by their nature, imperfect and incomplete representations of reality because they rely on assumptions and inputs, and as such assumptions may later potentially prove to be incorrect, this can affect the accuracy of their outputs. This may be exacerbated when dealing with unprecedented scenarios, such as the COVID-19 pandemic, due to the lack of reliable historical reference points and data.

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

SUMMARY OF ECONOMIC POLICY MEASURES MADE IN THE LAST PERIOD AND OTHER IMPORTANT DEVELOPMENTS, AS WELL AS POST-BALANCE SHEET EVENTS

In its quarterly stock exchange reports released since 1Q 2020 OTP Bank prepared a summary country-by-country about the major economic policy measures made either by particular governments or central banks as a response to the pandemic. The measures mentioned in those reports covered the period until 28 April 2021.

In the below section we display those measures and developments which have been made since 29 April 2021 and – in OTP Bank's view – are relevant and can materially influence the operation of the Group members.

Post-balance sheet events cover the period until 5 August 2021.

Given that currently OTP Bank does not have all information which relate to the above mentioned economic policy measures, the actual implementation of such measures or the effect of such measures on the clients of OTP Group and taking into account that currently, OTP Bank cannot completely assess all economic policy measures which might have an effect on the operation of its group members, therefore it may occur that the list of the economic policy measures presented in this report cannot be regarded as complete. OTP Bank excludes any liability for the completeness and accuracy of the measures presented herein.

Hungary

- On 12 August 2021 the National Bank of Hungary announced that its management circular has been reviewed. According to one of the amendments, the central bank extended the deadline concerning restrictions on dividend payment and treasury share purchases until the end of 2021. Credit instititions might be exempted from the dividend payment ban only if they meet certain strict conditions.
- On 24 August 2021 the National Bank of Hungary raised the base rate by 30 bps to 1.5%. Additionally, the central bank decided to begin gradually withdrawing the government securities purchase programme while considering aspects of maintaining market stability. In the future, the Monetary Council will not set a revision limit applicable to the entire stock purchased under the programme. Instead, the Council will set a target amount for weekly purchases. As a first step, the central bank's purchases will decrease from a weekly amount of HUF 60 billion to HUF 50 billion from the week starting on 23 August 2021. The Bank may depart from this arrangement in a flexible manner, depending on the supply and other market conditions. Also, the central bank increased the available amount under the Bond Funding for Growth scheme by HUF 400 billion to HUF 1,550 billion.
- ESG rating agency Sustainalytics published its new assessment for OTP Bank: the overall risk exposure remained 'medium' and the Bank's ESG risk rating improved by 3.2 points y-o-y to 20.3.
- Pursuant to Government Decree 536/2021. (IX. 15.) published on 15 September, the Government decided to extend the debt repayment moratorium with the following conditions:
  - The blanket moratorium was extended by an additional month, until the end of October, in an unchanged form.
  - From the beginning of November 2021 until 30 June 2022 only the eligible borrowers can participate in the moratorium provided that they submitted a request to their banks about their intention to stay. So, the extension beyond October is not automatic: borrowers had to submit a notification to their bank (opt-in). Eligible retail borrowers include private individuals whose income fell compared to the previous period, unemployed people, fostered workers, families raising children below the age of 25 or expecting a baby, and pensioners (for details see the relevant decree). Eligible companies shall fulfil the following criteria: more than 25% decline in revenues in the 18 months period preceding the submission of the request to participate, and if the company has not concluded a new subsidized loan contract since 18 March 2020.

  During the term of the one-month extension until the end of November, eligible clients could submit the necessary documents to their banks, so this one-month lengthening could be regarded as technical.
- According to Government Decree 537/2021. (IX. 15.) published on 15 September, credit institutions shall re-calculate the interest deferred during the period spent in the moratorium in the case of overdraft loans and credit card exposures. The base for the re-calculation shall be the NBH's statistical data for the average annualized cash loan interest rate published for February 2020. The difference between the deferred interest booked according to the original contract and the re-calculated amount shall be refunded to the borrowers by way of crediting the borrowers' account with the due amount.

- On 21 September 2021 the National Bank of Hungary hiked the base rate by 15 bps to 1.65%. Furthermore, the NBH continued to gradually withdraw the government securities purchase programme: the target amount of the weekly purchases was decreased from HUF 50 billion to HUF 40 billion from the week starting on 27 September 2021. The NBH may depart from this arrangement in a flexible manner, depending on supply and other market conditions.
- On 24 September 2021 Moody's upgraded Hungary's long-term local and foreign currency denominated credit rating, as well as its senior unsecured bond rating from 'Baa3' to 'Baa2'.
- On 29 September 2021 OTP Bank signed a non-binding Memorandum of Agreement regarding the potential acquisition of the majority stake of Ipoteka Bank and its subsidiaries with the Ministry of Finance of the Republic of Uzbekistan. The terms and conditions of the purchase of the bank will be stipulated in the final share sale and purchase agreement, which the parties are set to conclude before the end of the year.
- Bearing in mind the emergency situation, the Government Decree No. 560/2021. (IX. 30.) published on 30 September laid down the principles concerning the personal income tax refund to private individuals raising kids. Accordingly, at the beginning of 2022 the Government shall reimburse to private individuals entitled for family allowance the amount of PIT paid in 2021, up to the PIT burden of the average wage.
- On 4 October 2021 the National Bank of Hungary launched the FGS Green Home Programme as part of its green monetary policy toolkit strategy.
- On 5 October 2021 OTP Mortgage Bank issued green covered bonds in the amount of HUF 90 billion.
- At the Extraordinary General Meeting held by OTP Bank on 15 October 2021, shareholders backed both points on the agenda with overwhelming majority.
- On 13 October 2021 the State Secretary for Employment Policy at the Ministry for Innovation and Technology announced that the Government, in order to compensate companies for the proposed minimum wage increase to HUF 200 thousand effective from 2022, is ready to reduce social contributions payable by employers by 4 pps, from 15.5% to 11.5%, effective from 1 January 2022. (The motion extended and brought forward the previously approved 2 pps cut effective from July 2022.)
- On 19 October 2021 the National Bank of Hungary increased the base rate by 15 bps to 1.8%. The NBH stressed that it will continue to phase out its FX swap facility providing forint liquidity in a dynamic way, taking into account developments in the swap market.
- OTP Bank announced on 27 October 2021 that it purchased 14,496,476 pieces of OTP Banks shares at an average purchase price of HUF 18,118 per shares, pursuant to the swap agreement concluded between OTP Bank and OPUS Securities S.A. as announced on 14 September 2021. The date of settlement was 29 October 2021, as a result the voting rights of OPUS held in OTP Bank Plc. decreased to 0%.
- On 29 October 2021 OPUS Securities S.A. redeemed the *EUR 514,274,000 3.95 per cent. Income Certificates Exchangeable for Shares* (ISIN: XS0272723551) issued by OPUS in 2006 and on the same day OPUS fulfilled its obligations regarding the last interest and principal payment.

Russia

- On 10 September 2021 the Russian national bank hiked the base rate by 25 bps to 6.75%.
- On 22 October 2021 the Russian central bank raised the base rate by 75 bps to 7.5%.

Ukraine

- On 9 September 2021 the National Bank of Ukraine raised the base rate by 50 bps to 8.5%, thus the cumulated ytd monetary tightening reached 250 bps.

Romania

- On 5 October 2021 the central bank increased the reference rate by 25 bps to 1.5%.
- On 15 October 2021 Moody's changed the outlook on its 'Baa3' Romanian souvereign rating from negative to stable.

Moldova

- In September the central bank increased the base rate by 100 bps to 4.65%, then in October by another 85 bps to 5.5%.

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

in HUF million	9M 2020	9M 2021	Y-o-Y	3Q 2020	2Q 2021	3Q 2021	Q-o-Q	Y-o-Y
Consolidated after tax profit	**188,171**	**335,321**	**78%**	**113,573**	**121,814**	**120,173**	**-1%**	**6%**
Adjustments (total)	**-43,535**	**-38,257**	**-12%**	**-4,079**	**-7,182**	**-7,119**	**-1%**	**75%**
Consolidated adjusted after tax profit without the effect of adjustments	**231,706**	**373,578**	**61%**	**117,652**	**128,997**	**127,293**	**-1%**	**8%**
Banks total[1]	217,437	359,561	65%	111,807	120,613	127,814	6%	14%
OTP Core (Hungary)[2]	107,917	167,499	55%	53,211	51,766	59,730	15%	12%
DSK Group (Bulgaria)[3]	34,275	66,047	93%	12,739	23,702	24,072	2%	89%
OBH (Croatia)[4]	14,911	25,194	69%	4,984	9,178	10,897	19%	119%
OTP Bank Serbia[5]	10,374	20,688	99%	6,714	7,986	5,929	-26%	-12%
SKB Banka (Slovenia)	7,638	12,454	63%	4,393	4,434	4,957	12%	13%
OTP Bank Romania[6]	2,775	993	-64%	1,637	1,247	-783	-163%	-148%
OTP Bank Ukraine[7]	21,634	28,832	33%	10,874	8,891	11,105	25%	2%
OTP Bank Russia[8]	11,926	24,189	103%	14,166	9,404	6,780	-28%	-52%
CKB Group (Montenegro)[9]	2,472	5,375	117%	848	1,095	2,259	106%	166%
OTP Bank Albania	1,910	3,910	105%	766	1,313	1,540	17%	101%
OTP Bank Moldova	2,823	4,380	55%	1,095	1,596	1,327	-17%	21%
OBS (Slovakia)[10]	-1,217	-		381	-	-		
Leasing	5,624	6,522	16%	2,935	3,125	1,771	-43%	-40%
Merkantil Group (Hungary)[11]	5,624	6,522	16%	2,935	3,125	1,771	-43%	-40%
Asset Management	2,444	3,003	23%	771	1,076	1,049	-3%	36%
OTP Asset Management (Hungary)	2,383	2,863	20%	742	1,028	1,000	-3%	35%
Foreign Asset Management Companies (Ukraine, Romania, Bulgaria)[12]	60	140	131%	29	49	49	2%	69%
Other Hungarian Subsidiaries	5,539	6,105	10%	1,841	3,990	-2,789	-170%	-252%
Other Foreign Subsidiaries[13]	146	300	106%	27	-94	-62	-35%	-330%
Corporate Centre[14]	40	-701	-1838%	-331	-264	-11	-96%	-97%
Eliminations	476	-1,211	-355%	603	550	-480	-187%	-180%
Total adjusted after tax profit of HUNGARIAN subsidiaries[15]	121,979	181,076	48%	59,000	60,194	59,222	-2%	0%
Total adjusted after tax profit of FOREIGN subsidiaries[16]	109,726	192,502	75%	58,652	68,802	68,071	-1%	16%
Share of foreign profit contribution	47%	52%	4%p	50%	53%	53%	0%p	4%p

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

CONSOLIDATED AND SEPARATE, UNAUDITED IFRS REPORTS OF OTP BANK PLC.

CONSOLIDATED STATEMENT OF RECOGNIZED INCOME

Main components of the adjusted Statement of recognized income in HUF million	9M 2020	9M 2021	Y-o-Y	3Q 2020	2Q 2021	3Q 2021	Q-o-Q	Y-o-Y
Consolidated after tax profit	**188,171**	**335,321**	**78%**	**113,573**	**121,814**	**120,173**	**-1%**	**6%**
Adjustments (total)	**-43,535**	**-38,257**	**-12%**	**-4,079**	**-7,182**	**-7,119**	**-1%**	**75%**
Dividends and net cash transfers (after tax)	464	813	75%	279	433	299	-31%	7%
Goodwill/investment impairment charges (after tax)	886	-718	-181%	0	-1,375	0	-100%	
Special tax on financial institutions (after corporate income tax)	-17,348	-18,882	9%	-20	-4	-5	35%	-74%
Expected one-off negative effect of the debt repayment moratorium in Hungary and Serbia (after corporate income tax)	-17,432	-14,784	-15%	732	-5,586	-9,197	65%	
Effect of acquisitions (after tax)	-10,853	-8,809	-19%	-5,070	-724	-4,619	538%	-9%
Result of the treasury share swap agreement (after tax)		4,123			74	6,403		
Consolidated adjusted after tax profit without the effect of adjustments	**231,706**	**373,578**	**61%**	**117,652**	**128,997**	**127,293**	**-1%**	**8%**
Before tax profit	**263,227**	**440,273**	**67%**	**134,531**	**150,850**	**151,023**	**0%**	**12%**
Operating profit	**397,520**	**483,506**	**22%**	**139,320**	**160,553**	**176,010**	**10%**	**26%**
Total income	**862,469**	**950,702**	**10%**	**294,395**	**316,474**	**333,097**	**5%**	**13%**
Net interest income	**590,501**	**636,484**	**8%**	**195,738**	**210,573**	**222,685**	**6%**	**14%**
Net fees and commissions	**210,059**	**238,235**	**13%**	**74,240**	**80,320**	**86,016**	**7%**	**16%**
Other net non-interest income	**61,909**	**75,983**	**23%**	**24,417**	**25,582**	**24,396**	**-5%**	**0%**
Foreign exchange result, net	32,971	35,799	9%	12,803	7,184	17,631	145%	38%
Gain/loss on securities, net	10,371	11,145	7%	5,209	5,499	1,460	-73%	-72%
Net other non-interest result	18,568	29,039	56%	6,405	12,899	5,304	-59%	-17%
Operating expenses	**-464,950**	**-467,196**	**0%**	**-155,075**	**-155,921**	**-157,087**	**1%**	**1%**
Personnel expenses	-232,663	-240,894	4%	-76,622	-80,721	-81,213	1%	6%
Depreciation	-50,842	-53,951	6%	-17,721	-17,955	-18,258	2%	3%
Other expenses	-181,444	-172,352	-5%	-60,732	-57,245	-57,615	1%	-5%
Total risk costs	**-135,851**	**-43,233**	**-68%**	**-5,107**	**-9,703**	**-24,988**	**158%**	**389%**
Provision for impairment on loan and placement losses	-116,186	-24,905	-79%	15	-573	-14,560		
Other provision	-19,665	-18,328	-7%	-5,122	-9,130	-10,427	14%	104%
Total one-off items	**1,558**	**-**		**318**	**-**	**-**		
Gain on the repurchase of own Upper and Lower Tier2 Capital	0	-		0	-	-		
Result of the treasury share swap agreement at OTP Core	1,558	-		318	-	-		
Corporate taxes	**-31,521**	**-66,695**	**112%**	**-16,879**	**-21,853**	**-23,730**	**9%**	**41%**
INDICATORS	9M 2020	9M 2021	Y-o-Y	3Q 2020	2Q 2021	3Q 2021	Q-o-Q	Y-o-Y
ROE (from accounting net earnings)	10.7%	16.9%	6.2%p	19.0%	18.5%	17.3%	-1.2%p	-1.7%p
ROE (from adjusted net earnings)	13.2%	18.8%	5.7%p	19.7%	19.6%	18.3%	-1.3%p	-1.4%p
ROA (from adjusted net earnings)	1.4%	2.0%	0.6%p	2.1%	2.1%	2.0%	-0.2%p	-0.2%p
Operating profit margin	2.48%	2.63%	0.15%p	2.53%	2.65%	2.73%	0.08%p	0.20%p
Total income margin	5.38%	5.18%	-0.20%p	5.35%	5.22%	5.17%	-0.05%p	-0.18%p
Net interest margin	3.68%	3.47%	-0.22%p	3.56%	3.47%	3.46%	-0.02%p	-0.10%p
Net fee and commission margin	1.31%	1.30%	-0.01%p	1.35%	1.32%	1.34%	0.01%p	-0.01%p
Net other non-interest income margin	0.39%	0.41%	0.03%p	0.44%	0.42%	0.38%	-0.04%p	-0.07%p
Cost-to-asset ratio	2.90%	2.54%	-0.36%p	2.82%	2.57%	2.44%	-0.13%p	-0.38%p
Cost/income ratio	53.9%	49.1%	-4.8%p	52.7%	49.3%	47.2%	-2.1%p	-5.5%p
Provision for impairment on loan and placement losses-to-average gross loans	1.14%	0.23%	-0.91%p	0.00%	0.02%	0.38%	0.36%p	0.38%p
Total risk cost-to-asset ratio	0.85%	0.24%	-0.61%p	0.09%	0.16%	0.39%	0.23%p	0.30%p
Effective tax rate	12.0%	15.1%	3.2%p	12.5%	14.5%	15.7%	1.2%p	3.2%p
Non-interest income/total income	32%	33%	2%p	34%	33%	33%	0%p	0%p
EPS base (HUF) (from unadjusted net earnings)	725	1,306	80%	442	474	468	-1%	6%
EPS diluted (HUF) (from unadjusted net earnings)	725	1,306	80%	442	474	468	-1%	6%
EPS base (HUF) (from adjusted net earnings)	894	1,457	63%	459	503	496	-2%	8%
EPS diluted (HUF) (from adjusted net earnings)	893	1,457	63%	459	503	496	-1%	8%

Comprehensive Income Statement	9M 2020	9M 2021	Y-o-Y	3Q 2020	2Q 2021	3Q 2021	Q-o-Q	Y-o-Y
Consolidated after tax profit	188,171	335,321	78%	113,573	121,814	120,173	-1%	6%
Fair value changes of financial instruments measured at fair value through other comprehensive income	-21,047	-12,968	-38%	7,555	-2,479	-7,133	188%	-194%
Fair value adjustment of derivative financial instruments designated as cash-flow hedge	-2	0	-100%	0	0	0		
Net investment hedge in foreign operations	-9,576	0	-100%	-2,288	0	0		-100%
Foreign currency translation difference	92,862	13,735	-85%	-98	-60,151	68,364	-214%	
Change of actuarial costs (IAS 19)	0	99		0	99	0	-100%	
Net comprehensive income	**250,408**	**336,187**	**34%**	**118,742**	**59,283**	**181,404**	**206%**	**53%**
o/w Net comprehensive income attributable to equity holders	250,614	335,539	34%	118,807	59,156	181,048	206%	52%
Net comprehensive income attributable to non-controlling interest	-206	648	-415%	-65	127	356	180%	-648%
Average exchange rate[1] of the HUF (in HUF)	9M 2020	9M 2021	Y-o-Y	3Q 2020	2Q 2021	3Q 2021	Q-o-Q	Y-o-Y
HUF/EUR	348	357	2%	354	355	354	0%	0%
HUF/CHF	326	327	0%	329	323	327	1%	-1%
HUF/USD	310	298	-4%	303	294	300	2%	-1%

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

CONSOLIDATED BALANCE SHEET

Main components of the adjusted balance sheet, in HUF million	3Q 2020	4Q 2020	2Q 2021	3Q 2021	Q-o-Q	Y-o-Y
TOTAL ASSETS	**22,709,216**	**23,335,841**	**24,550,723**	**26,180,508**	**7%**	**15%**
Cash, amounts due from Banks and balances with the National Banks	2,140,664	2,432,314	1,983,490	2,241,691	13%	5%
Placements with other banks, net of allowance for placement losses	985,989	1,148,987	1,727,294	1,896,258	10%	92%
Financial assets at fair value through profit or loss	274,553	235,194	235,966	305,830	30%	11%
Securities at fair value through other comprehensive income	2,132,675	2,140,118	2,131,583	2,196,056	3%	3%
Net customer loans	13,574,198	13,528,586	14,065,940	14,868,037	6%	10%
Net customer loans (FX adjusted[1])	**13,618,499**	**13,507,190**	**14,337,287**	**14,868,037**	**4%**	**9%**
Gross customer loans	14,394,579	14,363,281	14,904,741	15,742,171	6%	9%
Gross customer loans (FX adjusted[1])	**14,342,428**	**14,333,319**	**15,198,138**	**15,742,171**	**4%**	**10%**
Gross performing (Stage 1+2) customer loans (FX-adjusted[1])	**13,527,247**	**13,509,277**	**14,372,899**	**14,930,022**	**4%**	**10%**
o/w Retail loans	7,648,852	7,508,026	8,024,964	8,251,181	3%	8%
Retail mortgage loans (incl. home equity)	3,628,225	3,532,937	3,776,795	3,949,010	5%	9%
Retail consumer loans	3,220,941	3,240,835	3,452,776	3,598,959	4%	12%
SME loans	799,687	734,254	795,393	703,213	-12%	-12%
Corporate loans	4,846,095	4,966,763	5,233,585	5,534,449	6%	14%
Leasing	1,032,300	1,034,487	1,114,350	1,144,391	3%	11%
Allowances for loan losses	-820,381	-834,695	-838,801	-874,134	4%	7%
Allowances for loan losses (FX adjusted[1])	-723,929	-826,129	-860,851	-874,134	2%	21%
Associates and other investments	31,749	52,444	40,027	48,361	21%	52%
Securities at amortized costs	2,569,810	2,625,952	3,233,246	3,466,531	7%	35%
Tangible and intangible assets, net	592,861	589,878	643,653	664,204	3%	12%
o/w Goodwill, net	101,441	101,393	100,854	104,056	3%	3%
Tangible and other intangible assets, net	491,421	488,485	542,799	560,148	3%	14%
Other assets	406,717	582,368	489,524	493,538	1%	21%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**22,709,216**	**23,335,841**	**24,550,723**	**26,180,508**	**7%**	**15%**
Amounts due to banks, the National Governments, deposits from the National Banks and other banks, and Financial liabilities designated at fair value through profit or loss	1,114,078	1,219,446	1,638,688	1,667,300	2%	50%
Deposits from customers	17,324,304	17,890,863	18,258,677	19,677,002	8%	14%
Deposits from customers (FX adjusted[1])	**17,255,191**	**17,865,190**	**18,584,819**	**19,677,002**	**6%**	**14%**
o/w Retail deposits	12,533,491	12,780,301	13,257,535	13,434,364	1%	7%
Household deposits	10,324,545	10,590,835	11,071,882	11,226,309	1%	9%
SME deposits	2,208,946	2,189,466	2,185,653	2,208,054	1%	0%
Corporate deposits	4,712,877	5,076,415	5,319,826	6,235,127	17%	32%
Accrued interest payable related to customer deposits	8,823	8,474	7,458	7,511	1%	-15%
Liabilities from issued securities	444,337	464,214	497,045	498,312	0%	12%
o/w Retail bonds	2,342	1,326	0	0		-100%
Liabilities from issued securities without retail bonds	441,996	462,888	497,045	498,312	0%	13%
Other liabilities	1,079,846	949,502	1,192,012	1,366,754	15%	27%
Subordinated bonds and loans[2]	273,542	274,704	267,378	270,448	1%	-1%
Total shareholders' equity	**2,473,108**	**2,537,112**	**2,696,923**	**2,700,692**	**0%**	**9%**
Indicators	3Q 2020	4Q 2020	2Q 2021	3Q 2021	Q-o-Q	Y-o-Y
Loan/deposit ratio (FX adjusted[1])	83%	80%	82%	80%	-2%p	-3%p
Net loan/(deposit + retail bond) ratio (FX adjusted[1])	79%	76%	77%	76%	-2%p	-3%p
Stage 1 loan volume under IFRS 9	12,004,459	11,544,791	12,140,375	12,898,377	6%	7%
Stage 1 loans under IFRS9/gross customer loans	83.4%	80.4%	81.5%	81.9%	0.5%p	-1.5%p
Own coverage of Stage 1 loans under IFRS 9	0.9%	1.0%	1.1%	1.1%	0.0%p	0.2%p
Stage 2 loan volume under IFRS 9	1,578,251	1,998,867	1,959,453	2,031,644	4%	29%
Stage 2 loans under IFRS9/gross customer loans	11.0%	13.9%	13.1%	12.9%	-0.2%p	1.9%p
Own coverage of Stage 2 loans under IFRS 9	11.7%	10.4%	10.3%	10.4%	0.1%p	-1.4%p
Stage 3 loan volume under IFRS 9	811,870	819,622	804,913	812,149	1%	0%
Stage 3 loans under IFRS9/gross customer loans	5.6%	5.7%	5.4%	5.2%	-0.2%p	-0.5%p
Own coverage of Stage 3 loans under IFRS 9	64.7%	62.3%	63.3%	64.4%	1.1%p	-0.3%p
90+ days past due loan volume	586,338	543,733	533,121	543,700	2%	-7%
90+ days past due loans/gross customer loans	4.1%	3.8%	3.6%	3.5%	-0.1%p	-0.6%p
Consolidated capital adequacy - Basel3	3Q 2020	4Q 2020	2Q 2021	3Q 2021	Q-o-Q	Y-o-Y
Capital adequacy ratio (consolidated, IFRS)	17.0%	17.7%	18.1%	17.0%	-1.1%p	0.0%p
Tier 1 ratio	14.6%	15.4%	15.9%	15.4%	-0.5%p	0.8%p
Common Equity Tier 1 ('CET1') capital ratio	14.6%	15.4%	15.9%	15.4%	-0.5%p	0.8%p
Regulatory capital (consolidated)	2,559,285	2,669,806	2,766,473	2,767,985	0%	8%
o/w Tier 1 Capital	2,206,942	2,316,118	2,421,671	2,510,558	4%	14%
o/w Common Equity Tier 1 capital	2,206,942	2,316,118	2,421,671	2,510,558	4%	14%
Tier2 Capital	352,343	353,688	344,802	257,428	-25%	-27%
o/w Hybrid Tier2	89,935	89,935	89,935	0	-100%	-100%
Consolidated risk weighted assets (RWA) (Credit&Market&Operational risk)	15,065,291	15,046,888	15,268,796	16,295,902	7%	8%
o/w RWA (Credit risk)	13,391,254	13,389,536	13,511,024	14,540,450	8%	9%
RWA (Market & Operational risk)	1,674,036	1,657,352	1,757,773	1,755,452	0%	5%

Closing exchange rate of the HUF (in HUF)	3Q 2020	4Q 2020	2Q 2021	3Q 2021	Q-o-Q	Y-o-Y
HUF/EUR	365	365	352	361	2%	-1%
HUF/CHF	337	337	321	332	4%	-1%
HUF/USD	311	297	296	311	5%	0%

[1] For the FX adjustment, the closing cross currency rates for the current period were used to calculate the HUF equivalent of loan and deposit volumes in the base periods.
[2] The ICES bonds were considered as Tier2 debt, but accounting-wise they were treated as part of the shareholders' equity until 2Q 2021, but in 3Q 2021 the ICES bonds are no longer part of the shareholders' equity. In the wake of the redemption of ICES bonds announced on 14 September 2021, at the end of 3Q the HUF equivalent of ICES bonds (using the FX rate of 14 September) was recognized within the Other liabilities (HUF 179.8 billion) both on OTP Bank standalone and consolidated level, and within the consolidated shareholders' equity the other reserves declined by HUF 89.9 billion and the retained earnings by HUF 89.9 billion.

