



OTP BANK PLC.

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

**FOR THE YEAR ENDED
31 DECEMBER 2021**

OTP BANK PLC.

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OTP BANK PLC.
SEPARATE STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021 (UNAUDITED)
(in HUF mn)

	2021	2020 Reclassified
Cash, amounts due from banks and balances with the National Bank of Hungary	474,945	579,120
Placements with other banks, net of allowance for placement losses	2,567,212	1,535,884
Repo receivables	33,638	183,364
Financial assets at fair value through profit or loss	246,462	160,483
Financial assets at fair value through other comprehensive income	641,939	911,950
Securities at amortised cost	3,071,038	2,007,692
Loans at amortised cost	4,032,465	3,417,760
Loans mandatorily measured at fair value through profit or loss	662,012	480,937
Investments in subsidiaries	1,573,008	1,548,972
Property and equipment	81,817	77,974
Intangible assets	62,161	57,639
Right of use assets	17,231	13,479
Investment properties	4,328	1,936
Current tax assets	-	593
Derivative financial assets designated as hedge accounting relationships	17,727	6,817
Other assets	<u>224,488</u>	<u>169,794</u>
TOTAL ASSETS	<u>13,710,471</u>	<u>11,154,394</u>
Amounts due to banks and deposits from the National Bank of Hungary and other banks	1,051,203	766,977
Repo liabilities	86,580	109,612
Deposits from customers	9,948,532	7,895,735
Leasing liabilities	17,932	14,106
Liabilities from issued securities	22,153	28,435
Financial liabilities at fair value through profit or loss	20,133	25,902
Derivative financial liabilities designated as held for trading	192,261	99,987
Derivative financial liabilities designated as hedge accounting relationships	18,690	3,104
Deferred tax liabilities	1,507	3,062
Current tax liabilities	4,776	1,464
Provisions	21,527	19,906
Other liabilities	238,437	203,527
Subordinated bonds and loans	<u>271,776</u>	<u>304,243</u>
TOTAL LIABILITIES	<u>11,895,507</u>	<u>9,476,060</u>
Share capital	28,000	28,000
Retained earnings and reserves	1,845,836	1,697,133
Treasury shares	<u>(58,872)</u>	<u>(46,799)</u>
TOTAL SHAREHOLDERS' EQUITY	<u>1,814,964</u>	<u>1,678,334</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>13,710,471</u>	<u>11,154,394</u>

OTP BANK PLC.
SEPARATE CONDENSED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED
31 DECEMBER 2021 (UNAUDITED)
(in HUF mn)

	Year ended 31 December 2021	Year ended 31 December 2020 Reclassified
Interest income and similar to interest income total	408,036	321,296
Interest expenses total	<u>(155,491)</u>	<u>(99,630)</u>
NET INTEREST INCOME	<u>252,545</u>	<u>221,666</u>
Risk cost total	(56,710)	(63,126)
NET INTEREST INCOME AFTER RISK COST	<u>195,835</u>	<u>158,540</u>
Gains / (Losses) arising from derecognition of financial assets measured at amortised cost	(2,700)	(3,279)
Modification loss	(7,017)	(17,358)
Net profit from fees and commissions	248,527	219,031
Net operating income	62,074	60,272
Other administrative expenses	<u>(355,429)</u>	<u>(311,611)</u>
PROFIT BEFORE INCOME TAX	141,290	105,595
Income tax	<u>(15,951)</u>	<u>(13,121)</u>
NET PROFIT FOR THE YEAR	<u>125,339</u>	<u>92,474</u>
Earnings per share (in HUF)		
Basic	<u>455</u>	<u>333</u>
Diluted	<u>455</u>	<u>333</u>

OTP BANK PLC.
SEPARATE CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR YEAR ENDED
31 DECEMBER 2021 (UNAUDITED)
(in HUF mn)

The comprehensive income items are as follows:

