OTP Bank Plc.

Summary of the full-year 2023 results

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

Budapest, 8 March 2024

CONSOLIDATED FINANCIAL HIGHLIGHTS[1] AND SHARE DATA

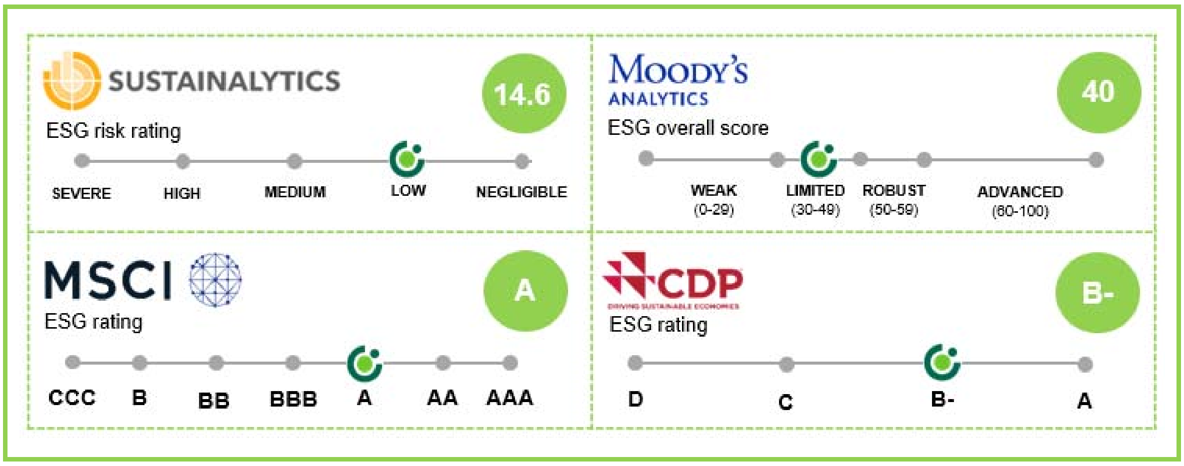
Main components of the adjusted Statement of recognised income, in HUF million	2022	2023	Y/Y	4Q 2022	3Q 2023	4Q 2023	Q-o-Q	Y-o-Y
Consolidated profit after tax	**347,081**	**990,459**	**185%**	**115,184**	**281,067**	**132,581**	**-53%**	**15%**
Adjustments (total)	-245,466	-18,123	-93%	-38,237	-26,470	-97,406	268%	155%
Consolidated adjusted profit after tax	**592,547**	**1,008,583**	**70%**	**153,421**	**307,537**	**229,987**	**-25%**	**50%**
Pre-tax profit	690,022	1,222,328	77%	181,381	360,196	304,790	-15%	68%
Operating profit	868,487	1,260,850	45%	223,157	363,442	340,341	-6%	53%
Total income	1,656,571	2,224,584	34%	451,147	597,805	622,196	4%	38%
Net interest income	1,093,579	1,459,694	33%	296,499	381,778	425,043	11%	43%
Net fees and commissions	397,118	478,146	20%	109,527	125,172	132,066	6%	21%
Other net non-interest income	165,874	286,745	73%	45,121	90,855	65,086	-28%	44%
Operating expenses	-788,084	-963,734	22%	-227,990	-234,363	-281,855	20%	24%
Total risk costs	-178,465	-38,521	-78%	-41,777	-3,246	-35,551	995%	-15%
Corporate taxes	-97,475	-213,746	119%	-27,960	-52,659	-74,803	42%	168%
Main components of the adjusted balance sheet, closing balances in HUF million	2022	2023	Y/Y	4Q 2022	3Q 2023	4Q 2023	Q-o-Q	Y-o-Y
Total assets	32,804,210	39,609,144	21%	32,804,210	39,574,032	39,609,144	0%	21%
Total customer loans (net, FX adjusted)	**17,929,314**	**21,447,380**	**20%**	**17,929,314**	**21,151,992**	**21,447,380**	**1%**	**20%**
Total customer loans (gross, FX adjusted)	**18,858,498**	**22,466,415**	**19%**	**18,858,498**	**22,154,030**	**22,466,415**	**1%**	**19%**
Performing (Stage 1+2) customer loans (gross, FX-adjusted)	17,946,407	21,496,534	20%	17,946,407	21,202,682	21,496,534	1%	20%
Allowances for possible loan losses (FX adjusted)	-929,184	-1,019,035	10%	-929,184	-1,002,038	-1,019,035	2%	10%
Total customer deposits (FX-adjusted)	**24,320,092**	**29,428,284**	**21%**	**24,320,092**	**28,467,637**	**29,428,284**	**3%**	**21%**
Issued securities	870,682	2,095,548	141%	870,682	2,082,052	2,095,548	1%	141%
Subordinated loans	301,984	562,396	86%	301,984	584,626	562,396	-4%	86%
Total shareholders' equity	3,322,312	4,094,793	23%	3,322,312	4,006,741	4,094,793	2%	23%
Indicators based on adjusted earnings	2022	2023	Y/Y	4Q 2022	3Q 2023	4Q 2023	Q-o-Q	Y-o-Y
ROE (from profit after tax)	11.0%	27.2%	16.2%p	13.4%	29.4%	12.9%	-16.5%p	-0.5%p
ROE (from adjusted profit after tax)	18.8%	27.7%	9.0%p	17.9%	32.2%	22.5%	-9.7%p	4.6%p
ROA (from adjusted profit after tax)	1.9%	2.7%	0.8%p	1.8%	3.2%	2.3%	-0.9%p	0.5%p
Operating profit margin	2.78%	3.39%	0.61%p	2.63%	3.77%	3.41%	-0.35%p	0.78%p
Total income margin	5.31%	5.99%	0.67%p	5.32%	6.20%	6.24%	0.04%p	0.92%p
Net interest margin	3.51%	3.93%	0.42%p	3.50%	3.96%	4.26%	0.31%p	0.77%p
Cost-to-asset ratio	2.53%	2.59%	0.07%p	2.69%	2.43%	2.83%	0.40%p	0.14%p
Cost/income ratio	47.6%	43.3%	-4.3%p	50.5%	39.2%	45.3%	6.1%p	-5.2%p
Provision for impairment on loan losses-to-average gross loans ratio	0.73%	0.16%	-0.56%p	0.66%	0.04%	0.52%	0.48%p	-0.14%p
Total risk cost-to-asset ratio	0.57%	0.10%	-0.47%p	0.49%	0.03%	0.36%	0.32%p	-0.14%p
Effective tax rate	14.1%	17.5%	3.4%p	15.4%	14.6%	24.5%	9.9%p	9.1%p
Net loan / (deposit+retail bond) ratio (FX-adjusted)	74%	72%	-1%p	74%	74%	72%	-1%p	-1%p
Capital adequacy ratio (consolidated, IFRS) - Basel3	17.8%	18.9%	1.1%p	17.8%	18.8%	18.9%	0.1%p	1.1%p
Tier1 ratio - Basel3	16.4%	16.6%	0.2%p	16.4%	16.4%	16.6%	0.2%p	0.2%p
Common Equity Tier 1 ('CET1') ratio - Basel3	16.4%	16.6%	0.2%p	16.4%	16.4%	16.6%	0.2%p	0.2%p
Share Data	2022	2023	Y/Y	4Q 2022	3Q 2023	4Q 2023	Q-o-Q	Y-o-Y
EPS diluted (HUF) (from profit after tax)	1,288	3,693	187%	427	1,049	494	-53%	16%
EPS diluted (HUF) (from adjusted profit after tax)	2,204	3,767	71%	571	1,151	860	-25%	51%
Closing price (HUF)	10,110	15,800	56%	10,110	13,300	15,800	19%	56%
Highest closing price (HUF)	18,600	16,030	-14%	10,890	14,695	16,030	9%	47%
Lowest closing price (HUF)	7,854	9,482	21%	7,908	11,605	13,130	13%	66%
Market Capitalization (EUR billion)	7.1	11.6	63%	7.1	9.5	11.6	21%	63%
Book Value Per Share (HUF)	14,902	15,294	3%	12,363	14,993	15,305	2%	24%
Tangible Book Value Per Share (HUF)	14,290	14,589	2%	11,750	14,328	14,599	2%	24%
Price/Book Value	0.7	1.0	52%	0.8	0.9	1.0	16%	26%
Price/Tangible Book Value	0.7	1.1	53%	0.9	0.9	1.1	17%	26%
P/E (trailing, from profit after tax)	8.2	4.5	-45%	8.2	3.8	4.5	17%	-45%
P/E (trailing, from adjusted profit after tax)	4.8	4.4	-8%	4.8	4.0	4.4	10%	-8%
Average daily turnover (EUR million)	24	15	-37%	13	17	16	-10%	25%
Average daily turnover (million share)	0.8	0.5	-45%	0.5	0.5	0.4	-18%	-22%

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

ACTUAL CREDIT RATINGS

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

ACTUAL ESG RATINGS



AWARDS

OTP Bank received six awards at the **Global Finance** magazine's Sustainable Finance Awards for 2024 competition. OTP Bank was chosen as the winner ***in one national**, and **four regional categories*** („The Best bank for Sustainability Transparency, for Sustainable Project Finance, for Sustainable Financing in Emerging Markets and for ESG-Related Loans") and for the first time in the Bank's history ***in a global category***.

The local subsidiary of the OTP Group earned recognition as Bank of the Year in the framework of **The Bankers** 2023 "Bank of the Year Awards" in Albania, Croatia, Montenegro and Slovenia.

RESULTS OF THE 2023 EBA STRESS TEST

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

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

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

SUMMARY OF THE FULL-YEAR 2023 RESULTS

The Summary of the full-year 2023 results of OTP Bank Plc. has been prepared on the basis of its unaudited separate and consolidated IFRS financial statements for 31 December 2023 or derived from that. The audited report will be released after the publication of the Summary. At presentation of full year 2023 report of OTP Bank we applied International Financial Reporting Standards adopted by the European Union.

EXECUTIVE SUMMARY: SUMMARY OF THE FULL-YEAR 2023 AND THE FOURTH QUARTER 2023

In 2023 the operating environment in Hungary was shaped mainly by the combined impact of the y-o-y declining GDP (-0.9%), the high underlying interest rate environment, as well as the government and central bank measures. On the positive side, from the second half of the year the declining CPI trend accelerated and made room for continuing central bank rate cuts. The base rate dropped to 10.75% by year-end, against 18% O/N rate at the beginning of the year. The December CPI moderated to 5.5% – and the January to 3.8% –, way below the level expected by markets, thus the annual inflation rate was 17.6%. The government tried to reinvigorate the benign lending activity through focused measures: voluntary rate caps by banks in new SME and mortgage loans, lower downpayment requirements in case of first homes, Family Subsidy Scheme Plus, subsidized loan schemes. Furthermore, the government extended the interest rate cap on certain SME and housing loan volumes until 1 April 2024 and 30 June, respectively.

On the Group level, all countries enjoyed positive y-o-y GDP growth, and with inflation levels lower than in Hungary, the setback in lending activity was less material, in a couple of markets even significant volume increase occurred. This, and the 3% y-o-y loan growth in Hungary despite economic recession, brought the consolidated FX-adjusted organic performing loan volume growth to 6%, with the overall portfolio quality still demonstrating stable picture.

It was positive that the consolidated NIM kept improving. The key liquidity ratios remained stable and deposit volumes grew at most Group members, thus the deposit book increased by 7% y-o-y (FX-adjusted). The CET1 ratio grew further to 16.6%.

In 2023 two acquisitions were executed: in February the purchase of the Slovenian NKBM manifested the biggest ever M&A transaction by OTP Bank, in June the purchase of Ipoteka Bank in Uzbekistan was completed. The two banks contributed 11 and 6 months earnings to the consolidated annual profit, respectively. The transactions elevated to Group's total asset base by around EUR 14 billion, as a result it exceeded EUR 100 billion by the end of 2023.

On 9 February 2024 OTP Bank concluded an agreement to sell its directly and indirectly owned 100% shareholding in OTP Bank Romania S.A. to Banca Transilvania S.A. As a result of the transaction, at the time of the closing of the deal the consolidated capital adequacy ratio (CAR) is expected to improve by 52 bps.

Consolidated earnings: with HUF 132.6 billion profit after tax in 4Q the annual net results reached HUF 990.5 billion; q-o-q and y-o-y improving NIM, stable credit quality, 6% and 7% y-o-y organic increase in performing loan volumes and deposit (FX-adjusted), improving capital ratios

The consolidated profit after tax of OTP Group rose to HUF 990.5 billion, an increase of almost 3 times y-o-y, as a result the annual ROE improved to 27.2% (+16.2 pps y-o-y).

The balance of adjustment items showed -HUF 18 billion against -HUF 245 billion a year ago. Those items which were a drag on 2022 earnings and were related to the Russian-Ukrainian war practically disappeared or dropped substantially, namely goodwill impairment and the impairment recognized on the Russian government bonds, furthermore the balance of special taxes in Hungary also dropped by around 1/3 y-o-y. At the same time the negative impact of the interest rate caps stayed in place: besides Hungary, Serbia also introduced such measure from 3Q 2023. The single most important positive item was the badwill impact booked in relation to the Slovenian and Uzbek acquisitions.

The cross-currency rate moves distorted the earning lines mainly in case of the Ukrainian and Russian operations: the average HUF rate against UAH and RUB appreciated by 16% and 26% y-o-y, respectively.

With the exception of Ipoteka Bank all Group members were profitable in 2023. Most of the subsidiaries demonstrated material profit improvement y-o-y, the Bulgarian operation's adjusted earnings exceeded HUF 200 billion, while the *pro forma* Slovenian operation posted a profit after tax close to HUF 130 billion; the combined profit incorporated only 11 months net earnings contribution from NKBM. Ipoteka Bank, Uzbekistan posted HUF 22 billion negative results in 2H 2023 mainly due to the significant amount of credit risk costs.

The overall performance of OTP Group was shaped mainly by the y-o-y 45% increase in operating profit, but total risk costs also dropped by 78% y-o-y. Within the dynamic, y-o-y 34% increase of total income the net interest income surged by 33%, whereas net fees & commissions grew by lower pace, +20% y-o-y. Other non-interest income jumped by

73%. Adjusted for the two acquisitions in 2023, the FX-adjusted operating income grew by 37%, total income by 28%, NII by 25% and NF&C by 15%, respectively.

The consolidated annual NIM improved by 42 bps y-o-y reaching 3.93%. Apart from the Hungarian, Ukrainian and Moldovan markets, elsewhere there was trend of interest rate increases that had a positive impact on both NII and NIMs. In 2023 as a whole, the Bulgarian, Slovenian, Serbian, Croatian, Montenegrin, Albanian and Ukrainian NIMs all improved y-o-y, whereas in other markets they dropped, though by different magnitude. In Hungary, the y-o-y 13 bps decline was induced by the changes in the mandatory reserve requirement and the balance sheet structure: as a result of acquisitions, on the assets side the weight of non-interest bearing subsidiary investments increased, while on the liability side the portion of MREL-eligible bonds grew at the expense of household deposits.

The amount of the annual operating expenses increased by 22% y-o-y, the high, though declining inflation had its negative impact on all cost items. The consolidated cost-to-income ratio improved further and reached 43.3% (-4.3 pps y-o-y). Without acquisitions the FX-adjusted operating expenses increased by 17% y-o-y.

The amount of consolidated total risk costs amounted to -HUF 38.5 billion, less than a quarter of the balance booked in 2022; without the impact of acquisitions the total risk cost showed a positive balance of HUF 20 billion. Within that, the provisions for impairment on loan losses amounted to -HUF 35 billion (2022: -HUF 135 billion). The annual risk cost rate moderated to 16 bps (-56 bps y-o-y), bulk of that was related to impairments in Uzbekistan.

The quarterly earnings, as well as balance sheet items were only marginally affected q-o-q by cross currency moves.

In 4Q 2023 OTP Group posted HUF 132.6 billion consolidated profit after tax. The q-o-q 53% drop is mainly reasoned by the increased negative balance of adjustment items as a result of the sale of the Romanian subsidiary, as well as by lower operating income; besides, risk cost also jumped q-o-q, to a great extent due to the still meaningful provisioning in Uzbekistan.