OTP BANK'S HUNGARIAN CORE BUSINESS

OTP Core Statement of recognized income:

Main components of the Statement of recognised income in HUF million	9M 2020	9M 2021	Y-o-Y	3Q 2020	2Q 2021	3Q 2021	Q-o-Q	Y-o-Y
After tax profit without the effect of adjustments	107,917	167,499	55%	53,211	51,766	59,730	15%	12%
Corporate income tax	-11,497	-31,251	172%	-5,415	-10,469	-10,353	-1%	91%
Pre-tax profit	119,414	198,750	66%	58,626	62,235	70,084	13%	20%
Operating profit	135,141	193,967	44%	49,314	59,243	72,912	23%	48%
Total income	332,315	397,405	20%	116,178	129,445	142,989	10%	23%
Net interest income	211,417	261,651	24%	72,286	86,779	93,082	7%	29%
Net fees and commissions	94,841	112,338	18%	34,773	37,750	41,094	9%	18%
Other net non-interest income	26,056	23,416	-10%	9,119	4,916	8,813	79%	-3%
Operating expenses	-197,174	-203,438	3%	-66,864	-70,202	-70,077	0%	5%
Total risk costs	-17,285	4,783	-128%	8,994	2,992	-2,828	-195%	-131%
Provision for impairment on loan and placement losses	-9,271	6,651	-172%	10,054	4,716	-2,198	-147%	-122%
Other provisions	-8,014	-1,868	-77%	-1,061	-1,724	-631	-63%	-41%
Total one-off items	1,558	-		318	-	-		
Revaluation result of the treasury share swap agreement	1,558	-		318	-	-		
Indicators	9M 2020	9M 2021	Y-o-Y	3Q 2020	2Q 2021	3Q 2021	Q-o-Q	Y-o-Y
ROE	8.4%	12.1%	3.7%p	12.4%	11.2%	12.5%	1.3%p	0.0%p
ROA	1.4%	1.8%	0.4%p	2.0%	1.7%	1.8%	0.1%p	-0.2%p
Operating profit margin	1.8%	2.1%	0.3%p	1.9%	1.9%	2.2%	0.3%p	0.3%p
Total income margin	4.33%	4.24%	-0.09%p	4.42%	4.18%	4.26%	0.09%p	-0.16%p
Net interest margin	2.76%	2.79%	0.04%p	2.75%	2.80%	2.77%	-0.03%p	0.03%p
Net fee and commission margin	1.24%	1.20%	-0.04%p	1.32%	1.22%	1.23%	0.01%p	-0.10%p
Net other non-interest income margin	0.34%	0.25%	-0.09%p	0.35%	0.16%	0.26%	0.10%p	-0.08%p
Operating costs to total assets ratio	2.6%	2.2%	-0.4%p	2.5%	2.3%	2.1%	-0.2%p	-0.5%p
Cost/income ratio	59.3%	51.2%	-8.1%p	57.6%	54.2%	49.0%	-5.2%p	-8.5%p
Provision for impairment on loan and placement losses/average gross loans[1]	0.30%	-0.18%	-0.48%p	-0.93%	-0.39%	0.17%	0.56%p	1.10%p
Effective tax rate	9.6%	15.7%	6.1%p	9.2%	16.8%	14.8%	-2.0%p	5.5%p

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

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

Main components of balance sheet closing balances in HUF million	3Q 2020	4Q 2020	2Q 2021	3Q 2021	Q-o-Q	Y-o-Y	YTD
Total Assets	10,747,073	11,492,949	12,637,289	13,462,791	7%	25%	17%
Net customer loans	4,257,333	4,415,778	4,813,165	5,061,229	5%	19%	15%
Net customer loans (FX adjusted)	**4,249,326**	**4,407,219**	**4,830,584**	**5,061,229**	**5%**	**19%**	**15%**
Gross customer loans	4,442,175	4,631,974	5,029,480	5,284,666	5%	19%	14%
Gross customer loans (FX adjusted)	**4,433,643**	**4,622,797**	**5,048,137**	**5,284,666**	**5%**	**19%**	**14%**
Stage 1+2 customer loans (FX-adjusted)	4,267,474	4,430,595	4,870,448	5,106,524	5%	20%	15%
Retail loans	2,676,197	2,796,998	3,150,966	3,307,364	5%	24%	18%
Retail mortgage loans (incl. home equity)	1,400,879	1,437,236	1,531,157	1,595,503	4%	14%	11%
Retail consumer loans	948,414	995,361	1,160,530	1,240,206	7%	31%	25%
SME loans	326,904	364,401	459,280	471,655	3%	44%	29%
Corporate loans	1,591,277	1,633,597	1,719,482	1,799,160	5%	13%	10%
Provisions	-184,842	-216,196	-216,315	-223,437	3%	21%	3%
Provisions (FX adjusted)	**-184,317**	**-215,578**	**-217,554**	**-223,437**	**3%**	**21%**	**4%**
Deposits from customers + retail bonds	7,389,952	8,083,488	8,520,453	9,276,637	9%	26%	15%
Deposits from customers + retail bonds (FX-adjusted)	**7,379,646**	**8,080,882**	**8,566,817**	**9,276,637**	**8%**	**26%**	**15%**
Retail deposits + retail bonds	5,077,948	5,368,758	5,711,168	5,810,630	2%	14%	8%
Household deposits + retail bonds	4,016,779	4,232,096	4,495,529	4,543,497	1%	13%	7%
o/w: Retail bonds	2,342	1,326	0	0		-100%	-100%
SME deposits	1,061,169	1,136,661	1,215,639	1,267,133	4%	19%	11%
Corporate deposits	2,301,698	2,712,125	2,855,648	3,466,007	21%	51%	28%
Deposits to medium and large corporates	1,636,338	1,959,510	2,129,971	2,607,942	22%	59%	33%
Municipal deposits	665,360	752,614	725,677	858,065	18%	29%	14%
Liabilities to credit institutions	811,328	858,230	1,370,574	1,287,653	-6%	59%	50%
Issued securities without retail bonds	483,818	513,860	566,725	582,692	3%	20%	13%
Total shareholders' equity	1,723,431	1,766,639	1,893,887	1,768,700	-7%	3%	0%
Loan Quality	3Q 2020	4Q 2020	2Q 2021	3Q 2021	Q-o-Q	Y-o-Y	YTD
Stage 1 loan volume under IFRS 9 (in HUF million)	3,757,222	3,606,490	3,964,082	4,159,188	5%	11%	15%
Stage 1 loans under IFRS 9/gross customer loans	84.6%	77.9%	78.8%	78.7%	-0.1%p	-5.9%p	0.8%p
Own coverage of Stage 1 loans under IFRS 9	0.9%	0.8%	0.9%	1.0%	0.0%p	0.0%p	0.2%p
Stage 2 loan volume under IFRS 9 (in HUF million)	518,521	833,163	888,258	947,335	7%	83%	14%
Stage 2 loans under IFRS 9/gross customer loans	11.7%	18.0%	17.7%	17.9%	0.3%p	6.3%p	-0.1%p
Own coverage of Stage 2 loans under IFRS 9	11.2%	10.1%	9.3%	9.3%	-0.1%p	-2.0%p	-0.8%p
Stage 3 loan volume under IFRS 9 (in HUF million)	166,432	192,321	177,140	178,142	0.6%	7.0%	-7.4%
Stage 3 loans under IFRS 9/gross customer loans	3.7%	4.2%	3.5%	3.4%	-0.2%p	-0.4%p	-0.8%p
Own coverage of Stage 3 loans under IFRS 9	55.4%	54.5%	54.3%	54.0%	-0.4%p	-1.4%p	-0.5%p
90+ days past due loan volume (in HUF million)	117,151	144,816	131,988	128,323	-3%	10%	-11.4%
90+ days past due loans/gross customer loans	2.6%	3.1%	2.6%	2.4%	-0.2%p	-0.2%p	-0.7%p
Market Share	3Q 2020	4Q 2020	2Q 2021	3Q 2021	Q-o-Q	Y-o-Y	YTD
Loans	22.6%	22.9%	24.2%	24.3%	0.1%p	1.7%p	1.4%p
Deposits	25.4%	25.3%	26.4%	26.0%	-0.4%p	0.5%p	0.6%p
Total Assets	26.3%	25.8%	26.8%	27.6%	0.8%p	1.3%p	1.8%p
Performance Indicators	3Q 2020	4Q 2020	2Q 2021	3Q 2021	Q-o-Q	Y-o-Y	YTD
Net loans to (deposits + retail bonds) (FX adjusted)	58%	55%	56%	55%	-2%p	-3%p	0%p
Leverage (closing Shareholder's Equity/Total Assets)	16.0%	15.4%	15.0%	13.1%	-1.8%p	-2.9%p	-2.2%p
Leverage (closing Total Assets/Shareholder's Equity)	6.2x	6.5x	6.7x	7.6x	0.9x	1.4x	1.1x
Capital adequacy ratio (OTP Bank, non-consolidated, Basel3, IFRS)	26.1%	26.7%	25.4%	22.1%	-3.3%p	-4.0%p	-4.6%p
Common Equity Tier 1 ratio (OTP Bank, non-consolidated, Basel3, IFRS)	21.9%	22.5%	21.7%	18.8%	-2.9%p	-3.1%p	-3.7%p

- ***OTP Core's adjusted nine-month profit amounted to HUF 167.5 billion, of which HUF 59.7 billion was realized in the third quarter***
- ***Operating profit maintained its dynamic growth. In the first nine months, net interest income and net fee income increased by near-20% rates. In 3Q, net interest margin slightly narrowed q-o-q, owing to the diluting effect of the deposit inflows***
- ***Cost efficiency indicators changed for the better: in the third quarter the cost/income ratio sank to a nine-year low of 49%***
- ***The underlying loan quality trends remained favourable; the Stage 3 ratio dropped further q-o-q. The total risk costs line printed a positive amount for the first nine months, as recoveries at the Faktoring unit continued***
- ***Performing loans grew by outstanding rates of 5% q-o-q and 20% y-o-y (FX-adjusted), chiefly boosted by the subsidized baby loans and FGS Go! loans, but housing loan and cash loan volumes also grew dynamically. Deposits went up by 26% y-o-y***

In June 2021, OTP Home Solutions was added to the range of companies that make up OTP Core; its balance sheet total was HUF 1.7 billion at the end of September.

P&L developments

In the first three quarters of 2021 **OTP Core**'s adjusted after-tax profit amounted to HUF 167.5 billion, more than one and half times the amount posted a year earlier. Its third-quarter profit of HUF 59.7 billion is consistent with 15% q-o-q increase.

Starting from 2021, the local business tax and the innovation contribution paid by Hungarian Group members are booked on the corporate income tax line, rather than under operating expenses. At OTP Core, this reclassified amount was HUF 13.1 billion in the first nine months (4.1 in 1Q, 4.6 in 2Q, and 4.4 in 3Q). This item caused much of the increase in the cumulative effective tax rate. This reclassification explained 3.3 pps from the 8.1 pps y-o-y improvement in the nine-month cost/income ratio. In the third quarter, the cost/income ratio dropped to 49.0%; the best gauge for OTP Core since 2012.

The nine-month operating profit jumped by an outstanding 44%. Even without the above technical item affecting operating cost, this is consistent with 34% improvement.

The net interest income remained in uptrend, surging 24% in the first nine months, mostly fuelled by the continued dynamic growth in business volumes, but the 4 bps y-o-y improvement in net interest margin also helped.

There were two one-off effects behind the y-o-y improvement in the margin, both occurring in 1Q 2021: a technical effect relating to the accounting of the loan repayment moratorium, and cash loans' repricing for regulatory reasons. These one-off effects elevated the margin level from 1Q 2021, but have not helped margin dynamics since then. At product level, credit spreads narrowed further in 3Q, as a result of the strong competition. On the whole, the balance sheet structure in 3Q negatively affected the margin dynamics: even though the ratio of non-interest-bearing assets declined throughout 2Q and 3Q, and the weight of consumer loans within loans went up, but the share of lower-margin financial assets rose in 3Q, owing to the dynamic increase in deposits and the rising repo liabilities. This was partly offset by the rising benchmark rates' beneficial effect on interest income in 3Q: although short-term interest rates began to rise in end-May as a result of the central bank's hawkish communication, the effect of higher reference rates affected asset-side interest rates with a delay because of the time lag in the repricing of variable-rate assets. Out of the short-term interbank rates that are the benchmarks for variable-rate loans, the 3M BUBOR's closing value went up to 77 bps by the end of March, to 105 bps by the end of June, and to 176 bps by the end of September, from 75 bps at end-2020. Its average quarterly values were 76 bps in 1Q, 87 bps in 2Q, and 139 bps in 3Q. The 3M BUBOR hit 200 bps by the end of October.

In the third quarter, net interest margin sank by a total of 3 bps, while net interest income rose by 7% q-o-q, owing to the growing loan volumes and the higher interest income on rising liquid assets.

Net fees and commissions grew by 18% y-o-y in the first nine months. The improvement, in the wake of strengthening economic activity, can be attributed to the double-digit growth rate of commissions on deposits, transactions, cards, lending, and securities sales (as for the latter, distribution fees increased both in the case of retail government bonds and investment funds). In the third quarter, the 9% q-o-q increase mostly stemmed from stronger revenues from card-related fees, but commissions on deposits and financial transactions also grew further. On the whole, one-off items did not have a material effect on the cumulative y-o-y and q-o-q dynamics.

In the first nine months, other net non-interest income declined by 10%, largely because of the weaker FX result booked in the second quarter of 2021. The cumulative other income development benefited from the fact that, starting from 2021, the recoveries from claims written off at OTP Factoring for legal reasons (e.g. irretraceable borrower, time-barred debt) are presented in other income, rather than under risk costs. In the third quarter, the rebound in other income largely stemmed from the q-o-q improvement in FX result.

Operating expenses rose by 3% y-o-y in January-September. In the reporting period, there were two major reclassifications that affected costs: first, starting from 2021, the local business tax and the innovation contribution (HUF 13.1 billion in the first nine months of 2021) were shifted to the corporate income tax line from the operating expenses. Second, in 2Q the provisions for untaken holidays on a pro rata temporis basis were moved to personnel expenses from the other risk costs line, and the HUF 3.1 billion amount booked in 2Q 2021 covered all such untaken holidays. Without these two effects, the growth rate would be 8% y-o-y. The q-o-q stable costs in 3Q stemmed from the base effect of the reclassification of provisions for untaken holidays in 2Q. In contrast, the q-o-q 1% rise in average headcount, the wage increases, as well as higher other expenses (marketing, hardware and office equipment costs) pointed towards increasing costs.

In the first nine months of 2021, total risk cost amounted to +HUF 4.8 billion, as opposed to -HUF 17.3 billion in the same period of 2020. In a prudent manner, provisions for the extra risks owing to the pandemic and the loan moratorium were mostly set aside already in 2020. In the first nine months of 2021, the main reason for the positive amount of total risk cost was the continued recoveries on retail claims managed by OTP Faktoring, while underlying credit quality trends remained favourabe.

In the third quarter, total risk cost amounted to -HUF 2.8 billion. In 3Q the provision for impairment on loan and placement losses were higher than in the previous quarters partly because the Bank reviewed the risk classification of the corporate loans that participate in the moratorium, in accordance with the national bank's guidelines, and, using a more conservative approach, it shifted further volumes into the Stage 2 category in the third quarter. The additional risk cost effect of this move exceeded HUF 3 billion. Moreover, q-o-q lower return was realized on Faktoring's claims. The q-o-q decline in other risk costs was mostly explained by the lower reserves put aside for securities.

Credit quality indicators remained favourable: the ratio of Stage 3 loans sank by 0.2 pp q-o-q to 3.4% as the dynamic expansion of loans continued, while the Stage 2 ratio rose by 0.3 pp to 17.9% mainly as a result of the above mentioned reclassification of loans to companies. On the whole, the own provision coverage of the Stage 1+2 portfolio remained q-o-q stable at 2.5%, while the own provision coverage of Stage 3 loans slightly decreased.

The volume of more than 90 days past due (DPD90+) loans declined by HUF 5 billion in full-year 2020 and in 1Q 2021, dropped by HUF 1 billion in 2Q, and did not change in 3Q (FX-adjusted, without sales/write-offs and the revaluation of Faktoring's claims). In the first nine months of 2021, HUF 7 billion non-performing loans were sold/written off (FX-adjusted).

At OTP Core, the volume of loans subject to the debt repayment moratorium remained in downtrend: at the end of September 2021, about HUF 1,286 billion loans participated in the moratorium (24.3% of the total gross loan volume of OTP Core), as opposed to HUF 1,441 billion at the end of June 2021, and HUF 1,760 billion at the end of 2020. In 2021, the loan repayment moratorium was first extended by three months (until the end of September 2021), then by one more month (until end-October), with unchanged terms and conditions. Between November 2021 and June 2022, only eligible borrowers who applied for it at their bank in the course of October are entitled to participate in the moratorium. Based on these applications, about HUF 224 billion worth of loans at OTP Core can take part in the moratorium from November, which makes up 4.2% of OTP Core's total loan book at the end of September.

Balance sheet trends

OTP Core's balance sheet total grew by 25% y-o-y (by nearly HUF 2,700 billion), including the 17% rise (around HUF 2,000 billion) in the past nine months. Most of the y-o-y increase stemmed from the inflow of deposits (+26%, or +HUF 1,900 billion), and a smaller part came from interbank liabilities' increase (by +59% y-o-y, +HUF 500 billion); the expansion in the Funding for Growth loans refinanced by the National Bank of Hungary, as well as higher repo liabilities contributed to the latter.

In the past three months, the growth in balance sheet total was induced by customer deposits, the nominal q-o-q rise of which once again exceeded loan growth in 3Q (+HUF 750 billion and +HUF 250 billion, respectively), which crystallized in the further increase in the volume of financial and other liquid assets.

On OTP Core's asset side, the average quarterly share of non-interest-bearing assets in the balance sheet total sank by 3.2 pps y-o-y, to 13.3% in the third quarter, and the weight of net loans slightly declined, which was offset by the higher weight of financial assets.

Performing (Stage 1+2) loans grew dynamically, by an FX-adjusted 5% q-o-q, thus by 15% in the first nine months (of which 3 pps can be ascribed to the volume-boosting effect of the moratorium[3]), and by

[3] Starting from the second quarter of 2020, loan growth was boosted by the fact that, in the case of loans participating in the repayment moratorium, the transactional interest on the outstanding principal is charged during the moratorium as well, furthermore, deferred interests are

20% in the past 12 months. Much of the growth can be attributed to the government's and the national bank's subsidized loan programmes (baby loan, CSOK subsidized housing loan, home renovation loan, Funding for Growth Go, Széchenyi Card Go).

Regarding individual product categories, consumer loans jumped by 31% y-o-y, including 7% q-o-q (HUF 80 billion) increase in the third quarter. The engine of consumer loan growth was the subsidized baby loan, for which the Bank's loan agreements amounted to HUF 59 billion in the third quarter, after HUF 66 billion in the previous one. This brought the Bank's market share to 42.3% in 3Q.

In the case of cash loans, market pricing has been in effect since the beginning of 2021, as the regulatory interest rate cap expired. New loan placements' dynamic growth continued: new desbursements hit an eight-quarter high in 3Q, having doubled from the low base a year earlier. This is consistent with 6% q-o-q increase. OTP Bank's market share of new cash loan placements was 34.8% in full-year 2020, which was followed by 38.7% in the first nine months of 2021, including 40.0% in 3Q. Supported by both the declining amortization owing to the loan repayment moratorium, and the q-o-q rise in new disbursements, the performing cash loan book expanded by 6% q-o-q and 19% y-o-y.

To help borrowers access the government's subsidized home renovation subsidy, OTP made available both the mortgage-backed subsidized home renovation loan (from the beginning of February 2021) and the Bank's own unsecured home renovation cash loan product (from March 2021). By the end of September, loan applications for the unsecured product amounted to HUF 13 billion, and those for the subsidized secured product hit HUF 32 billion. Because of its collateralized nature, the subsidized home renovation loan is presented among mortgage loans in the product structure, whereas the unsecured home renovation loan is shown under consumer loans.

Applications for mortgage loans in 3Q lagged 13% behind the record-high 2Q 2021 level, yet they surged 23% y-o-y. New disbursements remained flat q-o-q in 3Q: of the nearly HUF 112 billion mortgage loans disbursed in the third quarter, the subsidized home renovation loans amounted to HUF 10 billion, and loans granted under the Housing Subsidy for Families (CSOK) with subsidized interest rate made up further HUF 26 billion. OTP's year-to-date market share in the new mortgage loan contractual amounts was 31.2%, after 32.0% in full year 2020. In the third quarter, performing mortgage loan volumes rose by 4% q-o-q, which brought the y-o-y growth rate to 14%. Within that, housing loans, which make up 86% of the overall mortgage volumes, increased by 17% y-o-y.

The Bank's corporate lending activity remained strong. This is predominantly attributable to the NBH's *Funding for Growth Go!* scheme launched in April 2020, but the subsidized loans available since July 2021 under the *Széchenyi Card Go!* scheme also played a role in the past quarter.

By the end of September, the *FGS Go!* contracted amount reached the target of HUF 3,000 billion at sector level, thus the NBH ended this programme. Since the launch of this facility, OTP Bank's contractual amounts totalled HUF 752 billion, which resulted in a market share of 26%. OTP had exhausted its allocated quota already by the end of August, but not all disbursements have been done by the end of September.

Since the beginning of July, the government has been providing preferential, subsidized funding for micro and small enterprises through the KAVOSZ Széchenyi Card system. Under the program, OTP Bank signed loan agreements worth more than HUF 57 billion by the end of September.

The outstanding expansion in the micro- and small enterprise segment at OTP Core continued in 2021: its performing volume rose by 3% in the past quarter, and by 44% y-o-y (FX-adjusted). Performing corporate loans increased by 5% q-o-q and 13% y-o-y (FX-adjusted).

Deposits grew by an outstanding 8% q-o-q in 3Q. This brought OTP Core's customer deposit growth rate to 15% year-to-date, and 26% y-o-y (FX-adjusted). The net loan/deposit ratio stood at 55% at the end of September, marking 2 pps q-o-q contraction.

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also presented as part of the gross loan volume (nevertheless, the regulation prohibits charging interest on unpaid interest).

OTP FUND MANAGEMENT (HUNGARY)

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

Main components of P&L account in HUF million	9M 2020	9M 2021	Y-o-Y	3Q 2020	2Q 2021	3Q 2021	Q-o-Q	Y-o-Y
After tax profit w/o dividends and net cash transfer	2,383	2,863	20%	742	1,028	1,000	-3%	35%
Income tax	-179	-366	105%	-70	-91	-160	75%	129%
Profit before income tax	2,562	3,229	26%	812	1,119	1,160	4%	43%
Operating profit	2,562	3,229	26%	812	1,119	1,160	4%	43%
Total income	5,020	5,520	10%	1,650	1,819	2,026	11%	23%
Net fees and commissions	5,169	5,279	2%	1,434	1,758	1,833	4%	28%
Other net non-interest income	-149	241	-262%	215	61	193	215%	-10%
Operating expenses	-2,458	-2,291	-7%	-838	-701	-867	24%	3%
Other provisions	0	0	-100%	0	0	0	-100%	-100%
Main components of balance sheet closing balances in HUF million	2020	9M 2021	YTD	3Q 2020	2Q 2021	3Q 2021	Q-o-Q	Y-o-Y
Total assets	33,210	21,644	-35%	25,136	20,773	21,644	4%	-14%
Total shareholders' equity	16,425	9,539	-42%	18,145	8,539	9,539	12%	-47%
Asset under management in HUF billion	2020	9M 2021	YTD	3Q 2020	2Q 2021	3Q 2021	Q-o-Q	Y-o-Y
Assets under management, total (w/o duplicates)[1]	**1,201**	**1,295**	**8%**	**1,076**	**1,238**	**1,295**	**5%**	**20%**
Volume of investment funds (closing, w/o duplicates)	828	913	10%	734	863	913	6%	24%
Volume of managed assets (closing)	373	382	2%	342	375	382	2%	12%
Volume of investment funds (closing, with duplicates)[2]	**1,183**	**1,390**	**18%**	**1,038**	**1,286**	**1,390**	**8%**	**34%**
bond	376	425	13%	342	405	425	5%	25%
absolute return fund	374	324	-13%	350	322	324	1%	-7%
equity	248	314	27%	194	289	314	9%	62%
mixed	133	280	111%	99	221	280	27%	181%
commodity market	28	35	25%	29	34	35	0%	20%
guaranteed	20	8	-60%	19	11	8	-25%	-59%
money market	5	4	-17%	5	5	4	-1%	-11%

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

In the first nine months of 2021, **OTP Fund Management** generated HUF 2.9 billion profit, 20% more than in the same period of 2020. Of that, HUF 1 billion was made in the third quarter (-3% q-o-q).

Net fees and commissions rose by 2% y-o-y in the first nine months of the year. The growth in the funds managed went hand in hand with higher sales revenues, which was partly offset by higher sales and custody fees.

In the first nine months, most of the y-o-y increase in other net non-interest income relating to the fair value adjustment of own investment fund units, within the growth in 3Q 2021 stemmed from gain on FX exchange rate.

In the reporting period, operating expenses declined by 7% y-o-y, including a 12% fall in personnel expenses, and 3% saving on material expenses.

In the market of Hungary's investment funds, the yield environment was benign in the first nine months. In the past three months, the favourable development in yields was coupled by growing sales, which contributed to the increase in the assets under management.

The wealth managed in OTP Fund Management's mutual funds hit HUF 1,390 billion by the end of September (+8% q-o-q, +34% y-o-y).

Of the funds managed, bond funds continue to represent the largest category. Their volume has expanded further in both q-o-q and y-o-y comparison, despite the higher government bond yields.

In terms of wealth growth, mixed funds excelled both in the past quarter and over the past year (+27% q-o-q, and +181% y-o-y respectively). The volume of equity funds with high past returns have grown further (+9% q-o-q and +62% y-o-y).

The recent quarters' upward trend in OTP Fund Manager's market share continued. A 0.6 pp q-o-q rise took it to 25.7% by the end of September 2021, confirming its leader position in the market of securities.

MERKANTIL GROUP (HUNGARY)

Performance of Merkantil Group:

Main components of P&L account in HUF million	9M 2020	9M 2021	Y-o-Y	3Q 2020	2Q 2021	3Q 2021	Q-o-Q	Y-o-Y
After tax profit without the effect of adjustments	5,624	6,522	16%	2,935	3,125	1,771	-43%	-40%
Income tax	-642	-905	41%	-404	-423	-307	-28%	-24%
Profit before income tax	6,266	7,427	19%	3,339	3,548	2,078	-41%	-38%
Operating profit	7,177	8,588	20%	2,510	2,866	2,892	1%	15%
Total income	15,385	16,770	9%	5,261	5,629	5,585	-1%	6%
Net interest income	13,063	15,207	16%	4,484	5,190	5,279	2%	18%
Net fees and commissions	17	84	400%	26	36	48	31%	86%
Other net non-interest income	2,306	1,479	-36%	750	403	258	-36%	-66%
Operating expenses	-8,208	-8,183	0%	-2,751	-2,764	-2,693	-3%	-2%
Total provisions	-911	-1,161	27%	829	683	-814	-219%	-198%
Provision for impairment on loan and placement losses	-704	-1,155	64%	757	622	-772	-224%	-202%
Other provision	-207	-6	-97%	72	60	-42	-170%	-159%
Main components of balance sheet closing balances in HUF million	**2020**	**9M 2021**	**YTD**	**3Q 2020**	**2Q 2021**	**3Q 2021**	**Q-o-Q**	**Y-o-Y**
Total assets	667,120	779,722	17%	620,089	789,092	779,722	-1%	26%
Gross customer loans	416,987	438,180	5%	400,758	444,595	438,180	-1%	9%
Gross customer loans (FX-adjusted)	416,692	438,180	5%	400,462	445,297	438,180	-2%	9%
Stage 1+2 customer loans (FX-adjusted)	401,988	426,955	6%	383,557	434,204	426,955	-2%	11%
Retail loans	6,990	5,542	-21%	8,134	6,052	5,542	-8%	-32%
Corporate loans	51,458	49,359	-4%	47,446	59,622	49,359	-17%	4%
Leasing	343,541	372,053	8%	327,977	368,530	372,053	1%	13%
Allowances for possible loan losses	-12,874	-13,079	2%	-12,134	-12,389	-13,079	6%	8%
Allowances for possible loan losses (FX-adjusted)	-12,861	-13,079	2%	-12,127	-12,406	-13,079	5%	8%
Deposits from customers	9,344	9,007	-4%	9,245	8,995	9,007	0%	-3%
Deposits from customer (FX-adjusted)	9,344	9,007	-4%	9,245	8,995	9,007	0%	-3%
Retail deposits	6,071	5,385	-11%	6,425	5,535	5,385	-3%	-16%
Corporate deposits	3,273	3,622	11%	2,820	3,460	3,622	5%	28%
Liabilities to credit institutions	584,944	694,917	19%	542,537	702,117	694,917	-1%	28%
Total shareholders' equity	52,553	57,927	10%	50,856	56,066	57,927	3%	14%
Loan Quality	**9M 2020**	**9M 2021**	**Y-o-Y**	**3Q 2020**	**2Q 2021**	**3Q 2021**	**Q-o-Q**	**Y-o-Y**
Stage 1 loan volume under IFRS 9 (in HUF million)	346,041	333,331	-4%	346,041	348,678	333,331	-4%	-4%
Stage 1 loans under IFRS 9/gross customer loans	86.3%	76.1%	-10.3%p	86.3%	78.4%	76.1%	-2.4%p	-10.3%p
Own coverage of Stage 1 loans under IFRS 9	0.3%	0.2%	0.0%p	0.3%	0.2%	0.2%	0.0%p	0.0%p
Stage 2 loan volume under IFRS 9 (in HUF million)	37,785	93,624	148%	37,785	84,843	93,624	10%	148%
Stage 2 loans under IFRS 9/gross customer loans	9.4%	21.4%	11.9%p	9.4%	19.1%	21.4%	2.3%p	11.9%p
Own coverage of Stage 2 loans under IFRS 9	4.5%	4.7%	0.2%p	4.5%	4.3%	4.7%	0.4%p	0.2%p
Stage 3 loan volume under IFRS 9 (in HUF million)	16,933	11,225	-34%	16,933	11,074	11,225	1%	-34%
Stage 3 loans under IFRS 9/gross customer loans	4.2%	2.6%	-1.7%p	4.2%	2.5%	2.6%	0.1%p	-1.7%p
Own coverage of Stage 3 loans under IFRS 9	56.1%	70.4%	14.3%p	56.1%	71.6%	70.4%	-1.2%p	14.3%p
Provision for impairment on loan and placement losses/average gross loans	0.24%	0.36%	0.11%p	-0.76%	-0.57%	0.68%	1.26%p	1.45%p
90+ days past due loan volume (in HUF million)	10,116	6,317	-38%	10,116	6,669	6,317	-5%	-38%
90+ days past due loans/gross customer loans	2.5%	1.4%	-1.1%p	2.5%	1.5%	1.4%	-0.1%p	-1.1%p
Performance Indicators	**9M 2020**	**9M 2021**	**Y-o-Y**	**3Q 2020**	**2Q 2021**	**3Q 2021**	**Q-o-Q**	**Y-o-Y**
ROA	1.3%	1.2%	-0.1%p	1.9%	1.6%	0.9%	-0.8%p	-1.0%p
ROE	15.8%	15.9%	0.1%p	23.9%	23.0%	12.3%	-10.7%p	-11.6%p
Total income margin	3.57%	2.98%	-0.59%p	3.41%	2.97%	2.80%	-0.17%p	-0.62%p
Net interest margin	3.03%	2.70%	-0.33%p	2.91%	2.74%	2.64%	-0.09%p	-0.27%p
Operating costs / Average assets	1.9%	1.5%	-0.5%p	1.8%	1.5%	1.3%	-0.1%p	-0.4%p
Cost/income ratio	53.4%	48.8%	-4.6%p	52.3%	49.1%	48.2%	-0.9%p	-4.1%p

The table displays the sub-consolidated performance of Merkantil Group, whose members are: Merkantil Bank Ltd., Merkantil Bérlet Ltd., NIMO 2002 Ltd., SPLC-P Ltd., SPLC Ltd., and OTP Real Estate Leasing Ltd.

In the first nine months of 2021, **Merkantil Group** posted HUF 6.5 billion adjusted after-tax profit, which brought its ROE to 15.9%. The 16% y-o-y profit growth stems from a 20% y-o-y improvement in operating profit, which offset the jump in risk costs. The 3Q after-tax profit declined by 43% q-o-q, largely because of the q-o-q increase in risk costs.

In the first nine months of 2021, net interest income grew by 16% y-o-y, benefiting from a 11% y-o-y increase in performing loans and a 55% surge of financial assets, while nine-month net interest margin declined by 33 bps y-o-y. The 3Q net interest margin dropped by 9 bps q-o-q. The reasons for the margin erosion were the higher share of non-interest-bearing assets, and the rise in the average interest on financial liabilities. Nine-month operating expenses were flat y-o-y but sank 3% q-o-q.

Total risk cost amounted to -HUF 1.2 billion in the first nine months. Following the release of provisions accounted in 2Q, HUF 0.8 billion loan loss provision was put aside in 3Q. This was mainly caused by the increase in the Stage 2 volumes, the own coverage of which has risen q-o-q.

As to loan quality, the volume of 90 days past due loans fell by HUF 0.1 billion (FX-adjusted, without sales/write-offs) in 3Q, thus the DPD90+ ratio further sank q-o-q.

Stage 3 loans made up 2.6% of gross loan volumes (-1.7 pps y-o-y, +0.1 pp q-o-q), their own provision coverage was 70.4% The ratio of Stage 2 loans rose by 2.3 pps q-o-q in 3Q. The own provision coverage of Stage 2 loans stood at 4.7% (+0.2 pp y-o-y, +0.4 pp q-o-q). The rise in the ratio and the coverage of Stage 2 loans can be attributable to the methodological change in the classification of the debt participating in the moratorium.

At the end of September, loans participating in the moratorium made up 19.9% of Merkantil Group's total gross loans. From November, the volume of participating loans in the moratorium was HUF 8.2 billion, which corresponds to 2% of the total gross loans.

FX-adjusted performing (Stage 1+2) loans increased by 11% y-o-y; their volume dropped by 2% in q-o-q comparison as group members repaid the loans Merkantil Group had granted. Merkantil Bank's total new loan placement rose by 12% y-o-y in the third quarter, including a 6% rise in the volume of new car loan placements, the financing of production equipment and machinery surged by 27%. This dynamic benefited from the national bank's *Funding for Growth Scheme Go!* programme launched in April 2020: Merkantil Bank's cumulated contractual amount hit HUF 74 billion by the end of June 2021. The programme was exhausted in the second quarter, but some of the loans were disbursed only in 3Q.