	Year ended 31 December 2021	Year ended 31 December 2020
NET PROFIT FOR THE YEAR	<u>125,339</u>	<u>92,474</u>
Items that may be reclassified subsequently to profit or loss:		
Fair value adjustment of debt instruments at fair value through other comprehensive income	(37,163)	(14,459)
Deferred tax (9%) related to fair value adjustment of debt instruments at fair value through other comprehensive income	3,410	1,262
Gains / (Losses) on separated currency spread of financial instruments designated as hedging instrument	1,681	(1,526)
Deferred tax (9%) related to (losses) / gains on separated currency spread of financial instruments designated as hedging instrument	(151)	137
(Losses) / Gains on derivative financial instruments designated as cash flow hedge	(6,307)	(296)
Deferred tax (9%) related to gains on derivative financial instruments designated as cash flow hedge	-	27
Items that will not be reclassified to profit or loss:		
Fair value adjustment of equity instruments at fair value through other comprehensive income	1,407	(3,275)
Deferred tax (9%) related to equity instruments at fair value through other comprehensive income	<u>(281)</u>	<u>310</u>
Total	<u>(37,404)</u>	<u>(17,820)</u>
TOTAL COMPREHENSIVE INCOME	<u>87,935</u>	<u>74,654</u>

OTP BANK PLC.
SEPARATE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED
31 DECEMBER 2021 (UNAUDITED)
(in HUF mn)

	Share Capital	Capital reserve	Retained earnings and other reserves	Treasury Shares	Total
Balance as at 1 January 2020	28,000	52	1,628,302	(2,636)	1,653,718
Net profit for the period	-	-	92,474	-	92,474
Other comprehensive income	=	=	<u>(17,820)</u>	=	<u>(17,820)</u>
Total comprehensive income	=	=	<u>74,654</u>	=	<u>74,654</u>
Share-based payment	-	-	3,394	-	3,394
Payments to ICES holders	-	-	(4,853)	-	(4,853)
Sale of treasury shares	-	-	-	41,759	41,759
Acquisition of treasury shares	-	-	-	(85,922)	(85,922)
Loss on treasury shares	=	=	<u>(4,416)</u>	=	<u>(4,416)</u>
Other transaction with owners	=	=	<u>(5,875)</u>	<u>(44,163)</u>	<u>(50,038)</u>
Balance as at 31 December 2020	<u>28,000</u>	<u>52</u>	<u>1,697,081</u>	<u>(46,799)</u>	<u>1,678,334</u>
Balance as at 1 January 2021	28,000	52	1,697,081	(46,799)	1,678,334
Modification due to accounting error	-	-	1,034	-	1,034
Balance as at 1 January 2021	28,000	52	1,698,115	(46,799)	1,679,368
Net profit for the period	-	-	125,339	-	125,339
Other comprehensive income	=	=	<u>(37,404)</u>	=	<u>(37,404)</u>
Total comprehensive income	=	=	<u>87,935</u>	=	<u>87,935</u>
Share-based payment	-	-	3,589	-	3,589
Payments to ICES holders	-	-	(3,734)	-	(3,734)
Increase due to termination of ICES bonds	-	-	75,422	-	75,422
Sale of treasury shares	-	-	-	264,360	264,360
Acquisition of treasury shares	-	-	-	(276,433)	(276,433)
Loss on sale of treasury shares	-	-	(15,543)	-	(15,543)
Other transaction with owners	=	=	<u>59,734</u>	<u>(12,073)</u>	<u>47,661</u>
Balance as at 31 December 2021	<u>28,000</u>	<u>52</u>	<u>1,845,784</u>	<u>(58,872)</u>	<u>1,814,964</u>

OTP BANK PLC.
SEPARATE CONDENSED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED
31 DECEMBER 2021 (UNAUDITED)
(in HUF mn)

	Year ended 31 December 2021	Year ended 31 December 2020
Profit before income tax	141,290	93,246
Net accrued interest	(2,205)	(34,365)
Income tax paid	(1,635)	(1,449)
Depreciation and amortization	40,784	38,997
Loss allowance / (Release of loss allowance)	68,257	79,831
Share-based payment	3,589	3,394
Unrealised losses / (gains) on fair value adjustment of financial instruments at fair value through profit or loss	23,051	3,549
Unrealised (gains)/losses on fair value adjustment of derivative financial instruments	30,962	4,011
Gains on securities	6,212	(6,433)
Interest expense from leasing liabilities	(214)	(257)
Foreign exchange loss	35,136	(4,476)
Proceeds from sale of tangible and intangible assets	82	72
Net change in assets and liabilities in operating activities	<u>408,124</u>	<u>159,717</u>
Net cash provided by operating activities	<u>753,433</u>	<u>335,837</u>
Net (used in) / provided by cash used in investing activities	<u>(807,585)</u>	<u>20,228</u>
Net cash used in financing activities	<u>(73,293)</u>	<u>(77,609)</u>
Net (decrease) / increase in cash and cash equivalents	<u>(127,445)</u>	<u>278,456</u>
Cash and cash equivalents at the beginning of the year	<u>503,087</u>	<u>224,631</u>
Cash and cash equivalents at the end of the year	<u>375,642</u>	<u>503,087</u>