In 4Q 2023 adjustment items were a drag on the consolidated profit after tax by -HUF 97 billion (after tax). The major items were as follows:

- -HUF 80 billion effect of acquisitions (after tax), mainly related to the sale of the Romanian operation. Since the selling price was smaller than the net asset value of the to be sold subsidiaries recognized in the consolidated accounts, the transaction resulted in a negative P&L impact of HUF 59.5 billion (after tax) on consolidated level. Furthermore, mainly the Slovenian, Albanian and Uzbek integration costs appeared on this line. Also, -HUF 17.8 billion (after tax) was induced by the adjustment of badwill related to the acquisition of Ipoteka Bank; according to the accounting standards, the badwill can be adjusted within one year following the transaction;
- the interest rate cap effective in Hungary for certain outstanding floater-based SME and housing loans was extended until 1 April and 30 June 2024, respectively. As a result, -HUF 8.3 billion was booked as the expected impact;
- -HUF 3.4 billion tax shield effect of the reversal of previously booked investment impairment charges at certain Hungarian and foreign subsidiaries;
- -HUF 2.8 billion impairments on Russian government bonds held at DSK Bank (after tax).

In 4Q 2023 the consolidated adjusted profit after tax reached HUF 230 billion (-25% q-o-q), as a result OTP Group posted HUF 1,009 billion annual adjusted profit in (+70% y-o-y). The profit contribution of foreign subsidiaries comprised 64% of the adjusted consolidated profit after tax. In 4Q the adjusted ROE was 22.5%, whereas in 2023 it reached 27.7% (+9 pps y-o-y)

The quarterly results were shaped by the q-o-q moderately increasing total income, seasonally higher operating expenses and somewhat higher risk costs. Despite the q-o-q 15% lower profit before tax, in 4Q the corporate tax burden jumped as a result of the hike of corporate income tax rate in Ukraine from 18% to 50% for full-year 2023.

In 4Q the consolidated operating result declined by 6% q-o-q, since the increase of operating expenses significantly outpaced income dynamics.

During 4Q all group members, but Merkantil Group and Ipoteka Bank were profitable. Out of the individual performances the Hungarian Fund Management excelled itself with doubling earnings as a result of booking significant success fees at the end of the year.

The cumulated total income increased by 4% q-o-q on the Group level, within that the NII improved by 11%, whereas the net fee and commission income advanced by 6% q-o-q. The HUF 43 billion q-o-q surge in NII was mainly related to OTP Core (+HUF 31 billion) and to a smaller extent to Romania (+HUF 8 billion). Net fee and commission income was shaped by seasonality, within that the year-end success fee booked at OTP Fund Management was substantial. Other non-interest income decreased by 28% q-o-q with part of the decline was offset against NII.

The consolidated 4Q NIM improved by 31 bps q-o-q reaching 4.26%. The sensitivity to changes in the reference rates differed across the Group. ECB didn't change its reference rate in 4Q, whereas the Hungarian key rate was cut by 225 bps, so the 57 bps q-o-q NIM improvement at OTP Core was mainly the reflection of the steady reference rate cuts. Within the Group, by the end of 2023 the Russian policy rate was the highest (16%), followed by the Ukrainian (15%) and Hungarian (10.75%); in all other markets the base rate dropped to single digit.

Quarterly operating expenses increased by 20% q-o-q. Personnel expenses grew due to seasonality (bonus payments), but administrative expenses, such as IT and marketing expenses as well as expert fees advanced, too. The consolidated 4Q cost-to-income ratio jumped to 45.3% (+6.1 pps q-o-q).

The quality of the consolidated credit portfolio remained stable with the major credit quality indicators shaping favourably. The Stage 3 ratio under IFRS 9 comprised 4.3% of the gross loans at the end of 4Q 2023, underpinning a 0.6 pp y-o-y decrease; q-o-q the ratio remained stable. The Stage 3 ratio practically improved q-o-q at all Group members, however it grew to 11.9% at Ipoteka Bank. At the same time, in both the Ukrainian and Russian Stage 3 rates improved q-o-q. The own coverage ratio of Stage 3 exposures was close to 61% at the end of 2023.

The 4Q amount of consolidated total risk costs comprised -HUF 38.5 billion versus -HUF 3.2 billion in 3Q. Within that, the provisions for impairment on loan losses amounted to -HUF 29.4 billion, as a result the annual balance was -HUF 35 billion (2022: -HUF 135 billion). In 4Q there were substantial provision releases at OTP Core and the Ukrainian subsidiary, whereas meaningful provisions were made in Uzbekistan, Russia and Croatia.

Regarding Ipoteka Bank, after HUF 22.3 billion credit risk cost booked in 3Q, in 4Q HUF 29.1 billion provisions were made, mainly for corporate exposures. Furthermore, in 4Q 2023 – similar to the third quarter – there was a badwill adjustment which amounted to -HUF 17.8 billion. Impairments made in 4Q, similar to 3Q, were attributable to the joint impact of extreme weather conditions, lower global market cotton prices as well as government actions, such as limiting gas supply, mandatory corporate loan restructuring program, centrally set cotton prices for producers, resulting in corporate credit quality deterioration.

Problem loans concentrated in three segments: in a broader sense agriculture, but also in cotton and textile industries. Within agriculture fishery, green house cultivation and hydro cultures, but also the cotton industry were behind the badwill adjustment. The reasons which caused the badwill adjustment and the increase of the non-performing exposures emerged before the acquisition, but their effects materialized only in a later stage. The Risk Division of Ipoteka Bank, including the unit responsible for corporate clients has been reorganized during the summer of 2023. Also, the realignment of the activity in connection with loan restructurings, delinquent exposures and debt collection is in progress. Parallel to this, centralization of the branch activities is a priority, too. This reorganization process at Ipoteka Bank receives great attention from the management both on local and parent bank levels.

As for the outlook in Uzbekistan, after booking impairments following the acquisition in 2023, for 2024 the management expects normalizing risk costs, improving operating result and – as operating environment permits – stable or even increasing market share as a result of the measures taken.

The FX-adjusted consolidated performing (Stage 1+2) loan volumes increased by HUF 294 billion or 1% q-o-q and got close to HUF 21,500 billion. In 2023 the loan portfolio grew by 6% y-o-y organically (FX-adjusted).

As for individual Group members, the Russian, Bulgarian and Croatian operations demonstrated the largest FX-adjusted volume expansion with 26%, 20% and 8% y-o-y growth. The biggest drop was suffered by the Ukrainian subsidiary (-22% y-o-y). In 4Q also the Russian and Bulgarian subsidiaries enjoying the fastest expansion (+ 9% and 4% q-o-q), along with Montenegro (+3% q-o-q). As for OTP Core, despite the declining annual GDP, loan volumes increased by 3% y-o-y (+1% q-o-q).

As for the major segments, in 4Q the FX-adjusted performing consumer book grew by 5% q-o-q, while the mortgage portfolio by 3%, respectively. The q-o-q stagnation in the corporate loan book was explained by the portfolio migration into Stage 3 category at Ipoteka Bank; SME volumes eroded by 7% q-o-q.

FX-adjusted deposits on a consolidated level grew by 3% q-o-q and got close to HUF 29,500 billion. In 4Q the retail deposits increased by 3% q-o-q, the corporate by 4% and the SME by 5%, respectively. In 4Q the Uzbek and Russian deposit volumes grew the fastest q-o-q (+16% each), followed by the Romanian volumes (+11%). In 4Q overall deposit volumes stagnated at OTP Core, although household deposits grew by 2%.

The consolidated net loan/(deposit + retail bond) ratio moderated to 72% (-1 pp q-o-q).

In 2023 OTP Bank issued altogether EUR 2 billion MREL-eligible bonds of which around EUR 1.7 billion through public deals in forms of Tier 2 and Senior Preferred bonds. Besides, the Bank also utilized private placement and bilateral loan facilities with EUR 185 million Senior Non-Preferred and EUR 110 million Senior Preferred bonds. As a result, the actual MREL ratio for the OTP's resolution group comfortably exceeded the mandatory minimum level of 24% set from 1 January 2024.

In 2H 2023 the Russian Central Bank approved twice a dividend payment by OTP's Russian subsidiary with a total amount of RUB 13.4 billion.

If the Russian entity was deconsolidated and the outstanding gross intragroup exposures were written off as well, the effect for the consolidated CET1 ratio would be -11 bps, whereas in the Ukraine the negative effect would be 2 bps.

Management Guidance for 2024

We expect improving GDP growth rate, declining inflationary and rate environment, which may have positive impact on loan demand and portfolio quality. Therefore:

- FX-adjusted organic performing loan volume growth may be higher than in 2023.
- The consolidated net interest margin may be similar to 2023.
- The consolidated cost-to-income ratio may be around 45%.
- Portfolio risk profile may be similar to 2023.
- Leverage is expected to decline, therefore ROE may be lower than in 2023.

The final decision on the dividend proposal will be made at the Board meeting on the 20th of March and published on 4 April. The currently presented financial statements include HUF 150 billion (HUF 535/share) dividend payments, based on the latest decision of the Management Committee.

On 12 February 2024 the National Bank of Hungary approved the buyback of HUF 60 billion equivalent of own shares until 31 December 2024.

In order to comply with the MREL requirements OTP Bank has already issued EUR 600 million Senior Preferred bonds in January 2024, and for the rest of the year is planning to issue one or two benchmark size MREL-eligible instruments, either in Senior Preferred or Senior Non-Preferred format.

Consolidated capital adequacy ratio (in accordance with BASEL III)

At the end of 2023, the consolidated CET1 ratio under the prudential scope of consolidation according to IFRS was 16.6% (+0.2 pp q-o-q). This equals to the Tier 1 ratio. Consolidated CAR increased to 18.9%.

At the end of 2023, the effective regulatory minimum requirement for the consolidated Tier 1 capital adequacy ratio was 11.5% which also incorporated the effective SREP rate, whereas the minimum CET1 requirement was 9.6%.

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

- The SREP rate for 2023 was 125%, inducing an additional 2% capital requirement in terms of the consolidated CAR ratio. According to the information of NBH the SREP rate was reduced to 120% effective from 1 January 2024, as a result the additional capital requirement moderated to 1.6%.
- Effective from 1 July 2020 the original level of O-SII capital buffer (2%) was modified to 0% by the NBH until 31 December 2021. The gradual rebuilding started on 1 January 2022, its level was 1% in 2023 and on 1 January 2024 it will reach the original 2%.
- The effective rate of the countercyclical capital buffer in Bulgaria is 2%, in Croatia and Romania 1%, and 0.5% in Slovenia, respectively. Accordingly, on Group level the countercyclical capital buffer was 0.5% as of 31 December 2023. In Hungary the currently effective countercyclical capital buffer is 0%, however from 1 July 2024 NBH will introduce a 50 bps buffer requirement. With such change taking effect locally, on consolidated level the countercyclical capital buffer is expected to increase to 0.7% by the end of 2024.

The risk weighted assets (RWA) under the prudential scope of consolidation declined by HUF 223 billion q-o-q. The decrease can be explained by the q-o-q lower credit risk related RWA (-HUF 342 billion), while the non-credit risk related RWA grew by HUF 120 billion, mainly as a result of higher RWA (+HUF 138 billion) induced by operating risk. The q-o-q decrease of the credit risk related RWA was also shaped by FX-effect (-HUF 113 billion RWA effect q-o-q) and the decline of the overall portfolio's risk weight from 51.9% to 50.1% q-o-q. The consolidated Common Equity Tier 1 (CET1) capital grew by HUF 16 billion q-o-q including 4Q eligible earnings. The eligible 4Q profit of HUF 84 billion after dividend deduction was offset by the HUF 46 billion lower comprehensive income mainly due to the lower revaluation reserve as a result of currency rate changes and other impacts affecting CET1 capital (-HUF 22 billion). The eligible profit contains HUF 150 billion dividend deduction.

MREL adequacy

As a result of MREL-eligible issuances completed in 2023, as well as the expected impact of the sale of OTP Bank Romania, by 4Q 2023 OTP Group reached an MREL adequacy ratio of 25.1% versus the minimum mandatory requirement of 24% effective from 1 January 2024. In January 2024 OTP already issued EUR 600 million MREL eligible Senior Preferred bonds which improves further the Bank's MREL adequacy *(ceteris paribus).*

Credit rating, shareholder structure

In 4Q 2023 the following credit ratings were effective:

- OTP Bank's long-term issuer credit rating by S&P Global is 'BBB-', the outlook is stable; the credit rating of the dated Tier 2 instrument issued in February 2023 is 'BB'; none of those ratings have changed;
- the dated subordinated FX debt rating by Moody's is 'Ba2', while the Senior Preferred bond rating issued in May is 'Baa3'. OTP Mortgage Bank's

long term issuer rating is 'Baa3', whereas the mortgage bond rating is 'A1'. The long-term FX deposit rating of OTP Bank Plc. remained unchanged at 'Baa1'. The outlook is stable for all ratings; none of those ratings have changed;

- OTP Bank Plc' issuer rating at Scope Ratings is 'BBB+' and the subordinated debt rating 'BB+', respectively; the outlook was changed from negative to stable in November 2023;
- OTP Bank Plc's Long-Term Issuer Credit Rating (China national scale) by the Chinese Lianhe Credit Rating Co. is 'AAA', the outlook is stable.

Regarding the ownership structure of the Bank, on 31 December 2023 the following investors had more than 5% influence (voting rights) in the Company: MOL (the Hungarian Oil and Gas Company, 8.59%), and Groupama Group (5.10%).

DISCLAIMER – RISKS RELATING TO THE RUSSIAN-UKRAINIAN ARMED CONFLICT

On 24 February 2022 Russia launched a military operation against Ukraine which is still ongoing at the date of this Report. Until now many countries, as well as the European Union imposed sanctions due to the armed conflict on Russia and Russian businesses and citizens. Russia responded to these sanctions with similar measures.

The armed conflict and the international sanctions influence the business and economic activities significantly all around the world. There are a number of factors associated with the Russian-Ukrainian armed conflict and the international sanctions as well as their impact on global economies that could have a material adverse effect on (among other things) the profitability, capital and liquidity of financial institutions such as the OTP Group.

The armed conflict and the international sanctions cause significant economic damage to the affected parties and in addition they cause disruptions in the global economic processes, of which the precise consequences (inter alia the effects on energy and grain markets, the global transport routes and international trade as well as tourism) are difficult to be estimated at the moment.

It remains unclear how this will evolve going forward and the OTP Group continues to monitor the situation closely. However, the OTP Group's ability to conduct business may be adversely affected by disruptions to its infrastructure, business processes and technology services. This may cause significant customer detriment, costs to reimburse losses incurred by the OTP Group’s customers, and reputational damage.

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

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

POST-BALANCE SHEET EVENTS

Post-balance sheet events cover the period until 20 February 2024.

Hungary

- On 23 January 2024 OTP Bank announced that notes were issued with a value date of 31 January 2024, in the aggregate nominal amount of EUR 600 million. The 5 years, Non-Call 4 years Senior Preferred Notes were priced on 23 January 2024.

- On 26 January 2024 Scope Ratings affirmed Hungary's long-term local- and foreign-currency issuer and senior unsecured debt ratings at ‘BBB’ with stable outlook.

- On 29 January 2024 the Ministry for National Economy announced that following discussions between the Government and the Banking Association, based on the banks' voluntary commitment, from 1 February to 1 May 2024, the interest margin above BUBOR rate for newly contracted Hungarian Forint-based, variable-rate corporate loan contracts (regardless of the purpose of the loan) will be 0%, and the margin will remain at 0% for 6 months from the date of disbursement of the loan, after which it may return to the normal level. At the same time, the Government indicated that the rate cap on outstanding variable rate MSE loans, which expires on 1 April 2024 according to the current legislation, will not be further extended.

- On 30 January 2024 the National Bank of Hungary cut its key policy rate by 75 bps to 10.0%.

- On 2 February 2024 OTP Bank announced that it decided to terminate the project aiming at establishing a consumer finance joint venture company with its partners in China with a 15%shareholding, as the condition precedents were not fulfilled until the pertaining contractual deadlines.

- On 9 February 2024 OTP Bank announced that it concluded a share sale and purchase agreement to sell its directly and indirectly owned 100% shareholding in OTP Bank Romania S.A. to Banca Transilvania S.A. (‘BT’). OTP Group is also selling its 100% shareholdings in its other Romanian subsidiaries, OTP Leasing Romania IFN S.A. and OTP Asset Management S.A.I. S.A. to BT under the transaction. The financial closing of the transaction is expected in 2024 subject to the necessary regulatory approvals.

- On 12 February 2024 OTP Bank received a single permission from the Hungarian National Bank for the repurchase of treasury shares, accordingly the Bank is entitled to repurchase its own shares in the amount of HUF 60 billion until 31 December 2024. The total amount specified in the permission shall immediately be deducted from the own funds in accordance with the law.

Moldova

- On 4 February 2024 the central bank cut the base rate by 50 bps to 4.25%.