Merkantil Bank remained the market leader in both new loan placement and volumes.

IFRS REPORTS OF THE MAIN SUBSIDIARIES

In the following parts of the report the after-tax profit of the foreign subsidiaries is presented without any received dividends and net cash transfers, and without other adjustment items in the case of certain foreign subsidiaries. The details of further structural adjustments on subsidiaries' main components of P&L account, as well as the description of calculation methods of performance indicators are presented in the Supplementary data annex.

Performance of DSK Group:

Main components of P&L account in HUF million	9M 2020	9M 2021	Y-o-Y	3Q 2020	2Q 2021	3Q 2021	Q-o-Q	Y-o-Y
After tax profit without the effect of adjustments	34,275	66,047	93%	12,739	23,702	24,072	2%	89%
Income tax	-2,831	-7,472	164%	-970	-2,460	-3,135	27%	223%
Profit before income tax	37,105	73,520	98%	13,710	26,163	27,207	4%	98%
Operating profit	66,493	79,215	19%	23,219	26,901	27,612	3%	19%
Total income	122,390	131,438	7%	42,342	43,491	45,123	4%	7%
Net interest income	82,873	83,243	0%	27,827	27,459	28,174	3%	1%
Net fees and commissions	32,902	40,001	22%	11,702	13,497	14,290	6%	22%
Other net non-interest income	6,614	8,194	24%	2,813	2,536	2,660	5%	-5%
Operating expenses	-55,897	-52,223	-7%	-19,123	-16,591	-17,512	6%	-8%
Total provisions	-29,388	-5,696	-81%	-9,509	-738	-404	-45%	-96%
Provision for impairment on loan and placement losses	-27,832	-6,246	-78%	-7,864	-560	-1,130	102%	-86%
Other provision	-1,556	551	-135%	-1,645	-178	726	-507%	-144%
Main components of balance sheet closing balances in HUF million	**2020**	**9M 2021**	**YTD**	**3Q 2020**	**2Q 2021**	**3Q 2021**	**Q-o-Q**	**Y-o-Y**
Total assets	4,283,625	4,458,065	4%	4,210,324	4,262,136	4,458,065	5%	6%
Gross customer loans	2,634,870	2,770,544	5%	2,607,880	2,641,882	2,770,544	5%	6%
Gross customer loans (FX-adjusted)	2,602,012	2,770,544	6%	2,578,334	2,706,668	2,770,544	2%	7%
Stage 1+2 customer loans (FX-adjusted)	2,409,539	2,578,693	7%	2,377,290	2,512,808	2,578,693	3%	8%
Retail loans	1,343,550	1,513,859	13%	1,323,232	1,416,962	1,513,859	7%	14%
Corporate loans	891,910	872,869	-2%	879,054	909,500	872,869	-4%	-1%
Leasing	174,079	191,964	10%	175,003	186,345	191,964	3%	10%
Allowances for possible loan losses	-185,829	-189,732	2%	-180,038	-185,048	-189,732	3%	5%
Allowances for possible loan losses (FX-adjusted)	-183,489	-189,732	3%	-177,996	-189,579	-189,732	0%	7%
Deposits from customers	3,587,364	3,673,419	2%	3,471,188	3,524,836	3,673,419	4%	6%
Deposits from customers (FX-adjusted)	3,553,292	3,673,419	3%	3,434,876	3,615,200	3,673,419	2%	7%
Retail deposits	2,982,249	3,153,803	6%	2,842,900	3,051,545	3,153,803	3%	11%
Corporate deposits	571,043	519,616	-9%	591,976	563,655	519,616	-8%	-12%
Liabilities to credit institutions	17,010	43,367	155%	52,441	39,264	43,367	10%	-17%
Total shareholders' equity	620,379	675,320	9%	613,473	637,038	675,320	6%	10%
Loan Quality	**9M 2020**	**9M 2021**	**Y-o-Y**	**3Q 2020**	**2Q 2021**	**3Q 2021**	**Q-o-Q**	**Y-o-Y**
Stage 1 loan volume under IFRS 9 (in HUF million)	2,077,327	2,334,242	12%	2,077,327	2,199,088	2,334,242	6%	12%
Stage 1 loans under IFRS 9/gross customer loans	79.7%	84.3%	4.6%p	79.7%	83.2%	84.3%	1.0%p	5.8%p
Own coverage of Stage 1 loans under IFRS 9	0.8%	1.0%	0.2%p	0.8%	1.0%	1.0%	0.0%p	18.8%p
Stage 2 loan volume under IFRS 9 (in HUF million)	327,199	244,451	-25%	327,199	253,564	244,451	-4%	-25%
Stage 2 loans under IFRS 9/gross customer loans	12.5%	8.8%	-3.7%p	12.5%	9.6%	8.8%	-0.8%p	-3.7%p
Own coverage of Stage 2 loans under IFRS 9	11.2%	14.9%	3.7%p	11.2%	14.4%	14.9%	0.6%p	3.7%p
Stage 3 loan volume under IFRS 9 (in HUF million)	203,354	191,851	-6%	203,354	189,230	191,851	1%	-6%
Stage 3 loans under IFRS 9/gross customer loans	7.8%	6.9%	-0.9%p	7.8%	7.2%	6.9%	-0.2%p	-0.9%p
Own coverage of Stage 3 loans under IFRS 9	62.1%	67.9%	5.8%p	62.1%	67.4%	67.9%	0.6%p	9.4%p
Provision for impairment on loan and placement losses/average gross loans	1.50%	0.32%	-1.19%p	1.25%	0.09%	0.17%	0.08%p	-1.09%p
90+ days past due loan volume (in HUF million)	136,203	125,769	-8%	136,203	120,978	125,769	4%	-8%
90+ days past due loans/gross customer loans	5.2%	4.5%	-0.7%p	5.2%	4.6%	4.5%	0.0%p	-0.7%p
Performance Indicators	**9M 2020**	**9M 2021**	**Y-o-Y**	**3Q 2020**	**2Q 2021**	**3Q 2021**	**Q-o-Q**	**Y-o-Y**
ROA	1.2%	2.0%	0.9%p	1.3%	2.2%	2.2%	0.0%p	0.9%p
ROE	8.0%	13.9%	5.9%p	8.5%	15.1%	14.6%	-0.5%p	6.1%p
Total income margin	4.12%	4.06%	-0.06%p	4.17%	4.06%	4.11%	0.04%p	-0.07%p
Net interest margin	2.79%	2.57%	-0.22%p	2.74%	2.56%	2.56%	0.00%p	-0.18%p
Operating costs / Average assets	1.88%	1.61%	-0.27%p	1.88%	1.55%	1.59%	0.04%p	-0.29%p
Cost/income ratio	45.7%	39.7%	-5.9%p	45.2%	38.1%	38.8%	0.7%p	-6.4%p
Net loans to deposits (FX-adjusted)	70%	70%	0%p	70%	70%	70%	1%p	0%p
FX rates (in HUF)	**9M 2020**	**9M 2021**	**Y-o-Y**	**3Q 2020**	**2Q 2021**	**3Q 2021**	**Q-o-Q**	**Y-o-Y**
HUF/BGN (closing)	186.4	184.3	-1%	186.4	179.9	184.3	2%	-1%
HUF/BGN (average)	177.9	182.3	2%	180.7	181.5	180.9	0%	0%

- ***HUF 66 billion nine-month profit in Bulgaria, of which HUF 24 billion was realized in 3Q***
- ***Cost synergies helped reduce the nine-month operating expenses by 7%; the C/I ratio remained below 40%***
- ***9M net interest margin dropped by 22 bps, but margin erosion halted in 3Q***
- ***Credit risk cost ratio remained moderate (9M: 0.32%)***
- ***Performing loans grew by 3% q-o-q, and deposits by 2% (FX-adjusted)***

In the first nine months of 2021 **DSK Group** made HUF 66 billion after-tax profit, almost twice as much as a year earlier. Its third-quarter profit amounted to HUF 24 billion (+2% q-o-q). Based on average shareholders' equity and profit, ROE was 13.9% in the first nine months of 2021, and 14.6% in the third quarter.

The Bulgarian operation's nine-month operating profit grew by 19% y-o-y in HUF (by 17% in BGN), owing to a 7% y-o-y increase in total income, and a 7% y-o-y decline in operating expenses. The income growth is mostly attributed to a 22% y-o-y expansion of net fees and commissions, owing to the low base during the Covid lockdown period, and to the subsequent rebound in business activity. Net interest income was stable, as a result of expanding volumes and narrowing margin. In the first nine months of 2021 total operating expenses declined by 7% in HUF, and by 9% in local currency, indicating the synergies stemming from the integration process.

In 3Q, revenues grew by 4% q-o-q, within which net interest income rose by 3%, and net fees and commissions expanded by 6%. Although the erosion of retail lending rates continued in the third quarter, DSK could boost net interest income by 3% owing to the q-o-q volume increase, while net interest margin was q-o-q stable. In the third quarter net fees and commissions rose by 6% q-o-q, driven by higher revenues from fees and commissions on deposits and transactions.

The 6% q-o-q or HUF 0.9 billion increase in third-quarter expenses can be attributed to the new annual administration fee (HUF 0.6 billion), imposed by the Bulgarian National Bank. Base effect also played a role in the q-o-q increase in expenses: As Bulgaria joined the Single Resolution Fund in 2021, its payment obligation to the Resolution Fund has sharply fallen during the year; the excess amount paid at the beginning of the year was booked back in the second quarter, which reduced the 2Q base period's cost level as a one-off item.

Cost efficiency indicators have improved y-o-y, the cost/income ratio did not exceed 39% in the third quarter of 2021.

In the first nine months of the year, HUF 5.7 billion total risk cost pushed the profit, much less than in the base period (-81% y-o-y). The Bank recognized excess loan loss provision for the interbank loans expiring in three months, with the consent of the auditor, which increased third-quarter risk costs. In the first nine months, the credit risk cost ratio was 0.32% of the average gross loan volume. In 3Q, the other risk cost line was influenced by the release of a previous loan loss provision for a collateral property.

Performing (Stage 1+2) loan volumes grew by 7% y-o-y (FX-adjusted), and by 3% y-o-y. Within that, the retail loan book's growth was supported by the increase in mortgage loans. The disbursement of new cash loans slightly dropped q-o-q in the third quarter, but the existing volume grew both y-o-y and q-o-q. Within corporate loans, the definitions for the MSE and the corporate segments changed in 3Q, thus part of corporate loans (about HUF 44 billion exposure) was reclassified as MSE (micro and small enterprises) loans in the retail segment. The total corporate (MSE+corporate) volume rose by 1% q-o-q (FX-adjusted). Within that, corporate loans dipped 4% because of the reclassification, while MSE loans have tripled. The Bulgarian operation's liquidity position remained stable. At the end of 3Q, the net loan/deposit ratio remained at 70% (FX-adjusted). The deposit volume grew by 3% y-o-y and 2% q-o-q (FX-adjusted).

Loan portfolio quality has improved: the ratio of Stage 1 loans rose by 1.1pp q-o-q, to 84.3%, and the ratio of Stage 3 loans declined by 0.2 pp q-o-q, to 6.9%. The provision coverage of both Stage 2 and Stage 3 loans has increased q-o-q. DPD90+ loans grew by HUF 3 billion y-o-y in 3Q (FX-adjusted, without sales/write-offs), whereas the quarterly average was HUF 5 billion in 2020. HUF 1.4 billion non-performing loans were sold/written off, thus the DPD90+ ratio fell to 4.5% (-0.7 pp y-o-y).

OTP BANK CROATIA

Performance of OTP Bank Croatia:

Main components of P&L account in HUF million	9M 2020	9M 2021	Y-o-Y	3Q 2020	2Q 2021	3Q 2021	Q-o-Q	Y-o-Y
After tax profit without the effect of adjustments	14,911	25,194	69%	4,984	9,178	10,897	19%	119%
Income tax	-3,018	-5,415	79%	-1,031	-1,988	-2,458	24%	139%
Profit before income tax	17,928	30,609	71%	6,015	11,166	13,355	20%	122%
Operating profit	30,434	33,270	9%	12,111	12,522	12,394	-1%	2%
Total income	63,773	66,455	4%	23,328	23,584	23,373	-1%	0%
Net interest income	43,970	45,098	3%	14,894	15,192	15,292	1%	3%
Net fees and commissions	11,871	13,654	15%	4,416	4,396	5,328	21%	21%
Other net non-interest income	7,932	7,702	-3%	4,018	3,997	2,753	-31%	-31%
Operating expenses	-33,338	-33,184	0%	-11,217	-11,062	-10,979	-1%	-2%
Total provisions	-12,506	-2,662	-79%	-6,096	-1,356	961	-171%	-116%
Provision for impairment on loan and placement losses	-10,618	-280	-97%	-3,849	-323	2,067	-739%	-154%
Other provision	-1,888	-2,382	26%	-2,247	-1,033	-1,105	7%	-51%
Main components of balance sheet closing balances in HUF million	**2020**	**9M 2021**	**YTD**	**3Q 2020**	**2Q 2021**	**3Q 2021**	**Q-o-Q**	**Y-o-Y**
Total assets	2,325,669	2,443,668	5%	2,215,655	2,354,934	2,443,668	4%	10%
Gross customer loans	1,642,170	1,720,305	5%	1,600,305	1,653,915	1,720,305	4%	7%
Gross customer loans (FX-adjusted)	1,628,421	1,720,305	6%	1,588,655	1,694,896	1,720,305	1%	8%
Stage 1+2 customer loans (FX-adjusted)	1,486,963	1,569,693	6%	1,484,189	1,537,276	1,569,693	2%	6%
Retail loans	754,627	835,586	11%	763,829	798,915	835,586	5%	9%
Corporate loans	626,228	613,880	-2%	608,194	624,825	613,880	-2%	1%
Leasing	106,108	120,227	13%	112,166	113,537	120,227	6%	7%
Allowances for possible loan losses	-100,920	-110,656	10%	-90,812	-109,261	-110,656	1%	22%
Allowances for possible loan losses (FX-adjusted)	-100,104	-110,656	11%	-90,231	-111,947	-110,656	-1%	23%
Deposits from customers	1,634,652	1,813,473	11%	1,638,358	1,652,245	1,813,473	10%	11%
Deposits from customers (FX-adjusted)	1,625,747	1,813,473	12%	1,627,902	1,695,015	1,813,473	7%	11%
Retail deposits	1,225,035	1,368,119	12%	1,219,715	1,277,241	1,368,119	7%	12%
Corporate deposits	400,712	445,354	11%	408,187	417,774	445,354	7%	9%
Liabilities to credit institutions	287,647	199,574	-31%	179,332	291,662	199,574	-32%	11%
Total shareholders' equity	328,165	349,931	7%	327,244	330,657	349,931	6%	7%
Loan Quality	**9M 2020**	**9M 2021**	**Y-o-Y**	**3Q 2020**	**2Q 2021**	**3Q 2021**	**Q-o-Q**	**Y-o-Y**
Stage 1 loan volume under IFRS 9 (in HUF million)	1,272,757	1,389,070	9%	1,272,757	1,306,580	1,389,070	6%	9%
Stage 1 loans under IFRS 9/gross customer loans	79.5%	80.7%	1.2%p	79.5%	79.0%	80.7%	1.7%p	1.2%p
Own coverage of Stage 1 loans under IFRS 9	0.5%	0.8%	0.3%p	0.5%	0.8%	0.8%	0.0%p	0.3%p
Stage 2 loan volume under IFRS 9 (in HUF million)	222,345	180,622	-19%	222,345	193,600	180,622	-7%	-19%
Stage 2 loans under IFRS 9/gross customer loans	13.9%	10.5%	-3.4%p	13.9%	11.7%	10.5%	-1.2%p	-3.4%p
Own coverage of Stage 2 loans under IFRS 9	7.9%	5.3%	-2.6%p	7.9%	5.5%	5.3%	-0.2%p	-2.6%p
Stage 3 loan volume under IFRS 9 (in HUF million)	105,203	150,612	43%	105,203	153,735	150,612	-2%	43%
Stage 3 loans under IFRS 9/gross customer loans	6.6%	8.8%	2.2%p	6.6%	9.3%	8.8%	-0.5%p	2.2%p
Own coverage of Stage 3 loans under IFRS 9	63.4%	59.8%	-3.6%p	63.4%	57.4%	59.8%	2.4%p	-3.6%p
Provision for impairment on loan and placement losses/average gross loans	0.94%	0.02%	-0.92%p	0.99%	0.08%	-0.49%	-0.56%p	-1.47%p
90+ days past due loan volume (in HUF million)	73,107	79,252	8%	73,107	76,669	79,252	3%	8%
90+ days past due loans/gross customer loans	4.6%	4.6%	0.0%p	4.6%	4.6%	4.6%	0.0%p	0.0%p
Performance Indicators	**9M 2020**	**9M 2021**	**Y-o-Y**	**3Q 2020**	**2Q 2021**	**3Q 2021**	**Q-o-Q**	**Y-o-Y**
ROA	0.9%	1.4%	0.5%p	0.9%	1.6%	1.8%	0.2%p	0.9%p
ROE	6.4%	10.2%	3.8%p	6.3%	11.3%	12.8%	1.5%p	6.5%p
Total income margin	3.98%	3.79%	-0.19%p	4.31%	4.06%	3.86%	-0.20%p	-0.45%p
Net interest margin	2.75%	2.58%	-0.17%p	2.75%	2.62%	2.53%	-0.09%p	-0.23%p
Operating costs / Average assets	2.08%	1.89%	-0.19%p	2.07%	1.91%	1.81%	-0.09%p	-0.26%p
Cost/income ratio	52.3%	49.9%	-2.3%p	48.1%	46.9%	47.0%	0.1%p	-1.1%p
Net loans to deposits (FX-adjusted)	92%	89%	-3%p	92%	93%	89%	-5%p	-3%p
FX rates (in HUF)	**9M 2020**	**9M 2021**	**Y-o-Y**	**3Q 2020**	**2Q 2021**	**3Q 2021**	**Q-o-Q**	**Y-o-Y**
HUF/HRK (closing)	48.3	48.1	0%	48.3	47.0	48.1	2%	0%
HUF/HRK (average)	45.8	47.4	3%	46.9	47.1	47.2	0%	1%

- ***In the first nine months of 2021 the Croatian bank generated more than HUF 25 billion profit, as operating profit improved and credit risk costs declined***
- ***The almost 20% improvement in 3Q owed a lot to the release of loan loss provision***
- ***Performing (Stage 1+2) loans grew by 6% y-o-y (FX-adjusted), while the deposit base expanded by 11%***
- ***The ratio of Stage 3 loans sank to 8.8% (-0.5 pp q-o-q)***

The **Croatian bank**'s profit in the first nine months of 2021 exceeded HUF 25 billion, of which HUF 10.9 billion was realized in 3Q 2021. The improving operating profit and lower credit risk costs helped nine-month profit grow.

On the income side, the nine-month net interest income was at the same level as in the base period in local currency, while net interest margin eroded (-17 bps y-o-y). Net interest income grew by 1% in 3Q, as volumes increased. The 9 bps q-o-q erosion in net interest margin partly stemmed from a technical effect – Stage 3 corporate borrowers' higher repayment in the previous quarter –, and from the lower interest income on financial assets.

9M net fees and commissions grew by 15% y-o-y: The y-o-y growth rates of 2% (1Q), 22% (2Q), and 21% (3Q) are consistent with 21% q-o-q expansion. The favourable q-o-q dynamics largely originated from an increase in card transactions, and to a lesser extent, from higher transaction fee income on current accounts.

Other income was stable y-o-y, but fell 31% q-o-q in 3Q. The latter was caused by the high basis owing to the shares sold in the second quarter, the impact of which was partly offset by the seasonally higher income from foreign currency exchange.

As operating expenses were stable, the nine-month cost/income ratio dropped by 2.3 pps y-o-y, thus improved to 49.9%.

In the first nine months of 2021, HUF 2.7 billion total risk cost weighed on profit, while HUF 12.5 billion was set aside in the base period. Within that, 3Q credit risk costs substantially fell q-o-q. The release of loan loss provision, in excess of HUF 2 billion, was related to the corporate segment: in part, it can be linked to the partial or full repayments made by Stage 3 borrowers. This brought down the nine-month credit risk cost ratio to 2 bps. Other risk costs were induced mostly by litigations.

In the past quarter, the share of Stage 3 loans in the portfolio shrank by 0.5 ppts, to 8.8%. The own coverage of Stage 3 loans rose by 2.4 ppts q-o-q, to 59.8%.

The volume of 90 days past due loans (FX-adjusted, without sales/write-offs) increased by HUF 0.7 billion the third quarter of 2021, versus HUF 10 billion in 2Q. The amount of non-performing loans sold or written off in the third quarter was negligible. At the end of September, the DPD90+ ratio remained at 4.6%, reflecting no change in y-o-y or q-o-q comparison.

Regarding lending activity, gross loans and performing (Stage 1+2) loans grew by the same rates (+6% y-o-y, FX-adjusted). The q-o-q growth in performing loans (+HUF 32 billion) was chiefly caused by the surge in new mortgage loan placements (+HUF 31 billion), as a result of the subsidized housing programme. The increase in leasing and cash loan products was milder (HUF 7 billion each). They offset the decline in corporate exposure (-HUF 11 billion) in the third quarter.

In the retail segment, the disbursement dynamics' strengthening continued in 3Q, with mortgage loans jumping 35%, and cash loans rising 10% q-o-q. The volume of corporate loan disbursement contracted by 22% from the previous quarter.

The FX-adjusted deposit book has grown by 12% YTD, including a HUF 118 billion (+7%) increase in 3Q, half of which came from the growth of the retail segment's demand deposits, owing to a seasonal effect, and the remaining part is related to MSE, and large corporate clients' deposits.

Considering the above processes, the Croatian bank's liquidity position remained stable. Its net loan/deposit ratio stood at 89% (-5 pps q-o-q, and -3 pps y-o-y) at the end of September.

OTP BANK SERBIA

Performance of OTP Bank Serbia:

Main components of P&L account in HUF million	9M 2020	9M 2021	Y-o-Y	3Q 2020	2Q 2021	3Q 2021	Q-o-Q	Y-o-Y
After tax profit without the effect of adjustments	10,374	20,688	99%	6,714	7,986	5,929	-26%	-12%
Income tax	-1,080	-1,515	40%	-852	-1,360	431	-132%	-151%
Profit before income tax	11,454	22,203	94%	7,565	9,346	5,498	-41%	-27%
Operating profit	26,362	30,548	16%	10,111	10,148	10,447	3%	3%
Total income	57,842	61,583	6%	20,548	20,395	20,680	1%	1%
Net interest income	43,735	46,454	6%	15,286	15,296	15,429	1%	1%
Net fees and commissions	10,714	10,374	-3%	3,862	3,509	3,530	1%	-9%
Other net non-interest income	3,394	4,754	40%	1,399	1,591	1,722	8%	23%
Operating expenses	-31,481	-31,035	-1%	-10,437	-10,247	-10,233	0%	-2%
Total provisions	-14,907	-8,345	-44%	-2,545	-802	-4,949	517%	94%
Provision for impairment on loan and placement losses	-12,530	-3,411	-73%	-1,986	1,986	-3,056	-254%	54%
Other provision	-2,378	-4,934	108%	-559	-2,788	-1,893	-32%	239%
Main components of balance sheet closing balances in HUF million	2020	9M 2021	YTD	3Q 2020	2Q 2021	3Q 2021	Q-o-Q	Y-o-Y
Total assets	2,052,332	2,095,131	2%	2,025,385	2,000,218	2,095,131	5%	3%
Gross customer loans	1,539,738	1,596,993	4%	1,485,074	1,518,955	1,596,993	5%	8%
Gross customer loans (FX-adjusted)	1,520,248	1,596,993	5%	1,469,067	1,557,381	1,596,993	3%	9%
Stage 1+2 customer loans (FX-adjusted)	1,480,748	1,549,913	5%	1,436,989	1,508,864	1,549,913	3%	8%
Retail loans	700,265	749,270	7%	679,776	727,890	749,270	3%	10%
Corporate loans	694,956	717,307	3%	669,307	696,915	717,307	3%	7%
Leasing	85,527	83,337	-3%	87,907	84,059	83,337	-1%	-5%
Allowances for possible loan losses	-43,597	-46,844	7%	-34,192	-42,692	-46,844	10%	37%
Allowances for possible loan losses (FX-adjusted)	-43,042	-46,844	9%	-33,835	-43,794	-46,844	7%	38%
Deposits from customers	1,147,712	1,164,796	1%	1,160,487	1,104,451	1,164,796	5%	0%
Deposits from customers (FX-adjusted)	1,134,850	1,164,796	3%	1,148,847	1,133,607	1,164,796	3%	1%
Retail deposits	669,107	704,543	5%	643,058	686,891	704,543	3%	10%
Corporate deposits	465,743	460,253	-1%	505,789	446,716	460,253	3%	-9%
Liabilities to credit institutions	548,354	552,800	1%	515,378	531,764	552,800	4%	7%
Total shareholders' equity	273,046	293,157	7%	278,006	277,495	293,157	6%	5%
Loan Quality	9M 2020	9M 2021	Y-o-Y	3Q 2020	2Q 2021	3Q 2021	Q-o-Q	Y-o-Y
Stage 1 loan volume under IFRS 9 (in HUF million)	1,358,453	1,417,889	4%	1,358,453	1,355,369	1,417,889	5%	4%
Stage 1 loans under IFRS 9/gross customer loans	91.5%	88.8%	-2.7%p	91.5%	89.2%	88.8%	-0.4%p	-2.7%p
Own coverage of Stage 1 loans under IFRS 9	0.6%	0.9%	0.3%p	0.6%	0.8%	0.9%	0.1%p	0.3%p
Stage 2 loan volume under IFRS 9 (in HUF million)	94,210	132,025	40%	94,210	116,300	132,025	14%	40%
Stage 2 loans under IFRS 9/gross customer loans	6.3%	8.3%	1.9%p	6.3%	7.7%	8.3%	0.6%p	1.9%p
Own coverage of Stage 2 loans under IFRS 9	8.7%	7.0%	-1.7%p	8.7%	7.0%	7.0%	0.0%p	-1.7%p
Stage 3 loan volume under IFRS 9 (in HUF million)	32,411	47,080	45%	32,411	47,286	47,080	0%	45%
Stage 3 loans under IFRS 9/gross customer loans	2.2%	2.9%	0.8%p	2.2%	3.1%	2.9%	-0.2%p	0.8%p
Own coverage of Stage 3 loans under IFRS 9	56.3%	53.2%	-3.2%p	56.3%	49.6%	53.2%	3.6%p	-3.2%p
Provision for impairment on loan and placement losses/average gross loans	1.27%	0.30%	-0.97%p	0.57%	-0.52%	0.78%	1.30%p	0.22%p
90+ days past due loan volume (in HUF million)	25,156	29,963	19%	25,156	30,110	29,963	0%	19%
90+ days past due loans/gross customer loans	1.7%	1.9%	0.2%p	1.7%	2.0%	1.9%	-0.1%p	0.2%p
Performance Indicators	9M 2020	9M 2021	Y-o-Y	3Q 2020	2Q 2021	3Q 2021	Q-o-Q	Y-o-Y
ROA	0.8%	1.4%	0.6%p	1.4%	1.6%	1.2%	-0.4%p	-0.3%p
ROE	5.3%	10.0%	4.7%p	10.0%	11.6%	8.3%	-3.3%p	-1.7%p
Total income margin	4.28%	4.08%	-0.21%p	4.36%	4.08%	4.04%	-0.04%p	-0.32%p
Net interest margin	3.24%	3.07%	-0.16%p	3.24%	3.06%	3.01%	-0.05%p	-0.23%p
Operating costs / Average assets	2.33%	2.05%	-0.28%p	2.21%	2.05%	2.00%	-0.05%p	-0.21%p
Cost/income ratio	54.4%	50.4%	-4.0%p	50.8%	50.2%	49.5%	-0.8%p	-1.3%p
Net loans to deposits (FX-adjusted)	125%	133%	8%p	125%	134%	133%	0%p	8%p
FX rates (in HUF)	9M 2020	9M 2021	Y-o-Y	3Q 2020	2Q 2021	3Q 2021	Q-o-Q	Y-o-Y
HUF/RSD (closing)	3.1	3.1	-1%	3.1	3.0	3.1	3%	-1%
HUF/RSD (average)	2.9	3.0	4%	3.0	3.0	3.0	0%	0%

- ***Nine-month adjusted after-tax profit has doubled, exceeding HUF 20 billion, while credit risk cost fell 44% y-o-y***
- ***Cost efficiency indicators signify meaningful q-o-q and y-o-y improvement, as the integration of the second bank acquired in Serbia was accomplished at the end of April***
- ***The FX-adjusted volume of performing (Stage 1+2) loans expanded by 3% q-o-q and 8% y-o-y***

The **Serbian banking group**'s adjusted after-tax profit exceeded HUF 20 billion in the first nine months of the year. This is twice as much as the profit in the same period of 2020. This significant improvement was largely the result of a sharp fall in risk costs (-44% y-o-y). In the third quarter of 2021 HUF 6 billion profit was realized.

Following the financial closure of the second Serbian acquisition at the end of September 2019, the integration continued as planned, and was successfully accomplished on 30 April 2021. The Serbian operation's total market share by balance sheet total jumped to 13.1% on pro forma basis (ranking No. 2), and it remained market leader in net loans (16.7% market share), according to the most recent data of end-June 2021.

The total network in Serbia consists of 201 branches. It has contracted by a total of 39 units since the end of September 2019, of which seven were closed in the third quarter of 2021. At the end of September the network had 2,855 employees, in a sharp fall (377 workers, or 12%) from end-September 2019.

Nine-month operating expenses stagnated y-o-y in HUF and fell 4% in local currency. This brought the bank's nine-month cost/income ratio 4 pps lower y-o-y, to 50.4%.

Both the nine-month and the third-quarter changes in after-tax profit were largely shaped by the size of risk costs. In the first nine months of the year, total risk cost volume shrank by 44% y-o-y, to HUF 8.3 billion. Of that, HUF 4.9 billion risk cost weighed on profit in 3Q 2021: credit risk costs were mostly linked to large corporate loans, partly in relation to the growth in Stage 2 loan volumes. In the third quarter, other risk costs were induced mostly by litigations.

In 9M 2021, total income surged by 6% y-o-y. Net interest income grew to the same extent. The performing loan volume expanded by 8% (FX-adjusted) and narrower net interest margin (9M 2021: 3.07%, -16 bps y-o-y) owing to the lower interest environment.