NOTE 1: ORGANIZATION AND BASIS OF FINANCIAL STATEMENTS

1.1. General information

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

1.2. Accounting

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

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

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

Comparative figures - Reclassification of certain local taxes

The Bank has reviewed prescriptions related to local taxes, the determination of their tax base and their effects on payment obligation. As a result of the review the local business tax and innovation contribution have been reclassified to income tax in line with banking industry practice. In the financial statements prepared for the year ended 31 December 2021 the Bank presents these taxes as income tax and reclassified the financial information for comparative periods.

The impact of the reclassification of comparative information is summarized in the following tables:

Statement of Financial Position

Line item	31 December 2021	31 December 2020 after reclassification	Reclassification of amounts related to local taxes	31 December 2020 Previously presented
Current tax liabilities	4,776	1,464	1,464	-
Other liabilities	238,437	223,433	(1,464)	224,897
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	13,710,471	11,154,394	-	11,154,394

Statement of Profit or Loss

Line item	31 December 2021	31 December 2020 after reclassification	Reclassification of amounts related to local taxes	31 December 2020 Previously presented
Taxes, other than income tax	81,171	73,384	(12,349)	85,733
Other administrative expenses	<u>(178,611)</u>	<u>(178,863)</u>	<u>(12,349)</u>	<u>(166,514)</u>
OTHER ADMINISTRATIVE EXPENSES	<u>(355,429)</u>	<u>(336,309)</u>	<u>(12,349)</u>	<u>(323,960)</u>
PROFIT BEFORE INCOME TAX	141,290	80,897	(12,349)	93,246
Income tax	(15,951)	11,577	12,349	(772)
NET PROFIT FOR THE YEAR	125,339	92,474	-	92,474

NOTE 2: SIGNIFICANT EVENTS DURING THE YEAR ENDED 31 DECEMBER 2021

- 1) **Capital increase in OTP Bank Romania**
- 2) **Purchase in Slovenia**
- 3) **Capital increase in OTP Bank Srbija**
- 4) **Potential acquisition of Uzbek Ipoteka Bank**
- 5) **Acquisition of Alpha Banka**

See details about the event above in Note 8.

6) Discontinuance of international arbitration proceedings

30 June 2021 OTP Bank has jointly with the Republic of Croatia requested the discontinuance of the international arbitration proceedings – registered on 16 October 2020 relating to mandatory exchange of FX loans and FX based consumer loans – from the Centre for Settlement of Investment Disputes (ICSID), due to the fact that the parties have resolved their disputes by way of mutual consent. The ICSID Secretary has on 30 June 2021 acknowledged receipt of the joint claim of the contending parties relating the discontinuance of the proceedings. According to the request of the parties, ICSID shall also formally confirm the termination of the litigation during 2021.

7) Termination of ICES bond

On 14 September 2021 the Bank claimed to terminate the subordinated swap agreement related to ICES transaction as at 29 October 2021, and to exercise its option for repurchasing approximately 14.5 million OTP ordinary shares held by Opus at market price based on the agreement. On the same day the Bank recognised liability due to Opus as a reduction of EUR 514 million in the shareholder's equity.

Treasury shares were repurchased on 29 October 2021 on a price HUF 18.118 and on the same day the swap transaction was financially settled. As a result of the closure of the subordinated swap agreement the Bank's shareholder's equity increased by HUF 75.422 million as follows:

		in HUF mn
Recognition of liability against shareholder's equity	179,767	equity decrease
Payment of price for treasury shares by Opus	262,648	equity increase
Tax effect accounted in retained earnings	7,459	equity decrease

Approximately 12 million treasury shares were sold to OTP SECOP I. ('OTP Special Employee Stock Ownership Program') and OTP SECOP II.

8) Resolutions made at OTP Bank's Extraordinary General Meeting

The Extraordinary General Meeting held on 15 October, 2021 resolved that, the Bank shall sell its treasury shares on the stock exchange to those two Special Employee Stock Ownership Program organizations being established by the Bank employees ("OTP SECOP I." and "OTP SECOP II.").