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

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

in HUF million	2022 as previously reported	2022 restated	2023	Y-o-Y	4Q 2022 as previously reported	4Q 2022 restated	3Q 2023	4Q 2023	Q-o-Q	Y-o-Y
Consolidated profit after tax	**231,897**	**347,081**	**990,459**	**185%**	**189,246**	**115,184**	**281,067**	**132,581**	**-53%**	**15%**
Adjustments (total)	**-207,229**	**-245,466**	**-18,123**	**-93%**	**871**	**-38,237**	**-26,470**	**-97,406**	**268%**	**155%**
Consolidated adjusted profit after tax	**439,126**	**592,547**	**1,008,583**	**70%**	**188,374**	**153,421**	**307,537**	**229,987**	**-25%**	**50%**
Banks total[1]	397,121	538,685	946,279	76%	167,041	139,234	292,048	212,697	-27%	53%
OTP Core (Hungary)[2]	217,819	256,200	302,935	18%	48,932	36,052	99,042	87,240	-12%	142%
DSK Group (Bulgaria)[3]	76,478	119,885	201,992	68%	26,892	43,407	62,320	50,860	-18%	17%
OTP Bank Slovenia[4]	18,511	23,860	128,730	440%	8,828	5,348	34,000	40,256	18%	653%
OBH (Croatia)[5]	37,811	42,801	53,959	26%	14,922	4,990	15,658	8,595	-45%	72%
OTP Bank Serbia[6]	32,451	36,873	68,026	84%	10,671	4,421	19,872	17,540	-12%	297%
OTP Bank Albania[7]	7,221	10,175	15,032	48%	2,476	2,954	2,522	4,427	76%	50%
CKB Group (Montenegro)[8]	4,523	9,791	21,814	123%	4,232	5,268	8,057	4,806	-40%	-9%
Ipoteka Bank (Uzbekistan)[9]	-	-	-21,857		-	-	242	-22,098		
OTP Bank Russia[10]	23,722	42,548	95,665	125%	38,473	18,826	21,297	23,067	8%	23%
OTP Bank Ukraine[11]	-25,968	-15,922	45,184		8,286	10,046	21,784	-7,004		
OTP Bank Romania[12]	-1,050	3,071	20,099	554%	-58	4,121	4,067	2,084	-49%	-49%
OTP Bank Moldova	5,602	9,403	14,700	56%	3,386	3,801	3,188	2,925	-8%	-23%
Leasing	7,509	10,971	10,267	-6%	1,699	3,462	4,766	-778		
Merkantil Group (Hungary)[13]	7,509	10,971	10,267	-6%	1,699	3,462	4,766	-778		
Asset Management	3,959	9,621	19,861	106%	1,376	5,662	4,882	8,370	71%	48%
OTP Asset Management (Hungary)	3,760	9,357	19,673	110%	1,324	5,598	4,855	8,370	72%	50%
Foreign Asset Management Companies[14]	199	263	188	-29%	52	64	27	-1		
Other Hungarian Subsidiaries	25,045	27,645	30,570	11%	18,023	2,601	7,551	5,037	-33%	94%
Other Foreign Subsidiaries[15]	17	-141	986		-13	-158	1,185	222	-81%	
Corporate Centre[16]	2,329	-	-		-611	-	-	-		
Eliminations	3,146	5,767	620	-89%	859	2,621	-2,894	4,440		69%
Profit after tax of the Hungarian operation[17]	97,947	167,057	519,025	211%	72,781	69,110	148,875	169,855	14%	146%
Adjusted profit after tax of the Hungarian operation[17]	256,469	303,873	365,979	20%	68,946	47,404	116,190	102,745	-12%	117%
Profit after tax of the Foreign operation[18]	133,951	180,024	471,434	162%	116,465	46,074	132,192	-37,274		
Adjusted profit after tax of the Foreign operation[18]	182,658	288,674	642,604	123%	119,429	106,016	191,347	127,243	-34%	20%
Share of Hungarian contribution to the adjusted profit after tax	58%	51%	36%	-15%p	37%	31%	38%	45%	7%p	14%p
Share of Foreign contribution to the adjusted profit after tax	42%	49%	64%	15%p	63%	69%	62%	55%	-7%p	-14%p

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

CONSOLIDATED, UNAUDITED IFRS REPORTS OF OTP BANK PLC.

CONSOLIDATED STATEMENT OF RECOGNIZED INCOME

Main components of the adjusted Statement of recognized income in HUF million	2022	2023	Y-o-Y	4Q 2022	3Q 2023	4Q 2023	Q-o-Q	Y-o-Y
Consolidated profit after tax	**347,081**	**990,459**	**185%**	**115,184**	**281,067**	**132,581**	**-53%**	**15%**
Adjustments (total, after corporate income tax)	**-245,466**	**-18,123**	**-93%**	**-38,237**	**-26,470**	**-97,406**	**268%**	**155%**
Dividends and net cash transfers (after tax)	1,927	-1,911		719	380	-2,891		
Goodwill/investment impairment charges (after tax)	-59,254	-3,919	-93%	-4,740	0	-3,402		-28%
Special tax on financial institutions (after tax)	-91,353	-62,551	-32%	-3,173	-8	-8	2%	-100%
Expected one-off negative effect of the debt repayment moratorium in Hungary (after tax)	-2,473	0	-100%	15	0	0		-100%
Expected one-off effect of the interest rate cap for certain loans in Hungary and Serbia (after tax)	-36,585	-32,898	-10%	-26,444	-7,069	-8,274	17%	-69%
Effect of the winding up of Sberbank Hungary (after tax)	-10,389	10,389	-200%	301	0	0		-100%
Effect of acquisitions (after tax)	-15,594	64,886		-6,019	-24,076	-79,952	232%	
Result of the treasury share swap agreement (after tax)	3,028	10,680	253%	76	4,302	-81		
Impairments on Russian government bonds at OTP Core and DSK Bank booked from 2022 (after tax)	-34,775	-2,799	-92%	1,026	0	-2,799		-373%
Consolidated adjusted profit after tax	**592,547**	**1,008,583**	**70%**	**153,421**	**307,537**	**229,987**	**-25%**	**50%**
Profit before tax	**690,022**	**1,222,328**	**77%**	**181,381**	**360,196**	**304,790**	**-15%**	**68%**
Operating profit	**868,487**	**1,260,850**	**45%**	**223,157**	**363,442**	**340,341**	**-6%**	**53%**
Total income	**1,656,571**	**2,224,584**	**34%**	**451,147**	**597,805**	**622,196**	**4%**	**38%**
Net interest income	**1,093,579**	**1,459,694**	**33%**	**296,499**	**381,778**	**425,043**	**11%**	**43%**
Net fees and commissions	**397,118**	**478,146**	**20%**	**109,527**	**125,172**	**132,066**	**6%**	**21%**
Other net non-interest income	**165,874**	**286,745**	**73%**	**45,121**	**90,855**	**65,086**	**-28%**	**44%**
Foreign exchange result, net	90,691	123,314	36%	25,253	-7,349	35,694		41%
Gain/loss on securities, net	1,579	1,994	26%	2,072	728	-6,106		
Net other non-interest result	73,604	161,436	119%	17,796	97,475	35,498	-64%	99%
Operating expenses	**-788,084**	**-963,734**	**22%**	**-227,990**	**-234,363**	**-281,855**	**20%**	**24%**
Personnel expenses	-396,304	-503,959	27%	-117,747	-124,109	-152,123	23%	29%
Depreciation	-84,663	-95,561	13%	-22,825	-23,832	-25,682	8%	13%
Other expenses	-307,117	-364,215	19%	-87,417	-86,422	-104,050	20%	19%
Total risk costs	**-178,465**	**-38,521**	**-78%**	**-41,777**	**-3,246**	**-35,551**	**995%**	**-15%**
Provision for impairment on loan losses	-135,231	-34,781	-74%	-33,719	-2,414	-29,351		-13%
Other provision	-43,234	-3,741	-91%	-8,058	-832	-6,200	645%	-23%
Corporate taxes	**-97,475**	**-213,746**	**119%**	**-27,960**	**-52,659**	**-74,803**	**42%**	**168%**
INDICATORS	2022	2023	Y-o-Y	4Q 2022	3Q 2023	4Q 2023	Q-o-Q	Y-o-Y
ROE (from profit after tax)	11.0%	27.2%	16.2%p	13.4%	29.4%	12.9%	-16.5%p	-0.5%p
ROE (from adjusted profit after tax)	18.8%	27.7%	9.0%p	17.9%	32.2%	22.5%	-9.7%p	4.6%p
ROA (from adjusted profit after tax)	1.9%	2.7%	0.8%p	1.8%	3.2%	2.3%	-0.9%p	0.5%p
Operating profit margin	2.78%	3.39%	0.61%p	2.63%	3.77%	3.41%	-0.35%p	0.78%p
Total income margin	5.31%	5.99%	0.67%p	5.32%	6.20%	6.24%	0.04%p	0.92%p
Net interest margin	3.51%	3.93%	0.42%p	3.50%	3.96%	4.26%	0.31%p	0.77%p
Net fee and commission margin	1.27%	1.29%	0.01%p	1.29%	1.30%	1.32%	0.03%p	0.03%p
Net other non-interest income margin	0.53%	0.77%	0.24%p	0.53%	0.94%	0.65%	-0.29%p	0.12%p
Cost-to-asset ratio	2.53%	2.59%	0.07%p	2.69%	2.43%	2.83%	0.40%p	0.14%p
Cost/income ratio	47.6%	43.3%	-4.3%p	50.5%	39.2%	45.3%	6.1%p	-5.2%p
Provision for impairment on loan losses-to-average gross loans ratio	0.73%	0.16%	-0.56%p	0.66%	0.04%	0.52%	0.48%p	-0.14%p
Total risk cost-to-asset ratio	0.57%	0.10%	-0.47%p	0.49%	0.03%	0.36%	0.32%p	-0.14%p
Effective tax rate	14.1%	17.5%	3.4%p	15.4%	14.6%	24.5%	9.9%p	9.1%p
Non-interest income/total income	34%	34%	0%p	34%	36%	32%	-4%p	-3%p
EPS base (HUF) (from profit after tax)	1,289	3,695	187%	428	1,050	494	-53%	16%
EPS diluted (HUF) (from profit after tax)	1,288	3,693	187%	427	1,049	494	-53%	16%
EPS base (HUF) (from adjusted profit after tax)	2,204	3,769	71%	571	1,152	860	-25%	51%
EPS diluted (HUF) (from adjusted profit after tax)	2,204	3,767	71%	571	1,151	860	-25%	51%
Comprehensive Income Statement	2022	2023	Y-o-Y	4Q 2022	3Q 2023	4Q 2023	Q-o-Q	Y-o-Y
Consolidated profit after tax	347,081	990,459	185%	115,183	281,067	132,581	-53%	15%
Fair value changes of financial instruments measured at fair value through other comprehensive income	-119,377	78,419		19,525	3,657	22,664	520%	16%
Foreign currency translation difference	179,622	-200,928		-266,758	144,278	-76,377		-71%
Change of actuarial costs (IAS 19)	1,016	-400		1,084	66	-361		
Net comprehensive income	**408,342**	**864,843**	**112%**	**-130,966**	**408,948**	**86,977**	**-79%**	
o/w Net comprehensive income attributable to equity holders	407,695	863,714	112%	-129,542	409,046	85,163	-79%	
Net comprehensive income attributable to non-controlling interest	647	1,129	74%	-1,424	-98	1,814		
Average exchange rate[1] of the HUF (in HUF)	2022	2023	Y-o-Y	4Q 2022	3Q 2023	4Q 2023	Q-o-Q	Y-o-Y
HUF/EUR	391	382	-2%	411	384	382	0%	-7%
HUF/CHF	390	393	1%	418	399	400	0%	-4%
HUF/USD	373	353	-5%	403	353	355	1%	-12%

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	4Q 2022	3Q 2023	4Q 2023	Q-o-Q	Y-o-Y
TOTAL ASSETS	**32,804,210**	**39,574,032**	**39,609,144**	**0%**	**21%**
Cash, amounts due from Banks and balances with the National Banks	4,221,392	6,557,052	7,324,636	12%	74%
Placements with other banks, net of allowance for placement losses	1,351,081	1,500,795	1,575,145	5%	17%
Securities at fair value through profit or loss	436,387	528,080	290,975	-45%	-33%
Securities at fair value through other comprehensive income	1,739,603	1,664,591	1,640,891	-1%	-6%
Net customer loans	18,640,624	21,533,503	21,447,380	0%	15%
Net customer loans (FX-adjusted[1])	**17,929,314**	**21,151,992**	**21,447,380**	**1%**	**20%**
Gross customer loans	19,643,558	22,554,157	22,466,415	0%	14%
Gross customer loans (FX-adjusted[1])	**18,858,498**	**22,154,030**	**22,466,415**	**1%**	**19%**
Gross performing (Stage 1+2) customer loans (FX-adjusted[1])	**17,946,407**	**21,202,682**	**21,496,534**	**1%**	**20%**
o/w Retail loans	9,296,956	11,362,939	11,650,463	3%	25%
Retail mortgage loans (incl. home equity)	4,657,067	5,659,965	5,808,199	3%	25%
Retail consumer loans	3,845,614	4,642,474	4,853,359	5%	26%
SME loans	794,275	1,060,500	988,906	-7%	25%
Corporate loans	7,403,482	8,493,629	8,498,051	0%	15%
Leasing	1,245,969	1,346,115	1,348,020	0%	8%
Allowances for loan losses	-1,002,933	-1,020,654	-1,019,035	0%	2%
Allowances for loan losses (FX-adjusted[1])	-929,184	-1,002,038	-1,019,035	2%	10%
Associates and other investments	73,849	93,834	96,346	3%	30%
Securities at amortized costs	4,891,938	5,596,136	5,475,701	-2%	12%
Tangible and intangible assets, net	738,105	828,055	878,949	6%	19%
o/w Goodwill, net	68,319	67,770	66,932	-1%	-2%
Tangible and other intangible assets, net	669,786	760,285	812,017	7%	21%
Other assets	711,230	1,271,986	879,121	-31%	24%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**32,804,210**	**39,574,032**	**39,609,144**	**0%**	**21%**
Amounts due to banks, the National Governments, deposits from the National Banks and other banks, and Financial liabilities designated at fair value through profit or loss	1,517,349	2,191,090	2,013,333	-8%	33%
Deposits from customers	25,188,805	28,968,037	29,428,284	2%	17%
Deposits from customers (FX-adjusted[1])	**24,320,092**	**28,467,637**	**29,428,284**	**3%**	**21%**
o/w Retail deposits	15,760,368	18,773,896	19,322,905	3%	23%
Household deposits	13,166,546	15,694,336	16,090,066	3%	22%
SME deposits	2,593,823	3,079,560	3,232,839	5%	25%
Corporate deposits	8,529,476	9,693,741	10,105,378	4%	18%
Accrued interest payable related to customer deposits	30,247	0	0		-100%
Liabilities from issued securities	870,682	2,082,052	2,095,548	1%	141%
o/w Retail bonds	35,766	194,833	201,131	3%	462%
Liabilities from issued securities without retail bonds	834,916	1,887,218	1,894,418	0%	127%
Other liabilities	1,603,078	1,741,486	1,414,790	-19%	-12%
Subordinated bonds and loans	301,984	584,626	562,396	-4%	86%
Total shareholders' equity	**3,322,312**	**4,006,741**	**4,094,793**	**2%**	**23%**
Indicators	4Q 2022	3Q 2023	4Q 2023	Q-o-Q	Y-o-Y
Loan/deposit ratio (FX-adjusted[1])	78%	78%	76%	-1%p	-1%p
Net loan/(deposit + retail bond) ratio (FX-adjusted[1])	74%	74%	72%	-1%p	-1%p
Stage 1 loan volume under IFRS 9	16,387,792	19,060,908	18,570,222	-3%	13%
Stage 1 loans under IFRS 9/gross customer loans	83.4%	84.5%	82.7%	-1.9%p	-0.8%p
Own coverage of Stage 1 loans under IFRS 9	1.0%	1.0%	0.9%	-0.1%p	-0.1%p
Stage 2 loan volume under IFRS 9	2,286,597	2,522,927	2,926,312	16%	28%
Stage 2 loans under IFRS 9/gross customer loans	11.6%	11.2%	13.0%	1.8%p	1.4%p
Own coverage of Stage 2 loans under IFRS 9	10.7%	9.8%	9.2%	-0.6%p	-1.6%p
Stage 3 loan volume under IFRS 9	969,169	970,321	969,881	0%	0%
Stage 3 loans under IFRS 9/gross customer loans	4.9%	4.3%	4.3%	0.0%p	-0.6%p
Own coverage of Stage 3 loans under IFRS 9	61.0%	60.2%	60.8%	0.7%p	-0.2%p
Consolidated capital adequacy - Basel3, IFRS, according to prudential scope of consolidation	4Q 2022	3Q 2023	4Q 2023	Q-o-Q	Y-o-Y
Capital adequacy ratio	17.8%	18.8%	18.9%	0.1%p	1.1%p
Tier 1 ratio	16.4%	16.4%	16.6%	0.2%p	0.2%p
Common Equity Tier 1 ('CET1') capital ratio	16.4%	16.4%	16.6%	0.2%p	0.2%p
Own funds	3,671,104	4,489,776	4,475,380	0%	22%
o/w Tier1 Capital	3,383,161	3,929,662	3,945,570	0%	17%
o/w Common Equity Tier 1 capital	3,383,161	3,929,662	3,945,570	0%	17%
Tier2 Capital	287,944	560,114	529,810	-5%	84%
Consolidated risk weighted assets (RWA) (Credit&Market&Operational risk)	20,607,706	23,922,959	23,700,282	-1%	15%
o/w RWA (Credit risk)	18,679,480	21,617,224	21,275,002	-2%	14%
RWA (Market & Operational risk)	1,928,226	2,305,735	2,425,281	5%	26%
Closing exchange rate of the HUF (in HUF)	4Q 2022	3Q 2023	4Q 2023	Q-o-Q	Y-o-Y
HUF/EUR	400	391	383	-2%	-4%
HUF/CHF	407	405	412	2%	1%
HUF/USD	376	369	346	-6%	-8%

[1] For the FX-adjustment, the closing cross currency rates for the current period were used in order to calculate the HUF equivalent of loan and deposit volumes in the base periods.