In the third quarter, net fees and commissions were q-o-q flat, yet net fees declined by 3% in nine months' time.

As regards loan quality, the share of Stage 3 loans in the whole portfolio was at 2.9% at the end of September (+0.8 pp y-o-y, -0.2 pp q-o-q). The q-o-q increase in the Stage 2 ratio largely stemmed from the reclassification of corporate loans. As a result of the provisions put aside in 3Q, the own provision coverage of Stage 1 and Stage 3 loans improved q-o-q in 3Q. The DPD90+ loan book shrank by HUF 0.5 billion (FX-adjusted, without sales/write-offs) in 3Q but grew by more than HUF 9 billion in the first nine months, which is almost three times the amount in the same period of the previous year.

Performing (Stage 1+2) loan volumes grew by 8% y-o-y (FX-adjusted), while the deposit base stagnated. Within that, nearly half of the HUF 41 billion (+3%) expansion in 3Q came from the performing large corporate loan portfolio. In addition, both mortgage (+HUF 15 billion) and consumer loan volumes (+HUF 6 billion) have increased. Thus the bank kept the net loan/deposit ratio near 130% (q-o-q flat, and +8 pps y-o-y).

As to business activity, consumer loan placement volume in the January-September period was the same as in the first nine months of 2020, but mortgage loans surged almost 80%.

In Serbia, borrowers could apply for the third phase of the loan moratorium until the end of April 2021; the term of the moratorium is no longer than six months from the date of entrance.

On 27 September 2021, Serbia's Court of Registration registered the HUF 4.6 billion capital increase of the Serbian subsidiary, whose share capital thus grew from RSD 55.3 billion to RSD 56.8 billion.

SKB BANKA (SLOVENIA)

Performance of SKB Banka:

Main components of P&L account in HUF million	9M 2020	9M 2021	Y-o-Y	3Q 2020	2Q 2021	3Q 2021	Q-o-Q	Y-o-Y
After tax profit without the effect of adjustments	7,638	12,454	63%	4,393	4,434	4,957	12%	13%
Income tax	-1,846	-2,763	50%	-1,026	-975	-1,088	12%	6%
Profit before income tax	9,484	15,217	60%	5,420	5,409	6,045	12%	12%
Operating profit	14,193	14,142	0%	5,009	4,908	5,379	10%	7%
Total income	29,945	31,277	4%	10,152	10,558	10,636	1%	5%
Net interest income	21,017	20,630	-2%	7,033	6,882	6,875	0%	-2%
Net fees and commissions	8,282	9,608	16%	2,830	3,236	3,424	6%	21%
Other net non-interest income	646	1,039	61%	289	441	337	-23%	17%
Operating expenses	-15,752	-17,135	9%	-5,143	-5,649	-5,257	-7%	2%
Total provisions	-4,710	1,076		411	500	666	33%	62%
Provision for impairment on loan and placement losses	-3,722	1,147		143	545	739	36%	418%
Other provision	-988	-71	-93%	268	-45	-73	64%	-127%
Main components of balance sheet closing balances in HUF million	**2020**	**9M 2021**	**YTD**	**3Q 2020**	**2Q 2021**	**3Q 2021**	**Q-o-Q**	**Y-o-Y**
Total assets	1,353,772	1,378,540	2%	1,309,977	1,338,170	1,378,540	3%	5%
Gross customer loans	909,439	950,168	4%	913,537	923,263	950,168	3%	4%
Gross customer loans (FX-adjusted)	897,949	950,168	6%	903,174	945,936	950,168	0%	5%
Stage 1+2 customer loans (FX-adjusted)	884,284	937,205	6%	891,389	933,282	937,205	0%	5%
Retail loans	495,851	460,491	-7%	487,534	453,729	460,491	1%	-6%
Corporate loans	224,750	312,766	39%	237,430	313,889	312,766	0%	32%
Leasing	163,683	163,948	0%	166,426	165,663	163,948	-1%	-1%
Allowances for possible loan losses	-14,876	-16,368	10%	-10,876	-15,470	-16,368	6%	51%
Allowances for possible loan losses (FX-adjusted)	-14,688	-16,368	11%	-10,752	-15,850	-16,368	3%	52%
Deposits from customers	1,136,666	1,164,077	2%	1,092,441	1,113,069	1,164,077	5%	7%
Deposits from customer (FX-adjusted)	1,123,137	1,164,077	4%	1,080,336	1,140,785	1,164,077	2%	8%
Retail deposits	961,740	866,778	-10%	923,700	893,993	866,778	-3%	-6%
Corporate deposits	161,397	297,298	84%	156,635	246,792	297,298	20%	90%
Liabilities to credit institutions	29,524	13,359	-55%	29,893	31,948	13,359	-58%	-55%
Total shareholders' equity	166,124	173,037	4%	162,015	165,382	173,037	5%	7%
Loan Quality	**9M 2020**	**9M 2021**	**Y-o-Y**	**3Q 2020**	**2Q 2021**	**3Q 2021**	**Q-o-Q**	**Y-o-Y**
Stage 1 loan volume under IFRS 9 (in HUF million)	855,816	807,210	-6%	855,816	777,935	807,210	4%	-6%
Stage 1 loans under IFRS 9/gross customer loans	93.7%	85.0%	-8.7%p	93.7%	84.3%	85.0%	0.7%p	-8.7%p
Own coverage of Stage 1 loans under IFRS 9	0.5%	0.5%	0.0%p	0.5%	0.5%	0.5%	0.0%p	0.0%p
Stage 2 loan volume under IFRS 9 (in HUF million)	45,800	129,994	184%	45,800	132,979	129,994	-2%	184%
Stage 2 loans under IFRS 9/gross customer loans	5.0%	13.7%	8.7%p	5.0%	14.4%	13.7%	-0.7%p	8.7%p
Own coverage of Stage 2 loans under IFRS 9	7.7%	4.4%	-3.3%p	7.7%	4.3%	4.4%	0.1%p	-3.3%p
Stage 3 loan volume under IFRS 9 (in HUF million)	11,920	12,964	9%	11,920	12,349	12,964	5%	9%
Stage 3 loans under IFRS 9/gross customer loans	1.3%	1.4%	0.1%p	1.3%	1.3%	1.4%	0.0%p	0.1%p
Own coverage of Stage 3 loans under IFRS 9	27.4%	53.4%	26.0%p	27.4%	49.2%	53.4%	4.2%p	26.0%p
Provision for impairment on loan and placement losses/average gross loans	0.56%	-0.17%	-0.73%p	-0.06%	-0.24%	-0.31%	-0.07%p	-0.25%p
90+ days past due loan volume (in HUF million)	3,642	3,874	6%	3,642	3,687	3,874	5%	6%
90+ days past due loans/gross customer loans	0.4%	0.4%	0.0%p	0.4%	0.4%	0.4%	0.0%p	0.0%p
Performance Indicators	**9M 2020**	**9M 2021**	**Y-o-Y**	**3Q 2020**	**2Q 2021**	**3Q 2021**	**Q-o-Q**	**Y-o-Y**
ROA	0.8%	1.2%	0.4%p	1.4%	1.3%	1.5%	0.1%p	0.1%p
ROE	6.8%	10.0%	3.2%p	11.3%	10.8%	11.7%	0.9%p	0.4%p
Total income margin	3.21%	3.11%	-0.10%p	3.16%	3.20%	3.12%	-0.07%p	-0.04%p
Net interest margin	2.25%	2.05%	-0.20%p	2.19%	2.08%	2.02%	-0.07%p	-0.17%p
Operating costs / Average assets	1.69%	1.71%	0.02%p	1.60%	1.71%	1.54%	-0.17%p	-0.06%p
Cost/income ratio	52.6%	54.8%	2.2%p	50.7%	53.5%	49.4%	-4.1%p	-1.2%p
Net loans to deposits (FX-adjusted)	83%	80%	-2%p	83%	82%	80%	-1%p	-2%p
FX rates (in HUF)	**9M 2020**	**9M 2021**	**Y-o-Y**	**3Q 2020**	**2Q 2021**	**3Q 2021**	**Q-o-Q**	**Y-o-Y**
HUF/EUR (closing)	364.7	360.5	-1%	364.7	351.9	360.5	2%	-1%
HUF/EUR (average)	348.0	356.5	2%	353.4	355.0	353.8	0%	0%

- ***Profit surged by 63% y-o-y in the first nine months, and by 12% q-o-q in the third quarter***
- ***Performing loans stagnated q-o-q and increased by 5% y-o-y (FX-adjusted)***
- ***Loan portfolio quality was stable, the Stage 3 ratio marginally rose***

In the first nine months of 2021, OTP's **Slovenian** subsidiary generated HUF 12.4 billion adjusted profit, 63% more than in the base period. The nearly HUF 5 billion profit realized in the third quarter is consistent with 12% q-o-q improvement.

The y-o-y steady 9M operating profit is a result of a 9% rise in operating expenses, while total income improved at a slower rate of 4%. The 10% q-o-q surge in third-quarter operating profit can be attributed to a 7% decline in operating expenses, and 1% increase in total income.

Nine-month net interest income dropped by 4% in local currency as the growth in business volumes was offset by the 21 bps y-o-y erosion of net interest margin, to 2.05%, owing to the strong competition and the low interest environment. The 13% y-o-y surge in 9M net fees and commissions was supported by the higher fee income from payment services and deposits. One reason was that in April 2021 the Bank lowered the threshold it had introduced in November 2020 for deposit commissions on corporate deposits above a certain amount. For retail deposits, this fee was introduced in April 2021.

In the third quarter, net interest income q-o-q stagnated, as a result of the nearly unchanged performing loan volume and the 7 bps q-o-q erosion in net interest margin.

Much of the 7% q-o-q decline in 3Q operating expenses stems from base effect: most fees to supervisory authorities were recognized in 2Q. Personnel expenses did not change q-o-q, neither did amortization. This brought the 3Q cost/income ratio below 50% (49.1%, -4.9 pps q-o-q).

At the end of 3Q 2021, the ratio of Stage 3 loans grew to 1.4%; the marginal q-o-q deterioration can be ascribed to consumer and corporate loans. The own provision coverage ratio of Stage 3 loans increased meaningfully both q-o-q and y-o-y, to 53.4%[4].

The performing loan volume grew by 5% y-o-y. One reason for the y-o-y increase in corporate deposits and loans was the change in the definition of the MSE and corporate segments in 3Q 2021 (just like in 1Q), thus a part of the MSE stock (customers with a pre-defined annual income) was reclassified into the corporate segment. In the third quarter, the FX-adjusted volume of Stage 1+2 loans practically stagnated q-o-q, including a 3% increase in mortgage loans. In the mortgage loan segment, disbursement dynamics improved q-o-q in the third quarter.

The FX-adjusted deposit book expanded by 7% y-o-y and 2% q-o-q. The net-loan-to-deposit ratio stood at 80% at the end of the quarter (-1 pp q-o-q, -2 pps y-o-y).

[4] The Stage 3 ratio and coverage are below the Group average because Stage 3 loans were netted with provisions upon the Slovenian bank's consolidation.

OTP BANK ROMANIA

Performance of OTP Bank Romania:

Main components of P&L account in HUF million	9M 2020	9M 2021	Y-o-Y	3Q 2020	2Q 2021	3Q 2021	Q-o-Q	Y-o-Y
After tax profit without the effect of adjustments	2,775	993	-64%	1,637	1,247	-783	-163%	-148%
Income tax	-83	-960		-111	-228	-367	61%	232%
Profit before income tax	2,859	1,953	-32%	1,747	1,475	-416	-128%	-124%
Operating profit	9,835	6,296	-36%	3,223	2,487	3,197	29%	-1%
Total income	32,444	34,380	6%	10,895	11,366	12,083	6%	11%
Net interest income	24,281	26,355	9%	8,103	8,632	9,399	9%	16%
Net fees and commissions	2,724	2,970	9%	861	1,074	903	-16%	5%
Other net non-interest income	5,439	5,054	-7%	1,932	1,661	1,781	7%	-8%
Operating expenses	-22,610	-28,084	24%	-7,672	-8,879	-8,885	0%	16%
Total provisions	-6,976	-4,343	-38%	-1,476	-1,012	-3,613	257%	145%
Provision for impairment on loan and placement losses	-5,006	-6,084	22%	-857	-1,193	-3,468	191%	305%
Other provision	-1,970	1,741	-188%	-619	181	-145	-180%	-77%
Main components of balance sheet closing balances in HUF million	**2020**	**9M 2021**	**YTD**	**3Q 2020**	**2Q 2021**	**3Q 2021**	**Q-o-Q**	**Y-o-Y**
Total assets	1,162,183	1,325,709	14%	1,109,031	1,191,337	1,325,709	11%	20%
Gross customer loans	861,393	973,080	13%	843,368	890,363	973,080	9%	15%
Gross customer loans (FX-adjusted)	841,827	973,080	16%	825,392	910,086	973,080	7%	18%
Stage 1+2 customer loans (FX-adjusted)	786,921	919,636	17%	768,792	855,840	919,636	7%	20%
Retail loans	538,896	469,950	-13%	528,811	588,032	469,950	-20%	-11%
Corporate loans	211,014	405,683	92%	204,422	225,315	405,683	80%	98%
Leasing	37,011	44,003	19%	35,560	42,492	44,003	4%	24%
Allowances for possible loan losses	-48,174	-52,047	8%	-47,271	-47,483	-52,047	10%	10%
Allowances for possible loan losses (FX-adjusted)	-47,130	-52,047	10%	-46,305	-48,587	-52,047	7%	12%
Deposits from customers	710,047	786,422	11%	631,708	739,884	786,422	6%	24%
Deposits from customers (FX-adjusted)	696,074	786,422	13%	618,869	755,767	786,422	4%	27%
Retail deposits	497,185	415,524	-16%	449,706	557,234	415,524	-25%	-8%
Corporate deposits	198,888	370,898	86%	169,163	198,533	370,898	87%	119%
Liabilities to credit institutions	284,173	354,218	25%	308,333	274,829	354,218	29%	15%
Total shareholders' equity	127,238	143,221	13%	127,693	141,320	143,221	1%	12%
Loan Quality	**9M 2020**	**9M 2021**	**Y-o-Y**	**3Q 2020**	**2Q 2021**	**3Q 2021**	**Q-o-Q**	**Y-o-Y**
Stage 1 loan volume under IFRS 9 (in HUF million)	675,561	826,443	22%	675,561	749,038	826,443	10%	22%
Stage 1 loans under IFRS 9/gross customer loans	80.1%	84.9%	4.8%p	80.1%	84.1%	84.9%	0.8%p	4.8%p
Own coverage of Stage 1 loans under IFRS 9	0.9%	1.1%	0.2%p	0.9%	1.0%	1.1%	0.1%p	0.2%p
Stage 2 loan volume under IFRS 9 (in HUF million)	110,046	93,193	-15%	110,046	88,324	93,193	6%	-15%
Stage 2 loans under IFRS 9/gross customer loans	13.0%	9.6%	-3.5%p	13.0%	9.9%	9.6%	-0.3%p	-3.5%p
Own coverage of Stage 2 loans under IFRS 9	9.6%	12.2%	2.7%p	9.6%	10.3%	12.2%	2.0%p	2.7%p
Stage 3 loan volume under IFRS 9 (in HUF million)	57,761	53,445	-7%	57,761	53,001	53,445	1%	-7%
Stage 3 loans under IFRS 9/gross customer loans	6.8%	5.5%	-1.4%p	6.8%	6.0%	5.5%	-0.5%p	-1.4%p
Own coverage of Stage 3 loans under IFRS 9	53.3%	58.5%	5.2%p	53.3%	57.8%	58.5%	0.7%p	5.2%p
Provision for impairment on loan and placement losses/average gross loans	0.87%	0.92%	0.05%	0.43%	0.55%	1.48%	0.93%	1.05%
90+ days past due loan volume (in HUF million)	43,553	34,762	-20%	43,553	34,603	34,762	0%	-20%
90+ days past due loans/gross customer loans	5.2%	3.6%	-1.6%p	5.2%	3.9%	3.6%	-0.3%p	-1.6%p
Performance Indicators	**9M 2020**	**9M 2021**	**Y-o-Y**	**3Q 2020**	**2Q 2021**	**3Q 2021**	**Q-o-Q**	**Y-o-Y**
ROA	0.4%	0.1%	-0.3%p	0.6%	0.4%	-0.2%	-0.7%p	-0.9%p
ROE	3.1%	1.0%	-2.1%p	5.3%	3.5%	-2.2%	-5.7%p	-7.5%p
Total income margin	4.26%	3.81%	-0.45%p	4.11%	3.83%	3.83%	0.00%p	-0.27%p
Net interest margin	3.19%	2.92%	-0.27%p	3.05%	2.91%	2.98%	0.07%p	-0.07%p
Operating costs / Average assets	2.97%	3.11%	0.14%p	2.89%	2.99%	2.82%	-0.18%p	-0.07%p
Cost/income ratio	69.7%	81.7%	12.0%p	70.4%	78.1%	73.5%	-4.6%p	3.1%p
Net loans to deposits (FX-adjusted)	126%	117%	-9%p	126%	114%	117%	3%p	-9%p
FX rates (in HUF)	**9M 2020**	**9M 2021**	**Y-o-Y**	**3Q 2020**	**2Q 2021**	**3Q 2021**	**Q-o-Q**	**Y-o-Y**
HUF/RON (closing)	74.9	72.9	-3%	74.9	71.4	72.9	2%	-3%
HUF/RON (average)	72.1	72.6	1%	72.9	72.1	71.7	0%	-2%

OTP Bank Romania's adjusted after-tax profit amounted to HUF 1.0 billion in the first nine months of the year. Most of the 64% y-o-y decline can be put down to the 24% increase in operating expenses. The Romanian operation made HUF 0.8 billion loss in the third quarter, as a result of the higher loan loss provision.

The 36% y-o-y growth nine-month operating profit was caused by a 6% rise in total income, while operating expenses jumped by 24%. In 3Q, operating profit surged 29% q-o-q, as total income increased by 6% and operating expenses were flat q-o-q.

Nine-month net interest income grew by 8% y-o-y in local currency. The y-o-y dynamics benefited from a dynamic growth in performing (Stage 1+2) loan volumes (+20% y-o-y), while net interest margin shrank by 27 bps y-o-y. Net interest income rose by 9% q-o-q as a result of growing volumes and the 7 bps q-o-q wider margin. The higher margin reflects the combined effect of lower deposit rates and a rise in interest on financial assets, while lending rates mostly declined. The three-month interbank lending rate, which is the benchmark for corporate loans, started to rise at the end of September, but it has not felt its effect in 3Q yet. The benchmark index (IRCC) for retail loans has remained on a declining trajectory, based on data from the National Bank of Romania.

Operating expenses grew by 24% y-o-y. The higher costs mostly stemmed from the growth strategy launched in 2019: the increase in personnel expenses was partly the result of the 10% y-o-y growth in the average number of employees in the first nine months.

In the first nine months, total risk cost amounted to -HUF 4.3 billion. The y-o-y decline stemmed from lower credit risk costs than in the base periods and from the release of other provisions. In the third quarter HUF 3.5 billion credit risk cost was recorded, owing to additional loan loss provisioning for Stage 1 and Stage 2 volumes, thus these loans' own provision coverage has risen q-o-q.

Regarding loan quality, the volume of 90 days past due loans fell by HUF 1.2 billion (FX-adjusted, without sales/write-offs) in the first nine months of the year. The ratio of Stage 3 loans fell further, to 5.5% (-1.4 pps y-o-y, -0.5 pp q-o-q), their own provision coverage stood at 58.5% at the end of 3Q (+5.2 pps y-o-y, +0.7 pp q-o-q). The ratio of Stage 2 loans (which signifies increased credit risk according to IFRS 9) fell by 0.3 pp q-o-q, to 9.6% (-3.5 pps y-o-y). However, the own provision coverage of Stage 2 loans rose by 2.7 pps y-o-y and 2 pps q-o-q, to 12.2% by the end of the third quarter.

As regards business activity, placements and volumes grew dynamically, in accordance with the Bank's strategy. The placement of new cash loans surged by 59% y-o-y in the third quarter. Mortgage loan placement grew by 30% y-o-y and 16% q-o-q. Performing (Stage 1+2) loan volumes grew by 20% y-o-y and 7% q-o-q (FX-adjusted). In the third quarter, group level definitions were introduced for MSE and corporate loans. As a result, some volumes were reclassified between the two categories in 3Q. Overall, MSE and corporate loan volumes grew by 11% q-o-q.

As a result of the successful deposit-taking activity (+27% y-o-y; FX-adjusted), the net loan-to-deposit ratio sank by 9 pps y-o-y, to 117%.

The 13% YTD increase in shareholders' equity was largely the result of the RON 250 million (nearly HUF 18 billion) capital increase by the parent bank in the first quarter.

OTP BANK UKRAINE

Performance of OTP Bank Ukraine:

Main components of P&L account in HUF million	9M 2020	9M 2021	Y-o-Y	3Q 2020	2Q 2021	3Q 2021	Q-o-Q	Y-o-Y
After tax profit without the effect of adjustments	21,634	28,832	33%	10,874	8,891	11,105	25%	2%
Income tax	-4,636	-6,000	29%	-2,265	-1,626	-2,541	56%	12%
Profit before income tax	26,269	34,832	33%	13,139	10,517	13,646	30%	4%
Operating profit	31,399	37,580	20%	10,262	12,630	14,039	11%	37%
Total income	50,290	57,501	14%	16,163	19,108	21,195	11%	31%
Net interest income	36,272	43,438	20%	11,302	14,300	16,260	14%	44%
Net fees and commissions	10,181	10,719	5%	3,467	3,481	3,996	15%	15%
Other net non-interest income	3,836	3,344	-13%	1,394	1,327	938	-29%	-33%
Operating expenses	-18,890	-19,921	5%	-5,901	-6,477	-7,156	10%	21%
Total provisions	-5,130	-2,748	-46%	2,878	-2,113	-393	-81%	-114%
Provision for impairment on loan and placement losses	-3,527	-1,681	-52%	2,871	-1,497	-370	-75%	-113%
Other provision	-1,602	-1,067	-33%	6	-616	-23	-96%	-463%
Main components of balance sheet closing balances in HUF million	**2020**	**9M 2021**	**YTD**	**3Q 2020**	**2Q 2021**	**3Q 2021**	**Q-o-Q**	**Y-o-Y**
Total assets	729,012	911,299	25%	723,301	794,297	911,299	15%	26%
Gross customer loans	443,031	605,918	37%	450,907	524,169	605,918	16%	34%
Gross customer loans (FX-adjusted)	477,824	605,918	27%	465,707	557,002	605,918	9%	30%
Stage 1 + 2 customer loans (FX-adjusted)	427,761	561,976	31%	394,830	510,383	561,976	10%	42%
Retail loans	88,487	101,043	14%	80,546	95,418	101,043	6%	25%
Corporate loans	221,410	299,208	35%	193,887	268,058	299,208	12%	54%
Leasing	117,864	161,725	37%	120,396	146,907	161,725	10%	34%
Allowances for possible loan losses	-46,200	-45,773	-1%	-62,227	-44,652	-45,773	3%	-26%
Allowances for possible loan losses (FX-adjusted)	-50,119	-45,773	-9%	-64,033	-47,551	-45,773	-4%	-29%
Deposits from customers	493,884	597,854	21%	482,618	518,590	597,854	15%	24%
Deposits from customers (FX-adjusted)	530,454	597,854	13%	497,576	549,751	597,854	9%	20%
Retail deposits	236,897	254,874	8%	216,684	246,973	254,874	3%	18%
Corporate deposits	293,557	342,980	17%	280,892	302,778	342,980	13%	22%
Liabilities to credit institutions	91,059	119,411	31%	97,796	104,807	119,411	14%	22%
Total shareholders' equity	117,071	146,907	25%	117,683	126,265	146,907	16%	25%
Loan Quality	**9M 2020**	**9M 2021**	**Y-o-Y**	**3Q 2020**	**2Q 2021**	**3Q 2021**	**Q-o-Q**	**Y-o-Y**
Stage 1 loan volume under IFRS 9 (in HUF million)	333,902	521,220	56%	333,902	441,359	521,220	18%	56%
Stage 1 loans under IFRS 9/gross customer loans	74.1%	86.0%	12.0%p	74.1%	84.2%	86.0%	1.8%p	12.0%p
Own coverage of Stage 1 loans under IFRS 9	0.9%	1.8%	0.9%p	0.9%	1.8%	1.8%	0.0%p	0.9%p
Stage 2 loan volume under IFRS 9 (in HUF million)	48,312	40,756	-16%	48,312	39,001	40,756	5%	-16%
Stage 2 loans under IFRS 9/gross customer loans	10.7%	6.7%	-4.0%p	10.7%	7.4%	6.7%	-0.7%p	-4.0%p
Own coverage of Stage 2 loans under IFRS 9	9.8%	14.3%	4.5%p	9.8%	15.4%	14.3%	-1.1%p	4.5%p
Stage 3 loan volume under IFRS 9 (in HUF million)	68,692	43,942	-36%	68,692	43,809	43,942	0%	-36%
Stage 3 loans under IFRS 9/gross customer loans	15.2%	7.3%	-8.0%p	15.2%	8.4%	7.3%	-1.1%p	-8.0%p
Own coverage of Stage 3 loans under IFRS 9	79.2%	69.1%	-10.1%p	79.2%	69.7%	69.1%	-0.6%p	-10.1%p
Provision for impairment on loan and placement losses/average gross loans	1.04%	0.45%	-0.59%p	-2.66%	1.23%	0.26%	-0.96%p	2.92%p
90+ days past due loan volume (in HUF million)	43,437	25,696	-41%	43,437	25,270	25,696	2%	-41%
90+ days past due loans/gross customer loans	9.6%	4.2%	-5.4%p	9.6%	4.8%	4.2%	-0.6%p	-5.4%p
Performance Indicators	**9M 2020**	**9M 2021**	**Y-o-Y**	**3Q 2020**	**2Q 2021**	**3Q 2021**	**Q-o-Q**	**Y-o-Y**
ROA	4.3%	4.9%	0.6%p	6.3%	4.5%	5.3%	0.7%p	-1.1%p
ROE	25.9%	29.7%	3.8%p	39.1%	27.3%	32.7%	5.4%p	-6.4%p
Total income margin	9.92%	9.69%	-0.22%p	9.44%	9.75%	10.06%	0.31%p	0.62%p
Net interest margin	7.15%	7.32%	0.17%p	6.60%	7.30%	7.72%	0.42%p	1.12%p
Operating costs / Average assets	3.73%	3.36%	-0.37%p	3.45%	3.30%	3.40%	0.09%p	-0.05%p
Cost/income ratio	37.6%	34.6%	-2.9%p	36.5%	33.9%	33.8%	-0.1%p	-2.7%p
Net loans to deposits (FX-adjusted)	81%	94%	13%p	81%	93%	94%	1%p	13%p
FX rates (in HUF)	**9M 2020**	**9M 2021**	**Y-o-Y**	**3Q 2020**	**2Q 2021**	**3Q 2021**	**Q-o-Q**	**Y-o-Y**
HUF/UAH (closing)	11.0	11.7	6%	11.0	10.9	11.7	7%	6%
HUF/UAH (average)	11.7	10.9	-7%	10.9	10.7	11.2	4%	2%

OTP Bank Ukraine's financial figures in HUF terms were affected by the HUF/UAH exchange rate moves: by the end of 3Q 2021, the hryvnia appreciated by 6% y-o-y and by 7% q-o-q against the HUF. Over the first nine months, the exchange rate weakened by 7% y-o-y on average. In the third quarter, the exchange rate appreciated by 4% y-o-y and by 2% q-o-q on average. Therefore, the balance sheet and P&L dynamics in HUF terms differ from the ones expressed in local currency.

OTP Bank Ukraine realized HUF 28.8 billion after-tax profit in the first nine months of 2021. The 41% y-o-y growth rate in local currency was a result of a 29% surge in operating profit and 37% lower risk cost. Based on average shareholders' equity and nine-month profit, ROE was 29.7%, the highest ratio in the Group.

Nine-month operating profit surged 29% in local currency, mostly because the net interest income improved by the same rate, which was supported by an increase in volumes, as well as by improving margins in the rising interest rate environment. In the first nine months of 2021, total risk cost fell by 37% y-o-y in local currency, because of the higher loan loss provision in the base period owing to the pandemic.

In the third quarter of 2021, profit grew by 20% q-o-q in local currency, which can be ascribed to the 6% rise in operating profit, and the 82% slump in risk costs in the quarter as credit quality indicators improved.

Total income rose by 6% q-o-q (+29% y-o-y) in local currency in the third quarter of 2021. Net interest income expanded by 9% q-o-q (+41% y-o-y) as a result of a robust growth of performing loan volumes, as well as the continued q-o-q improvement in the interest margin. In UAH terms, the 13% rise in third-quarter net fees and commissions is a result of increased customers' activity and higher fee revenue from credit cards. Other net non-interest income declined moderately, by 34% as gains on securities declined.

In the rising yield environment, the third-quarter net interest margin rose by 42 basis points q-o-q, to 7.72%, continuing the favourable trend of the previous quarters. Another reason for the improvement was the growth in the ratio of high-margin cash loans.

Operating expenses increased by 6% q-o-q in UAH, driven by personnel costs amid the strong wage inflation in the economy, and by a spike in marketing costs in the third quarter. The cost/income ratio remained stable at 33.8% q-o-q, reflecting a 3 pps y-o-y improvement.

In the third quarter, lending activity grew in terms of cash loans and credit cards, both of which expanded by 15% q-o-q. Performing (Stage 1+2) loan volumes expanded by 42% y-o-y and 10% q-o-q. Within the latter, retail loans increased by 6%, corporate loans grew by 12%, and leasing exposures rose by 10% q-o-q.

FX-adjusted customer deposits rose 9% q-o-q, mostly fuelled by a growth in corporate deposits (+13% q-o-q).

The FX-adjusted net loan/deposit ratio upped 1 pp q-o-q, to 94%.

In the third quarter, the portfolio quality of mortgage loans and corporate loans improved, while consumer loan portfolio quality deteriorated. In the third quarter, roughly HUF 1.8 billion worth of bad loans were sold/written off. The ratio of Stage 3 loans in the whole portfolio declined 1.1 pps q-o-q and 8 pps y-o-y, to 7.3%. In the third quarter, the own provision coverage of Stage 3 loans dropped by 0.6 pp, to 69.1%, and that of Stage 2 loans dipped 1.1 pps, to 14.3% (+4.5 pps y-o-y).