The Extraordinary General Meeting decided that if additional SECOP organisations will be initiated, those will be given one-off support on a yearly basis, under defined conditions, defined extent and in specified manner.

NOTE 3: SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

In the second half of February 2022 the military conflict between Russia and Ukraine escalated and Russian troops intruded into Ukrainian territories starting a general offensive.

NOTE 4:	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (in HUF mn)	
	2021	2020
Held for trading securities:		
Government bonds	30,827	6,031
Other non-interest bearing securities	1,134	1,964
Hungarian government discounted Treasury Bills	869	1,233
Corporate shares and investments	599	426
Mortgage bonds	116	-
Other securities	<u>2,088</u>	<u>2,075</u>
Subtotal	<u>35,633</u>	<u>11,729</u>
Securities mandatorily measured at fair value through profit or loss		
Shares in investment funds	25,126	23,818
Bonds	-	5,342
Shares	<u>2,935</u>	<u>2,776</u>
Subtotal	<u>28,061</u>	<u>31,936</u>
Held for trading derivative financial instruments:		
Foreign currency swaps	38,811	41,852
Interest rate swaps	59,097	34,256
CCIRS and mark-to-market CCIRS swaps	11,649	7,359
Other derivative transactions	<u>73,211</u>	<u>33,351</u>
Subtotal	<u>182,768</u>	<u>116,818</u>
Total	<u>246,462</u>	<u>160,483</u>
NOTE 5:	FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (in HUF mn)	
	2021	2020
Securities at fair value through other comprehensive income		
Government bonds	278,876	488,459
Mortgage bonds	217,941	332,667
Interest bearing treasury bills	63,115	9,957
Other securities	64,870	65,136
listed securities	<u>43,759</u>	<u>42,776</u>
in HUF	2,896	2,968
in foreign currency	40,863	39,808
-non-listed securities	<u>21,111</u>	<u>22,360</u>
in HUF	15,487	16,782
in foreign currency	5,624	5,578
Subtotal	<u>624,802</u>	<u>896,219</u>
Non-trading equity instruments		
-non-listed securities	<u>17,137</u>	<u>15,731</u>
in HUF	528	528
in foreign currency	16,609	15,203
	<u>17,137</u>	<u>15,731</u>
Securities at fair value through other comprehensive income total	<u>641,939</u>	<u>911,950</u>

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

	2021	2020
Government bonds	2,863,259	1,947,821
Other bonds	190,155	63,159
Mortgage bonds	<u>24,309</u>	-
Subtotal	<u>3,077,723</u>	<u>2,010,980</u>
Loss allowance	<u>(6,685)</u>	<u>(3,288)</u>
Total	<u>3,071,038</u>	<u>2,007,692</u>

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

	2021	2020
Balance as at 1 January	3,288	1,443
Reclassification	1,281	-
Balance as at 1 January	4,569	1,443
Loss allowance	4,404	4,820
Release of loss allowance	(2,370)	(2,977)
FX movement	<u>82</u>	<u>2</u>
Closing balance	<u>6,685</u>	<u>3,288</u>

NOTE 7: LOANS (in HUF mn)

Loans mandatorily measured at fair value through profit or loss

	2021	2020
Within one year	32,091	25,732
Over one year	<u>629,921</u>	<u>455,205</u>
Loans measured at fair value through profit or loss total	<u>662,012</u>	<u>480,937</u>

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

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

	2021	2020
Within one year	2,125,908	1,793,352
Over one year	<u>2,062,114</u>	<u>1,748,078</u>
Loans at amortised cost gross total	<u>4,188,022</u>	<u>3,541,430</u>
Loss allowance on loan losses	<u>(155,557)</u>	<u>(123,670)</u>
Loans at amortised cost total	<u>4,032,465</u>	<u>3,417,760</u>

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

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

	2021	2020
In HUF	62%	61%
In foreign currency	<u>38%</u>	<u>39%</u>
Total	<u>100%</u>	<u>100%</u>

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

	2021	2020
Balance as at 1 January	123,670	72,066
Reclassification	(1,281)	-
Balance as at 1 January	122,389	72,066
Loss allowance	221,084	213,618
Release of loss allowance	(180,291)	(156,383)
Use of loss allowance	(6,951)	(6,228)
Partial write-off	(1,733)	(2,797)
FX movement	<u>1,059</u>	<u>3,394</u>
Closing balance	<u>155,557</u>	<u>123,670</u>