OTP CORE (OTP BANK'S HUNGARIAN CORE BUSINESS)

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

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

OTP Core Statement of recognized income:

Main components of the Statement of recognised income in HUF million	2022 as previously reported	2022 restated	2023	Y-o-Y	4Q 2022 as previously reported	4Q 2022 restated	3Q 2023	4Q 2023	Q-o-Q	Y-o-Y
Profit after tax without received dividend	**27,274**	**30,242**	**313,143**	**935%**	**59,459**	**60,098**	**105,257**	**151,108**	**44%**	**151%**
Dividend received from subsidiaries	107,907	107,907	187,726	74%	0	0	26,677	31,983	20%	
Profit after tax	135,181	**138,149**	**500,869**	**263%**	59,459	60,098	131,933	183,091	39%	205%
Adjustments (total, after tax)	-118,051	-118,051	197,934		24,047	24,047	32,892	95,851	191%	299%
Adjusted profit after tax	**253,232**	**256,200**	**302,935**	**18%**	**35,413**	**36,052**	**99,042**	**87,240**	**-12%**	**142%**
Profit before tax	296,672	300,094	366,502	22%	44,635	45,398	115,871	105,838	-9%	133%
Operating profit	294,257	297,679	341,049	15%	41,190	41,954	97,660	91,293	-7%	118%
Total income	637,469	642,520	751,953	17%	140,529	141,913	195,142	208,248	7%	47%
Net interest income	412,611	417,662	432,651	4%	87,841	89,225	106,993	138,480	29%	55%
Net fees and commissions	176,830	176,830	197,104	11%	45,561	45,561	51,042	52,504	3%	15%
Other net non-interest income	48,028	48,028	122,198	154%	7,127	7,127	37,107	17,264	-53%	142%
Operating expenses	-343,212	-344,841	-410,904	19%	-99,339	-99,959	-97,482	-116,955	20%	17%
Total risk costs	2,415	2,415	25,452	954%	3,444	3,444	18,212	14,544	-20%	322%
Provision for impairment on loan losses	32,850	32,850	15,370	-53%	13,881	13,881	14,337	16,381	14%	18%
Other provisions	-30,435	-30,435	10,083		-10,437	-10,437	3,875	-1,837		-82%
Corporate income tax	-43,440	-43,894	-63,566	45%	-9,222	-9,346	-16,830	-18,597	11%	99%
Indicators (adjusted)	**2022 as previously reported**	**2022 restated**	**2023**	**Y-o-Y**	**4Q 2022 as previously reported**	**4Q 2022 restated**	**3Q 2023**	**4Q 2023**	**Q-o-Q**	**Y-o-Y**
ROE (adjusted)	12.6%	12.7%	14.2%	1.5%p	7.0%	7.1%	18.2%	15.1%	-3.1%p	8.0%p
ROA (adjusted)	1.6%	1.5%	1.6%	0.1%p	0.8%	0.8%	2.1%	1.8%	-0.3%p	1.0%p
Operating profit margin	1.8%	1.7%	1.8%	0.1%p	1.0%	0.9%	2.0%	1.9%	-0.2%p	1.0%p
Total income margin	3.97%	3.68%	3.94%	0.26%p	3.37%	3.03%	4.08%	4.22%	0.14%p	1.19%p
Net interest margin	2.57%	2.39%	2.26%	-0.13%p	2.11%	1.91%	2.24%	2.81%	0.57%p	0.90%p
Net fee and commission margin	1.10%	1.01%	1.03%	0.02%p	1.09%	0.97%	1.07%	1.06%	0.00%p	0.09%p
Net other non-interest income margin	0.30%	0.27%	0.64%	0.36%p	0.17%	0.15%	0.78%	0.35%	-0.43%p	0.20%p
Operating costs to total assets ratio	2.1%	2.0%	2.2%	0.2%p	2.4%	2.1%	2.0%	2.4%	0.3%p	0.2%p
Cost/income ratio	53.8%	53.7%	54.6%	1.0%p	70.7%	70.4%	50.0%	56.2%	6.2%p	-14.3%p
Provision for impairment on loan losses / average gross loans[1]	-0.55%	-0.55%	-0.23%	0.31%p	-0.85%	-0.85%	-0.86%	-0.99%	-0.13%p	-0.14%p
Effective tax rate	14.6%	14.6%	17.3%	2.7%p	20.7%	20.6%	14.5%	17.6%	3.0%p	-3.0%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	4Q 2022 as previously reported	4Q 2022 restated	3Q 2023	4Q 2023	Q-o-Q	Y-o-Y
Total Assets	15,758,292	17,596,229	19,029,283	18,459,423	-3%	5%
Financial assets[1] (net)	7,438,066	9,270,006	9,966,161	9,630,766	-3%	4%
Net customer loans	6,278,620	6,278,620	6,285,353	6,329,293	1%	1%
Net customer loans (FX adjusted)	6,213,791	6,213,791	6,253,566	6,329,293	1%	2%
Gross customer loans	6,528,001	6,528,001	6,562,204	6,597,968	1%	1%
Gross customer loans (FX adjusted)	6,460,305	6,460,305	6,529,235	6,597,968	1%	2%
Stage 1+2 customer loans (FX-adjusted)	**6,139,203**	**6,139,203**	**6,261,922**	**6,335,682**	**1%**	**3%**
Retail loans	3,482,800	3,482,800	3,732,334	3,752,574	1%	8%
Retail mortgage loans (incl. home equity)	1,656,950	1,656,950	1,705,750	1,722,826	1%	4%
Retail consumer loans	1,306,916	1,306,916	1,466,339	1,515,264	3%	16%
SME loans	518,933	518,933	560,245	514,485	-8%	-1%
Corporate loans	2,656,402	2,656,402	2,529,588	2,583,108	2%	-3%
Provisions	-249,381	-249,381	-276,851	-268,675	-3%	8%
Provisions (FX adjusted)	-246,514	-246,514	-275,668	-268,675	-3%	9%
Tangible and intangible assets (net)	222,587	222,587	255,299	296,425	16%	33%
Shares and equity investments (net)	1,447,924	1,447,924	1,860,413	1,890,681	2%	31%
Other assets (net)	371,094	377,091	662,057	312,258	-53%	-17%
Deposits from customers + retail bonds	11,246,795	11,246,795	11,017,845	10,981,387	0%	-2%
Deposits from customers + retail bonds (FX adjusted)	**11,098,246**	**11,098,246**	**10,936,101**	**10,981,387**	**0%**	**-1%**
Retail deposits + retail bonds	6,416,859	6,416,859	6,147,475	6,339,542	3%	-1%
Household deposits + retail bonds	5,012,354	5,012,354	4,820,608	4,927,751	2%	-2%
o/w: Retail bonds	35,766	35,766	194,833	201,131	3%	462%
SME deposits	1,404,504	1,404,504	1,326,868	1,411,791	6%	1%
Corporate deposits	4,681,387	4,681,387	4,788,626	4,641,844	-3%	-1%
Liabilities to credit institutions	1,251,653	2,313,832	3,034,075	2,326,311	-23%	1%
Issued securities without retail bonds	471,773	949,421	1,517,069	1,675,963	10%	77%
Subordinated bonds and loans	0	294,186	528,407	507,277	-4%	72%
Total shareholders' equity	2,016,019	2,016,019	2,237,530	2,371,964	6%	18%
Loan Quality	4Q 2022 as previously reported	4Q 2022 restated	3Q 2023	4Q 2023	Q-o-Q	Y-o-Y
Stage 1 loan volume under IFRS 9 (in HUF million)	5,457,140	5,457,140	5,335,711	5,312,525	0%	-3%
Stage 1 loans under IFRS 9/gross customer loans	83.6%	83.6%	81.3%	80.5%	-0.8%p	-3.1%p
Own coverage of Stage 1 loans under IFRS 9	0.8%	0.8%	0.9%	0.8%	-0.1%p	0.0%p
Stage 2 loan volume under IFRS 9 (in HUF million)	747,905	747,905	958,124	1,023,157	7%	37%
Stage 2 loans under IFRS 9/gross customer loans	11.5%	11.5%	14.6%	15.5%	0.9%p	4.1%p
Own coverage of Stage 2 loans under IFRS 9	8.6%	8.6%	8.7%	7.8%	-0.9%p	-0.8%p
Stage 3 loan volume under IFRS 9 (in HUF million)	322,956	322,956	268,368	262,285	-2%	-19%
Stage 3 loans under IFRS 9/gross customer loans	4.9%	4.9%	4.1%	4.0%	-0.1%p	-1.0%p
Own coverage of Stage 3 loans under IFRS 9	43.2%	43.2%	53.2%	55.9%	2.6%p	12.7%p
Market Share	4Q 2022 as previously reported	4Q 2022 restated	3Q 2023	4Q 2023	Q-o-Q	Y-o-Y
Loans	26.8%	26.8%	26.3%	26.2%	-0.1%p	-0.5%p
Deposits	29.1%	29.1%	28.6%	28.3%	-0.3%p	-0.8%p
Total Assets	27.6%	27.6%	29.0%	28.3%	-0.7%p	0.7%p
Performance Indicators	4Q 2022 as previously reported	4Q 2022 restated	3Q 2023	4Q 2023	Q-o-Q	Y-o-Y
Net loans to (deposits + retail bonds) (FX adjusted)	56%	56%	57%	58%	0%p	2%p
Leverage (closing Shareholder's Equity/Total Assets)	12.8%	11.5%	11.8%	12.8%	1.1%p	1.4%p
Leverage (closing Total Assets/Shareholder's Equity)	7.8x	8.7x	8.5x	7.8x	-0.7x	-0.9x
Capital adequacy ratio (OTP Bank, non-consolidated, Basel3, IFRS)	19.2%	19.2%	25.7%	0.0%	-25.7%p	-19.2%p
Common Equity Tier1 ratio (OTP Bank, non-consolidated, Basel3, IFRS)	16.3%	16.3%	20.3%	0.0%	-20.3%p	-16.3%p

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

In 2023, **OTP Core** generated HUF 313 billion profit after tax without dividends from subsidiaries, as opposed to the HUF 30 billion loss in the base period.

This improvement partly stemmed from the much better balance of adjustment items: against the impairments on subsidiary investments in 2022, in 2023 impairments were reversed, and in contrast to the base period, Russian bond impairments didn't weigh on the 2023 results. Also, banking taxes also moderated y-o-y. On the other hand, the adjusted profit after tax also improved last year, by 18%.

The annual operating profit went up by 15%. Within total income, net interest income grew by 4%, or HUF 15 billion. Regarding the key factors behind this change, the altogether negative effect of regulatory changes and technicalities was counterbalanced by higher rate environment and business-driven factors:

- regulatory changes and technical factors, in total: -HUF 85 billion, of which:
  - changes to the mandatory reserve rules[3] entailed HUF 45 billion negative y-o-y NII effect;
  - the issuance of MREL eligible instruments caused HUF 18 billion NII decline y-o-y;
  - due to new acquisitions, the weight of non-interest-bearing subsidiary investments increased on the asset side at the expense of interest-bearing assets, resulting in HUF 52 billion lower NII; on the other hand, the strategic short EUR position opened in February 2023 with an aim of hedging investments into the Eurozone supported NII by HUF 30 billion.
- The impact of higher rate environment, business-driven and other factors, in total: +HUF 101 billion, of which:
  - given the Bank's interest rate position, the increase in the annual average key policy rate of the central bank reduced NII by HUF 8 billion;
  - the erosion of customer deposits resulted in HUF 31 billion lower net interest income y-o-y;
  - loans granted in 2023 generated HUF 50 billion additional interest revenues;
  - in 2023 the reinvestment of lower yielding government securities into higher yielding assets improved the y-o-y NII dynamics by HUF 44 billion;
  - other effects: +HUF 46 billion in total, driven by, among others, increasing total assets, and the retroactive adjustment of subsidized housing loans' interest subsidies related to previous years.

The annual average total assets went up by 9%, while the annual net interest margin narrowed by 13 bps.

The fourth-quarter net interest income surged by 29% q-o-q, or by HUF 31 billion, of which HUF 13 billion stemmed from one-off and technical items (in November the net gain on the central bank discount bills was retroactively moved in one sum from the securities result line to the interest income line; secondly, subsidized housing loans' interest subsidies related to previous years were booked retroactively). In addition to this, the central bank's easing cycle[4], which started at the end of May 2023 also helped, while average quarterly EURIBOR rates rose only modestly in the fourth quarter. However, on the liability side, the uptrend in the weight of higher rate liabilities continued, largely through MREL-eligible bond issuances, while the weight of household deposits contracted further.

Annual net fees and commissions rose by 11% last year, mainly supported by stronger fees on deposits, transactions, cards and higher securities commissions, but lending-related fee income declined. In the fourth quarter, net fees grew by 3% q-o-q, largely driven by one-off items which improved the q-o-q dynamics of net fees by HUF 1.7 billion, as a joint effect of the recognition of turnover-based support to be paid in 2024 by card companies, and the year-end refund for clients for credit card usage.

Twelve-month other income jumped 2.5 times, predominantly because of the positive fair value adjustment of subsidized housing loans and baby loans measured at fair value booked in 2023 (2022: -HUF 8 billion, 2023: +HUF 87 billion). This was caused by the lower discount rates used to determine the present value of future cash flows, as a result of the shrinking yield curve. In the fourth quarter, the q-o-q drop in other income stemmed from the aforementioned shifting of the gain/loss of central bank discount bills, weaker result of derivative instruments and the q-o-q lower positive fair value adjustment of loans measures at fair value.

Annual operating expenses grew by 19% in the high-inflation environment. Within that, personnel expenses increased by 30%, mostly because of the wage increases in the second half of 2022 and from March 2023, and also due to the 4% growth in the average number of employees. Amortization increased by 10%. Other general expenses grew by 10%, driven by, among others, higher IT, utility, and real estate-related costs, as well as by higher supervisory charges (National Deposit Insurance Fund and Investor Protection Fund contributions were

[3] Starting from October 2022, the required reserve ratio rose from 1% to 5%, and then, starting from April 2023, from 5% to 10%, and the central bank diverted the interest rate paid on reserves from the overnight deposit rate (18%), and paid the base rate (13%) on them from October 2022; starting from April 2023, the central bank did not pay interest on 25% of the mandatory minimum reserve requirement. Thus the effective interest paid on required reserves dropped to 9.75% in April 2023. Starting from July 2023, 15% of the reserve requirement may be met by longer-term deposits at the central bank (paying the O/N interest rate), and the central bank does not pay interest on 25% of the remaining 85% of the minimum requirement.

[4] From May to September 2023, the central bank cut its overnight deposit rate by 100 bps each month, from 18% to 13%; the O/N rate sank to the level of the base rate by September, when the base rate became the benchmark rate again. By the end of 2023, the benchmark rate fell to 10.75%.

hiked effective from end-2022). As for the fourth quarter, most of the q-o-q jump can be explained by seasonal reasons (bonus payments, marketing costs and advisory fees).

In 2023, positive total risk costs amounted to HUF 25 billion; within that, the credit-related and the other risk cost lines also printed positive amounts. The positive amount of provision for impairment on loan losses was shaped by the releases in the second half-year owing to the improvement in macroeconomic expectations, as well as by the release of provisions in 2Q in relation to customers who performed in accordance with their contracts after leaving the debt repayment moratorium, which expired at the end of 2022. The other risk costs line was largely shaped by the release of provision for Hungarian government securities.