OTP BANK RUSSIA

Performance of OTP Bank Russia

Main components of P&L account in HUF million	9M 2020	9M 2021	Y-o-Y	3Q 2020	2Q 2021	3Q 2021	Q-o-Q	Y-o-Y
After tax profit without the effect of adjustments	11,926	24,189	103%	14,166	9,404	6,780	-28%	-52%
Income tax	-3,806	-6,556	72%	-3,946	-2,481	-1,864	-25%	-53%
Profit before income tax	15,732	30,745	95%	18,112	11,885	8,644	-27%	-52%
Operating profit	51,191	44,249	-14%	14,767	14,805	15,939	8%	8%
Total income	95,436	84,904	-11%	28,115	27,772	29,262	5%	4%
Net interest income	78,215	66,176	-15%	22,736	21,650	22,721	5%	0%
Net fees and commissions	17,109	18,018	5%	5,173	5,972	6,157	3%	19%
Other net non-interest income	112	711	537%	206	150	384	157%	86%
Operating expenses	-44,245	-40,655	-8%	-13,349	-12,966	-13,323	3%	0%
Total provisions	-35,459	-13,504	-62%	3,345	-2,920	-7,296	150%	-318%
Provision for impairment on loan and placement losses	-34,142	-12,661	-63%	2,376	-3,038	-6,647	119%	-380%
Other provision	-1,317	-843	-36%	970	118	-649	-648%	-167%
Main components of balance sheet closing balances in HUF million	**2020**	**9M 2021**	**YTD**	**3Q 2020**	**2Q 2021**	**3Q 2021**	**Q-o-Q**	**Y-o-Y**
Total assets	688,980	745,539	8%	685,124	657,922	745,539	13%	9%
Gross customer loans	597,849	689,025	15%	565,435	608,615	689,025	13%	22%
Gross customer loans (FX-adjusted)	643,692	689,025	7%	606,581	642,988	689,025	7%	14%
Stage 1 + 2 customer loans (FX-adjusted)	553,888	601,528	9%	507,752	556,094	601,528	8%	18%
Retail loans	477,600	497,261	4%	447,245	473,722	497,261	5%	11%
Corporate loans	76,288	104,267	37%	60,507	82,372	104,267	27%	72%
Allowances for possible loan losses	-127,598	-136,795	7%	-135,104	-127,812	-136,795	7%	1%
Allowances for possible loan losses (FX-adj.)	-137,326	-136,795	0%	-144,910	-135,022	-136,795	1%	-6%
Deposits from customers	350,608	360,233	3%	338,865	328,495	360,233	10%	6%
Deposits from customers (FX-adjusted)	375,821	360,233	-4%	361,385	346,556	360,233	4%	0%
Retail deposits	309,331	288,521	-7%	299,819	284,034	288,521	2%	-4%
Corporate deposits	66,490	71,711	8%	61,566	62,523	71,711	15%	16%
Liabilities to credit institutions	90,852	109,322	20%	99,589	82,027	109,322	33%	10%
Subordinated debt	22,580	0	-100%	23,470	0	0		-100%
Total shareholders' equity	183,402	223,530	22%	179,932	204,770	223,530	9%	24%
Loan Quality	**9M 2020**	**9M 2021**	**Y-o-Y**	**3Q 2020**	**2Q 2021**	**3Q 2021**	**Q-o-Q**	**Y-o-Y**
Stage 1 loan volume under IFRS 9 (in HUF million)	396,678	524,476	32%	396,678	456,041	524,476	15%	32%
Stage 1 loans under IFRS 9/gross customer loans	70.2%	76.1%	6.0%p	70.2%	74.9%	76.1%	1.2%p	6.0%p
Own coverage of Stage 1 loans under IFRS 9	4.6%	4.3%	-0.3%p	4.6%	4.4%	4.3%	-0.1%p	-0.3%p
Stage 2 loan volume under IFRS 9 (in HUF million)	76,680	77,051	0%	76,680	70,344	77,051	10%	0%
Stage 2 loans under IFRS 9/gross customer loans	13.6%	11.2%	-2.4%p	13.6%	11.6%	11.2%	-0.4%p	-2.4%p
Own coverage of Stage 2 loans under IFRS 9	38.9%	41.0%	2.1%p	38.9%	42.8%	41.0%	-1.8%p	2.1%p
Stage 3 loan volume under IFRS 9 (in HUF million)	92,077	87,498	-5%	92,077	82,230	87,498	6%	-5%
Stage 3 loans under IFRS 9/gross customer loans	16.3%	12.7%	-3.6%p	16.3%	13.5%	12.7%	-0.8%p	-3.6%p
Own coverage of Stage 3 loans under IFRS 9	94.4%	94.3%	-0.1%p	94.4%	94.2%	94.3%	0.1%p	-0.1%p
Provision for impairment on loan and placement losses/average gross loans	6.82%	2.78%	-4.05%p	-1.64%	2.05%	4.15%	2.10%p	5.79%p
90+ days past due loan volume (in HUF million)	88,063	87,913	0%	88,063	82,173	87,913	7%	0%
90+ days past due loans/gross customer loans	15.6%	12.8%	-2.8%p	15.6%	13.5%	12.8%	-0.7%p	-2.8%p
Performance Indicators	**9M 2020**	**9M 2021**	**Y-o-Y**	**3Q 2020**	**2Q 2021**	**3Q 2021**	**Q-o-Q**	**Y-o-Y**
ROA	2.0%	4.8%	2.8%p	8.1%	5.8%	3.9%	-1.9%p	-4.2%p
ROE	8.6%	16.3%	7.7%p	32.4%	19.2%	12.8%	-6.4%p	-19.6%p
Total income margin	16.05%	16.89%	0.84%p	16.11%	17.05%	16.89%	-0.16%p	0.77%p
Net interest margin	13.16%	13.17%	0.01%p	13.03%	13.29%	13.11%	-0.18%p	0.08%p
Operating costs / Average assets	7.44%	8.09%	0.65%p	7.65%	7.96%	7.69%	-0.27%p	0.04%p
Cost/income ratio	46.4%	47.9%	1.5%p	47.5%	46.7%	45.5%	-1.2%p	-1.9%p
Net loans to deposits (FX-adjusted)	128%	153%	26%p	128%	147%	153%	7%p	26%p
FX rates (in HUF)	**9M 2020**	**9M 2021**	**Y-o-Y**	**3Q 2020**	**2Q 2021**	**3Q 2021**	**Q-o-Q**	**Y-o-Y**
HUF/RUB (closing)	4.0	4.3	8%	4.0	4.0	4.3	6%	8%
HUF/RUB (average)	4.4	4.0	-8%	4.1	4.0	4.1	3%	-1%

OTP Bank Russia's financial figures in HUF terms were affected by the forint/rouble exchange rate's moves: in 3Q 2021, the rouble's closing exchange rate against the forint appreciated by 6% q-o-q, and 8% y-o-y. The nine-month average exchange rate weakened by 8% y-o-y. The 3Q average exchange rate weakened 1% y-o-y but firmed 3% q-o-q. Therefore the balance sheet and the P&L dynamics in HUF terms are considerably different from the ones expressed in local currency.

OTP Bank Russia posted HUF 24.2 billion profit in the first nine months of 2021, of which HUF 6.8 billion was generated in the third quarter. In the first nine months of 2021, after-tax profit in local currency was 120% higher than in the same period of the previous year, largely because total risk cost slumped 58% y-o-y in RUB. Based on average shareholders' equity and nine-month-year profit, ROE was 16.3%.

In the third quarter, after-tax profit (in RUB) declined by 30% q-o-q (-52% y-o-y), mainly because risk cost grew by 143% q-o-q, owing to the higher loan loss provision for new loan placements, and due to reserves created for elevated corporate guarantees and credit lines.

In the first nine months, operating profit dropped by 6% y-o-y in RUB, as a result of a 3% decline in total income and unchanged operating expenses.

In the third quarter, total income grew by 2% q-o-q in RUB, mainly a result of the 2% increase in net interest income. Net fees and commissions stagnated q-o-q in RUB.

9M net interest margin stagnated at 13.17% y-o-y, and dropped by 18 pps q-o-q, to 13.11%. In Russia's rising interest rate environment, interest expenses and average interests on deposits climbed slightly higher q-o-q, while the average lending rates of POS and credit card products sank deeper amid the intensifying market competition, but lending rates on car and corporate loans rose to a small extent. The loan portfolio composition shifted toward lower-risk products (collateralized car and corporate loans), which negatively affected the margin.

In the third quarter, operating expenses stagnated q-o-q in local currency. The cost/income ratio dropped by 1.2pps q-o-q, to 45.5%.

In the third quarter of 2021 the FX-adjusted performing (Stage 1+2) loan volume rose by 8% q-o-q; this brought the y-o-y growth rate to 18% in local currency. The expansion was driven by an increase in corporate and car loans: performing car loans surged by 36% q-o-q, and corporate loans soared by 27%. In contrast, POS (+2%), cash (+4%), and card loans (+3%) all grew q-o-q faster than in previous quarters, but on the whole, growth rates remained relatively low in 3Q.

In 3Q, deposits from customers rose by 4% q-o-q (FX-adjusted) and stagnated y-o-y. The FX-adjusted net loan/deposit ratio rose by 7 pps q-o-q, and 26 pps y-o-y, to 153%.

In the first nine months of the year, the loan loss provision amounted to 2.78% of the total average loan volume (-4.05 pps y-o-y). The loan loss provision coverage ratio was substantially lower than before the pandemic (2018: 7.4%, 2019: 6.6%). The fundamental reasons were the improving risk indicators, due to the gradually tightened lending standards for cash loans from mid-2019, as well as the related composition effect. In addition, the effectiveness of debt collection has substantially improved. The 4.15% credit risk cost ratio in 3Q indicates 2.1 pps q-o-q growth, partly driven by the rise in new placements.

As a sign of portfolio quality improvement, the share of 90 days past due loan volumes in the total loan portfolio has declined both q-o-q and y-o-y, even though the volume grew by HUF 5.7 billion q-o-q (+7%) in the third quarter. In 3Q, the Russian bank sold/wrote off HUF 5.1 billion worth of non-performing loans, the highest amount in the group, yet presenting a downward trend throughout this year. The ratio of Stage 3 loans dropped by 0.8 pp q-o-q and 3.6 pps y-o-y, to 12.7%.

CKB GROUP (MONTENEGRO)

Performance of CKB Group:

Main components of P&L account in HUF million	9M 2020	9M 2021	Y-o-Y	3Q 2020	2Q 2021	3Q 2021	Q-o-Q	Y-o-Y
After tax profit without the effect of adjustments	2,472	5,375	117%	848	1,095	2,259	106%	166%
Income tax	-249	-522	110%	-94	-84	-246	192%	160%
Profit before income tax	2,721	5,897	117%	942	1,179	2,504	112%	166%
Operating profit	5,927	7,396	25%	2,125	2,509	2,628	5%	24%
Total income	16,195	16,299	1%	5,485	5,447	5,612	3%	2%
Net interest income	12,647	12,275	-3%	4,262	4,103	4,088	0%	-4%
Net fees and commissions	3,286	3,526	7%	1,178	1,191	1,355	14%	15%
Other net non-interest income	262	498	90%	45	153	169	10%	279%
Operating expenses	-10,268	-8,904	-13%	-3,360	-2,938	-2,985	2%	-11%
Total provisions	-3,206	-1,499	-53%	-1,183	-1,330	-123	-91%	-90%
Provision for impairment on loan and placement losses	-2,344	-1,178	-50%	-846	-1,220	-7	-99%	-99%
Other provision	-862	-321	-63%	-338	-110	-117	6%	-65%
Main components of balance sheet closing balances in HUF million	**2020**	**9M 2021**	**YTD**	**3Q 2020**	**2Q 2021**	**3Q 2021**	**Q-o-Q**	**Y-o-Y**
Total assets	477,676	499,116	4%	490,253	450,041	499,116	11%	2%
Gross customer loans	362,067	355,906	-2%	360,202	349,532	355,906	2%	-1%
Gross customer loans (FX-adjusted)	357,498	355,906	0%	356,123	358,094	355,906	-1%	0%
Stage 1+2 customer loans (FX-adjusted)	331,699	330,136	0%	332,637	331,819	330,136	-1%	-1%
Retail loans	161,106	156,398	-3%	168,041	157,319	156,398	-1%	-7%
Corporate loans	170,593	173,738	2%	164,596	174,501	173,738	0%	6%
Allowances for possible loan losses	-24,510	-24,924	2%	-23,969	-24,323	-24,924	2%	4%
Allowances for possible loan losses (FX-adjusted)	-24,203	-24,924	3%	-23,698	-24,919	-24,924	0%	5%
Deposits from customers	324,671	366,841	13%	330,194	325,302	366,841	13%	11%
Deposits from customers (FX-adjusted)	321,163	366,841	14%	326,582	333,528	366,841	10%	12%
Retail deposits	210,859	222,605	6%	212,374	211,012	222,605	5%	5%
Corporate deposits	110,305	144,236	31%	114,208	122,516	144,236	18%	26%
Liabilities to credit institutions	58,967	32,606	-45%	66,332	31,563	32,606	3%	-51%
Total shareholders' equity	76,556	81,603	7%	74,512	77,311	81,603	6%	10%
Loan Quality	**9M 2020**	**9M 2021**	**Y-o-Y**	**3Q 2020**	**2Q 2021**	**3Q 2021**	**Q-o-Q**	**Y-o-Y**
Stage 1 loan volume under IFRS 9 (in HUF million)	294,714	267,577	-9%	294,714	261,025	267,577	3%	-9%
Stage 1 loans under IFRS 9/gross customer loans	81.8%	75.2%	-6.6%p	81.8%	74.7%	75.2%	0.5%p	-6.6%p
Own coverage of Stage 1 loans under IFRS 9	1.0%	1.4%	0.4%p	1.0%	1.4%	1.4%	0.0%p	0.4%p
Stage 2 loan volume under IFRS 9 (in HUF million)	41,733	62,559	50%	41,733	62,860	62,559	0%	50%
Stage 2 loans under IFRS 9/gross customer loans	11.6%	17.6%	6.0%p	11.6%	18.0%	17.6%	-0.4%p	6.0%p
Own coverage of Stage 2 loans under IFRS 9	11.7%	7.2%	-4.5%p	11.7%	7.1%	7.2%	0.0%p	-4.5%p
Stage 3 loan volume under IFRS 9 (in HUF million)	23,755	25,770	8%	23,755	25,647	25,770	0%	8%
Stage 3 loans under IFRS 9/gross customer loans	6.6%	7.2%	0.6%p	6.6%	7.3%	7.2%	-0.1%p	0.6%p
Own coverage of Stage 3 loans under IFRS 9	68.1%	64.7%	-3.4%p	68.1%	62.9%	64.7%	1.7%p	-3.4%p
Provision for impairment on loan and placement losses/average gross loans	0.92%	0.45%	-0.47%p	0.96%	1.39%	0.01%	-1.39%p	-0.95%p
90+ days past due loan volume (in HUF million)	17,673	16,561	-6%	17,673	16,373	16,561	1%	-6%
90+ days past due loans/gross customer loans	4.9%	4.7%	-0.3%p	4.9%	4.7%	4.7%	0.0%p	-0.3%p
Performance Indicators	**9M 2020**	**9M 2021**	**Y-o-Y**	**3Q 2020**	**2Q 2021**	**3Q 2021**	**Q-o-Q**	**Y-o-Y**
ROA	0.7%	1.5%	0.8%p	0.7%	1.0%	1.9%	0.9%p	1.2%p
ROE	4.6%	9.3%	4.6%p	4.6%	5.7%	11.4%	5.7%p	6.7%p
Total income margin	4.65%	4.65%	0.00%p	4.62%	4.79%	4.69%	-0.10%p	0.08%p
Net interest margin	3.63%	3.50%	-0.13%p	3.59%	3.61%	3.42%	-0.19%p	-0.17%p
Operating costs / Average assets	2.95%	2.54%	-0.41%p	2.83%	2.58%	2.50%	-0.09%p	-0.33%p
Cost/income ratio	63.4%	54.6%	-8.8%p	61.3%	53.9%	53.2%	-0.8%p	-8.1%p
Net loans to deposits (FX-adjusted)	102%	90%	-12%p	102%	100%	90%	-10%p	-12%p
FX rates (in HUF)	**9M 2020**	**9M 2021**	**Y-o-Y**	**3Q 2020**	**2Q 2021**	**3Q 2021**	**Q-o-Q**	**Y-o-Y**
HUF/EUR (closing)	364.7	360.5	-1%	364.7	351.9	360.5	2%	-1%
HUF/EUR (average)	348.0	356.5	2%	353.4	355.0	353.8	0%	0%

In the first nine months of 2021, the Montenegrin **CKB Group** generated HUF 5.4 billion adjusted profit, more than twice as much as in the base period. The HUF 2.3 billion profit realized in the third quarter is consistent with more than 100% expansion in y-o-y and q-o-q comparison.

The 25% y-o-y growth nine-month operating profit was caused by a 13% decline in operating expenses, while total income rose by 1%.

In the first nine months, operating expenses shrank by 13% y-o-y, owing to lower personnel expenses as the number of employees dropped by 156 y-o-y after Podgoricka banka AD Podgorica's merger, as well as lower marketing-, real estate-, and hardware costs. The cost/income ratio improved by 8.8 pps y-o-y in January-September.

The 5% q-o-q improvement in 3Q operating profit is mostly attributable to the further increase in net fees and commissions income. Net fees and commissions grew by 14% q-o-q, owing to the seasonally stronger business activity, and a surge in income from cards and commissions on transactions. Net interest income stagnated q-o-q, in both local currency and HUF. Net interest margin shrank 19 basis points, owing to a larger volume of low-margin financial assets, as well as a slight drop in the loan portfolio's average interest.

In the first nine months, total risk cost has halved; within that, a total of HUF 0.1 billion total risk cost was put aside in the third quarter, both q-o-q and y-o-y substantially less than in the base period.

In the third quarter, the volume of DPD90+ loans (FX-adjusted, without sales and write-offs) dropped by HUF 0.1 billion. The DPD90+ ratio (4.7%) declined by 0.3 pp y-o-y, and stagnated q-o-q, simultaneously with the sale/write-off of HUF 0.8 billion non-performing loans in the first nine months of the year. In 3Q 2021 the ratio of Stage 3 loans was 7.2% (-0.1 pp q-o-q, +0.6 pp y-o-y), their own provision coverage stood at 64.7%. The 50% y-o-y growth in Stage 2 loan volumes was largely a result of the new classification methodology for the retail loans of the acquired bank.

The performing (Stage 1+2) loan book contracted by 1% y-o-y and q-o-q. Cash loan disbursement shrank by 8% y-o-y in the first nine months, but new disbursement grew by 8% q-o-q in the third quarter.

The FX-adjusted loan book expanded by 12% y-o-y, and by 10% q-o-q. The net loan/deposit ratio stood at 90% at the end of the quarter (-10 pps q-o-q).

At the end of September 2021, the total market share of OTP Group's Montenegrin operation by balance sheet total was 26.8%.

OTP BANK ALBANIA (ALBANIA)

Performance of OTP Bank Albania:

Main components of P&L account in HUF million	9M 2020	9M 2021	Y-o-Y	3Q 2020	2Q 2021	3Q 2021	Q-o-Q	Y-o-Y
After tax profit without the effect of adjustments	1,910	3,910	105%	766	1,313	1,540	17%	101%
Income tax	-351	-676	93%	-138	-242	-263	9%	91%
Profit before income tax	2,261	4,586	103%	903	1,555	1,804	16%	100%
Operating profit	4,548	5,187	14%	1,610	1,674	1,965	17%	22%
Total income	8,695	9,729	12%	3,045	3,148	3,544	13%	16%
Net interest income	7,342	7,713	5%	2,529	2,559	2,745	7%	9%
Net fees and commissions	957	1,356	42%	365	479	475	-1%	30%
Other net non-interest income	396	660	67%	151	110	324	195%	114%
Operating expenses	-4,148	-4,541	9%	-1,434	-1,475	-1,579	7%	10%
Total provisions	-2,287	-601	-74%	-707	-119	-161	36%	-77%
Provision for impairment on loan and placement losses	-2,115	-605	-71%	-683	-195	-103	-47%	-85%
Other provision	-172	4	-102%	-24	76	-59	-177%	142%
Main components of balance sheet closing balances in HUF million	**2020**	**9M 2021**	**YTD**	**3Q 2020**	**2Q 2021**	**3Q 2021**	**Q-o-Q**	**Y-o-Y**
Total assets	286,606	318,717	11%	280,856	292,197	318,717	9%	13%
Gross customer loans	180,815	198,503	10%	172,566	185,980	198,503	7%	15%
Gross customer loans (FX-adjusted)	180,416	198,503	10%	172,230	191,476	198,503	4%	15%
Stage 1+2 customer loans (FX-adjusted)	174,941	192,177	10%	167,734	185,327	192,177	4%	15%
Retail loans	80,929	79,165	-2%	77,151	85,425	79,165	-7%	3%
Corporate loans	90,561	109,668	21%	86,910	96,648	109,668	13%	26%
Leasing	3,451	3,344	-3%	3,674	3,254	3,344	3%	-9%
Allowances for possible loan losses	-8,089	-9,212	14%	-7,551	-8,581	-9,212	7%	22%
Allowances for possible loan losses (FX-adjusted)	-8,065	-9,212	14%	-7,532	-8,835	-9,212	4%	22%
Deposits from customers	214,808	237,899	11%	208,785	218,315	237,899	9%	14%
Deposits from customers (FX-adjusted)	214,369	237,899	11%	208,658	224,837	237,899	6%	14%
Retail deposits	179,576	198,156	10%	179,565	190,279	198,156	4%	10%
Corporate deposits	34,793	39,743	14%	29,092	34,558	39,743	15%	37%
Liabilities to credit institutions	37,151	40,861	10%	38,968	36,701	40,861	11%	5%
Total shareholders' equity	28,781	33,310	16%	28,146	30,834	33,310	8%	18%
Loan Quality	**9M 2020**	**9M 2021**	**Y-o-Y**	**3Q 2020**	**2Q 2021**	**3Q 2021**	**Q-o-Q**	**Y-o-Y**
Stage 1 loan volume under IFRS 9 (in HUF million)	154,914	169,913	10%	154,914	158,158	169,913	7%	10%
Stage 1 loans under IFRS 9/gross customer loans	89.8%	85.6%	-4.2%p	89.8%	85.0%	85.6%	0.6%p	-4.2%p
Own coverage of Stage 1 loans under IFRS 9	1.5%	1.3%	-0.2%p	1.5%	1.3%	1.3%	0.0%p	-0.2%p
Stage 2 loan volume under IFRS 9 (in HUF million)	13,149	22,264	69%	13,149	21,851	22,264	2%	69%
Stage 2 loans under IFRS 9/gross customer loans	7.6%	11.2%	3.6%p	7.6%	11.7%	11.2%	-0.5%p	3.6%p
Own coverage of Stage 2 loans under IFRS 9	22.1%	14.0%	-8.1%p	22.1%	14.0%	14.0%	0.0%p	-8.1%p
Stage 3 loan volume under IFRS 9 (in HUF million)	4,503	6,326	40%	4,503	5,971	6,326	6%	40%
Stage 3 loans under IFRS 9/gross customer loans	2.6%	3.2%	0.6%p	2.6%	3.2%	3.2%	0.0%p	0.6%p
Own coverage of Stage 3 loans under IFRS 9	50.3%	61.6%	11.3%p	50.3%	58.6%	61.6%	3.0%p	11.3%p
Provision for impairment on loan and placement losses/average gross loans	1.77%	0.44%	-1.33%p	1.65%	0.43%	0.21%	-0.22%p	-1.44%p
90+ days past due loan volume (in HUF million)	3,186	3,399	7%	3,186	2,749	3,399	24%	7%
90+ days past due loans/gross customer loans	1.8%	1.7%	-0.1%p	1.8%	1.5%	1.7%	0.2%p	-0.1%p
Performance Indicators	**9M 2020**	**9M 2021**	**Y-o-Y**	**3Q 2020**	**2Q 2021**	**3Q 2021**	**Q-o-Q**	**Y-o-Y**
ROA	1.0%	1.8%	0.8%p	1.1%	1.8%	2.0%	0.2%p	0.9%p
ROE	9.8%	17.2%	7.4%p	11.6%	17.4%	19.1%	1.7%p	7.6%p
Total income margin	4.39%	4.45%	0.06%p	4.48%	4.39%	4.59%	0.20%p	0.11%p
Net interest margin	3.70%	3.52%	-0.18%p	3.72%	3.57%	3.56%	-0.01%p	-0.17%p
Operating costs / Average assets	2.09%	2.08%	-0.02%p	2.11%	2.06%	2.05%	-0.01%p	-0.07%p
Cost/income ratio	47.7%	46.7%	-1.0%p	47.1%	46.8%	44.5%	-2.3%p	-2.6%p
Net loans to deposits (FX-adjusted)	79%	80%	1%p	79%	81%	80%	-2%p	1%p
FX rates (in HUF)	**9M 2020**	**9M 2021**	**Y-o-Y**	**3Q 2020**	**2Q 2021**	**3Q 2021**	**Q-o-Q**	**Y-o-Y**
HUF/ALL (closing)	2.9	3.0	1%	2.9	2.9	3.0	3%	1%
HUF/ALL (average)	2.8	2.9	3%	2.8	2.9	2.9	1%	2%

OTP Bank Albania generated HUF 3.9 billion after-tax profit in the first nine months of 2021. In the third quarter of 2021, its adjusted after-tax profit amounted to HUF 1.5 billion, double of the amount posted a year earlier. The 3Q ROE exceeded 19%.
9M operating profit grew by 14% y-o-y, supported by 12% expansion in total income, while operating expenses jumped by 9%. The main reason for the 17% q-o-q surge in 3Q operating profit is the 13% growth in total income and a 7% increase in operating expenses.

The third-quarter net interest income grew by 7% q-o-q, largely supported by the expansion in loan volumes, while interest margin stabilized q-o-q in 3Q (and eroded by 17 bps y-o-y). The 42% y-o-y jump in first-nine-year net fees and commissions can be put down to higher fee income from bank card transactions and from loan-related fees. The technical reason for the q-o-q increase in other net non-interest income was the full-year revaluation gain on foreign currency-denominated provisions due to exchange rate fluctuations was reclassified from risk costs to other income in 3Q. The move is neutral to the net result, and the presentation of this item is thus in line with the practice of the Group's other subsidiaries.

The 9% y-o-y jump in operating expenses was a result of higher personnel and marketing expenses, as well as amortization.

9M total credit risk cost amounted to HUF 0.6 billion, in 74% y-o-y slump. In the third quarter, HUF 0.2 billion was put aside for total risk cost.

In the third quarter, the volume of DPD90+ loans rose by HUF 0.6 billion (FX-adjusted, without sales and write-offs). At the end of the third quarter of 2021, the ratio of Stage 3 loans was 3.2%, as a result of 0.6 pp y-o-y increase, and q-o-q stagnation. The own provision coverage of Stage 3 loans improved by 3 pps q-o-q, to 61.6% (+11.3 pps y-o-y). The ratio of Stage 2 loans sank 0.5 pp q-o-q in the third quarter; their own provision coverage remained flat at 14.0%.

The FX-adjusted performing (Stage 1+2) loan volume expanded by 15% y-o-y and by 4% q-o-q. In the third quarter, group-level definitions were introduced for MSE and large corporate loans. As a result, some volumes were reclassified between the two categories in 3Q. On the whole, MSE and corporate loan volumes grew by 4% q-o-q.

The FX-adjusted deposit volume grew by 14% y-o-y. The net-loan-to-deposit ratio stood at 80% at the end of September.