NOTE 8: INVESTMENTS IN SUBSIDIARIES (in HUF mn)

	2021	2020
Investments in subsidiaries:		
Controlling interest	2,006,178	1,965,197
Other	<u>16,086</u>	<u>8,938</u>
Subtotal	<u>2,022,264</u>	<u>1,974,135</u>
 Impairment loss	 <u>(449,256)</u>	 <u>(425,163)</u>
 Total	 <u>1,573,008</u>	 <u>1,548,972</u>

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

	2021	2020
Balance as at 1 January	425,163	427,770
Impairment loss for the period	59,132	10,052
Reversal of impairment loss	(31,712)	(10)
Use of impairment loss	<u>(3,327)</u>	<u>(12,649)</u>
Closing balance	<u>449,256</u>	<u>425,163</u>

The Romanian Court of Registration registered a capital increase at OTP Bank Romania SA, the Romanian subsidiary of OTP Bank. Accordingly, the registered capital of the Romanian subsidiary of OTP Bank was increased to RON 2,079,253,200 from RON 1,829,253,120.

TP Bank signed a share sale and purchase agreement on purchasing 100% shareholding of Nova KBM d.d. and its subsidiaries, which are 80% owned by funds managed by affiliates of Apollo Global Management, Inc. and 20% by EBRD. With a market share of 20.5% by total assets as of December 2020, Nova KBM d.d. is the 2nd largest bank in the Slovenian banking market and as a universal bank it has been active in the retail and corporate segments as well.

Serbian Court of Registration registered a capital increase at OTP banka Srbija a.d. Novi Sad, the Serbian subsidiary of OTP Bank. Accordingly, the registered capital of the Serbian subsidiary of OTP Bank was increased to RSD 56,830,752,260 from RSD 55,330,780,140.

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.

OTP Bank signed an acquisition agreement with Alpha International Holdings Single Member S.A. on purchasing 100% shareholding of Alpha Bank SH.A., the Albanian subsidiary of the Greek Alpha Bank S.A. The purchase price has been agreed at Euro 55 million.

NOTE 9: DEPOSITS FROM CUSTOMERS (in HUF mn)

	2021	2020
Within one year:		
In HUF	7,823,118	6,412,897
In foreign currency	<u>2,079,643</u>	<u>1,438,255</u>
	<u>9,902,761</u>	<u>7,851,152</u>
Over one year:		
In HUF	<u>45,771</u>	<u>44,583</u>
	<u>45,771</u>	<u>44,583</u>
Subtotal	<u>9,948,532</u>	<u>7,895,735</u>

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

	2021		2020	
Retail deposits	4,475,933	45%	3,840,950	49%
Household deposits	4,475,933	45%	3,840,950	49%
Corporate deposits	5,472,599	55%	4,054,785	51%
Deposits to medium and large corporates	4,639,198	47%	3,301,434	42%
Municipality deposits	<u>833,401</u>	<u>8%</u>	<u>753,351</u>	<u>10%</u>
Total	<u>9,948,532</u>	<u>100%</u>	<u>7,895,735</u>	<u>100%</u>

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

	2021	2020
Within one year:		
In HUF	12,048	11,115
In foreign currency	-	<u>1,356</u>
	<u>12,048</u>	<u>12,471</u>
Over one year:		
In HUF	10,105	15,964
	<u>10,105</u>	<u>15,964</u>
Total	<u>22,153</u>	<u>28,435</u>

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

Contingent liabilities and commitments

	2021	2020
Loan commitments	1,677,030	1,441,060
Guarantees arising from banking activities	1,507,917	1,419,543
<i>from this: Payment undertaking liabilities (related to issue of mortgage bonds) of OTP Mortgage Bank</i>	746,476	683,736
Factoring loan commitments	423,673	305,269
Confirmed letters of credit	<u>30,381</u>	<u>5,039</u>
Contingent liabilities and commitments total in accordance with IFRS 9	<u>3,639,001</u>	<u>3,170,911</u>
Legal disputes (disputed value)	3,204	4,720
Contingent liabilities related to payments from shares in venture capital fund	47,550	32,712
Other	<u>408</u>	<u>602</u>
Contingent liabilities and commitments total in accordance with IAS 37	<u>51,162</u>	<u>38,034</u>
Total	<u>3,690,163</u>	<u>3,208,945</u>

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

The Bank believes that the various asserted claims and litigations in which it is involved will not materially affect its financial position, future operating results or cash flows, although no assurance can be given with respect to the ultimate outcome of any such claim or litigation.