Overall, loan quality trends remained favourable: the Stage 3 ratio sank by 1 pp y-o-y, to 4.0%, in part because of customers who left the moratorium and performed were moved into a lower risk category. The Stage 2 ratio rose by 4.1 pps y-o-y, partly because a more advanced Stage 2 classification and impairment methodology was introduced from 2Q. The own provision coverage ratio of Stage 3 loans improved by 12.7 pps y-o-y, while the cumulative own provision coverage ratio of the Stage 1+2 portfolio rose by 0.2 pp y-o-y, to 1.9%.

Regarding balance sheet developments, OTP Core's total assets grew by 5% y-o-y but dropped by 3% in the fourth quarter.

The increase in performing (Stage 1+2) loans markedly slowed: the FX-adjusted dynamics was 3% in 2023 (including a 1% q-o-q rise in the fourth quarter), following a 15% growth rate in 2022.

In 2023, the retail segment was the driver of growth: consumer loans surged by an impressive 16% (+3% q-o-q), fuelled by sustained increase in both cash loans and baby loans.

Performing mortgage loans grew by 4% y-o-y. In 2023 applications dropped by a third y-o-y, but the intra-year trend was positive: demand for mortgages rocked bottom in the first quarter, but compared to that, applications more than tripled in 4Q.

Performing corporate volumes shrank by 2% y-o-y; within that, MSE loans declined by 1% and corporate volumes contracted by 3%. However, the Széchenyi Card MAX+ and the Baross Gábor Loan Programme generated significant new loan placements: in 2023, OTP signed loan agreements in the amount of HUF 494 billion under the Széchenyi Card MAX+ scheme, while the Baross Gábor Loan Programme reached HUF 202 billion loan applications by the end of 2023.

Deposits from customers (including retail bonds) eroded by an FX-adjusted 1% y-o-y. Retail deposits (together with retail bonds) dropped by 2% y-o-y but expanded by 2% q-o-q in the fourth quarter. Overall, corporate deposits remained stable y-o-y.

As a result of the Bank's active presence on capital markets, the volume of issued securities (without retail bonds) jumped by 77% y-o-y, while subordinated debt surged by 72%.

The following relevant **regulatory changes** were announced **in Hungary** in the fourth quarter:

- **Interest rate cap on existing loans**: pursuant to Government Decree No. 522/2023. (XI. 30.):
  - The interest rate cap for the outstanding volume of certain residential mortgage loans was extended by six months, until 30 June 2024.
  - The rate cap for the existing volume of certain MSE loans was extended until 1 April 2024.
  - Furthermore, Government Decree No. 471/2022 (XI. 21.) was amended, thus the provision that the interest rate on HUF-denominated demand deposits and time deposits with a maximum term of one year shall not exceed the average auction yield of the most recently issued three-month discount Treasury Bill was extended by three months, until 1 April 2024. In another amendment, starting from 1 December 2023, the scope of this cap was extended for entities who qualify as business customers in Hungary's Civil Code.

    These provisions shall be applied to deposit contracts concluded after 1 December 2023, as well as to demand deposit contracts existing on 1 December 2023.
- **Voluntary interest rate cap on newly granted loans:**

  At the beginning of October 2023, the Ministry of Economic Development proposed that banks impose voluntary interest rate caps on newly granted HUF-denominated working capital loans for businesses, and on residential housing loans. OTP Bank has joined the initiative.

  Effective from October 2023, the Government set the voluntary interest rate cap on new housing loans at 8.5% and that on working capital loans to businesses at 12%. From 2 November the latter was reduced to 11.5%. From January 2024, the Government reduced the voluntary interest rate cap on housing loans to 7.3% and that on corporate loans to 9.9%. In addition, the Government and the Hungarian Banking Association agreed that the voluntary interest rate cap scheme will be abolished simultaneously with the withdrawal of the interest rate cap for certain outstanding MSE volumes from 1 April 2024, i.e. in the future, interest rates will be determined by market competition.

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	2022	2023	Y-o-Y	4Q 2022	3Q 2023	4Q 2023	Q-o-Q	Y-o-Y
Adjusted profit after tax	9,357	19,673	110%	5,598	4,855	8,370	72%	50%
Income tax	-1,234	-2,491	102%	-695	-578	-1,141	97%	64%
Profit before income tax	10,592	22,165	109%	6,293	5,433	9,511	75%	51%
Operating profit	10,678	22,193	108%	6,221	5,433	9,539	76%	53%
Total income	14,585	27,771	90%	7,683	6,594	11,880	80%	55%
Net fees and commissions	14,094	25,923	84%	7,519	5,709	11,396	100%	52%
Other net non-interest income	491	1,846	276%	164	885	484	-45%	195%
Operating expenses	-3,907	-5,578	43%	-1,462	-1,162	-2,341	102%	60%
Other provisions	-86	11		72	0	11		-85%
Main components of balance sheet closing balances in HUF million	2022	2023	Y/Y	4Q 2022	3Q 2023	4Q 2023	Q-o-Q	Y-o-Y
Total assets	27,718	39,461	42%	27,718	32,334	39,461	22%	42%
Total shareholders' equity	16,993	28,741	69%	16,993	20,370	28,741	41%	69%
Asset under management in HUF billion	2022	2023	Y/Y	4Q 2022	3Q 2023	4Q 2023	Q-o-Q	Y-o-Y
Assets under management, total (w/o duplicates)[1]	**1,782**	**3,086**	**73%**	**1,782**	**2,714**	**3,086**	**14%**	**73%**
Volume of investment funds (closing, w/o duplicates)	1,388	2,609	88%	1,388	2,271	2,609	15%	88%
Volume of managed assets (closing)	393	477	21%	393	443	477	8%	21%
Volume of investment funds (closing, with duplicates)[2]	**1,869**	**3,532**	**89%**	**1,869**	**3,069**	**3,532**	**15%**	**89%**
bond	665	1,924	190%	665	1,586	1,924	21%	190%
money market	287	484	69%	287	455	484	6%	69%
absolute return fund	288	370	29%	288	339	370	9%	29%
equity	296	331	12%	296	307	331	8%	12%
mixed	285	336	18%	285	307	336	9%	18%
commodity market	49	70	45%	49	61	70	15%	45%
guaranteed	0	17		0	14	17	19%	

[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 2023, **OTP Fund Management** generated HUF 19.7 billion profit, twice as much as in the previous year. Of the full-year profit, HUF 8.4 billion was made in the fourth quarter (+72% q-o-q).

In 2023 net fee and commission income jumped by 84%, in accordance with the dynamic growth of managed assets. Besides, the average annual rate of fund management fee (1.25% in 2023) was 18 bps higher than in the previous year. Net fees and commissions doubled q-o-q in the last quarter, largely driven by the HUF 5.2 billion success fee recognized in the fourth quarter, for funds generating above-benchmark yields.

Annual other income nearly quadrupled, thanks to the improving results of the securities in the Company's own books.

In 2023 operating expenses exceeded the previous year's level by 43%. The rise in personnel costs stemmed from the higher bonus payments, mostly booked in 4Q relating to funds' performance, but salary hikes and higher headcount also played a role. Within other expenses, the high inflationary environment was predominantly reflected in the elevated costs of running real estates and vehicles, but marketing expenses and expert fees also grew.

In Hungary's fund management market, the assets under management once again hit record high at the end of December 2023: the high interest rate environment led to strong inflows and positive yields. These conditions primarily supported the expansion of bond funds and money market funds.

In the case of OTP Fund Management, the assets of bond funds tripled y-o-y, thus it made up more than half of the managed funds' volumes at the end of the year. As to the remaining categories, money market funds and absolute return funds benefited from the effect of positive yields and capital inflows, but the weaker yield performance moderated equity funds' volume growth.

Overall, the volume of funds managed by OTP Fund Management exceeded HUF 3,500 billion (+15% q-o-q, +89% y-o-y) at the end of December; thus it preserved its leader position (31.6%) in the securities funds market.

MERKANTIL GROUP (HUNGARY)

Performance of Merkantil Group:

Main components of P&L account in HUF million	2022	2023	Y-o-Y	4Q 2022	3Q 2023	4Q 2023	Q-o-Q	Y-o-Y
Adjusted profit after tax	10,971	10,267	-6%	3,462	4,766	-778		
Income tax	-1,645	-1,683	2%	-574	-397	-481	21%	-16%
Profit before income tax	12,616	11,950	-5%	4,035	5,163	-297	-106%	
Operating profit	13,930	14,954	7%	4,496	4,612	2,528	-45%	-44%
Total income	24,766	28,000	13%	7,537	7,591	6,311	-17%	-16%
Net interest income	22,537	26,257	17%	7,141	7,371	5,800	-21%	-19%
Net fees and commissions	921	759	-18%	298	194	133	-32%	-55%
Other net non-interest income	1,307	983	-25%	98	27	379		285%
Operating expenses	-10,836	-13,046	20%	-3,041	-2,979	-3,783	27%	24%
Total provisions	-1,314	-3,004	129%	-461	551	-2,825		513%
Provision for impairment on loan losses	-1,068	-2,800	162%	-1,237	588	-2,708		119%
Other provision	-246	-203	-17%	776	-38	-117	212%	
Main components of balance sheet closing balances in HUF million	**2022**	**2023**	**Y-o-Y**	**4Q 2022**	**3Q 2023**	**4Q 2023**	**Q-o-Q**	**Y-o-Y**
Total assets	948,735	930,761	-2%	948,735	926,319	930,761	0%	-2%
Gross customer loans	532,054	590,510	11%	532,054	571,904	590,510	3%	11%
Gross customer loans (FX-adjusted)	530,372	590,510	11%	530,372	570,758	590,510	3%	11%
Stage 1+2 customer loans (FX-adjusted)	516,303	576,217	12%	516,303	555,200	576,217	4%	12%
Retail loans	3,145	2,259	-28%	3,145	2,511	2,259	-10%	-28%
Corporate loans	130,664	150,495	15%	130,664	141,795	150,495	6%	15%
Leasing	382,494	423,463	11%	382,494	410,894	423,463	3%	11%
Allowances for possible loan losses	-12,436	-13,637	10%	-12,436	-12,113	-13,637	13%	10%
Allowances for possible loan losses (FX-adjusted)	-12,402	-13,637	10%	-12,402	-12,095	-13,637	13%	10%
Deposits from customers	6,151	5,028	-18%	6,151	5,451	5,028	-8%	-18%
Deposits from customer (FX-adjusted)	6,151	5,028	-18%	6,151	5,451	5,028	-8%	-18%
Retail deposits	3,713	2,838	-24%	3,713	2,876	2,838	-1%	-24%
Corporate deposits	2,438	2,190	-10%	2,438	2,574	2,190	-15%	-10%
Liabilities to credit institutions	852,738	839,730	-2%	852,738	833,544	839,730	1%	-2%
Total shareholders' equity	57,591	61,237	6%	57,591	62,385	61,237	-2%	6%
Loan Quality	**2022**	**2023**	**Y-o-Y**	**4Q 2022**	**3Q 2023**	**4Q 2023**	**Q-o-Q**	**Y-o-Y**
Stage 1 loan volume under IFRS 9 (in HUF million)	453,307	533,569	18%	453,307	510,247	533,569	5%	18%
Stage 1 loans under IFRS 9/gross customer loans	85.2%	90.4%	5.2%p	85.2%	89.2%	90.4%	1.1%p	5.2%p
Own coverage of Stage 1 loans under IFRS 9	0.4%	0.8%	0.4%p	0.4%	0.6%	0.8%	0.2%p	0.4%p
Stage 2 loan volume under IFRS 9 (in HUF million)	64,627	42,648	-34%	64,627	46,045	42,648	-7%	-34%
Stage 2 loans under IFRS 9/gross customer loans	12.1%	7.2%	-4.9%p	12.1%	8.1%	7.2%	-0.8%p	-4.9%p
Own coverage of Stage 2 loans under IFRS 9	4.5%	7.0%	2.5%p	4.5%	5.6%	7.0%	1.4%p	2.5%p
Stage 3 loan volume under IFRS 9 (in HUF million)	14,120	14,293	1%	14,120	15,612	14,293	-8%	1%
Stage 3 loans under IFRS 9/gross customer loans	2.7%	2.4%	-0.2%p	2.7%	2.7%	2.4%	-0.3%p	-0.2%p
Own coverage of Stage 3 loans under IFRS 9	53.1%	44.1%	-9.0%p	53.1%	40.3%	44.1%	3.8%p	-9.0%p
Provision for impairment on loan losses/average gross loans	0.21%	0.50%	0.29%p	0.93%	-0.41%	1.84%	2.25%p	0.91%p
Performance Indicators	**2022**	**2023**	**Y-o-Y**	**4Q 2022**	**3Q 2023**	**4Q 2023**	**Q-o-Q**	**Y-o-Y**
ROA	1.3%	1.1%	-0.2%p	1.4%	2.0%	-0.3%	-2.4%p	-1.8%p
ROE	19.1%	17.4%	-1.8%p	23.9%	31.7%	-4.9%	-36.6%p	-28.8%p
Total income margin	2.94%	3.00%	0.06%p	3.15%	3.25%	2.69%	-0.57%p	-0.47%p
Net interest margin	2.68%	2.81%	0.13%p	2.99%	3.16%	2.47%	-0.69%p	-0.52%p
Operating costs / Average assets	1.3%	1.4%	0.1%p	1.3%	1.3%	1.6%	0.3%p	0.3%p
Cost/income ratio	43.8%	46.6%	2.8%p	40.4%	39.2%	59.9%	20.7%p	19.6%p

In full year 2023, **Merkantil Group** posted HUF 10.3 billion adjusted profit after tax, which brought its ROE to 17.4%.

Operating profit grew by 7%, driven by a 13% surge in total income.

Full-year net interest income increased by 17%, supported by the extra interest income from the placement of liquid assets, and also because the average interest rate of the loan book increased year-on-year, thanks to new loan placements at higher rates and the repricing of existing loans. The q-o-q decline in the fourth quarter can be attributed to technical items related to Merkantil Bérlet.

Full-year operating expenses grew by 20%, owing to base salary hikes and higher bonus payments, the increase in IT, marketing, and consulting costs, as well as higher amortization. In the fourth quarter, expenses surged by 27% q-o-q, largely because of seasonality.

The total risk costs line printed HUF 3 billion in 2023, including HUF 2.8 billion in the fourth quarter.

The ratio of Stage 1 loans increased by 5.2 pps, to 90.4% y-o-y, while the ratio of Stage 2 loans declined comparably; the ratio of Stage 3 loans dropped by 0.2 pp, to 2.4% y-o-y. The Stage 1+2 portfolio's cumulative own provision coverage reached 1.3%, up from 1.0% seen at the end of 2022.

FX-adjusted performing (Stage 1+2) loans grew by 12% y-o-y; within that, corporate loans expanded by 15%, while leasing exposures rose by 11%. The performing book increased by 4% q-o-q, including a 6% jump in corporate loans and a 3% rise in leasing volumes.

In 2023, the volume of newly disbursed loans surged by 13% y-o-y, including a 27% growth in new car loan placements.

Credit demand benefited from the subsidized loan facilities: under the KAVOSZ Széchenyi Card programme, since the beginning of the scheme customers have concluded subsidized loan agreements totalling HUF 127 billion (including HUF 84 billion in 2022, and HUF 43 billion in 2023) with Merkantil Bank. Loan agreements under the Baross Gábor programme amounted to HUF 18 billion at the end of December.

IFRS REPORTS OF THE MAIN SUBSIDIARIES

In the following parts of the Summary the foreign subsidiaries' adjusted financial data are presented. The calculation method of performance indices can be found in the Supplementary data annex.