OTP BANK MOLDOVA

Performance of OTP Bank Moldova:

Main components of P&L account in HUF million	9M 2020	9M 2021	Y-o-Y	3Q 2020	2Q 2021	3Q 2021	Q-o-Q	Y-o-Y
After tax profit without the effect of adjustments	1,910	3,910	105%	766	1,313	1,540	17%	101%
Income tax	-351	-676	93%	-138	-242	-263	9%	91%
Profit before income tax	2,261	4,586	103%	903	1,555	1,804	16%	100%
Operating profit	4,548	5,187	14%	1,610	1,674	1,965	17%	22%
Total income	8,695	9,729	12%	3,045	3,148	3,544	13%	16%
Net interest income	7,342	7,713	5%	2,529	2,559	2,745	7%	9%
Net fees and commissions	957	1,356	42%	365	479	475	-1%	30%
Other net non-interest income	396	660	67%	151	110	324	195%	114%
Operating expenses	-4,148	-4,541	9%	-1,434	-1,475	-1,579	7%	10%
Total provisions	-2,287	-601	-74%	-707	-119	-161	36%	-77%
Provision for impairment on loan and placement losses	-2,115	-605	-71%	-683	-195	-103	-47%	-85%
Other provision	-172	4	-102%	-24	76	-59	-177%	142%
Main components of balance sheet closing balances in HUF million	**2020**	**9M 2021**	**YTD**	**3Q 2020**	**2Q 2021**	**3Q 2021**	**Q-o-Q**	**Y-o-Y**
Total assets	286,606	318,717	11%	280,856	292,197	318,717	9%	13%
Gross customer loans	180,815	198,503	10%	172,566	185,980	198,503	7%	15%
Gross customer loans (FX-adjusted)	180,416	198,503	10%	172,230	191,476	198,503	4%	15%
Stage 1+2 customer loans (FX-adjusted)	174,941	192,177	10%	167,734	185,327	192,177	4%	15%
Retail loans	80,929	79,165	-2%	77,151	85,425	79,165	-7%	3%
Corporate loans	90,561	109,668	21%	86,910	96,648	109,668	13%	26%
Leasing	3,451	3,344	-3%	3,674	3,254	3,344	3%	-9%
Allowances for possible loan losses	-8,089	-9,212	14%	-7,551	-8,581	-9,212	7%	22%
Allowances for possible loan losses (FX-adjusted)	-8,065	-9,212	14%	-7,532	-8,835	-9,212	4%	22%
Deposits from customers	214,808	237,899	11%	208,785	218,315	237,899	9%	14%
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Retail deposits	179,576	198,156	10%	179,565	190,279	198,156	4%	10%
Corporate deposits	34,793	39,743	14%	29,092	34,558	39,743	15%	37%
Liabilities to credit institutions	37,151	40,861	10%	38,968	36,701	40,861	11%	5%
Total shareholders' equity	28,781	33,310	16%	28,146	30,834	33,310	8%	18%
Loan Quality	**9M 2020**	**9M 2021**	**Y-o-Y**	**3Q 2020**	**2Q 2021**	**3Q 2021**	**Q-o-Q**	**Y-o-Y**
Stage 1 loan volume under IFRS 9 (in HUF million)	154,914	169,913	10%	154,914	158,158	169,913	7%	10%
Stage 1 loans under IFRS 9/gross customer loans	89.8%	85.6%	-4.2%p	89.8%	85.0%	85.6%	0.6%p	-4.2%p
Own coverage of Stage 1 loans under IFRS 9	1.5%	1.3%	-0.2%p	1.5%	1.3%	1.3%	0.0%p	-0.2%p
Stage 2 loan volume under IFRS 9 (in HUF million)	13,149	22,264	69%	13,149	21,851	22,264	2%	69%
Stage 2 loans under IFRS 9/gross customer loans	7.6%	11.2%	3.6%p	7.6%	11.7%	11.2%	-0.5%p	3.6%p
Own coverage of Stage 2 loans under IFRS 9	22.1%	14.0%	-8.1%p	22.1%	14.0%	14.0%	0.0%p	-8.1%p
Stage 3 loan volume under IFRS 9 (in HUF million)	4,503	6,326	40%	4,503	5,971	6,326	6%	40%
Stage 3 loans under IFRS 9/gross customer loans	2.6%	3.2%	0.6%p	2.6%	3.2%	3.2%	0.0%p	0.6%p
Own coverage of Stage 3 loans under IFRS 9	50.3%	61.6%	11.3%p	50.3%	58.6%	61.6%	3.0%p	11.3%p
Provision for impairment on loan and placement losses/average gross loans	1.77%	0.44%	-1.33%p	1.65%	0.43%	0.21%	-0.22%p	-1.44%p
90+ days past due loan volume (in HUF million)	3,186	3,399	7%	3,186	2,749	3,399	24%	7%
90+ days past due loans/gross customer loans	1.8%	1.7%	-0.1%p	1.8%	1.5%	1.7%	0.2%p	-0.1%p
Performance Indicators	**9M 2020**	**9M 2021**	**Y-o-Y**	**3Q 2020**	**2Q 2021**	**3Q 2021**	**Q-o-Q**	**Y-o-Y**
ROA	1.0%	1.8%	0.8%p	1.1%	1.8%	2.0%	0.2%p	0.9%p
ROE	9.8%	17.2%	7.4%p	11.6%	17.4%	19.1%	1.7%p	7.6%p
Total income margin	4.39%	4.45%	0.06%p	4.48%	4.39%	4.59%	0.20%p	0.11%p
Net interest margin	3.70%	3.52%	-0.18%p	3.72%	3.57%	3.56%	-0.01%p	-0.17%p
Operating costs / Average assets	2.09%	2.08%	-0.02%p	2.11%	2.06%	2.05%	-0.01%p	-0.07%p
Cost/income ratio	47.7%	46.7%	-1.0%p	47.1%	46.8%	44.5%	-2.3%p	-2.6%p
Net loans to deposits (FX-adjusted)	79%	80%	1%p	79%	81%	80%	-2%p	1%p
FX rates (in HUF)	**9M 2020**	**9M 2021**	**Y-o-Y**	**3Q 2020**	**2Q 2021**	**3Q 2021**	**Q-o-Q**	**Y-o-Y**
HUF/ALL (closing)	2.9	3.0	1%	2.9	2.9	3.0	3%	1%
HUF/ALL (average)	2.8	2.9	3%	2.8	2.9	2.9	1%	2%

In the first nine months of 2021, **OTP Bank Moldova** contributed to OTP Group's performance by HUF 4.4 billion profit, as a result of lower risk costs. This is consistent with 55% y-o-y improvement, largely because of a decline in risk costs. The Moldovan operation realized HUF 1.3 billion profit in the third quarter.

In the first three quarters of 2021, operating profit declined by 1% y-o-y, in addition to the rising revenues from core banking activities, it was due to a decline in other income, as well as a 4% rise in operating expenses. Among core banking revenues, net interest income grew by 5%, and net fees jumped by 12%. The 13% q-o-q growth in 3Q operating profit was largely driven by the 8% increase in total income. Most of the 8% q-o-q rise in net interest income was caused by an expansion in retail loans, but net interest margin also improved slightly q-o-q.

The 4% y-o-y rise in first-nine-month operating expenses stemmed from higher personnel expenses and fees paid to supervisory authorities (in 2021 this includes not only the Deposit Protection Fund, but also the Resolution Fund established in 2020, with lower contribution prescribed in the base period).

The 2% y-o-y rise in operating expenses was influenced by higher personnel expenses, as well as amortization.

In the third quarter, HUF 0.5 billion total risk cost was put aside: a smaller part for consumer loans, and a greater part for large corporate loans. This has increased the coverage of Stage 3 loans.

In the third quarter, the volume of DPD90+ loans (FX-adjusted, without sales and write-offs) dropped by HUF 0.1 billion. At the end of 3Q 2021, the ratio of Stage 3 loans was 2.1% (-0.4 pp q-o-q, -0.2 pp y-o-y). The own provision coverage of Stage 3 loans was 58.3%. The ratio of Stage 2 loans sank 0.5 pp q-o-q, to 5.0% by the end of September; their own provision coverage of rose by 2.0 pps, to 16.6% in the third quarter.

In 3Q 2021, the FX-adjusted volume of Stage 1+2 loans grew by 8% q-o-q and 23% y-o-y. In the third quarter, group-level definitions were introduced for MSE and large corporate loans. As a result, some volumes were reclassified between the two categories in July-September. Overall, MSE and corporate loan volumes grew by 5% q-o-q. In the third quarter, personal loan disbursement increased by 29% q-o-q, and that of mortgage loans expanded by 9%.

The FX-adjusted loan book expanded by 7% q-o-q and 15% y-o-y. The net loan/deposit stood at 68% at the end of September, which was consistent with q-o-q stagnation and 5 pps y-o-y growth.

At the end of September 2021, the market share of OTP Group's Moldovan operation by balance sheet total was 13.8%. This ranks it the fourth largest bank in Moldova.

STAFF LEVEL AND OTHER INFORMATION

	31/12/2020				30/09/2021			
	Branches	ATM	POS	Headcount (closing)	Branches	ATM	POS	Headcount (closing)
OTP Core	**362**	**1,920**	**125,800**	**10,189**	**359**	**1,903**	**130,292**	**10,396**
DSK Group (Bulgaria)	334	1,094	14,329	5,619	313	1,067	15,828	5,511
OBH (Croatia)	124	488	11,037	2,228	116	492	10,610	2,247
OTP Bank Serbia	217	323	16,657	3,022	201	320	15,325	2,855
SKB Banka (Slovenia)	51	83	4,167	889	49	82	4,924	874
OTP Bank Romania	95	149	6,256	1,693	95	148	6,916	1,743
OTP Bank Ukraine (w/o employed agents)	86	161	402	2,313	85	160	292	2,308
OTP Bank Russia (w/o employed agents)	135	224	704	5,127	135	223	646	4,945
CKB Group (Montenegro)	34	115	6,421	514	34	117	7,040	504
OTP Bank Albania	38	80	0	447	39	86	0	456
OTP Bank Moldova	54	148	0	830	51	149	0	878
Foreign subsidiaries, total	**1,168**	**2,865**	**59,973**	**22,681**	**1,118**	**2,844**	**61,581**	**22,320**
Other Hungarian and foreign subsidiaries				557				566
OTP Group (w/o employed agents)				**33,427**				**33,282**
OTP Bank Russia - employed agents				4,402				3,656
OTP Bank Ukraine - employed agents				618				616
OTP Group (aggregated)	**1,530**	**4,785**	**185,773**	**38,447**	**1,477**	**4,747**	**191,873**	**37,554**

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

PERSONAL AND ORGANIZATIONAL CHANGES

On 12 March 2021, the labour contract of Mr. Tibor Johancsik, Deputy CEO in charge of IT had been terminated by mutual agreement. The new head of the Digital Division (IT Division until 1 May 2021) is Mr. Péter Csányi, who had been in charge of digital developments and sales as managing director until his appointment. Key task of the area in transition is going to be the efficient support of the Bank's digital transformation through further improving customer experience. The new strategy of the division is aimed at creating such an IT that has business competence, but also serving as a platform for other business areas while setting the pace of digitalization in accordance with the National Bank of Hungary's digital recommendations.

On 16 April 2016 the Board of Directors acting in the competency of the Annual General Meeting elected Ernst & Young Ltd. as the Bank's auditor concerning the audit of OTP Bank Plc.'s separate and consolidated annual financial statements in accordance with International Financial Reporting Standards for the year 2021, from 1 May 2021 until 30 April 2022.

On 16 April the Board of Directors acting in the competency of the Annual General Meeting, elects Dr. Tamás Gudra as member of the Supervisory Board (SB) and of Audit Committee (AC) of the Company until the Annual General Meeting of the Company closing the 2022 business year, but not later than 30 April 2023.

On 16 April 2021 the Board of Directors acting in the competency of the Annual General Meeting, elects
Dr. Sándor Csányi
Mr. Antal György Kovács
Mr. László Wolf
Mr. Tamás György Erdei
Mr. Mihály Baumstark
Dr. István Gresa
Dr. József Zoltán Vörös
Mr. Péter Csányi
Mrs. Gabriella Balogh
Mr. György Nagy
Dr. Gellért Márton Vági

as members of the Board of Directors (BoD) of the Company until the Annual General Meeting of the Company closing the 2025 business year, but not later than 30 April 2026.

On 16 April 2021, Dr. Sándor Csányi was elected as Chairman of the Bank's Board of Directors and in accordance with subsection 4 of section 9 of the Articles of Association of the Company as Chief Executive Officer (Chairman & CEO).

Dr. Sándor Csányi performs his duties until the closing AGM of the fiscal year 2025 but latest until 30 April 2026.

On 16 April 2021 Mr. Tamás György Erdei, the member of the Board of Directors, was elected a Deputy Chairman of the Board of Directors.

Mr. Tamás György Erdei performs his duties until the closing AGM of the fiscal year 2025 but latest until 30 April 2026

Disclaimers

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

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

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

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

FINANCIAL DATA

SEPARATE IFRS STATEMENT OF FINANCIAL POSITION

in HUF million	30/09/2021	30/09/2020	change
Cash, amounts due from banks and balances with the National Bank of Hungary	485,006	477,168	2%
Placements with other banks, net of allowance for placement losses	2,638,094	1,353,930	95%
Repo receivables	28,759	9,198	213%
Financial assets at fair value through profit or loss	242,268	219,047	11%
Financial assets at fair value through other comprehensive income	759,457	995,592	-24%
Securities at amortised cost	2,800,613	1,901,336	47%
Loans at amortised cost and mandatorily measured at fair value through profit or loss	4,412,405	3,757,693	17%
Investments properties	4,157	2,322	79%
Investments in subsidiaries	1,585,521	1,552,023	2%
Intangible assets	56,485	54,823	3%
Property and equipment	77,910	72,908	7%
Right of use assets	17,670	14,054	26%
Derivative financial assets designated as hedge accounting relationships	13,994	23,653	-41%
Current tax assets	1,619	2	
Other assets	239,112	162,567	47%
TOTAL ASSETS	**13,363,070**	**10,596,316**	**26%**
Amounts due to banks and deposits from the National Bank of Hungary and other banks	1,378,325	806,584	71%
Deposits from customers	9,091,097	7,178,945	27%
Repo liabilities	293,041	184,324	59%
Liabilities from issued securities	27,505	37,127	-26%
Subordinated bonds and loans	264,201	305,742	-14%
Financial liabilities at fair value through profit or loss	22,175	25,651	-14%
Derivative financial liabilities designated as held for trading	150,705	154,808	-3%
Derivative financial liabilities designated as hedge accounting relationships	8,501	18,009	-53%
Current tax assets	3,572	1,032	246%
Deferred tax liabilities	3,303	3,450	-4%
Leasing liabilities	18,143	14,690	24%
Other liabilities	433,033	219,462	97%
TOTAL LIABILITIES	**11,693,601**	**8,949,824**	**31%**
Share capital	28,000	28,000	0%
Retained earnings and reserves	1,497,472	1,595,279	-6%
Net profit for the six month period ended 30 June 2020	151,876	70,435	116%
Treasury shares	-7,879	-47,222	-83%
TOTAL SHAREHOLDERS' EQUITY	**1,669,469**	**1,646,492**	**1%**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**13,363,070**	**10,596,316**	**26%**

CONSOLIDATED IFRS STATEMENT OF FINANCIAL POSITION

in HUF million	30/09/2021	30/09/2020	change
Cash, amounts due from banks and balances with the National Banks	2,241,692	2,095,025	7%
Placements with other banks, net of loss allowance for placements	1,896,258	985,290	92%
Repo receivables	93,310	38,470	143%
Financial assets at fair value through profit or loss	305,831	273,657	12%
Securities at fair value through other comprehensive income	2,196,056	2,132,672	3%
Loans at amortized cost and mandatorily at fair value through profit or loss	13,711,354	13,173,090	4%
Securities at amortized cost	3,466,531	2,539,697	36%
Finance lease receivables	1,156,684	0	
Associates and other investments	48,361	31,749	52%
Property and equipment	399,933	320,227	25%
Intangible assets and goodwill	234,224	235,264	0%
Right-of-use assets	49,670	46,102	8%
Investment properties	41,168	36,819	12%
Derivative financial assets designated as hedge accounting	15,409	17,792	-13%
Deferred tax assets	16,784	21,042	-20%
Current income tax receivable	38,098	43,384	-12%
Other assets	269,145	233,326	15%
Assets classified as held for sale / discontinued operations	0	485,610	-100%
TOTAL ASSETS	**26,180,508**	**22,709,216**	**15%**
Amounts due to banks, the National Governments, deposits from the National Banks and other banks and repo liabilities	1,862,871	1,271,947	46%
Financial liabilities at fair value through profit or loss	41,311	27,786	49%
Deposits from customers	19,677,002	16,951,338	16%
Liabilities from issued securities	498,312	444,338	12%
Derivative financial liabilities held for trading	155,784	161,467	-4%
Derivative financial liabilities designated as hedge accounting	8,137	18,156	-55%
Leasing liabilities	51,801	48,163	8%
Deferred tax liabilities	21,056	27,682	-24%
Current income tax payable	45,952	35,382	30%
Other liabilities	847,142	591,224	43%
Subordinated bonds and loans	270,448	273,542	-1%
Liabilities directly associated with assets classified as held-for-sale / discontinued operation	0	385,084	-100%
TOTAL LIABILITIES	**23,479,816**	**20,236,109**	**16%**
Share capital	28,000	28,000	0%
Retained earnings and reserves	2,769,401	2,567,431	8%
Treasury shares	-102,165	-126,692	-19%
Non-controlling interest	5,456	4,368	25%
TOTAL SHARHOLDERS' EQUITY	**2,700,692**	**2,473,107**	**9%**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**26,180,508**	**22,709,216**	**15%**

SEPARATE IFRS STATEMENT OF RECOGNIZED INCOME

in HUF million	9M 2021	9M 2020	change
Interest income calculated using the effective interest method	215,956	177,634	22%
Income similar to interest income	67,949	58,385	16%
Total Interest Income	283,905	236,019	20%
Total Interest Expense	-80,967	-73,281	10%
NET INTEREST INCOME	**202,938**	**162,738**	**25%**
Risk cost total	-36,599	-53,699	-32%
NET INTEREST INCOME AFTER RISK COST	**166,339**	**109,039**	**53%**
Gain or loss from derecognition of securities at amortized cost	**-6,682**	**0**	
Income from fees and commissions	217,348	185,349	17%
Expenses from fees and commissions	-34,940	-27,047	29%
Net profit from fees and commissions	**182,408**	**158,302**	**15%**
Foreign exchange gains (+)/ loss (-)	-4,522	-7,009	-35%
Gains on derivative instruments, net	3,386	5,676	-40%
Gains on financial instruments at fair value through profit or loss	-1,200	2,826	-142%
Gains (+) or loss (-) on securities, net	2,304	6,211	-63%
Gain from derecognition of financial assets at amortized cost	-2,171	-2,837	-23%
Dividend income	86,756	60,961	42%
Other operating income	9,077	5,353	70%
Net other operating income / (expenses)	-11,358	-28,923	-61%
Net operating income	**82,272**	**42,258**	**95%**
Personnel expenses	-93,425	-86,810	8%
Depreciation and amortization	-30,097	-27,259	10%
Other administrative expenses	-130,666	-123,672	6%
Other administrative expenses	**-254,188**	**-237,741**	**7%**
PROFIT BEFORE INCOME TAX	**170,149**	**71,858**	**137%**
Income tax expense	-18,273	-1,423	
NET PROFIT FOR THE PERIOD	**151,876**	**70,435**	**116%**

CONSOLIDATED IFRS STATEMENT OF RECOGNIZED INCOME

in HUF million	9M 2021	9M 2020	change
CONTINUING OPERATIONS			
Interest income calculated using the effective interest method	668,873	651,485	3%
Income similar to interest income	110,733	81,613	36%
Interest incomes	779,606	733,098	6%
Interest expenses	-145,135	-149,078	-3%
NET INTEREST INCOME	**634,471**	**584,020**	**9%**
Risk cost total	**-38,054**	**-144,240**	**-74%**
Loss allowance / Release of loss allowance on loans, placements and repo receivables	-23,193	-130,466	-82%
Change in the fair value attributable to changes in the credit risk of loans mandatorily measured at fair value through profit of loss	-8,311	352	
Loss allowance / Release of loss allowance on securities at fair value through other comprehensive income and on securities at amortized cost	-4,009	-4,809	-17%
Provision for commitments and guarantees given	-2,963	-10,262	-71%
Impairment / (Release of impairment) of assets subject to operating lease and of investment properties	422	945	-55%
NET INTEREST INCOME AFTER LOSS ALLOWANCE, IMPAIRMENT AND PROVISIONS	**596,417**	**439,780**	**36%**
Income from fees and commissions	399,459	350,117	14%
Expense from fees and commissions	-77,480	-62,964	23%
Net profit from fees and commissions	**321,979**	**287,153**	**12%**
Foreign exchange gains / losses, net	1,726	15,221	-89%
Foreign exchange result	1,562	8,177	-81%
Gains and losses on derivative instruments	164	7,044	-98%
Gains / Losses on securities, net	9,687	10,211	-5%
Gain from derecognition of financial assets at amortized cost	**169**	**2,057**	**-92%**
Gain from derecognition of securities at amortized cost	0	0	
Gains / Losses on financial assets /liabilities measured at fair value through profit or loss	-2,785	-197	
Dividend income and gain / loss from associated companies	12,070	811	
Other operating income	54,784	25,419	116%
Gains and losses on real estate transactions	5,434	2,189	148%
Other non-interest income	48,850	22,029	122%
Net insurance result	499	1,201	-58%
Other operating expense	-62,628	-40,745	54%
Net operating income	**13,023**	**12,777**	**2%**
Personnel expenses	-241,143	-229,458	5%
Depreciation and amortization	-70,282	-67,557	4%
Other administrative expenses	-228,099	-226,630	1%
Other administrative expenses	**-539,524**	**-523,645**	**3%**
PROFIT BEFORE INCOME TAX	**391,895**	**216,065**	**81%**
Income tax expense	-56,750	-25,774	120%
NET PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS	**335,145**	**190,291**	**76%**
From this, attributable to:			
Non-controlling interest	506	182	178%
Owners of the company	334,639	190,109	76%
DISCONTINUED OPERATIONS			
Gains from disposal of subsidiaries classified as held for sale	0	0	
Loss from discontinued operation	176	-2,120	-108%
PROFIT FROM CONTINUING AND DISCOUNTINUED OPERATION	**335,321**	**188,171**	**78%**

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY (IFRS)

in HUF million	Share capital	Capital reserve	Retained earnings and reserves	Treasury shares	Non-controlling interest	Total
Balance as at 1 January 2020	**28,000**	**52**	**2,321,053**	**-60,931**	**4,956**	**2,293,130**
Net profit for the year	--	--	187,989	--	182	**188,171**
Other comprehensive income	--	--	62,625	--	-388	**62,237**
Increase due to business combinations	--	--	--	--	-382	**-382**
Purchase of non-controlling interests	--	--	--	--	--	**0**
Share-based payment	--	--	2,385	--	--	**2,385**
Dividend	--	--	--	--	--	**0**
Correction due to ESOP	--	--	--	--	--	**0**
Treasury shares	--	--	--	--	--	**0**
– sale	--	--	--	17,696	--	**17,696**
– loss on sale	--	--	-3,018	--	--	**-3,018**
– volume change	--	--	--	-83,457	--	**-83,457**
Payment to ICES holders	--	--	-3,655	--	--	**-3,655**
Balance as at 30 September 2020	**28,000**	**52**	**2,567,379**	**-126,692**	**4,368**	**2,473,107**

in HUF million	Share capital	Capital reserve	Retained earnings and reserves	Treasury shares	Non-controlling interest	Total
Balance as at 1 January 2021	**28,000**	**52**	**2,629,024**	**-124,080**	**4,116**	**2,537,112**
Net profit for the year	--	--	334,815	--	506	335,321
Other comprehensive income	--	--	724	--	142	866
Increase due to business combinations	--	--	--	--	692	692
Purchase of non-controlling interests	--	--	--	--	--	0
Decrease due to discontinued operations	--	--	--	--	--	0
Share-based payment	--	--	2,537	--	--	2,537
Dividend	--	--	--	--	--	0
Correction due to ESOP	--	--	--	--	--	0
Modification of previous years' reserves	--	--	458	--	--	458
Treasury shares	--	--	--	--	--	0
– sale	--	--	--	33,847	--	33,847
– loss on sale	--	--	-15,061	--	--	-15,061
– volume change	--	--	--	-11,932	--	-11,932
Payment to ICES holders	--	--	-3,381	--	--	-3,381
Decrease due to closure of ICES	--	--	-179,767	--	--	-179,767
Balance as at 30 September 2021	**28,000**	**52**	**2,769,349**	**-102,165**	**5,456**	**2,700,692**

[1] The deduction related to repurchased treasury shares (3Q 2021: HUF 102.165 million) includes the book value of OTP shares held by ESOP (3Q 2021: 7,703,178 shares).

SEPARATE IFRS STATEMENT OF CASH FLOWS

in HUF million	30/09/2021	30/09/2020	change
OPERATING ACTIVITIES			
Profit before income tax	170,149	71,858	137%
Net accrued interest	-54,742	-50,638	8%
Income tax paid	-1,421	-724	96%
Depreciation and amortization	30,154	27,297	10%
Loss allowance / (Release of loss allowance)	32,404	68,512	-53%
Share-based payment	2,537	2,385	6%
Unrealised gains on fair value adjustment of financial instruments at fair value through profit or loss	10,028	-1,038	
Unrealised losses on fair value adjustment of derivative financial instruments	-13,242	1,126	
Leasing interest expense	-164	-195	-16%
Effect of currency revaluation	16,978		
Result from the sale of property, plant and equipment and intangible assets	-132		
Net change in assets and liabilities in operating activities	305,469	11,503	
Net cash provided by operating activities	**498,017**	**130,086**	**283%**
INVESTING ACTIVITIES			
Net cash used in investing activities	**-597,771**	**294,057**	**-303%**
FINANCING ACTIVITIES			
Net cash provided by / (used in) financing activities	**-8,024**	**-243,840**	**-97%**
Net decrease in cash and cash equivalents	**-107,778**	**180,303**	**-160%**
Cash and cash equivalents at the beginning of the year	**503,087**	**224,631**	**124%**
Cash and cash equivalents at the end of the year	**395,309**	**404,934**	**-2%**

CONSOLIDATED IFRS STATEMENT OF CASH FLOWS

in HUF million	30/09/2021	30/09/2020	change
OPERATING ACTIVITIES			
Net profit for the period	*334,815*	*187,989*	*78%*
Net changes in assets and liabilities in operating activities			
Income tax paid	-41,652	-20,941	99%
Depreciation and amortization	74,176	69,024	7%
Loss allowance	52,807	160,992	-67%
Net accrued interest	41,910	-27,344	-253%
Share-based payment	2,537	2,385	6%
Unrealized (gain) / losses on fair value change of securiities held for trading	12,950	-6,266	-307%
Unrealized losses on fair value cange of derivative financial instruments	-15,182	8,356	-282%
Gain on discontinued operations	-176	0	
Other changes in assets and liabilities in operating activities	391,015	339,837	
Net change in assets and liabilities in operating activities	**853,200**	**714,032**	**19%**
INVESTING ACTIVITIES			
Net cash used in investing activities	**-1,729,564**	**-946,345**	83%
FINANCING ACTIVITIES			
Net cash used in financing activities	**604,858**	**542,207**	12%
Net increase (+) / decrease (-) of cash	**-271,506**	**309,894**	**-188%**
Cash and cash equivalents at the beginning of the year	**1,674,777**	**1,049,737**	**60%**
Cash and cash equivalents at the end of the year	**1,403,274**	**1,358,569**	**3%**
Adjustment due to discontinuing activity	**-3**	**1,062**	**-100%**

CONSOLIDATED SUBSIDIARIES AND ASSOCIATES

	Name of the company		Initial capital/Equity (HUF)	Ownership Directly + indirectly (%)	Voting rights (%)	Classification[1]
1	Air-Invest Ltd.		630,000,000	100.00	100.00	L
2	AppSense Ltd.		3,000,000	100.00	100.00	L
3	Bajor-Polár Center Real Estate Management Ltd.		30,000,000	100.00	100.00	L
4	Balansz Real Estate Institute Fund		30,931,279,011	100.00	100.00	L
5	BANK CENTER No. 1. Ltd.		11,500,000,000	100.00	100.00	L
6	Banka OTP Albania SHA	ALL	6,740,900,000	100.00	100.00	L
7	CIL Babér Ltd.		71,890,330	100.00	100.00	L
8	CRESCO d.o.o.	HRK	39,000	100.00	100.00	L
9	Montenegrin Commercial Bank Shareholding Company, Podgorica Montenegro	EUR	181,875,221	100.00	100.00	L
10	DSK Asset Management EAD	BGN	1,000,000	100.00	100.00	L
11	DSK Auto Leasing EOOD	BGN	1,000,000	100.00	100.00	L
12	DSK DOM EAD	BGN	100,000	100.00	100.00	L
13	DSK Leasing AD	BGN	3,334,000	100.00	100.00	L
14	DSK Mobile EAD	BGN	250,000	100.00	100.00	L
15	DSK Operating lease EOOD	BGN	1,000	100.00	100.00	L
16	DSK Tours EOOD	BGN	8,491,000	100.00	100.00	L
17	DSK Trans Security EAD	BGN	2,225,000	100.00	100.00	L
18	EiSYS Ltd.		3,000,000	100.00	100.00	L
19	INGA KETTŐ Ltd.		8,000,000,000	100.00	100.00	L
20	JN Parkolóház Ltd.		4,800,000	100.00	100.00	L
21	Limited Liability Company Asset Management Company " OTP Capital"	UAH	10,000,000	100.00	100.00	L
22	LLC MFO "OTP Finance"	RUB	6,533,000,000	100.00	100.00	L
23	LLC OTP Leasing	UAH	45,495,340	100.00	100.00	L
24	Merkantil Bank Ltd.		2,000,000,000	100.00	100.00	L
25	Merkantil Bérlet Ltd.		6,000,000	100.00	100.00	L
26	MFM Project Investment and Development Ltd.		20,000,000	100.00	100.00	L
27	Miskolci Diákotthon Llc..		5,000,000	100.00	100.00	L
28	MONICOMP Ltd.		20,000,000	100.00	100.00	L
29	NIMO 2002 Ltd.		1,156,000,000	100.00	100.00	L
30	OTP Fund Management Ltd.		900,000,000	100.00	100.00	L
31	OTP Asset Management SAI S.A.	RON	5,795,323	100.00	100.00	L
32	Joint-Stock Company OTP Bank	UAH	6,186,023,111	100.00	100.00	L
33	OTP Bank Romania S.A.	RON	2,079,253,200	100.00	100.00	L
34	OTP banka dioničko društvo	HRK	3,993,754,800	100.00	100.00	L
35	OTP Debt Collection d.o.o. Podgorica	EUR	49,000,001	100.00	100.00	L
36	OTP Digitális Fund		6,365,000,000	100.00	100.00	L
37	OTP eBIZ Kft.		281,000,000	100.00	100.00	L
38	OTP Life Annuity Real Estate Investment Plc.		2,000,000,000	100.00	100.00	L
39	OTP Factoring Bulgaria JSCo.	BGN	1,000,000	100.00	100.00	L
40	OTP Factoring Serbia Ltd.	RSD	782,902,282	100.00	100.00	L
41	OTP Factoring Slovensko Ltd.	EUR	22,540,000	100.00	100.00	L
42	OTP Factoring Romania Llc.	RON	600,405	100.00	100.00	L
43	OTP Factoring Ukraine LLC	UAH	6,227,380,554	100.00	100.00	L
44	OTP Factoring Ltd.		500,000,000	100.00	100.00	L
45	OTP Factoring Management Ltd.		3,100,000	100.00	100.00	L
46	OTP Financing Malta Company Limited	EUR	105,000,000	100.00	100.00	L
47	OTP Financing Netherlands	EUR	18,000	100.00	100.00	L
48	OTP Financing Solutions	EUR	18,000	100.00	100.00	L
49	OTP Holding Ltd.	EUR	131,000	100.00	100.00	L
50	OTP Holding Malta Ltd.	EUR	104,950,000	100.00	100.00	L
51	OTP Hungaro-Projekt Ltd.		27,720,000	100.00	100.00	L
52	OTP Real Estate Investment Fund Management Ltd.		100,000,000	100.00	100.00	L
53	OTP Real Estate Ltd.		1,000,000,000	100.00	100.00	L
54	OTP Ingatlankezelő Ltd.		50,000,000	100.00	100.00	L
55	OTP Real Estate Leasing Ltd.		214,000,000	100.00	100.00	L
56	OTP Ingatlanpont Ltd.		7,500,000	100.00	100.00	L
57	OTP Ingatlanüzemeltető Ltd.		30,000,000	100.00	100.00	L
58	OTP Insurance Broker EOOD	BGN	5,000	100.00	100.00	L
59	OTP Invest društvo s ograničenom odgovornošću za upravljanje fondovima	HRK	18,211,300	100.00	100.00	L
60	OTP Investments d.o.o. Novi Sad	RSD	203,783,061	100.00	100.00	L
61	OTP Mortgage Bank Ltd.		37,000,000,000	100.00	100.00	L
62	OTP Card Factory Ltd.		450,000,000	100.00	100.00	L
63	OTP Close Building Society		2,000,000,000	100.00	100.00	L
64	OTP Leasing d.d.	HRK	8,212,000	100.00	100.00	L

	Name of the company		Initial capital/Equity (HUF)	Ownership Directly + indirectly (%)	Voting rights (%)	Classification[1]
65	OTP Leasing EOOD	BGN	4,100,000	100.00	100.00	L
66	OTP Leasing Romania IFN S.A.	RON	28,556,300	100.00	100.00	L
67	OTP Leasing Srbija d.o.o. Beograd	RSD	314,097,600	100.00	100.00	L
68	OTP Leasing d.o.o. Beograd	RSD	112,870,710	100.00	100.00	L
69	OTP Mérnöki Ltd.		3,000,000	100.00	100.00	L
70	OTP Mobile Service Ltd.		1,210,000,000	100.00	100.00	L
71	OTP Nekretnine d.o.o.	HRK	259,828,100	100.00	100.00	L
72	OTP Osiguranje AKCIONARSKO DRUŠTVO ZA	RSD	412,606,208	100.00	100.00	L
73	OTP Home Solutions Limited Liability Company		3,000,000	100.00	100.00	L
74	OTP Funds Servicing and Consulting Company Limited		2,351,000,000	100.00	100.00	L
75	OTP Financial point Ltd.		51,000,000	100.00	100.00	L
76	OTP Services Ltd.	RSD	40,028	100.00	100.00	L
77	Venture Closed-End Non Diversified Mutual Investment Fund "OTP Solution"	UAH	43,347,201	100.00	100.00	L
78	PortfoLion Digital Ltd.		101,000,000	100.00	100.00	L
79	PortfoLion Venture Capital Fund Management Ltd.		38,500,000	100.00	100.00	L
80	Portfolion Zöld Fund		17,700,000,000	100.00	100.00	L
81	R.E. Four d.o.o., Novi Sad	RSD	1,983,643,761	100.00	100.00	L
82	SB Leasing d.o.o.	HRK	23,332,000	100.00	100.00	L
83	SC Aloha Buzz SRL	RON	10,200	100.00	100.00	L
84	SC Favo Consultanta SRL	RON	10,200	100.00	100.00	L
85	SC Tezaur Cont SRL	RON	10,200	100.00	100.00	L
86	SKB Leasing d.o.o.	EUR	16,809,031	100.00	100.00	L
87	SKB Leasing Select d.o.o.	EUR	5,000,000	100.00	100.00	L
88	SPLC Ltd.		10,000,000	100.00	100.00	L
89	SPLC-P Ltd.		15,000,000	100.00	100.00	L
90	TOP Collector LLC	RUB	1,530,000	100.00	100.00	L
91	Velvin Ventures Ltd.	USD	50,000	100.00	100.00	L
92	ZA-Invest Béta Ltd.		4,000,000	100.00	100.00	L
93	ZA-Invest Szalók Ltd.		3,000,000	100.00	100.00	L
94	OTP Buildings s.r.o.	EUR	18,717,301	100.00	100.00	L
95	OTP banka Srbija, joint-stock company, Novi Sad)	RSD	56,830,780,140	100.00	100.00	L
96	SKB Banka d.d. Ljubljana	EUR	52,784,176	100.00	100.00	L
97	Nádudvari Ltd.		1,954,680,000	99.96	99.96	L
98	DSK Bank EAD	BGN	1,328,659,920	99.91	99.91	L
99	POK DSK-Rodina AD	BGN	10,010,198	99.85	99.85	L
100	HAGE Ltd.		2,689,000,000	99.64	99.64	L
101	NAGISZ Mezőgazdasági Termelő és Szolgáltató Ltd.		3,802,080,000	99.35	99.35	L
102	OTP Bank S.A.	MDL	100,000,000	98.26	98.31	L
103	JSC "OTP Bank" (Russia	RUB	4,423,768,142	97.92	97.92	L
104	Georg d.o.o	HRK	20,000	76.00	76.00	L
105	ShiwaForce.com Inc.		105,321,000	67.50	67.50	L
106	Regional Urban Development Fund AD	BGN	250,000	52.00	52.00	L
107	Portfolion Regionális Fund		9,675,000,000	50.00	50.00	L
108	PortfoLion Regionális Fund II.		3,505,000,000	50.00	50.00	L
109	Portfolion Partner Fund		16,920,000,000	30.56	30.56	L
110	AFP Private Equity Invest Ltd.	EUR	452,000	29.14	29.14	L
111	OPUS Securities S.A.	EUR	31,000	0.00	51.00	L
112	OTP ESOP		89,426,844,086	0.00	0.00	L

[1] Full consolidated -L

Ownership structure of OTP Bank Plc.