Provision due to legal disputes was HUF 259 million and HUF 199 million as at 2021 and 2020, respectively.

NOTE 12: DERIVATIVE FINANCIAL INSTRUMENTS (in HUF mn)
Fair value of derivative instruments

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

	31 December 2021					31 December 2020				
	Before netting		Netting	After netting		Before netting		Netting	After netting	
	Assets	Liabilities		Assets	Liabilities	Assets	Liabilities		Assets	Liabilities
Held for trading derivative financial instruments										
Interest rate derivatives										
Interest rate swaps	54,251	(53,720)	40,783	13,468	(12,937)	30,216	(28,474)	8,984	21,232	(19,490)
Cross currency interest rate swaps	7,207	(7,618)	-	7,207	(7,618)	7,315	(7,285)	-	7,315	(7,285)
OTC options	479	(479)	-	479	(479)	356	(356)	-	356	(356)
Total interest rate derivatives (OTC derivatives)	61,937	(61,817)	40,783	21,154	(21,034)	37,887	(36,115)	8,984	28,903	(27,131)
<i>From this: Interest rate derivatives cleared by NBH</i>	<i>1,276</i>	<i>-</i>	<i>-</i>	<i>1,276</i>	<i>-</i>	<i>5</i>	<i>(72)</i>	<i>-</i>	<i>5</i>	<i>(72)</i>
Foreign exchange derivatives										
Foreign exchange swaps	36,896	(40,639)	-	36,896	(40,639)	39,644	(30,374)	-	39,644	(30,374)
Foreign exchange forward	8,854	(6,819)	-	8,854	(6,819)	6,990	(9,869)	-	6,990	(9,869)
OTC options	804	(180)	-	804	(180)	3,909	(3,836)	-	3,909	(3,836)
Foreign exchange spot conversion	175	(246)	=	175	(246)	619	(704)	=	619	(704)
Total foreign exchange derivatives (OTC derivatives)	46,729	(47,884)	=	46,729	(47,884)	51,162	(44,783)	=	51,162	(44,783)
<i>From this: Foreign exchange derivatives cleared by NBH</i>	<i>3,447</i>	<i>(1,480)</i>	<i>-</i>	<i>3,447</i>	<i>(1,480)</i>	<i>5,211</i>	<i>(1,852)</i>	<i>-</i>	<i>5,211</i>	<i>(1,852)</i>

NOTE 12: DERIVATIVE FINANCIAL INSTRUMENTS (in HUF mn) [continued]
Fair value of derivative instruments [continued]