DSK GROUP (BULGARIA)

Performance of DSK Group:

Main components of P&L account in HUF million	2022	2023	Y-o-Y	4Q 2022	3Q 2023	4Q 2023	Q-o-Q	Y-o-Y
Adjusted profit after tax	119,885	201,992	68%	43,407	62,320	50,860	-18%	17%
Income tax	-12,680	-21,740	71%	-4,756	-7,009	-5,229	-25%	10%
Profit before income tax	132,565	223,732	69%	48,163	69,328	56,088	-19%	16%
Operating profit	142,383	217,239	53%	45,077	62,594	59,203	-5%	31%
Total income	230,834	315,981	37%	70,314	84,358	85,152	1%	21%
Net interest income	145,461	226,693	56%	44,722	61,027	61,478	1%	37%
Net fees and commissions	68,755	72,366	5%	17,854	18,926	18,581	-2%	4%
Other net non-interest income	16,618	16,921	2%	7,738	4,406	5,093	16%	-34%
Operating expenses	-88,451	-98,742	12%	-25,237	-21,765	-25,949	19%	3%
Total provisions	-9,819	6,493		3,086	6,734	-3,115		
Provision for impairment on loan losses	-10,992	2,779		816	4,336	-3,508		
Other provision	1,173	3,714	217%	2,270	2,398	393	-84%	-83%
Main components of balance sheet closing balances in HUF million	**2022**	**2023**	**Y/Y**	**4Q 2022**	**3Q 2023**	**4Q 2023**	**Q-o-Q**	**Y-o-Y**
Total assets	5,946,815	6,456,668	9%	5,946,815	6,241,312	6,456,668	3%	9%
Gross customer loans	3,584,751	4,066,527	13%	3,584,751	4,025,143	4,066,527	1%	13%
Gross customer loans (FX-adjusted)	3,428,089	4,066,527	19%	3,428,089	3,937,580	4,066,527	3%	19%
Stage 1+2 customer loans (FX-adjusted)	3,307,240	3,970,390	20%	3,307,240	3,826,924	3,970,390	4%	20%
Retail loans	1,916,055	2,248,406	17%	1,916,055	2,141,962	2,248,406	5%	17%
Corporate loans	1,124,524	1,415,644	26%	1,124,524	1,387,642	1,415,644	2%	26%
Leasing	266,661	306,339	15%	266,661	297,320	306,339	3%	15%
Allowances for possible loan losses	-154,361	-125,806	-18%	-154,361	-139,628	-125,806	-10%	-18%
Allowances for possible loan losses (FX-adjusted)	-147,621	-125,806	-15%	-147,621	-136,599	-125,806	-8%	-15%
Deposits from customers	4,893,078	5,165,700	6%	4,893,078	5,023,258	5,165,700	3%	6%
Deposits from customers (FX-adjusted)	4,672,951	5,165,700	11%	4,672,951	4,906,400	5,165,700	5%	11%
Retail deposits	3,833,282	4,343,036	13%	3,833,282	4,135,729	4,343,036	5%	13%
Corporate deposits	839,669	822,664	-2%	839,669	770,670	822,664	7%	-2%
Liabilities to credit institutions	152,193	249,178	64%	152,193	185,704	249,178	34%	64%
Total shareholders' equity	779,095	890,188	14%	779,095	859,315	890,188	4%	14%
Loan Quality	**2022**	**2023**	**Y-o-Y**	**4Q 2022**	**3Q 2023**	**4Q 2023**	**Q-o-Q**	**Y-o-Y**
Stage 1 loan volume under IFRS 9 (in HUF million)	3,177,291	3,483,290	10%	3,177,291	3,631,050	3,483,290	-4%	10%
Stage 1 loans under IFRS 9/gross customer loans	88.6%	85.7%	-3.0%p	88.6%	90.2%	85.7%	-4.6%p	-3.0%p
Own coverage of Stage 1 loans under IFRS 9	1.1%	0.7%	-0.3%p	1.1%	0.9%	0.7%	-0.1%p	-0.3%p
Stage 2 loan volume under IFRS 9 (in HUF million)	281,096	487,099	73%	281,096	280,989	487,099	73%	73%
Stage 2 loans under IFRS 9/gross customer loans	7.8%	12.0%	4.1%p	7.8%	7.0%	12.0%	5.0%p	4.1%p
Own coverage of Stage 2 loans under IFRS 9	16.0%	9.3%	-6.6%p	16.0%	13.9%	9.3%	-4.5%p	-6.6%p
Stage 3 loan volume under IFRS 9 (in HUF million)	126,364	96,137	-24%	126,364	113,104	96,137	-15%	-24%
Stage 3 loans under IFRS 9/gross customer loans	3.5%	2.4%	-1.2%p	3.5%	2.8%	2.4%	-0.4%p	-1.2%p
Own coverage of Stage 3 loans under IFRS 9	60.2%	57.1%	-3.1%p	60.2%	61.1%	57.1%	-4.0%p	-3.1%p
Provision for impairment on loan losses/average gross loans	0.33%	-0.07%	-0.40%p	-0.09%	-0.44%	0.35%	0.79%p	0.44%p
Performance Indicators	**2022**	**2023**	**Y-o-Y**	**4Q 2022**	**3Q 2023**	**4Q 2023**	**Q-o-Q**	**Y-o-Y**
ROA	2.3%	3.3%	1.1%p	2.9%	4.0%	3.2%	-0.8%p	0.3%p
ROE	16.7%	25.4%	8.8%p	22.2%	30.6%	23.2%	-7.4%p	1.0%p
Total income margin	4.41%	5.24%	0.83%p	4.75%	5.47%	5.41%	-0.06%p	0.66%p
Net interest margin	2.78%	3.76%	0.98%p	3.02%	3.96%	3.91%	-0.05%p	0.88%p
Operating costs / Average assets	1.69%	1.64%	-0.05%p	1.71%	1.41%	1.65%	0.24%p	-0.06%p
Cost/income ratio	38.3%	31.2%	-7.1%p	35.9%	25.8%	30.5%	4.7%p	-5.4%p
Net loans to deposits (FX-adjusted)	70%	76%	6%p	70%	77%	76%	-1%p	6%p
FX rates (in HUF)	**2022**	**2023**	**Y-o-Y**	**4Q 2022**	**3Q 2023**	**4Q 2023**	**Q-o-Q**	**Y-o-Y**
HUF/BGN (closing)	204.6	195.7	-4%	204.6	200.0	195.7	-2%	-4%
HUF/BGN (average)	200.1	195.3	-2%	210.1	196.2	195.4	0%	-7%

In 2023, **DSK Group** posted excellent results: its adjusted profit after tax jumped by 68%, exceeding HUF 200 billion, its ROE surpassed 25% with net interest margin and cost efficiency indicators both improving. The FX-adjusted performing loan book grew by 20%, an outstanding rate amongst OTP Group members, thus DSK preserved its market leader position in the Bulgarian credit market. Of the full-year adjusted profit, HUF 51 billion was generated in the fourth quarter.

The main constituents of the full-year profit improvement were net interest income growing by more than one and a half times and risk costs turning into positive.

The increase in net interest income was supported by both dynamic volume growth and widening margin; the latter largely stemmed from the gradual repricing of corporate and leasing exposures priced on the EURIBOR reference rates, in the wake of the rising interest rate environment. However, the increase in the mandatory reserve requirement rate from 10% to 12% in July 2023 had an adverse effect, as the central bank does not pay interest on that stock. In the fourth quarter, the margin marginally declined q-o-q (-5 bps), but net interest income increased by 1%, as a result of the continued volume growth.

Annual net fees and commissions rose by 5%, and other income grew by 2% last year.

In 2023 operating expenses grew by 12%, while the average rate of inflation was 9.5% in 2023, and nominal wages may have grown by more than 13% in the economy. DSK's personnel expenses grew 14%, owing to the implemented wage increases and the higher bonus payments (mostly booked in the fourth quarter), while the annual average number of employees dropped by 7%, predominantly because DSK Bank sold its subsidiary providing security and ATM services. The increase in other expenses can be partly attributable to higher consulting and marketing expenses, as well as to supervisory fees. The annual cost/income ratio improved by 7 pps, to near 31%, which is one of the best among Group members.

In full year 2023 the total risk cost line printed HUF 6.5 billion positive amount, as opposed to -HUF 9.8 billion in the base period. Within that, the positive sign of credit-related risk costs was predominantly because of the release owing to the improving macro expectations. The positive amount of other risk costs was due to the contraction in repo volumes and to the release of provisions for interbank exposures.

The ratio of Stage 3 loans dropped by 0.4 pp q-o-q and by 1.2 pps y-o-y, to 2.4%. However, the ratio of Stage 2 loans increased by 5 pps q-o-q, to 12%, largely because a more advanced Stage 2 classification and impairment methodology was introduced in the fourth quarter. As a result, HUF 170 billion worth of loans were shifted from Stage 1 into Stage 2 category. These reclassifications entailed additional impairments in the fourth quarter, but this was offset by the release of provisions owing to the improving macro expectations. Thus, the HUF 3.5 billion credit risk cost recorded in the fourth quarter was largely caused by one-off technical items booked in relation to the Bulgarian factoring company's merger into DSK Bank.

DSK Bank's performing (Stage 1+2) loans grew by 20% y-o-y (FX-adjusted), the second strongest pace within OTP Group. All segments posted robust performance: mortgage loans jumped by 23%, consumer loans grew by 13%, corporate and MSE loans surged by 24%, while leasing exposures increased by 15%. In the fourth quarter, performing loans grew by 4% q-o-q. It is noteworthy that new mortgage loan placements jumped by 27% q-o-q in the fourth quarter, thus two-thirds more mortgage loans were placed than a year earlier. The placement of new cash loans grew in excess of 40% y-o-y in the fourth quarter.

The deposit book's growth continued: the 5% expansion in the fourth quarter brought the full-year volume growth to 11% (FX-adjusted). The net loan to deposit ratio rose by 6 pps y-o-y, to 76%.

OTP BANK SLOVENIA

Performance of OTP Bank Slovenia:

Main components of P&L account in HUF million	2022	2023	Y-o-Y	4Q 2022	3Q 2023	4Q 2023	Q-o-Q	Y-o-Y
Adjusted profit after tax	23,860	128,730	440%	5,348	34,000	40,256	18%	653%
Income tax	-5,710	-8,672	52%	-1,321	-5,136	2,961		
Profit before income tax	29,570	137,402	365%	6,669	39,136	37,295	-5%	459%
Operating profit	24,046	140,717	485%	7,644	39,317	39,844	1%	421%
Total income	51,403	223,315	334%	15,050	60,624	65,803	9%	337%
Net interest income	33,688	171,703	410%	10,598	48,195	50,872	6%	380%
Net fees and commissions	15,416	46,028	199%	3,659	11,795	13,392	14%	266%
Other net non-interest income	2,299	5,584	143%	793	635	1,538	142%	94%
Operating expenses	-27,357	-82,598	202%	-7,406	-21,308	-25,959	22%	251%
Total provisions	5,523	-3,316		-974	-180	-2,549		162%
Provision for impairment on loan losses	7,048	-2,485		140	-1,528	-1,635	7%	
Other provision	-1,525	-831	-46%	-1,115	1,348	-914		-18%
Main components of balance sheet closing balances in HUF million	**2022**	**2023**	**Y/Y**	**4Q 2022**	**3Q 2023**	**4Q 2023**	**Q-o-Q**	**Y-o-Y**
Total assets	1,790,944	5,892,803	229%	1,790,944	5,902,139	5,892,803	0%	229%
Gross customer loans	1,204,641	2,796,313	132%	1,204,641	2,906,870	2,796,313	-4%	132%
Gross customer loans (FX-adjusted)	1,152,296	2,796,313	143%	1,152,296	2,844,303	2,796,313	-2%	143%
Stage 1+2 customer loans (FX-adjusted)	1,138,715	2,752,055	142%	1,138,715	2,813,164	2,752,055	-2%	142%
Retail loans	528,839	1,342,421	154%	528,839	1,316,569	1,342,421	2%	154%
Corporate loans	431,826	1,220,889	183%	431,826	1,311,229	1,220,889	-7%	183%
Leasing	178,050	188,745	6%	178,050	185,366	188,745	2%	6%
Allowances for possible loan losses	-14,637	-33,587	129%	-14,637	-31,538	-33,587	6%	129%
Allowances for possible loan losses (FX-adjusted)	-14,008	-33,587	140%	-14,008	-30,872	-33,587	9%	140%
Deposits from customers	1,466,625	4,583,072	212%	1,466,625	4,608,624	4,583,072	-1%	212%
Deposits from customers (FX-adjusted)	1,402,728	4,583,072	227%	1,402,728	4,507,687	4,583,072	2%	227%
Retail deposits	1,008,169	3,580,837	255%	1,008,169	3,541,127	3,580,837	1%	255%
Corporate deposits	394,560	1,002,235	154%	394,560	966,559	1,002,235	4%	154%
Liabilities to credit institutions	68,172	131,375	93%	68,172	137,514	131,375	-4%	93%
Issued securities	0	335,400		0	333,728	335,400	1%	
Subordinated debt	32,025	63,167	97%	32,025	65,533	63,167	-4%	97%
Total shareholders' equity	194,843	669,622	244%	194,843	661,801	669,622	1%	244%
Loan Quality	**2022**	**2023**	**Y-o-Y**	**4Q 2022**	**3Q 2023**	**4Q 2023**	**Q-o-Q**	**Y-o-Y**
Stage 1 loan volume under IFRS 9 (in HUF million)	1,062,588	2,514,261	137%	1,062,588	2,685,242	2,514,261	-6%	137%
Stage 1 loans under IFRS 9/gross customer loans	88.2%	89.9%	1.7%p	88.2%	92.4%	89.9%	-2.5%p	1.7%p
Own coverage of Stage 1 loans under IFRS 9	0.2%	0.3%	0.1%p	0.2%	0.3%	0.3%	-0.1%p	0.1%p
Stage 2 loan volume under IFRS 9 (in HUF million)	127,866	237,794	86%	127,866	189,831	237,794	25%	86%
Stage 2 loans under IFRS 9/gross customer loans	10.6%	8.5%	-2.1%p	10.6%	6.5%	8.5%	2.0%p	-2.1%p
Own coverage of Stage 2 loans under IFRS 9	2.4%	3.4%	0.9%p	2.4%	3.7%	3.4%	-0.4%p	0.9%p
Stage 3 loan volume under IFRS 9 (in HUF million)	14,188	44,258	212%	14,188	31,797	44,258	39%	212%
Stage 3 loans under IFRS 9/gross customer loans	1.2%	1.6%	0.4%p	1.2%	1.1%	1.6%	0.5%p	0.4%p
Own coverage of Stage 3 loans under IFRS 9	68.4%	41.4%	-27.0%p	68.4%	47.9%	41.4%	-6.5%p	-27.0%p
Provision for impairment on loan losses/average gross loans	-0.61%	0.09%	0.71%p	-0.04%	0.21%	0.23%	0.02%p	0.27%p
90+ days past due loan volume (in HUF million)	5,831	15,871	172%	5,831	14,964	15,871	6%	172%
90+ days past due loans/gross customer loans	0.5%	0.6%	0.1%p	0.5%	0.5%	0.6%	0.1%p	0.1%p
Performance Indicators	**2022**	**2023**	**Y-o-Y**	**4Q 2022**	**3Q 2023**	**4Q 2023**	**Q-o-Q**	**Y-o-Y**
ROA	1.5%	2.5%	1.0%p	1.2%	2.3%	2.8%	0.4%p	1.5%p
ROE	12.8%	22.6%	9.8%p	10.8%	21.2%	24.0%	2.8%p	13.3%p
Total income margin	3.25%	4.31%	1.06%p	3.40%	4.17%	4.50%	0.33%p	1.10%p
Net interest margin	2.13%	3.31%	1.18%p	2.40%	3.31%	3.48%	0.17%p	1.08%p
Operating costs / Average assets	1.73%	1.59%	-0.14%p	1.67%	1.46%	1.77%	0.31%p	0.10%p
Cost/income ratio	53.2%	37.0%	-16.2%p	49.2%	35.1%	39.4%	4.3%p	-9.8%p
Net loans to deposits (FX-adjusted)	81%	60%	-21%p	81%	62%	60%	-2%p	-21%p
FX rates (in HUF)	**2022**	**2023**	**Y-o-Y**	**4Q 2022**	**3Q 2023**	**4Q 2023**	**Q-o-Q**	**Y-o-Y**
HUF/EUR (closing)	400.3	382.8	-4%	400.3	391.3	382.8	-2%	-4%
HUF/EUR (average)	391.3	381.9	-2%	410.9	383.7	382.2	0%	-7%

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

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

In 2023, the combined performance of OTP Group's **Slovenian operation** posted the second strongest result among foreign subsidiary banks, following Bulgaria's DSK. The HUF 129 billion profit after tax includes SKB's 12-month (HUF 32.8 billion), and NKBM's 11-month result. The 22.6% full-year ROE exceeded the sector's profitability. The 37% cost/income ratio, which does not include synergy effects yet, is markedly below the Group average. In 2023, total income margin (4.31%) improved by more than 1 pp y-o-y, as did net interest margin (3.31%); the latter benefited from the higher interest rate environment, and from the active liquid asset management. The aggregated performing loan volumes organically declined y-o-y, similarly to deposits, but the Slovenian operation is still market leader in net loans to and deposits from customers. In 2023, NBKM successfully issued EUR 400 million worth of MREL-eligible Senior Preferred bonds (3NC2 tenor).