Description of owner	Total equity					
	1 January 2021			30 September 2021		
	Ownership share	Voting rights[1]	Quantity	Ownership share	Voting rights[1]	Quantity
Domestic institution/company	20.93%	21.26%	58,605,628	21.71%	21.80%	60,796,424
Foreign institution/company	71.60%	72.73%	200,480,153	72.92%	73.20%	204,165,792
Domestic individual	4.79%	4.87%	13,424,090	3.75%	3.77%	10,507,387
Foreign individual	0.11%	0.12%	319,346	0.13%	0.13%	355,429
Employees, senior officers	0.85%	0.87%	2,393,390	0.97%	0.97%	2,713,984
Treasury shares[2]	1.55%	0.00%	4,334,140	0.38%	0.00%	1,077,322
Government held owner	0.08%	0.08%	219,800	0.07%	0.07%	188,484
International Development Institutions	0.04%	0.04%	108,981	0.07%	0.07%	186,148
Other[3]	0.04%	0.04%	114,482	0.00%	0.00%	9,040
TOTAL	**100.00%**	**100.00%**	**280,000,010**	**100.00%**	**100.00%**	**280,000,010**

[1] Voting rights in the General Meeting of the Issuer for participation in decision-making.
[2] Treasury shares do not include the OTP shares held by ESOP (OTP Bank Employee Stock Ownership Plan Organization). Pursuant to Act V of 2013 on the Civil Code, OTP shares held by the ESOP are not classified as treasury shares, but the ESOP must be consolidated in accordance with IFRS 10 Consolidated Financial Statements standard. On 30 September 2021 ESOP owned 7,703,178 OTP shares.
[3] Non-identified shareholders according to the shareholders' registry.

Number of treasury shares held in the year under review (2021)

	1 January	31 March	30 June	30 September	31 December
OTP Bank	4,334,140	4,330,609	1,120,786	1.077.322	
Subsidiaries	0	0	0	0	
TOTAL	4,334,140	4,330,609	1,120,786	1.077.322	

Shareholders with over/around 5% stake as at 30 September 2021

Name	Number of shares	Ownership[1]	Voting rights[1,2]
MOL (Hungarian Oil and Gas Company Plc.)	**24,000,000**	**8.57%**	**8.60%**
KAFIJAT Group	**19,730,945**	**7.05%**	**7.07%**
KAFIJAT Ltd.	9,894,454	3.53%	3.55%
MGTR Alliance Ltd.	9,836,491	3.51%	3.53%
OPUS Securities S.A.	**14,496,476**	**5.18%**	**5.20%**
Groupama Group	**14,311,769**	**5.11%**	**5.13%**
Groupama Gan Vie SA	14,140,000	5.05%	5.07%
Groupama Biztosító Ltd.	171,769	0.06%	0.06%

[1] Rounded to two decimals
[2] Voting rights in the General Meeting of the Issuer for participation in decision-making.

Senior officers, strategic employees and their shareholding of OTP shares as at 30 September 2021

Type[1]	Name	Position	Commencement date of the term	Expiration/termination of the term	Number of shares
IT	dr. Sándor Csányi [2]	Chairman and CEO	15/05/1992	2026	1,015,018
IT	Tamás Erdei	Deputy Chairman	27/04/2012	2026	40,457
IT	Gabriella Balogh	member	16/04/2021	2026	2,145
IT	Mihály Baumstark	member	29/04/1999	2026	50,000
IT	Péter Csányi	member, Deputy CEO	16/04/2021	2026	9,777
IT	dr. István Gresa	member	27/04/2012	2026	173,258
IT	Antal Kovács	member, Deputy CEO	15/04/2016	2026	51,354
IT	György Nagy	member	16/04/2021	2026	600,000
IT	dr. Márton Gellért Vági	member	16/04/2021	2026	0
IT	dr. József Vörös	member	15/05/1992	2026	171,114
IT	László Wolf	member, Deputy CEO	15/04/2016	2026	563,683
FB	Tibor Tolnay	Chairman	15/05/1992	2023	54
FB	dr. Gábor Horváth	Deputy Chairman	19/05/1995	2023	0
FB	Klára Bella	member	12/04/2019	2023	344
FB	dr. Tamás Gudra	member	16/04/2021	2023	0
FB	András Michnai	member	25/04/2008	2023	100
FB	Olivier Péqueux	member	13/04/2018	2023	0
SP	László Bencsik	Deputy CEO			30,279
SP	György Kiss-Haypál	Deputy CEO			6,401
TOTAL No. of shares held by management:					**2.713.984**

[1] Employee in strategic position (SP), Board Member (IT), Supervisory Board Member (FB).
[2] Number of OTP shares owned by Dr. Sándor Csányi directly or indirectly: 4,801,145.

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

a) Contingent liabilities

	30/09/2021	30/09/2020
Commitments to extend credit	3,842,960	3,407,745
Guarantees arising from banking activities	1,219,544	1,053,289
Confirmed letters of credit	65,884	42,823
Legal disputes (disputed value)	69,700	69,457
Other	412,473	390,028
Total:	**5,610,561**	**4,963,342**

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

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

	30/09/2020	01/01/2021	30/09/2021
Bank[1]	9,500	9,568	9,739
Consolidated[2]	38,762	38,447	37,554

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

Security issuances on Group level between 1/10/2020 and 30/09/2021

Issuer	Type of security	Security name	Date of issue	Date of maturity	Ccy	Outstanding consolidated debt (in original currency or HUF million) 30/09/2021	Outstanding consolidated debt (in HUF million) 30/09/2021
OTP Bank Plc.	Corporate bond	OTP_DK_25/3	31/05/2021	31/05/2025	HUF	0	0
OTP Bank Plc.	Corporate bond	OTP_DK_24/3	31/05/2021	31/05/2024	HUF	0	0
OTP Bank Plc.	Corporate bond	OTP_DK_27/II	31/05/2021	31/05/2027	HUF	0	0
OTP Bank Plc.	Corporate bond	OTP_DK_26/II	31/05/2021	31/05/2026	HUF	0	0
OTP Bank Plc.	Corporate bond	OTP_DK_28/I	31/05/2021	31/05/2028	HUF	0	0
OTP Bank Plc.	Corporate bond	OTP_DK_29/I	31/05/2021	31/05/2029	HUF	0	0
OTP Bank Plc.	Corporate bond	OTP_DK_30/I	31/05/2021	31/05/2030	HUF	0	0
OTP Mortgage Bank	Mortgage bond	OJB3031_I	18/08/2021	22/10/2031	HUF	2,000	2,000

Security redemptions on Group level between 1/10/2020 and 30/09/2021

Issuer	Type of security	Security name	Date of issue	Date of maturity	Ccy	Outstanding consolidated debt (in original currency or HUF million) 30/09/2020	Outstanding consolidated debt (in HUF million) 30/09/2020
OTP Bank Plc.	Corporate bond	OTP_DK_21/I	14/12/2018	31/05/2021	HUF	0	0
OTP Bank Plc.	Corporate bond	OTPRF2020C	11/11/2010	05/11/2020	HUF	2,833	2,833
OTP Bank Plc.	Corporate bond	OTPRF2021A	05/07/2011	13/07/2021	HUF	2,531	2,531
OTP Bank Plc.	Corporate bond	OTPX2020C	11/11/2010	05/11/2020	HUF	151	151
OTP Bank Plc.	Corporate bond	OTPX2020D	16/12/2010	18/12/2020	HUF	161	161
OTP Bank Plc.	Corporate bond	OTPX2020F	10/10/2014	16/10/2020	HUF	2,602	2,602
OTP Bank Plc.	Corporate bond	OTPX2020G	15/12/2014	21/12/2020	HUF	2,280	2,280
OTP Bank Plc.	Corporate bond	OTPX2021A	01/04/2011	01/04/2021	HUF	183	183
OTP Bank Plc.	Corporate bond	OTPX2021B	17/06/2011	21/06/2021	HUF	245	245
OTP Bank Plc.	Corporate bond	OTPX2021C	19/09/2011	24/09/2021	HUF	231	231
OTP Bank Plc.	Retail bond	OTP_VK1_20/7	07/11/2019	07/11/2020	USD	1,660,300	517
OTP Bank Plc.	Retail bond	OTP_VK1_20/8	19/12/2019	19/12/2020	USD	1,469,600	458
OTP Bank Plc.	Retail bond	OTP_VK1_21/1	20/02/2020	20/02/2021	USD	1,401,200	436
OTP Bank Plc.	Retail bond	OTP_VK1_21/2	02/04/2020	02/04/2021	USD	1,252,600	390
OTP Bank Plc.	Retail bond	OTP_VK1_21/3	14/05/2020	14/05/2021	USD	1,181,700	368
OTP Bank Plc.	Retail bond	OTP_VK1_21/4	18/06/2020	18/06/2021	USD	743,000	231
OTP Banka Slovensko	Corporate bond	Bonds OTP III.	29/06/2016	29/06/2021	EUR	0	0
OTP Mortgage Bank	Mortgage bond	OJB2020_I	19/11/2004	12/11/2020	HUF	5,503	5,503
OTP Mortgage Bank	Mortgage bond	OJB2020_II	31/05/2011	12/11/2020	HUF	1,487	1,487

RELATED-PARTY TRANSACTIONS

The compensation of key management personnel, such as the members of the Board of Directors, members of the Supervisory Board, key employees of the Bank and its major subsidiaries involved in the decision-making process in accordance with the compensation categories defined in IAS 24 Related party disclosures, is summarised below.

Compensations in HUF million	9M 2020	9M 2021	Y-o-Y	3Q 2020	2Q 2021	3Q 2021	Q-o-Q	Y-o-Y
Total	**10,206**	**10,597**	**4%**	**2,783**	**4,090**	**3,345**	**-18%**	**20%**
Short-term employee benefits	7,866	7,219	-8%	2,502	2,717	2,262	-17%	-10%
Share-based payment	1,647	2,427	47%	157	899	738	-18%	370%
Other long-term employee benefits	595	749	26%	116	474	143	-70%	23%
Termination benefits	98	202		93	0	202		
Redundancy payments	0	0		-85	0	0		
Loans provided to companies owned by the management (normal course of business)	78,958	99,080	25%	78,958	83,019	99,080	19%	25%
Credit lines of the members of Board of Directors and the Supervisory Board and their close family members (at normal market conditions)	592	337	-43%	592	328	337	3%	-43%
Commitments to extend credit and guarantees	36,899	65,865	79%	36,899	56,020	65,865	18%	79%
Loans provided to unconsolidated subsidiaries	3,419	1,738	-49%	3,419	1,259	1,738	38%	-49%

[1] Members of the Board of Directors and the Supervisory Board, senior officers and the auditor of the company.

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

Alternative performance measures name	Description	Calculation (data in HUF million)	Measures value 9M 2020	Measures value 9M 2021
Leverage, consolidated[6]	The leverage ratio is calculated pursuant to Article 429 CRR. The calculation of the indicator is designed quarterly by the Bank for the prudential consolidation circle.	The leverage ratio shall be calculated as an institution's capital measure divided by that institution's total exposure measure and shall be expressed as a percentage. Example for 9M 2021: $\frac{2{,}843{,}734.2}{28{,}546{,}254.9} = 10.0\%$ Example for 9M 2020: $\frac{2{,}226{,}107.1}{25{,}176{,}713.1} = 8.8\%$	8.8%	10.0%
Liquidity Coverage Ratio (LCR)	According to Article 412 (1) of CRR, the liquidity coverage ratio (LCR) is designed to promote short-term resilience of the Issuer's / Group's liquidity risk profile and aims to ensure that the Issuer / Group has an adequate stock of unencumbered High Quality Liquid Assets (HQLA) to meet its liquidity needs for a 30 calendar day liquidity stress scenario.	The LCR is expressed as: (stock of HQLA) / (total net cash outflows over the next 30 calendar days) ≥ 100%. The numerator of the LCR is the stock of HQLA (High Quality Liquid Assets). In order to qualify as HQLA, assets should be liquid in markets during a time of stress and, in most cases, be eligible for use in central bank operations. The denominator of the LCR is the total net cash outflows, defined as total expected cash outflows minus total expected cash inflow in the specified stress scenario for the subsequent 30 calendar days. Total cash inflows are subject to an aggregate cap of 75% of total expected cash outflows, thereby ensuring a minimum level of HQLA holdings at all times. Example for 9M 2021: $\frac{5{,}309{,}050.4}{4{,}743{,}456.8 - 2{,}122{,}352.0} = 202.6\%$ Example for 9M 2020: $\frac{4{,}707{,}507.3}{3{,}600{,}030.5 - 846{,}467.5} = 171.0\%$	171.0%	202.6%
ROE (accounting), consolidated	The return on equity ratio shall be calculated the consolidated accounting after-tax profit for the given period divided by the average equity, thus shows the effectiveness of the use of equity.	The numerator of the indicator is the consolidated accounting after-tax profit for the given period (annualized for periods less than one year), the denominator is the average consolidated equity. (The definition of average equity: calendar day-weighted average of the average balance sheet items in periods comprising the given period, where periods comprising the given period are defined as quarters (and within that months) in case of 1H, 9M and FY periods, and months in case of quarters. Furthermore, the average of the average balance sheet items is computed as the arithmetic average of closing balance sheet items for the previous period and the current period.) Example for 9M 2021: $\frac{335{,}321.4 \quad * \quad 1.3}{2{,}653{,}014.5} = 16.9\%$ Example for 9M 2020: $\frac{188{,}171.1 \quad * \quad 1.3}{2{,}351{,}086.8} = 10.7\%$	10.7%	16.9%

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

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

Alternative performance measures name	Description	Calculation (data in HUF million)	Measures value 9M 2020	Measures value 9M 2021
ROE (adjusted), consolidated	The return on equity ratio shall be calculated the consolidated adjusted after-tax profit for the given period divided by the average equity, thus shows the effectiveness of the use of equity.	The numerator of the indicator is the consolidated adjusted after-tax profit for the given period (annualized for periods less than one year), the denominator is the average consolidated equity. Example for 9M 2021: $\frac{373{,}578.2 \; * \; 1.3}{2{,}653{,}014.5} = 18.8\%$ Example for 9M 2020: $\frac{231{,}705.7 \; * \; 1.3}{2{,}351{,}086.8} = 13.2\%$	13.2%	18.8%
ROA (adjusted), consolidated	The return on asset ratio shall be calculated the consolidated adjusted net profit for the given period divided by the average total asset, thus shows the effectiveness of the use of equity.	The numerator of the indicator is the consolidated adjusted net profit for the given period, the denominator is the average consolidated total asset. (The definition of average asset: calendar day-weighted average of the average balance sheet items in periods comprising the given period, where periods comprising the given period are defined as quarters (and within that months) in case of 9M, 9M and FY periods, and months in case of quarters. Furthermore, the average of the average balance sheet items is computed as the arithmetic average of closing balance sheet items for the previous period and the current period.) Example for 9M 2021: $\frac{373{,}578.2 \; * \; 1.3}{24{,}548{,}656.8} = 2.0\%$ Example for 9M 2020: $\frac{231{,}705.7 \; * \; 1.3}{21{,}416{,}207.7} = 1.4\%$	1.4%	2.0%
Operating profit margin (adjusted, without one-off items), consolidated	The operating profit margin shall be calculated the consolidated adjusted net operating profit without one-off items for the given period divided by the average total assets, thus shows the effectiveness of the operating profit generation on total assets.	The numerator of the indicator is the consolidated adjusted net operating profit without one-off items for the given period, the denominator is the average consolidated total assets. Example for 9M 2021: $\frac{483{,}505.8 \; * \; 1.3}{24{,}548{,}656.8} = 2.63\%$ Example for 9M 2020: $\frac{397{,}519.5 \; * \; 1.3}{21{,}416{,}207.7} = 2.48\%$	2.48%	2.63%
Total income margin (adjusted, without one-off items), consolidated	The total income margin shall be calculated the consolidated adjusted total income without one-off items for the given period divided by the average total assets, thus shows the effectiveness of income generation on total assets.	The numerator of the indicator is the consolidated adjusted total income without one-off items for the given period (annualized for periods less than one year), the denominator is the average consolidated total assets. Example for 9M 2021: $\frac{950{,}702.2 \; * \; 1.3}{24{,}548{,}656.8} = 5.18\%$ Example for 9M 2020: $\frac{862{,}469.0 \; * \; 1.3}{21{,}416{,}207.7} = 5.38\%$	5.38%	5.18%

Alternative performance measures name	Description	Calculation (data in HUF million)	Measures value 9M 2020	Measures value 9M 2021
Net interest margin (adjusted), consolidated	The net interest margin shall be calculated the consolidated adjusted net interest income for the given period divided by the average total assets, thus shows the effectiveness of net interest income generation on total assets.	The numerator of the indicator is the consolidated adjusted net interest income for the given period (annualized for periods less than one year), the denominator is the average consolidated total assets. Example for 9M 2021: $\frac{636{,}484.1 \;*\; 1.3}{24{,}548{,}656.8} = 3.47\%$ Example for 9M 2020: $\frac{590{,}501.0 \;*\; 1.3}{21{,}416{,}207.7} = 3.68\%$	3.68%	3.47%
Operating cost (adjusted)/ total assets, consolidated	The indicator shows the operational efficiency.	The numerator of the indicator is the consolidated adjusted operating cost for the given period (annualized for periods less than one year), the denominator is the average consolidated total assets. Example for 9M 2021: $\frac{467{,}196.4 \;*\; 1.3}{24{,}548{,}656.8} = 2.54\%$ Example for 9M 2020: $\frac{464{,}949.5 \;*\; 1.3}{21{,}416{,}207.7} = 2.90\%$	2.90%	2.54%
Cost/income ratio (adjusted, without one-off items), consolidated	The indicator is another measure of operational efficiency.	The numerator of the indicator is the consolidated adjusted operating cost for the given period, the denominator is the adjusted operating income (without one-off items) for the given period. Example for 9M 2021: $\frac{467{,}196.4}{950{,}702.2} = 49.1\%$ Example for 9M 2020: $\frac{464{,}949.5}{862{,}469.0} = 53.9\%$	53.9%	49.1%
Provision for impairment on loan and placement losses (adjusted)/ average (adjusted) gross loans, consolidated	The indicator provides information on the amount of impairment on loan and placement losses relative to gross customer loans.	The numerator of the indicator is the consolidated adjusted provision for impairment on loan and placement losses for the given period (annualized for periods less than one year), the denominator is the adjusted consolidated gross customer loans for the given period. (The definition of average (adjusted) gross customer loans: calendar day-weighted average of the average balance sheet items in periods comprising the given period, where periods comprising the given period are defined as quarters (and within that months) in case of 1H, 9M and FY periods, and months in case of quarters. Furthermore, the average of the average balance sheet items is computed as the arithmetic average of closing balance sheet items for the previous period and the current period.) Example for 9M 2021: $\frac{24{,}905.0 \;*\; 1.3}{14{,}764{,}580.4} = 0.23\%$ Example for 9M 2020: $\frac{116{,}185.7 \;*\; 1.3}{13{,}619{,}512.1} = 1.14\%$	1.14%	0.23%
Total risk cost (adjusted)/ total asset ratio, consolidated	The indicator shows the amount of total risk cost relative to the balance sheet total.	The numerator of the indicator is consolidated adjusted total risk cost for the given period (annualized for periods less than one year), the denominator is the average consolidated total assets for the given period. Example for 9M 2021: $\frac{43{,}233.0 \;*\; 1.3}{24{,}548{,}656.8} = 0.24\%$ Example for 9M 2020: $\frac{135{,}851.2 \;*\; 1.3}{21{,}416{,}207.7} = 0.85\%$	0.85%	0.24%

Alternative performance measures name	Description	Calculation (data in HUF million)	Measures value 9M 2020	Measures value 9M 2021
Effective tax rate (adjusted), consolidated	The indicator shows the amount of corporate income tax accounted on pre-tax profit.	The numerator of the indicator is consolidated adjusted corporate income tax for the given period, the denominator is the consolidated adjusted pre-tax profit for the given period. Example for 9M 2021: $\frac{66{,}694.6}{440{,}272.8} = 15.1\%$ Example for 9M 2020: $\frac{31{,}520.9}{263{,}226.6} = 12.0\%$	12.0%	15.1%
Net loan/(deposit+retail bonds) ratio (FX-adjusted), consolidated	The net loan to deposit+retail bonds ratio is the indicator for assessing the bank's liquidity position.	The numerator of the indicator is the consolidated net consumer loan volume (gross loan reduced the amount of provision), the denominator is the end of period consolidated consumer FX-adjusted deposit volume plus the end of period retail bond volume (issued by OTP Bank). Example for 9M 2021: $\frac{14{,}868{,}037.3}{19{,}669{,}490.9 + 0.0} = 76\%$ Example for 9M 2020: $\frac{13{,}618{,}499.0}{17{,}246{,}367.8 + 2{,}341.6} = 79\%$	79%	76%

SUPPLEMENTARY DATA

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

General note: regarding OTP Core and other subsidiaries, profit after tax is calculated without received dividends and net cash transfers (and other adjustment items). Dividends and net cash transfers received from non-group member companies are shown on a separate line in one sum in the table, regardless to the particular receiver or payer group member company.

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

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

(3) The result and balance sheet of OTP Factoring Bulgaria EAD is included. From 1Q 2019 Expressbank AD and its subsidiarieswere included into the Bulgarian operation. From 1Q 2019 the statement of recognised income and balance sheet of DSK Leasing AD was included.

(4) From 1Q 2019 the statement of recognised income and balance sheet of OTP Leasing d.d. and SB Leasing d.o.o. was included. In February 2020 the company name of OTP banka Hrvatska dioničko društvo was changed to OTP banka dioničko društvo.

(5) The financial performance of OTP Factoring Serbia d.o.o is included. From 1Q 2019 the statement of recognised income and balance sheet of OTP Lizing d.o.o and OTP Services d.o.o. was included. The balance sheet of the newly acquired OTP banka Srbija was included in 3Q 2019, its P&L from 4Q 2019.

(6) The statement of recognised income and balance sheet of OTP Faktoring SRL was included. From 1Q 2019 the statement of recognised income and balance sheet of OTP Leasing Romania IFN S.A. was included.

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

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

(9) From 3Q 2019 the statement of recognised income and balance sheet of the acquired Podgoricka banka was included, which merged into the Montenegrin bank in 4Q 2020.

(10) P&L data and related indicators are adjusted for the special banking tax and the Slovakian Deposit Protection Fund contributions being introduced again in 2014, as well as the contribution into the Resolution Fund. Including the financial performance of OTP Faktoring Slovensko s.r.o. The sale of the Slovakian subsidiary was concluded at the end of November 2020.

(11) After tax profit of Merkantil Bank without dividends, net cash transfer and other adjustment items, since 1Q 2020 the subconsolidated after tax profit of Merkantil Group (Merkantil Bank Ltd., Merkantil Bérlet Ltd., OTP Real Estate Leasing Ltd., NIMO 2002 Ltd., SPLC-P Ltd., SPLC Ltd.) was presented.

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

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

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

(15) Total Hungarian subsidiaries: sum of the adjusted after tax results of Hungarian group members, Corporate Centre and related eliminations.

(16) Total Foreign subsidiaries: sum of the adjusted after tax profits of foreign subsidiaries.

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

In order to present Group level trends in a comprehensive way in the Report, the presented consolidated and separate profit and loss statements of this report were adjusted in the following way, and the adjusted P&Ls are shown and analysed in the Report. Consolidated accounting figures together with Separate accounting figures of OTP Bank are still disclosed in the Financial Data section.

Adjustments affecting the income statement:

- The after tax effect of adjustment items (certain, typically non-recurring items from banking operations' point of view) are shown separately in the Statement of Recognised Income. The following adjustment items emerged in the period under review and the previous year: received dividends, received and paid cash transfers, the effect of goodwill/investment impairment charges, special tax on financial institutions, the expected one-off negative effect of the debt repayment moratorium in Hungary and Serbia, the impact of fines imposed by the Hungarian Competition Authority, the effect of acquisitions, and from 1Q 2021 the result of the treasury share swap agreement (latter was presented amongst the one-off revenue items in the adjusted income statement structure).

  Beside the Slovakian banking levy payable until 2Q 2020, the total amount of the special banking tax includes and the Slovakian Deposit Protection Fund contributions being introduced again in 2014, and the contribution into the Resolution Fund in Slovakia, too.

- In 4Q 2019 the following items have been moved from the Other operating expenses line among the Net interest income after loss allowance, impairment and provisions line: *Release of loss allowance on securities at fair value through other comprehensive income and on securities at amortized cost*, *Provision for commitments and guarantees given*, *Release of impairment of assets subject to operating lease and of investment properties*. In the adjusted P&L structure these items are presented amongst the *Other provisions (adj.)* line (through the *Structural correction between Provision for loan losses and Other provisions* adjustment line). From 1Q 2021 the *Provision for commitments and guarantees given* line contains lending activity-related amounts, therefore this line is no longer shifted from 1Q 2021. In 3Q 2021 (retrospectively from 3Q 2020) the components of the new *Gain from derecognition of financial assets at amortized cost* line in the accounting P&L were shifted back in the adjusted P&L structure to the lines on which they were presented previously.

- Other non-interest income is shown together with Gains and losses on real estate transactions, Net insurance result (appearing in the accounting P&L structure from 3Q 2017), Gains and losses on derivative instruments, and Gains and losses on non-trading securities mandatorily at fair value through profit or loss lines between 1Q 2019 – 4Q 2019, but without the above mentioned income from the release of pre-acquisition provisions and without received cash transfers. However other non-interest expenses stemming from non-financial activities are added to the adjusted net other non-interest income line, therefore the latter incorporates the net amount of other non-interest income from non-financial activities.

- From 2Q 2014 OTP Bank's share in the change in the shareholders' equity of companies consolidated with equity method is reclassified from the After tax dividends and net cash transfers line to the Net other non-interest result (adj.) without one-offs line. In the addition to this, OTP Bank has changed the way how private equity funds managed by PortfoLion are recorded. As a result of this, as opposed to the previous method of recording the funds at book value (initial book value less impairments), starting from 3Q 2019 the funds are evaluated based on their net asset value. The change in the carrying value was reclassified to the Net other non-interest result (adj.) without one-offs line in the adjusted P&L structure. Furthermore, received cash transfers within the framework of the subsidy programme targeting the expansion of POS network in Hungary were reclassified from the After tax dividends and net cash transfers line to the Net other non-interest result (adj.) without one-offs line.