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

	31 December 2021			31 December 2020						
	Before netting Assets	Liabilities	Netting	After netting Assets	Liabilities	Before netting Assets	Liabilities	Netting	After netting Assets	Liabilities
Equity stock and index derivatives										
Commodity Swaps	52,197	(52,166)	-	52,197	(52,166)	13,999	(12,901)	-	13,999	(12,901)
Equity swaps	<u>10,538</u>	<u>(357)</u>	-	<u>10,538</u>	<u>(357)</u>	<u>7,071</u>	<u>(560)</u>	-	<u>7,071</u>	<u>(560)</u>
OTC derivatives	<u>62,735</u>	<u>(52,523)</u>	-	<u>62,735</u>	<u>(52,523)</u>	<u>21,070</u>	<u>(13,461)</u>	-	<u>21,070</u>	<u>(13,461)</u>
Exchange traded futures and options	164	(278)	-	164	(278)	379	(1,262)	-	379	(1,262)
Total equity stock and index derivatives	<u>62,899</u>	<u>(52,801)</u>	-	<u>62,899</u>	<u>(52,801)</u>	<u>21,449</u>	<u>(14,723)</u>	-	<u>21,449</u>	<u>(14,723)</u>
Derivatives held for risk management not designated in hedges										
Interest rate swaps	51,311	(70,811)	5,682	45,629	(65,129)	25,760	(22,058)	12,736	13,024	(9,322)
Foreign exchange swaps	1,915	(5,245)	-	1,915	(5,245)	2,208	(3,953)	-	2,208	(3,953)
Forward	-	-	-	-	-	28	(75)	-	28	(75)
Cross currency interest rate swaps	<u>4,442</u>	<u>(168)</u>	-	<u>4,442</u>	<u>(168)</u>	<u>44</u>	-	-	<u>44</u>	-
Total derivatives held for risk management not designated in hedges	<u>57,668</u>	<u>(76,224)</u>	<u>5,682</u>	<u>51,986</u>	<u>(70,542)</u>	<u>28,040</u>	<u>(26,086)</u>	<u>12,736</u>	<u>15,304</u>	<u>(13,350)</u>
<i>From this: Total derivatives cleared by NBH held for risk management</i>	<i>35,226</i>	<i>(497)</i>	<i>-</i>	<i>35,226</i>	<i>(497)</i>	<i>759</i>	<i>(6,269)</i>	<i>-</i>	<i>759</i>	<i>(6,269)</i>
Total Held for trading derivative financial instruments	<u>229,233</u>	<u>(238,726)</u>	<u>46,465</u>	<u>182,768</u>	<u>(192,261)</u>	<u>138,538</u>	<u>(121,707)</u>	<u>21,720</u>	<u>116,818</u>	<u>(99,987)</u>
Derivative financial instruments designated as hedge accounting relationships										
Derivatives designated in cash flow hedges										
Interest rate swaps	-	(8,638)	1,020	(1,020)	(7,618)	8,027	-	8,027	-	8,027
Total derivatives designated in cash flow hedges	-	<u>(8,638)</u>	<u>1,020</u>	<u>(1,020)</u>	<u>(7,618)</u>	<u>8,027</u>	-	<u>8,027</u>	-	<u>8,027</u>
Derivatives designated in fair value hedges										
Interest rate swaps	25,407	(17,878)	12,131	13,276	(5,747)	2,432	(7,061)	1,795	637	(5,266)
Cross currency interest rate swaps	5,471	(5,325)	-	5,471	(5,325)	6,180	(5,865)	-	6,180	(5,865)
Total derivatives designated in fair value hedges	<u>30,878</u>	<u>(23,203)</u>	<u>12,131</u>	<u>18,747</u>	<u>(11,072)</u>	<u>8,612</u>	<u>(12,926)</u>	<u>1,795</u>	<u>6,817</u>	<u>(11,131)</u>
<i>From this: Total derivatives cleared by NBH held for hedging</i>	<i>-</i>	<i>(2,249)</i>	<i>-</i>	<i>-</i>	<i>(2,249)</i>	<i>-</i>	<i>(1,691)</i>	<i>-</i>	<i>-</i>	<i>(1,691)</i>
Total derivatives held for risk management (OTC derivatives)	<u>30,878</u>	<u>(31,841)</u>	<u>13,151</u>	<u>17,727</u>	<u>(18,690)</u>	<u>16,639</u>	<u>(12,926)</u>	<u>9,822</u>	<u>6,817</u>	<u>(3,104)</u>

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

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

NOTE 13: NET INTEREST INCOME (in HUF mn)

	2021	2020
Interest income accounted for using the effective interest rate method from / on		
Loans at amortised cost	168,388	143,652
FVOCI securities	21,456	29,095
Securities at amortised cost	61,085	48,654
Placements with other banks	33,544	12,248
Financial liabilities	3,337	1,544
Amounts due from banks and balances with National Bank of Hungary	14,245	4,391
Repo receivables	<u>318</u>	<u>49</u>
Subtotal	<u>302,373</u>	<u>239,633</u>
Income similar to interest income		
Loans mandatorily measured at fair value through profit or loss	26,045	15,094
Swap and forward deals related to Placements with other banks	68,975	56,341
Swap and forward deals related to Loans at amortised cost	11,487	14,011
Swap and forward deals related to FVOCI securities	(850)	(3,789)
Investment properties	<u>6</u>	<u>6</u>
Subtotal	<u>105,663</u>	<u>81,663</u>
Interest income total	<u>408,036</u>	<u>321,296</u>
Interest expense due to / from / on		
Amounts due to banks and deposits from the National Bank of Hungary and other banks	107,928	67,747
Deposits from customers	33,403	19,598
Leasing liabilities	214	257
Liabilities from issued securities	377	414
Subordinated bonds and loans	7,890	8,327
Investment properties (depreciation)	92	49
Financial assets	2,193	1,622
Repo liabilities	<u>3,394</u>	<u>1,616</u>
Subtotal	<u>155,491</u>	<u>99,630</u>