The fourth-quarter after-tax profit improved by 18% q-o-q. As a result, the quarterly ROE jumped to 24%. The strong profitability mostly stemmed from a dynamic revenue growth: of the more than HUF 65 billion total income, net interest income (which has almost 77% weight) grew by 6% q-o-q, even though the Slovenian operation, similarly to its competitors, raised interest rates on term deposits from October. However, The ECB's steady interest rate hikes had a benign effect on net interest income through assets' repricing, and the bond investment that began to grow meaningfully in the second half-year also improved NII. Continuing the improving trend, net interest margin grew by 17 bps q-o-q, to 3.48% in the fourth quarter. Net fee and commission income improved by 14% q-o-q, largely because in accordance with OTP Group's practices, certain commission expenses were moved to the operating expenses line, starting from October.

The 22% q-o-q increase in quarterly operating expenses significantly exceeded that of incomes, thus the Slovenian operation's cost/income ratio rose by 4.3 pps q-o-q, to 39.4%, which is still better than the Group's average.

Loan loss provisions slightly increased in the fourth quarter. The ratio of Stage 3 loans jumped to 1.6% q-o-q, from 1.1%, as a result of the reclassification of two major corporate exposures; still, the loan portfolio quality is significantly better than the Group's average. The ratio of Stage 2 loans also increased q-o-q. The own provision coverage of Stage 3 loans was 41.4%.

The performing (Stage 1+2) loan book shrank by 2% q-o-q (FX-adjusted): the 2% expansion in retail loans was offset by 4% q-o-q erosion of the corporate portfolio; the latter had seasonal reasons. The volume of performing loans was near HUF 2,752 billion, which exceeded the 4,583 billion deposit volume by a large margin. The net loan to deposit ratio (60%) declined q-o-q further. The overall market share of OTP's Slovenian operation marginally declined q-o-q in most product segments.

The legal and organizational integration of SKB and Nova KBM began in February 2023, and the management expects it to be completed in September 2024. The management is calculating with cost synergy benefits exceeding EUR 30 million in the following years.

To counterbalance the damages caused by the flood in August, Slovenia's government introduced a lot of measures: first, affected individuals and companies could opt for a 12-month payment moratorium, the application deadline was 31 December 2023; in accordance with the low participation rate, the negative result effect is immaterial. Second, banks are obliged to pay bank tax for five years, the rate is 0.2% of the total assets. In the case of the Slovenian operation, this is likely to amount to about EUR 30 million per year, which is deductible form the corporate tax income base. The tax is due from 2025, but the Bank will make accruals in each quarter of 2024 for the expected amount of the tax to be paid in 2025. Last, the corporate tax income rate increased from 19% to 22% for five years, starting from 2024.

OTP BANK CROATIA

Performance of OTP Bank Croatia:

Main components of P&L account in HUF million	2022	2023	Y-o-Y	4Q 2022	3Q 2023	4Q 2023	Q-o-Q	Y-o-Y
Adjusted profit after tax	42,801	53,959	26%	4,990	15,658	8,595	-45%	72%
Income tax	-9,294	-11,786	27%	-947	-3,656	-2,116	-42%	124%
Profit before income tax	52,095	65,744	26%	5,937	19,315	10,711	-45%	80%
Operating profit	49,013	66,742	36%	12,196	19,129	17,916	-6%	47%
Total income	102,042	122,951	20%	27,376	33,629	32,896	-2%	20%
Net interest income	70,547	90,996	29%	19,258	24,725	24,948	1%	30%
Net fees and commissions	24,692	25,661	4%	6,353	7,820	6,219	-20%	-2%
Other net non-interest income	6,803	6,295	-7%	1,765	1,084	1,729	60%	-2%
Operating expenses	-53,029	-56,210	6%	-15,180	-14,500	-14,980	3%	-1%
Total provisions	3,082	-997	-132%	-6,259	186	-7,205		15%
Provision for impairment on loan losses	7,102	721	-90%	-4,041	1,104	-7,769	-804%	92%
Other provision	-4,020	-1,718	-57%	-2,219	-918	564	-161%	-125%
Main components of balance sheet closing balances in HUF million	2022	2023	Y/Y	4Q 2022	3Q 2023	4Q 2023	Q-o-Q	Y-o-Y
Total assets	3,224,955	3,278,199	2%	3,224,955	3,288,670	3,278,199	0%	2%
Gross customer loans	2,263,825	2,311,788	2%	2,263,825	2,339,880	2,311,788	-1%	2%
Gross customer loans (FX-adjusted)	2,165,191	2,311,788	7%	2,165,191	2,288,896	2,311,788	1%	7%
Stage 1+2 customer loans (FX-adjusted)	2,058,545	2,221,514	8%	2,058,545	2,198,897	2,221,514	1%	8%
Retail loans	1,028,471	1,164,441	13%	1,028,471	1,124,151	1,164,441	4%	13%
Corporate loans	888,397	880,471	-1%	888,397	890,650	880,471	-1%	-1%
Leasing	141,677	176,602	25%	141,677	184,096	176,602	-4%	25%
Allowances for possible loan losses	-108,490	-97,835	-10%	-108,490	-93,213	-97,835	5%	-10%
Allowances for possible loan losses (FX-adjusted)	-103,791	-97,835	-6%	-103,791	-91,205	-97,835	7%	-6%
Deposits from customers	2,381,977	2,385,223	0%	2,381,977	2,419,552	2,385,223	-1%	0%
Deposits from customers (FX-adjusted)	2,275,058	2,385,223	5%	2,275,058	2,363,616	2,385,223	1%	5%
Retail deposits	1,696,769	1,742,124	3%	1,696,769	1,806,452	1,742,124	-4%	3%
Corporate deposits	578,288	643,099	11%	578,288	557,164	643,099	15%	11%
Liabilities to credit institutions	337,047	373,142	11%	337,047	348,657	373,142	7%	11%
Subordinated debt	24,356	23,438	-4%	24,356	23,490	23,438	0%	-4%
Total shareholders' equity	390,583	403,487	3%	390,583	400,833	403,487	1%	3%
Loan Quality	2022	2023	Y-o-Y	4Q 2022	3Q 2023	4Q 2023	Q-o-Q	Y-o-Y
Stage 1 loan volume under IFRS 9 (in HUF million)	1,886,633	1,932,763	2%	1,886,633	2,052,463	1,932,763	-6%	2%
Stage 1 loans under IFRS 9/gross customer loans	83.3%	83.6%	0.3%p	83.3%	87.7%	83.6%	-4.1%p	0.3%p
Own coverage of Stage 1 loans under IFRS 9	0.5%	0.6%	0.0%p	0.5%	0.5%	0.6%	0.0%p	0.0%p
Stage 2 loan volume under IFRS 9 (in HUF million)	265,568	288,751	9%	265,568	195,440	288,751	48%	9%
Stage 2 loans under IFRS 9/gross customer loans	11.7%	12.5%	0.8%p	11.7%	8.4%	12.5%	4.1%p	0.8%p
Own coverage of Stage 2 loans under IFRS 9	7.3%	7.6%	0.3%p	7.3%	8.5%	7.6%	-0.9%p	0.3%p
Stage 3 loan volume under IFRS 9 (in HUF million)	111,624	90,274	-19%	111,624	91,977	90,274	-2%	-19%
Stage 3 loans under IFRS 9/gross customer loans	4.9%	3.9%	-1.0%p	4.9%	3.9%	3.9%	0.0%p	-1.0%p
Own coverage of Stage 3 loans under IFRS 9	70.6%	72.0%	1.4%p	70.6%	71.5%	72.0%	0.6%p	1.4%p
Provision for impairment on loan losses/average gross loans	-0.34%	-0.03%	0.31%p	0.69%	-0.19%	1.33%	1.53%p	0.64%p
Performance Indicators	2022	2023	Y-o-Y	4Q 2022	3Q 2023	4Q 2023	Q-o-Q	Y-o-Y
ROA	1.5%	1.8%	0.3%p	0.6%	2.0%	1.1%	-0.9%p	0.4%p
ROE	11.4%	14.2%	2.8%p	4.9%	16.2%	8.6%	-7.6%p	3.7%p
Total income margin	3.51%	4.04%	0.53%p	3.37%	4.31%	4.06%	-0.26%p	0.68%p
Net interest margin	2.43%	2.99%	0.56%p	2.37%	3.17%	3.08%	-0.10%p	0.70%p
Operating costs / Average assets	1.83%	1.85%	0.02%p	1.87%	1.86%	1.85%	-0.01%p	-0.02%p
Cost/income ratio	52.0%	45.7%	-6.3%p	55.4%	43.1%	45.5%	2.4%p	-9.9%p
Net loans to deposits (FX-adjusted)	91%	93%	2%p	91%	93%	93%	0%p	2%p
FX rates (in HUF)	2022	2023	Y-o-Y	4Q 2022	3Q 2023	4Q 2023	Q-o-Q	Y-o-Y
HUF/HRK (closing)	53.1			53.1				
HUF/HRK (average)	51.9			54.5				
HUF/EUR (closing)	400.3	382.8	-4%	400.3	391.3	382.8	-2%	-4%
HUF/EUR (average)	391.3	381.9	-2%	410.9	383.7	382.2	0%	-7%

The **Croatian bank** generated HUF 54 billion profit after tax in 2023 as its profit jumped by nearly 30% y-o-y, bringing the ROE above 14%. The growth in annual profit was shaped by multiple factors: first, the bank's operating profit strengthened by 36%, thanks to the dynamic improvement in net interest income, while the strict cost control resulted in lower cost/income ratio; however, the balance of risk costs deteriorated.

Of the full-year adjusted profit, HUF 8.6 billion was realized in the fourth quarter. The 45% q-o-q decline stemmed from the higher credit risk costs, as well as from seasonally lower income.

Net interest income grew by 29% last year, driven by an 8% increase in performing loans, as well as a 56 bps y-o-y improvement in net interest margin, amid the rising interest rate environment.

Net fees and commissions increased by 4% y-o-y last year. The 20% q-o-q drop in the fourth quarter largely stemmed from seasonal effects, as a combined result of the lower merchant commission revenue and smaller income from card transactions in the off-season in tourism.

Twelve-month other revenues declined by 7% y-o-y, including the 60% q-o-q growth in the fourth quarter, as a result of the positive revaluation result on repo deals and investments.

In 2023, operating expenses exceeded the previous year's level by 6%, while average annual inflation was more than 8%. Other expenses rose by 5%, at a lower rate than inflation; the effect of higher marketing expenses and training costs was offset by the base effect of expert fees in 2022 in connection with euro adoption. Personnel expenses grew by 8%, as a result of an increase in the average number of employees, a rise in base salary, and higher bonus payments, particularly in the fourth quarter. Overall, the cost/income ratio improved by 6.3 pps, to 45.7% last year.

Following the HUF 3 billion positive amount in 2022, total risk costs amounted to -HUF 1 billion in 2023. Within that, -HUF 7.8 billion credit risk costs were recorded in the fourth quarter. Other risk costs fell by 57% y-o-y, mostly because of litigations.

The ratio of Stage 3 loans declined by 1.0 pp y-o-y, making up 3.9% of the portfolio at the end of December. This was supported by both the loan portfolio's overall improvement and a healed corporate loan previously classified as Stage 3. The own provision coverage of Stage 3 loans improved further: it hit 72.0% (+0.6 pp q-o-q, and +1.4 pps y-o-y) at the end of December.

Performing (Stage 1+2) loans grew by an FX-adjusted 8% y-o-y, and 1% q-o-q. The retail segment's y-o-y expansion continued to benefit from the subsidized housing loan facility for first-home-buyers, in a scheme restarted on 21 March 2022; thus the share of this subsidized product within the full-year retail loan disbursement reached 28.5%. The corporate loan book stagnated y-o-y.

FX-adjusted deposit volumes expanded by 5% in full-year 2023 but stagnated in the fourth quarter. Despite the better returns on alternative savings forms, retail deposits increased by 3% y-o-y in FX-adjusted terms. Corporate deposit volumes grew dynamically in the second half of the year, showing a growth of 15% q-o-q and 11% y-o-y. The Bank's net loan/deposit ratio rose by 2 pps y-o-y, to 93% at the end of December.

On 1 January 2023, Croatia adopted the euro. The necessary conversion of loan and deposit volumes, as well as the smooth transition of the bank's IT systems were all successfully accomplished.

OTP BANK SERBIA

Performance of OTP Bank Serbia:

Main components of P&L account in HUF million	2022	2023	Y-o-Y	4Q 2022	3Q 2023	4Q 2023	Q-o-Q	Y-o-Y
Adjusted profit after tax	36,873	68,026	84%	4,421	19,872	17,540	-12%	297%
Income tax	-6,118	-10,621	74%	-1,280	-3,070	-2,901	-6%	127%
Profit before income tax	42,991	78,646	83%	5,701	22,941	20,441	-11%	259%
Operating profit	58,544	83,732	43%	19,174	22,603	21,989	-3%	15%
Total income	104,524	133,589	28%	31,412	35,008	35,760	2%	14%
Net interest income	76,635	104,050	36%	23,171	27,323	27,492	1%	19%
Net fees and commissions	17,954	18,419	3%	5,040	4,651	5,177	11%	3%
Other net non-interest income	9,934	11,120	12%	3,201	3,034	3,091	2%	-3%
Operating expenses	-45,980	-49,856	8%	-12,238	-12,405	-13,772	11%	13%
Total provisions	-15,553	-5,086	-67%	-13,473	338	-1,548		-89%
Provision for impairment on loan losses	-14,422	-2,293	-84%	-12,954	216	1,821	743%	
Other provision	-1,131	-2,793	147%	-519	122	-3,369		549%
Main components of balance sheet closing balances in HUF million	2022	2023	Y/Y	4Q 2022	3Q 2023	4Q 2023	Q-o-Q	Y-o-Y
Total assets	2,708,993	2,874,794	6%	2,708,993	2,806,885	2,874,794	2%	6%
Gross customer loans	2,038,480	1,978,855	-3%	2,038,480	1,981,315	1,978,855	0%	-3%
Gross customer loans (FX-adjusted)	1,951,119	1,978,855	1%	1,951,119	1,938,810	1,978,855	2%	1%
Stage 1+2 customer loans (FX-adjusted)	1,901,668	1,921,146	1%	1,901,668	1,883,661	1,921,146	2%	1%
Retail loans	868,659	875,664	1%	868,659	864,424	875,664	1%	1%
Corporate loans	937,436	951,833	2%	937,436	926,408	951,833	3%	2%
Leasing	95,573	93,648	-2%	95,573	92,829	93,648	1%	-2%
Allowances for possible loan losses	-62,386	-66,259	6%	-62,386	-68,970	-66,259	-4%	6%
Allowances for possible loan losses (FX-adjusted)	-59,754	-66,259	11%	-59,754	-67,500	-66,259	-2%	11%
Deposits from customers	1,551,143	1,868,078	20%	1,551,143	1,709,595	1,868,078	9%	20%
Deposits from customers (FX-adjusted)	1,485,623	1,868,078	26%	1,485,623	1,672,511	1,868,078	12%	26%
Retail deposits	831,288	936,937	13%	831,288	874,141	936,937	7%	13%
Corporate deposits	654,335	931,140	42%	654,335	798,370	931,140	17%	42%
Liabilities to credit institutions	682,615	506,900	-26%	682,615	632,223	506,900	-20%	-26%
Total shareholders' equity	358,120	368,344	3%	358,120	359,457	368,344	2%	3%
Loan Quality	2022	2023	Y-o-Y	4Q 2022	3Q 2023	4Q 2023	Q-o-Q	Y-o-Y
Stage 1 loan volume under IFRS 9 (in HUF million)	1,764,677	1,661,365	-6%	1,764,677	1,681,108	1,661,365	-1%	-6%
Stage 1 loans under IFRS 9/gross customer loans	86.6%	84.0%	-2.6%p	86.6%	84.8%	84.0%	-0.9%p	-2.6%p
Own coverage of Stage 1 loans under IFRS 9	0.9%	0.7%	-0.2%p	0.9%	0.9%	0.7%	-0.2%p	-0.2%p
Stage 2 loan volume under IFRS 9 (in HUF million)	222,202	259,780	17%	222,202	243,867	259,780	7%	17%
Stage 2 loans under IFRS 9/gross customer loans	10.9%	13.1%	2.2%p	10.9%	12.3%	13.1%	0.8%p	2.2%p
Own coverage of Stage 2 loans under IFRS 9	7.0%	6.7%	-0.3%p	7.0%	7.3%	6.7%	-0.6%p	-0.3%p
Stage 3 loan volume under IFRS 9 (in HUF million)	51,601	57,710	12%	51,601	56,340	57,710	2%	12%
Stage 3 loans under IFRS 9/gross customer loans	2.5%	2.9%	0.4%p	2.5%	2.8%	2.9%	0.1%p	0.4%p
Own coverage of Stage 3 loans under IFRS 9	59.8%	63.8%	4.1%p	59.8%	63.2%	63.8%	0.6%p	4.1%p
Provision for impairment on loan losses/average gross loans	0.74%	0.12%	-0.62%p	2.44%	-0.04%	-0.37%	-0.33%p	-2.81%p
Performance Indicators	2022	2023	Y-o-Y	4Q 2022	3Q 2023	4Q 2023	Q-o-Q	Y-o-Y
ROA	1.5%	2.5%	1.1%p	0.6%	2.9%	2.5%	-0.4%p	1.9%p
ROE	10.9%	19.4%	8.5%p	4.8%	22.7%	19.3%	-3.4%p	14.5%p
Total income margin	4.14%	4.98%	0.84%p	4.52%	5.13%	5.07%	-0.05%p	0.55%p
Net interest margin	3.03%	3.88%	0.85%p	3.33%	4.00%	3.90%	-0.10%p	0.57%p
Operating costs / Average assets	1.82%	1.86%	0.04%p	1.76%	1.82%	1.95%	0.14%p	0.19%p
Cost/income ratio	44.0%	37.3%	-6.7%p	39.0%	35.4%	38.5%	3.1%p	-0.4%p
Net loans to deposits (FX-adjusted)	127%	102%	-25%p	127%	112%	102%	-10%p	-25%p
FX rates (in HUF)	2022	2023	Y-o-Y	4Q 2022	3Q 2023	4Q 2023	Q-o-Q	Y-o-Y
HUF/RSD (closing)	3.4	3.3	-4%	3.4	3.3	3.3	-2%	-4%
HUF/RSD (average)	3.3	3.3	-2%	3.5	3.3	3.3	0%	-7%

The **Serbian banking group**'s adjusted profit after tax jumped by more than 80% y-o-y, to more than HUF 68 billion in 2023. The P&L developments were shaped by the dynamic improvement in operating profit (+43% y-o-y) as well as by the decline in risk costs, to a third of the previous year's level; this brought the return on equity ratio to 19.4% (+8.5 pps y-o-y).