- Other provisions are separated from other expenses and shown on a separate line in the adjusted profit or loss statement.

- Other administrative expenses have been adjusted in the following way in order to create a category comprising administrative cost items exclusively. Other costs and expenses and other non-interest expenses were included into the adjusted Other non-interest expenses. At the same time, the following cost items were excluded from adjusted other non-interest expenses: paid cash transfers (except for movie subsidies and cash transfers to public benefit organisations, whereas from 1Q 2019 certain part of cash transfers to public benefit organizations was presented amongst net fees and commissions), Other other non-interest expenses stemming from non-financial activities, and special tax on financial institutions.

- Tax deductible transfers (offset against corporate taxes) paid by Hungarian group members from 3Q 2012 were reclassified from Other non-interest expenses to Corporate income tax. As a result, the net P&L effect of these transfers (i.e. the paid transfer less the related corporate tax allowances) is recognised in the corporate income tax line of the adjusted P&L. The amount of tax deductible transfers offset against the special tax on financial institutions is shown on a net base on the special tax on financial institutions line.

- The financial transaction tax paid from the beginning of 2013 in Hungary is reclassified from other (administrative) expenses to net fee and commission income, both on consolidated and OTP Core level.

- OTP Group is hedging the revaluation result of the FX provisions on its FX loans and interest claims by keeping hedging open FX positions. In the accounting statement of recognized income, the revaluation of FX provisions is part of the risk costs (within line "Provision for loan losses"), other provisions and net interest income lines, whereas the revaluation result of the hedging open FX positions is made through other non-interest income (within line "Foreign exchange result, net"). The two items have the same absolute amount but an opposite sign. As an adjustment to the accounting statement of income, these items are eliminated from the adjusted P&L. By modifying only the structure of the income statement, this correction does not have any impact on the bottom line net profits.

- The Compensation Fund (established in Hungary in order to indemnify the victims of Quaestor and Hungarian Securities Ltd.) contributions booked from 1Q 2017 are recognized on the Other administrative expenses line of the accounting income statement, and are presented on the financial transaction tax and/or Special tax on financial institutions line the in the adjusted P&L structure (due to the tax deductibility).
- In case of OTP Banka Slovensko and OTP Bank Romania the total revaluation result of intra-group swap deals – earlier booked partly within the net interest income, but also on the Foreign exchange gains and Net other non-interest result lines within total Other non-interest income – is presented on a net base on the net interest income line starting from 1Q 2016.
- Due to the introduction of IFRS16 from 2019, certain items previously presented on the Other non-interest expenses line (rental fees) were moved to the interest expenses and depreciation lines in the accounting income statement. These items were shifted back to the Other non-interest expenses line in the adjusted P&L structure.
- Staring from 1Q 2020 the currency exchange result was shifted in the accounting P&L structure from the FX result to the net fees and commissions line, retroactively for the 2019 base period as well. In the adjusted P&L structure this
- Performance indicators (such as cost/income ratio, net interest margin, risk cost to average gross loans as well as ROA and ROE ratios, etc.) presented in this report are calculated on the basis of the adjusted profit and loss statement excluding adjustment items (unless otherwise indicated).
- Within the report, FX-adjusted statistics for business volume developments and their product breakdown, as well as the FX-adjusted stock of allowances for loan losses are disclosed, too. For FX adjustment, the closing cross currency rates for the current period were used to calculate the HUF equivalent of loan and deposit volumes in the base periods. Thus the FX-adjusted volumes will be different from those published earlier. Regarding the FX-adjusted volume change of DPD90+ loans (adjusted for sales and write-offs), instead of the previously applied 3Q 2009 FX rates, from 4Q 2020 onwards the actual end of period FX rates are used for calculating the FX-adjusted figures.

Adjustments affecting the balance sheet:

- On 17 February 2020 OTP Bank announced the signing of the sale agreement of its Slovakian subsidiary. According to IFRS 5 the Slovakian bank was presented as a discontinued operation in the consolidated income statement and balance sheet until it was sold. With regards to the consolidated accounting balance sheet, all assets and liabilities of the Slovakian bank was shown on one-one line of the 2019 and 9M 2020 balance sheet (there was no change in the 2018 closing balance sheet structure, whereas by the end of 4Q 2020 the Slovakian entity was deconsolidated). As for the consolidated accounting income statement, the Slovakian contribution for 2018, 2019 and 2020 (in 2020 the January-October contribution was consolidated) was shown separately from the result of continued operation, on the Loss from discontinued operation line, i.e. the particular P&L lines in the ‘continuing operations’ section of the accounting P&L don’t incorporate the contribution from the Slovakian subsidiary. As opposed to this, the adjusted financial statements presented in the Stock Exchange Report incorporated the Slovakian banks’ balance sheet and P&L contribution in the relevant respective lines, in line with the structure of the financial statements monitored by the management.
- From the end of 2020, OTP Osiguranje d.d. was presented as asset classified as held for sale in the accounting financial statements. Accordingly, from end-2020 until its deconsolidation, i.e. until 2Q 2021 its assets and liabilities were shown on a separate line in the consolidated balance sheet. Regarding the 2020 and 9M 2021 accounting statement of recognized income, the entity’s result was presented on the *Gains from held for trading operations* line, therefore the particular P&L lines in the ‘continuing operations’ section of the accounting P&L don’t incorporate the contribution from this entity. As opposed to this, the adjusted financial statements presented in the Stock Exchange Report incorporated the company’s balance sheet and P&L contribution in the relevant respective lines, in line with the structure of the financial statements monitored by the management.
- Finance lease receivables – earlier presented within customer loans – are shown on a separate line in the accounting balance sheet from 4Q 2019. As for the adjusted balance sheet, net customer loans continue to include the stock of finance lease receivables.
- Starting from 3Q 2017, in the adjusted balance sheets presented in the analytical section of the report, the total amount of accrued interest receivables related to DPD90+ loans (until 4Q 2018) and Stage 3 loans under IFRS 9 (from 1Q 2019) were netted with the provisions created in relation to the total exposure toward those particular clients, in case of the affected Group members. Therefore, this adjustment made on the accounting balance sheet has an impact on the consolidated gross customer loans and allowances for loan losses.

ADJUSTMENTS OF CONSOLIDATED IFRS P&L LINES

in HUF million	1Q 20	2Q 20	3Q 20	9M 20	4Q 20 Audited	2020 Audited	1Q 21	2Q 21	3Q 21	9M 21
Net interest income	**199,165**	**192,239**	**192,615**	**584,020**	**198,653**	**782,673**	**202,833**	**209,676**	**221,962**	**634,471**
(-) Revaluation result of FX provisions	-64	29	-39	-74	18	-57	0	0	0	0
(+) Presentation of the revaluation result of intra-group swaps on the net interest income line realized at the Romanian and Slovakian operations	87	72	94	253	84	337	77	258	125	460
(-) Netting of interest revenues on DPD90+ loans with the related provision (booked on the Provision for loan losses line) at OTP Core and CKB	1,792	1,175	479	3,446	2,505	5,951	674	250	676	1,601
(-) Effect of acquisitions	216	-309	-492	-585	-15	-600	-573	-492	-889	-1,954
(-) Initial NPV gain on the monetary policy interest rate swap (MIRS) deals	0	0	0	0	0	0	0	0	0	0
(-) Reclassification due to the introduction of IFRS16	-418	-418	-374	-1,210	-413	-1,623	-399	-376	-379	-1,154
(+) Presentation of the contribution from discontinued operation on the adjusted P&L lines	2,554	2,648	2,603	7,804	951	8,755	20	20	7	46
(-) Expected one-off negative effect of the debt repayment moratorium in Hungary and Serbia					15	15	0	0	0	0
Net interest income (adj.)	**200,280**	**194,482**	**195,738**	**590,501**	**197,578**	**788,079**	**203,227**	**210,573**	**222,685**	**636,484**
Net fees and commissions	**95,493**	**92,028**	**99,631**	**287,152**	**110,484**	**397,635**	**98,575**	**107,006**	**116,397**	**321,978**
(+) Financial Transaction Tax	-17,739	-12,100	-15,287	-45,127	-16,461	-61,588	-17,353	-15,423	-16,854	-49,631
(-) Effect of acquisitions	-50	-34	-39	-122	-22	-145	-15	-55	38	-32
(+) Presentation of the contribution from discontinued operation on the adjusted P&L lines	1,005	922	945	2,872	338	3,210	0	0	0	0
(-) Structural shift of income from currency exchange from net fees to the FX result	9,575	14,297	11,087	34,960	11,331	46,290	9,337	11,318	13,488	34,144
Net fees and commissions (adj.)	**69,234**	**66,586**	**74,240**	**210,059**	**83,052**	**293,112**	**71,899**	**80,320**	**86,016**	**238,235**
Foreign exchange result	**10,507**	**-8,359**	**6,029**	**8,177**	**-313**	**7,864**	**1,281**	**-2,718**	**2,998**	**1,562**
(-) Revaluation result of FX positions hedging the revaluation of FX provisions	10,167	-2,582	3,754	11,339	-144	11,195	0	0	0	0
(-) Presentation of the revaluation result of intra-group swaps on the net interest income line realized at the Romanian and Slovakian operations	-175	-1,594	576	-1,193	-771	-1,964	-354	1,393	-1,142	-103
(-) Effect of acquisitions	-2	1	0	0	0	0	0	0	0	0
(+) Presentation of the contribution from discontinued operation on the adjusted P&L lines	-47	10	17	-20	23	3	11	-24	3	-10
(+) Structural shift of income from currency exchange from net fees to the FX result	9,575	14,297	11,087	34,960	11,331	46,290	9,337	11,318	13,488	34,144
Foreign exchange result (adj.)	**10,045**	**10,122**	**12,803**	**32,971**	**11,956**	**44,927**	**10,983**	**7,184**	**17,631**	**35,799**
Gain/loss on securities, net	**-2,797**	**8,774**	**4,233**	**10,211**	**4,493**	**14,704**	**906**	**5,032**	**3,748**	**9,687**
(-) Effect of acquisitions		-66	0	-66	-32	-98	0	-221	-506	-727
(+) Presentation of the contribution from discontinued operation on the adjusted P&L lines		358	62	420	-72	349	11	2	1	14
(-) Revaluation result of the treasury share swap agreement							-2,586	81	2,851	346
(+) Structural adjustment due to the Gain from derecognition of financial assets at amortized cost line (against Gain/loss on securities, net)			1,231	1,231	171	1,402	682	325	57	1,064
Gain/loss on securities, net (adj.) with one-offs	**-2,797**	**9,199**	**5,527**	**11,929**	**4,624**	**16,553**	**4,187**	**5,499**	**1,460**	**11,145**
(-) Revaluation result of the treasury share swap agreement (booked as Gain on securities, net (adj) at OTP Core)	360	880	318	1,558	801	2,360	-	-	-	-
Gain/loss on securities, net (adj.) without one-offs	**-3,157**	**8,319**	**5,209**	**10,371**	**3,822**	**14,193**	**4,187**	**5,499**	**1,460**	**11,145**
Result of discontinued operation and gains from disposal of subsidiaries classified as held for sale	**-36**	**-2,596**	**512**	**-2,120**	**7,710**	**5,590**	**144**	**95**	**-62**	**176**
(-) Effect of acquisitions	1	17	-2	17	7,480	7,496	0	0	-105	-105
Result of discontinued operation and gains from disposal of subsidiaries classified as held for sale (adj.)	**-37**	**-2,613**	**514**	**-2,136**	**230**	**-1,907**	**144**	**95**	**43**	**282**

in HUF million	1Q 20	2Q 20	3Q 20	9M 20	4Q 20 Audited	2020 Audited	1Q 21	2Q 21	3Q 21	9M 21
Gains and losses on real estate transactions	**557**	**607**	**1,025**	**2,189**	**1,442**	**3,631**	**2,031**	**2,581**	**823**	**5,434**
Result of discontinued operation and gains from disposal of subsidiaries classified as held for sale (adj.)	**-37**	**-2,613**	**514**	**-2,136**	**230**	**-1,907**	**144**	**95**	**43**	**282**
(+) Other non-interest income	**13,648**	**3,707**	**4,674**	**22,029**	**7,080**	**29,109**	**19,760**	**13,535**	**15,555**	**48,850**
(+) Gains and losses on derivative instruments	**3,524**	**3,318**	**202**	**7,044**	**4,295**	**11,339**	**880**	**759**	**-1,475**	**164**
(+) Net insurance result	**371**	**432**	**398**	**1,201**	**-481**	**721**	**143**	**143**	**213**	**499**
(+) Losses on loans measured mandatorily at fair value through other comprehensive income and on securities at amortized cost	**-173**	**227**	**99**	**154**	**-2,550**	**-2,396**	**-1,726**	**-1,448**	**389**	**-2,785**
(-) Received cash transfers	2	35	146	183	-117	65	36	15	10	61
(+) Other other non-interest expenses	-3,066	-997	-1,255	-5,317	-483	-5,800	-12,264	-8,614	-10,749	-31,626
(+) Change in shareholders' equity of companies consolidated with equity method, and the change in the net asset value of the private equity funds managed by PortfoLion	85	-277	713	521	-393	128	1,847	4,213	1,444	7,504
(-) Effect of acquisitions	7,430	-52	-3	7,374	-110	7,264	0	0	-2	-1
(-) Presentation of the revaluation result of intra-group swaps on the net interest income line realized at the Romanian and Slovakian operations	262	1,665	-481	1,446	855	2,301	431	-1,134	1,267	563
(-) One-off impact of the CHF mortgage loan conversion programme and regulatory changes related to mortgage loans in Romania	-37	-15	-53	-105	-121	-226	-259	-292	-235	-787
(-) Impact of fines imposed by the Hungarian Competition Authority	0	823	0	823	0	823	0	0	0	0
(-) Netting of refunds related to legal cases (accounted for on the Net other non-interest result line) with the release of provisions created earlier for these cases (accounted for on the Other provisions line) from 1Q 2017 at OTP Bank Romania	-96	-33	-67	-196	-20	-216	-77	-40	-48	-165
(+) Presentation of the contribution from discontinued operation on the adjusted P&L lines	124	2,710	-426	2,408	741	3,149	151	183	54	387
(-) Expected one-off negative effect of the debt repayment moratorium in Hungary and Serbia					-1,646	-1,646	0	0	0	0
Net other non-interest result (adj.) with one-offs	**7,472**	**4,691**	**6,405**	**18,568**	**11,042**	**29,610**	**10,836**	**12,899**	**5,304**	**29,039**
(-) Gain on the repurchase of own Upper and Lower Tier2 Capital (booked as Net other non-interest result (adj) at OTP Core and at the Corporate Centre)	0	0	0	0	0	0	-	-	-	-
Net other non-interest result (adj.) without one-offs	**7,472**	**4,691**	**6,405**	**18,568**	**11,042**	**29,610**	**10,836**	**12,899**	**5,304**	**29,039**
Gain from derecognition of financial assets at amortized cost			2,058	2,058	1,322	3,380	10	543	-385	168
(-) Structural adjustment due to the Gain from derecognition of financial assets at amortized cost line (against Gain/loss on securities, net)			1,231	1,231	171	1,402	682	325	57	1,064
(-) Structural adjustment due to the Gain from derecognition of financial assets at amortized cost line (against Provision for impairment on loan and placement losses)			826	826	1,151	1,978	-672	218	-441	-896
Gain from derecognition of financial assets at amortized cost (adj.)			0	0	0	0	0	0	0	0
Provision for impairment on loan and placement losses	**-97,568**	**-27,149**	**-5,749**	**-130,466**	**-71,827**	**-202,293**	**-4,932**	**2,958**	**-21,217**	**-23,191**
(+) Change in the fair value attributable to changes in the credit risk of loans mandatorily measured at fair value through profit of loss					**-3,262**	**-3,262**	**-4,915**	**-2,617**	**-779**	**-8,311**
(+) Loss allowance on securities at fair value through other comprehensive income and on securities at amortized cost	**-133**	**-1,579**	**-3,097**	**-4,809**	**-2,500**	**-7,309**	**-2,378**	**-2,776**	**1,145**	**-4,010**
(+) Provision for commitments and guarantees given	**-5,676**	**-4,744**	**158**	**-10,262**	**1,600**	**-8,662**	**185**	**-1,634**	**-1,514**	**-2,963**
(+) Impairment of assets subject to operating lease and of investment properties	**883**	**12**	**51**	**945**	**-68**	**877**	**337**	**4**	**80**	**422**
(-) Revaluation result of FX provisions	-9,996	2,546	-3,669	-11,118	121	-10,997	0	0	0	0
(-) One-off impact of the CHF mortgage loan conversion programme and regulatory changes related to mortgage loans in Romania	73	90	87	249	210	459	113	94	44	250
(+) Netting of interest revenues on DPD90+ loans with the related provision (booked on the Provision for loan losses line) at OTP Core and CKB	1,792	1,175	479	3,446	2,505	5,951	674	250	676	1,601
(-) Effect of acquisitions	-1,119	-12	-977	-2,107	-42	-2,149	0	0	0	0
(-) Structural correction between Provision for loan losses and Other provisions	-4,926	-6,311	-2,888	-14,126	-968	-15,094	-2,041	-2,772	1,225	-3,588
(+) Presentation of the contribution from discontinued operation on the adjusted P&L lines	10	-2,878	-100	-2,969	-55	-3,024	0	0	0	0
(-) Expected one-off negative effect of the debt repayment moratorium in Hungary and Serbia					-29,543	-29,543	-1	-346	-8,757	-9,104
(+) Structural adjustment due to the *Gain from derecognition of financial assets at amortized cost* line (against *Provision for impairment on loan and placement losses*)			826	826	1,151	1,978	-672	218	-441	-896
Provision for impairment on loan and placement losses (adj.)	**-84,724**	**-31,477**	**15**	**-116,186**	**-42,235**	**-158,421**	**-9,772**	**-573**	**-14,560**	**-24,905**

in HUF million	1Q 20	2Q 20	3Q 20	9M 20	4Q 20 Audited	2020 Audited	1Q 21	2Q 21	3Q 21	9M 21
Dividend income	**115**	**-159**	**854**	**811**	**-284**	**527**	**1,896**	**4,632**	**5,542**	**12,070**
(+) Received cash transfers	2	35	146	183	-117	65	36	15	10	61
(+) Paid cash transfers	-2,351	-1,119	-2,584	-6,054	-6,714	-12,768	-2,043	-3,022	-350	-5,415
(-) Sponsorships, subsidies and cash transfers to public benefit organisations	-2,351	-1,118	-2,569	-6,038	-6,470	-12,508	-2,039	-3,022	-349	-5,410
(-) Dividend income of swap counterparty shares kept under the treasury share swap agreement	0	0	0	0	0	0	0	0	3,809	3,809
(-) Change in shareholders' equity of companies consolidated with equity method, and the change in the net asset value of the private equity funds managed by PortfoLion	85	-277	713	521	-393	128	1,847	4,213	1,444	7,504
(+) Presentation of the contribution from discontinued operation on the adjusted P&L lines	1	0	7	8	0	8	0	0	0	0
After tax dividends and net cash transfers	**33**	**152**	**279**	**464**	**-252**	**213**	**82**	**433**	**299**	**813**
Depreciation	**-21,771**	**-22,740**	**-23,045**	**-67,556**	**-25,206**	**-92,762**	**-23,424**	**-23,280**	**-23,578**	**-70,282**
(-) Effect of acquisitions	-1,970	-1,919	-1,713	-5,602	-1,813	-7,415	-1,662	-1,465	-1,350	-4,477
(-) Reclassification due to the introduction of IFRS16	-4,214	-4,076	-4,030	-12,321	-4,126	-16,447	-4,033	-3,868	-3,973	-11,874
(+) Presentation of the contribution from discontinued operation on the adjusted P&L lines	-419	-371	-419	-1,209	-176	-1,385	-8	-9	-3	-20
Depreciation (adj.)	**-16,005**	**-17,116**	**-17,721**	**-50,842**	**-19,444**	**-70,286**	**-17,737**	**-17,955**	**-18,258**	**-53,951**
Personnel expenses	**-77,901**	**-76,323**	**-75,234**	**-229,458**	**-79,184**	**-308,643**	**-78,739**	**-80,819**	**-81,584**	**-241,142**
(-) Effect of acquisitions	-375	-1,424	-385	-2,184	-601	-2,785	95	-228	-413	-547
(+) Presentation of the contribution from discontinued operation on the adjusted P&L lines	-1,788	-1,828	-1,773	-5,389	-1,248	-6,638	-126	-130	-43	-298
Personnel expenses (adj.)	**-79,314**	**-76,727**	**-76,622**	**-232,663**	**-79,832**	**-312,495**	**-78,960**	**-80,721**	**-81,213**	**-240,894**
Income taxes	**-1,519**	**-9,637**	**-14,618**	**-25,774**	**-1,603**	**-27,376**	**-17,998**	**-16,622**	**-22,129**	**-56,749**
(-) Corporate tax impact of goodwill/investment impairment charges	0	886	0	886	0	886	657	-1,375	0	-718
(-) Corporate tax impact of the special tax on financial institutions	1,651	116	3	1,770	3	1,773	1,785	0	2	1,787
(+) Tax deductible transfers (offset against corporate taxes)	0	0	-2,114	-2,114	-5,969	-8,083	-334	-1,993	-5	-2,332
(-) Corporate tax impact of the effect of fines imposed by the Hungarian Competition Authority	0	-74	0	-74	0	-74	0	0	0	0
(-) Corporate tax impact of the effect of acquisitions	-1,137	124	232	-781	1,279	497	89	4,068	938	5,096
(+) Presentation of the contribution from discontinued operation on the adjusted P&L lines	13	-134	16	-105	25	-80	-15	-1	-2	-18
(-) Corporate tax impact of the expected one-off negative effect of the debt repayment moratorium in Hungary and Serbia	1,998	-198	-73	1,727	1,185	2,913	0	552	910	1,462
(-) Corporate tax impact of the result of the treasury share swap agreement							233	-7	-257	-31
Corporate income tax (adj.)	**-4,018**	**-10,624**	**-16,879**	**-31,521**	**-10,013**	**-41,534**	**-21,111**	**-21,853**	**-23,730**	**-66,695**
Other operating expense	**-30,844**	**-2,889**	**-7,012**	**-40,745**	**1,297**	**-39,447**	**-11,991**	**-25,197**	**-25,440**	**-62,628**
(-) Other costs and expenses	-1,356	-1,823	-1,757	-4,936	-2,570	-7,506	-1,179	-1,646	-1,577	-4,402
(-) Other non-interest expenses	-5,417	-2,116	-3,839	-11,372	-7,197	-18,568	-14,307	-11,636	-11,099	-37,042
(-) Effect of acquisitions	89	38	0	127	896	1,022	0	0	0	0
(-) Revaluation result of FX provisions	-107	7	-47	-146	5	-141	0	0	0	0
(-) One-off impact of the CHF mortgage loan conversion programme and regulatory changes related to mortgage loans in Romania	-36	-74	-33	-144	-90	-233	147	199	191	537
(-) Netting of refunds related to legal cases (accounted for on the Net other non-interest result line) with the release of provisions created earlier for these cases (accounted for on the Other provisions line) from 1Q 2017 at OTP Bank Romania	96	33	67	196	20	216	77	40	48	165
(+) Structural correction between *Provision for loan losses* and *Other provisions*	-4,926	-6,311	-2,888	-14,126	-968	-15,094	-2,041	-2,772	1,225	-3,588
(+) Presentation of the contribution from discontinued operation on the adjusted P&L lines	-81	-123	-26	-230	-13	-243	0	3	1	4
(-) Expected one-off negative effect of the debt repayment moratorium in Hungary and Serbia	-22,150	2,186	804	-19,159	19,159	0	0	-5,793	-1,350	-7,142
Other provisions (adj.)	**-6,969**	**-7,574**	**-5,122**	**-19,665**	**-9,908**	**-29,574**	**1,229**	**-9,130**	**-10,427**	**-18,328**

in HUF million	1Q 20	2Q 20	3Q 20	9M 20	4Q 20 Audited	2020 Audited	1Q 21	2Q 21	3Q 21	9M 21
Other administrative expenses	**-89,917**	**-66,501**	**-70,212**	**-226,631**	**-79,632**	**-306,263**	**-89,543**	**-68,038**	**-70,518**	**-228,099**
(+) Other costs and expenses	-1,356	-1,823	-1,757	-4,936	-2,570	-7,506	-1,179	-1,646	-1,577	-4,402
(+) Other non-interest expenses	-5,417	-2,116	-3,839	-11,372	-7,197	-18,568	-14,307	-11,636	-11,099	-37,042
(-) Paid cash transfers	-2,351	-1,119	-2,584	-6,054	-6,714	-12,768	-2,043	-3,022	-350	-5,415
(+) Film subsidies and cash transfers to public benefit organisations	-2,351	-1,118	-2,569	-6,038	-6,470	-12,508	-2,039	-3,022	-349	-5,410
(-) Other other non-interest expenses	-3,066	-997	-1,255	-5,317	-483	-5,800	-12,264	-8,614	-10,749	-31,626
(-) Special tax on financial institutions (recognised as other administrative expenses)	-18,385	-710	-24	-19,119	-19	-19,138	-20,658	-4	-7	-20,668
(-) Tax deductible transfers (offset against corporate taxes)	0	0	-2,114	-2,114	-5,969	-8,083	-334	-1,993	-5	-2,332
(-) Financial Transaction Tax	-17,739	-12,100	-15,287	-45,127	-16,461	-61,588	-17,353	-15,423	-16,854	-49,631
(-) Effect of acquisitions	-2,134	-3,096	-1,692	-6,922	-3,018	-9,940	-1,401	-2,330	-2,331	-6,062
(+) Reclassification due to the introduction of IFRS16	-4,633	-4,494	-4,404	-13,531	-4,538	-18,069	-4,432	-4,245	-4,351	-13,028
(+) Presentation of the contribution from discontinued operation on the adjusted P&L lines	-1,372	-1,312	-906	-3,590	-515	-4,105	-44	-45	-17	-106
Other non-interest expenses (adj.)	**-61,371**	**-59,341**	**-60,732**	**-181,444**	**-68,258**	**-249,702**	**-57,491**	**-57,245**	**-57,615**	**-172,352**

ADJUSTMENTS OF CONSOLIDATED IFRS BALANCE SHEET LINES

in HUF million	3Q 2020	4Q 2020	1Q 2021	2Q 2021	3Q 2021
Cash, amounts due from Banks and balances with the National Banks	2,095,024	2,432,312	2,342,423	1,983,486	2,241,691
(+) Allocation of *Assets classified as held for sale* among balance sheet lines	45,640	3	3	4	0
Cash, amounts due from Banks and balances with the National Banks (adjusted)	2,140,664	2,432,314	2,342,426	1,983,490	2,241,691
Placements with other banks, net of allowance for placement losses	985,289	1,148,744	1,601,813	1,727,059	1,896,258
(+) Allocation of *Assets classified as held for sale* among balance sheet lines	700	244	243	235	0
Placements with other banks, net of allowance for placement losses (adjusted)	985,989	1,148,987	1,602,056	1,727,294	1,896,258
Financial assets at fair value through profit or loss	273,658	234,006	258,432	234,797	305,830
(+) Allocation of Assets classified as held for sale among balance sheet lines	895	1,188	1,192	1,169	0
Financial assets at fair value through profit or loss (adjusted)	274,553	235,194	259,625	235,966	305,830
Securities at fair value through other comprehensive income	2,132,672	2,136,709	2,171,807	2,128,322	2,196,056
(+) Allocation of Assets classified as held for sale among balance sheet lines	2	3,410	3,359	3,261	0
Securities at fair value through other comprehensive income (adjusted)	2,132,675	2,140,118	2,175,165	2,131,583	2,196,056
Gross customer loans (incl. finance lease receivables and accrued interest receivables related to loans)	14,009,197	14,401,930	14,642,446	14,944,035	15,782,701
(-) Accrued interest receivables related to DPD90+ / Stage 3 loans	41,753	38,650	39,144	39,294	40,530
(+) Allocation of *Assets classified as held for sale* among balance sheet lines	427,135	0	0	0	0
Gross customer loans (adjusted)	14,394,579	14,363,281	14,603,302	14,904,741	15,742,171
Allowances for loan losses (incl. impairment of finance lease receivables)	-836,108	-873,344	-891,191	-878,095	-914,664
(-) Allocated provision on accrued interest receivables related to DPD90+ / Stage 3 loans	-41,753	-38,650	-39,144	-39,294	-40,530
(+) Allocation of *Assets classified as held for sale* among balance sheet lines	-26,026	0	0	0	0
Allowances for loan losses (adjusted)	-820,381	-834,695	-852,047	-838,801	-874,134
Securities at amortized costs	2,539,696	2,624,921	2,959,925	3,232,248	3,466,531
(+) Allocation of *Assets classified as held for sale* among balance sheet lines	30,114	1,031	1,030	998	0
Securities at amortized costs (adjusted)	2,569,810	2,625,952	2,960,955	3,233,246	3,466,531
Tangible and intangible assets, net	582,246	589,743	639,144	643,541	664,204
(+) Allocation of *Assets classified as held for sale* among balance sheet lines	10,615	135	125	112	0
Tangible and intangible assets, net (adjusted)	592,861	589,878	639,269	643,653	664,204
Other assets	895,791	588,378	544,239	495,303	493,538
(+) Allocation of *Assets classified as held for sale* among balance sheet lines	-489,075	-6,010	-5,953	-5,779	0
Other assets (adjusted)	406,717	582,368	538,287	489,524	493,538
Amounts due to banks, the National Governments, deposits from the National Banks and other banks, and Financial liabilities designated at fair value through profit or loss	1,112,487	1,219,446	1,441,234	1,638,688	1,667,300
(+) Allocation of Liabilities directly associated with assets classified as held-for-sale among balance sheet lines	1,591	0	0	0	0
Amounts due to banks, the National Governments, deposits from the National Banks and other banks, and Financial liabilities designated at fair value through profit or loss (adjusted)	1,114,078	1,219,446	1,441,234	1,638,688	1,667,300
Deposits from customers	16,951,337	17,890,863	18,383,167	18,258,677	19,677,002
(+) Allocation of *Liabilities directly associated with assets classified as held-for-sale* among balance sheet lines	372,967	0	0	0	0
Deposits from customers (adjusted)	17,324,304	17,890,863	18,383,167	18,258,677	19,677,002
Other liabilities	1,454,404	949,502	1,088,839	1,192,470	1,366,754
(+) Allocation of *Liabilities directly associated with assets classified as held-for-sale* among balance sheet lines	-374,558	0	0	0	0
Other liabilities (adjusted)	1,079,846	949,502	1,088,839	1,192,470	1,366,754

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