In the fourth quarter, adjusted profit amounted to HUF 17.5 billion. The q-o-q decline stemmed from a seasonal increase in operating expenses and from the q-o-q higher risk costs, which was only partly mitigated by the 2% higher revenues.

Total income grew impressively (+28% y-o-y) in the full year. Within that, net interest income surged by 36%: FX-adjusted performing loan volumes stagnated, but the rising RSD and EUR interest rate environment made its impact through the gradual repricing of predominantly variable rate loans.

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

Twelve-month net fees and commissions rose by 3% y-o-y; within that, much of the growth seen in the fourth quarter can be attributed to deposit and account transaction fees.

The annual average rate of inflation was above 10% in 2023; in the high inflationary environment, annual operating expenses grew by 11% y-o-y in local currency. Almost 60% of the expense growth was caused by higher personnel expenses, triggered by wage inflation and higher bonus payments, while the number of employees was stable y-o-y (on FTE basis). Cost efficiency indicators further improved; the annual cost/income ratio (37.3%) was one of the lowest among group members.

In full year 2023, nearly HUF 5.1 billion total risk cost weighed on profit, as opposed to HUF 15.6 billion in the base period. Within that, credit risk costs fell by more than 80% y-o-y, because of the releases made in the third and fourth quarters of 2023. The y-o-y jump in other risk costs was related to provisions for interbank exposures and litigations.

The performing (Stage 1+2) FX-adjusted loan volume y-o-y stagnated. Within that, mortgage loans declined throughout last year in the rising interest rate environment, but the growing demand caused by the interest rate cap reversed the downtrend in the fourth quarter. Despite the stricter lending conditions, the consumer loan book increased both q-o-q and y-o-y (+1% and +4%), largely driven by cash loans' and car loans' growth. The corporate loan book's expansion continued, too.

The deposit stock surged by 26% y-o-y and 12% q-o-q (FX-adjusted), primarily driven by deposits from large corporations. The bank's net loan/deposit ratio declined by 25 pps y-o-y, to 102%, while interbank funds' volume fell by 26% y-o-y.

OTP BANK ALBANIA

Performance of OTP Bank Albania:

Main components of P&L account in HUF million	2022	2023	Y-o-Y	4Q 2022	3Q 2023	4Q 2023	Q-o-Q	Y-o-Y
Adjusted profit after tax	10,175	15,032	48%	2,954	2,522	4,427	76%	50%
Income tax	-2,013	-3,140	56%	-669	-438	-1,302	197%	94%
Profit before income tax	12,188	18,173	49%	3,623	2,960	5,729	94%	58%
Operating profit	9,335	18,269	96%	1,780	4,514	5,042	12%	
Total income	20,232	33,387	65%	5,972	8,467	8,985	6%	50%
Net interest income	16,927	27,912	65%	5,886	6,877	7,809	14%	33%
Net fees and commissions	3,067	3,729	22%	906	1,137	800	-30%	-12%
Other net non-interest income	238	1,746		-820	454	376	-17%	
Operating expenses	-10,896	-15,118	39%	-4,191	-3,953	-3,943	0%	-6%
Total provisions	2,852	-96	-103%	1,843	-1,554	687		-63%
Provision for impairment on loan losses	2,505	108	-96%	1,474	-1,655	1,124		-24%
Other provision	347	-204		368	101	-437		
Main components of balance sheet closing balances in HUF million	**2022**	**2023**	**Y-o-Y**	**4Q 2022**	**3Q 2023**	**4Q 2023**	**Q-o-Q**	**Y-o-Y**
Total assets	635,364	669,765	5%	635,364	675,007	669,765	-1%	5%
Gross customer loans	370,875	367,947	-1%	370,875	366,978	367,947	0%	-1%
Gross customer loans (FX-adjusted)	369,116	367,947	0%	369,116	363,709	367,947	1%	0%
Stage 1+2 customer loans (FX-adjusted)	350,663	345,171	-2%	350,663	341,123	345,171	1%	-2%
Retail loans	158,940	161,834	2%	158,940	158,063	161,834	2%	2%
Corporate loans	187,729	177,640	-5%	187,729	177,956	177,640	0%	-5%
Leasing	3,994	5,696	43%	3,994	5,104	5,696	12%	43%
Allowances for possible loan losses	-16,208	-17,690	9%	-16,208	-17,516	-17,690	1%	9%
Allowances for possible loan losses (FX-adjusted)	-16,264	-17,690	9%	-16,264	-17,379	-17,690	2%	9%
Deposits from customers	516,668	547,854	6%	516,668	550,205	547,854	0%	6%
Deposits from customers (FX-adjusted)	515,946	547,854	6%	515,946	544,269	547,854	1%	6%
Retail deposits	447,918	470,591	5%	447,918	465,978	470,591	1%	5%
Corporate deposits	68,029	77,263	14%	68,029	78,291	77,263	-1%	14%
Liabilities to credit institutions	30,279	8,138	-73%	30,279	10,841	8,138	-25%	-73%
Subordinated debt	0	2,861		0	0	2,861		
Total shareholders' equity	60,827	81,102	33%	60,827	78,182	81,102	4%	33%
Loan Quality	**2022**	**2023**	**Y-o-Y**	**4Q 2022**	**3Q 2023**	**4Q 2023**	**Q-o-Q**	**Y-o-Y**
Stage 1 loan volume under IFRS 9 (in HUF million)	318,215	312,494	-2%	318,215	314,643	312,494	-1%	-2%
Stage 1 loans under IFRS 9/gross customer loans	85.8%	84.9%	-0.9%p	85.8%	85.7%	84.9%	-0.8%p	-0.9%p
Own coverage of Stage 1 loans under IFRS 9	1.0%	0.9%	0.0%p	1.0%	1.0%	0.9%	-0.1%p	0.0%p
Stage 2 loan volume under IFRS 9 (in HUF million)	34,417	32,677	-5%	34,417	29,589	32,677	10%	-5%
Stage 2 loans under IFRS 9/gross customer loans	9.3%	8.9%	-0.4%p	9.3%	8.1%	8.9%	0.8%p	-0.4%p
Own coverage of Stage 2 loans under IFRS 9	9.4%	8.2%	-1.2%p	9.4%	9.6%	8.2%	-1.4%p	-1.2%p
Stage 3 loan volume under IFRS 9 (in HUF million)	18,243	22,776	25%	18,243	22,745	22,776	0%	25%
Stage 3 loans under IFRS 9/gross customer loans	4.9%	6.2%	1.3%p	4.9%	6.2%	6.2%	0.0%p	1.3%p
Own coverage of Stage 3 loans under IFRS 9	54.4%	53.3%	-1.1%p	54.4%	50.3%	53.3%	3.1%p	-1.1%p
Provision for impairment on loan losses/average gross loans	-0.83%	-0.03%	0.80%p	-1.54%	1.82%	-1.23%	-3.05%p	0.31%p
Performance Indicators	**2022**	**2023**	**Y-o-Y**	**4Q 2022**	**3Q 2023**	**4Q 2023**	**Q-o-Q**	**Y-o-Y**
ROA	2.0%	2.3%	0.3%p	1.8%	1.5%	2.6%	1.1%p	0.8%p
ROE	21.1%	21.1%	0.0%p	19.7%	13.1%	21.8%	8.7%p	2.1%p
Total income margin	4.07%	5.19%	1.13%p	3.66%	5.10%	5.30%	0.20%p	1.64%p
Net interest margin	3.40%	4.34%	0.94%p	3.61%	4.14%	4.61%	0.47%p	1.00%p
Operating costs / Average assets	2.19%	2.35%	0.16%p	2.57%	2.38%	2.33%	-0.05%p	-0.24%p
Cost/income ratio	53.9%	45.3%	-8.6%p	70.2%	46.7%	43.9%	-2.8%p	-26.3%p
Net loans to deposits (FX-adjusted)	68%	64%	-4%p	68%	64%	64%	0%p	-4%p
FX rates (in HUF)	**2022**	**2023**	**Y-o-Y**	**4Q 2022**	**3Q 2023**	**4Q 2023**	**Q-o-Q**	**Y-o-Y**
HUF/ALL (closing)	3.5	3.7	5%	3.5	3.7	3.7	0%	5%
HUF/ALL (average)	3.1	3.4	9%	3.5	3.6	3.7	1%	4%

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

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

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

In 2023, **OTP Bank Albania** generated HUF 15 billion profit after tax (+50% q-o-q in HUF terms; +44% in local currency terms), which brought ROE above 21%. Fourth-quarter profit amounted to HUF 4.4 billion, which translated into 76% q-o-q growth rate in HUF, mostly because provision releases.

Most of the y-o-y changes in the P&L lines were induced by the acquisition.

Based on the latest data, the bank's market share by total assets exceeded 9%, which makes it the fifth largest bank in the country. At the end of the year, the number of bank branches was 50, eleven units more than before the acquisition was completed in 2Q 2022, while the number of employees was more than 700, 57% higher than before the acquisition. Still, the bank's cost efficiency improved by 8.6 pps, thus the cost to income ratio stood at 45.3% in 2023.

In local currency terms, full-year operating profit grew by 84%, chiefly as a result of the acquisition, owing to 56% surge in total income, and 33% growth in operating expenses. Net interest income grew by 57% y-o-y partly a result of the acquisition, and in part due to the repricing of the loan portfolio in the higher interest rate environment, helping the interest margin (4.34%) improve in 2023 (+94 bps y-o-y). The full-year net fees and commissions increased by 16%, while other income grew sixfold, largely because the ALL/EUR rate appreciated more than in the previous period, and also driven by the inclusion of Alpha Bank Albania.

In quarter-on-quarter terms, operating profit improved by 11% in local currency, driven by a 5% rise in total income and a 1% drop in operating expenses. Within total income, net interest income improved by 13% q-o-q because additional interest expenditures were booked in 3Q in relation to the 'growing-rate' deposit[5] facility: in 3Q the bank started to use the average interest rate during the whole term, also retroactively, for calculating interest expenditures for the given period (rather than using the actual interest rate in the given period as it did previously). Accordingly, in 3Q the bank recorded the difference in interest expenditures for the previous periods in one sum, in the amount of HUF 0.8 billion.

In 2023 risk cost was near zero, as opposed to the release made a year earlier. The positive loan loss provision in the fourth quarter partly stemmed from the improvement in one corporate customer's loan quality; the loan was reclassified from Stage 2 to Stage 1, and as a result, which triggered provision release.

The q-o-q change in Stage 1 and Stage 2 ratios (-0.8 pp, and +0.8 pp) can be explained by the reclassification between the two segments, as a result of the harmonization of the classification principles caused by the integration. The ratio of Stage 3 loans stood at 6.2% (+1.3 pps y-o-y), and their own provision coverage was 53.3%.

Overall, the FX-adjusted stock of performing (Stage 1+2) loans declined by 2% in 2023 as a result of a 2% rise in retail loans and a 5% drop in corporate ones. In quarter-on-quarter terms, retail and corporate performing loans were both stable.

The FX-adjusted volume of deposits from customers grew by 6% y-o-y, as retail deposits increased by 5%, and corporate deposits expanded by 14%, while volumes remained stable q-o-q.

Liabilities to credit institutions declined by 73% y-o-y and 25% q-o-q; at the same time, intragroup funding also dropped. The increase on the subordinated debt line was related to the Tier 2 bond issued in the amount of EUR 7.5 million in December 2023.

[5] In the case of the growing-rate deposit, the interest rate on deposits increases step by step, in a pre-defined way, during the term of the deposit.

CKB GROUP (MONTENEGRO)

Performance of CKB Group:

Main components of P&L account in HUF million	2022	2023	Y-o-Y	4Q 2022	3Q 2023	4Q 2023	Q-o-Q	Y-o-Y
Adjusted profit after tax	9,791	21,814	123%	5,268	8,057	4,806	-40%	-9%
Income tax	-2,184	-3,923	80%	-961	-1,425	-960	-33%	0%
Profit before income tax	11,975	25,737	115%	6,229	9,482	5,766	-39%	-7%
Operating profit	15,133	23,537	56%	4,602	6,632	6,174	-7%	34%
Total income	28,816	38,363	33%	8,439	10,268	10,551	3%	25%
Net interest income	20,832	29,717	43%	6,262	7,824	8,185	5%	31%
Net fees and commissions	7,106	7,797	10%	1,887	2,183	2,127	-3%	13%
Other net non-interest income	878	848	-3%	290	262	239	-9%	-18%
Operating expenses	-13,683	-14,826	8%	-3,837	-3,636	-4,377	20%	14%
Total provisions	-3,158	2,200		1,627	2,850	-408		
Provision for impairment on loan losses	639	2,929		1,739	2,891	356	-88%	-80%
Other provision	-3,797	-728	-81%	-112	-42	-764		
Main components of balance sheet closing balances in HUF million	**2022**	**2023**	**Y/Y**	**4Q 2022**	**3Q 2023**	**4Q 2023**	**Q-o-Q**	**Y-o-Y**
Total assets	664,395	663,676	0%	664,395	662,445	663,676	0%	0%
Gross customer loans	447,921	452,493	1%	447,921	448,895	452,493	1%	1%
Gross customer loans (FX-adjusted)	428,371	452,493	6%	428,371	439,177	452,493	3%	6%
Stage 1+2 customer loans (FX-adjusted)	407,343	433,473	6%	407,343	419,296	433,473	3%	6%
Retail loans	185,443	212,758	15%	185,443	206,074	212,758	3%	15%
Corporate loans	221,900	220,715	-1%	221,900	213,222	220,715	4%	-1%
Allowances for possible loan losses	-21,893	-17,625	-19%	-21,893	-18,854	-17,625	-7%	-19%
Allowances for possible loan losses (FX-adjusted)	-20,937	-17,625	-16%	-20,937	-18,446	-17,625	-4%	-16%
Deposits from customers	524,479	520,168	-1%	524,479	519,954	520,168	0%	-1%
Deposits from customers (FX-adjusted)	501,225	520,168	4%	501,225	508,306	520,168	2%	4%
Retail deposits	276,382	325,770	18%	276,382	314,882	325,770	3%	18%
Corporate deposits	224,843	194,398	-14%	224,843	193,425	194,398	1%	-14%
Liabilities to credit institutions	12,443	2,309	-81%	12,443	2,727	2,309	-15%	-81%
Total shareholders' equity	99,131	113,004	14%	99,131	114,254	113,004	-1%	14%
Loan Quality	**2022**	**2023**	**Y-o-Y**	**4Q 2022**	**3Q 2023**	**4Q 2023**	**Q-o-Q**	**Y-o-Y**
Stage 1 loan volume under IFRS 9 (in HUF million)	389,640	399,886	3%	389,640	390,871	399,886	2%	3%
Stage 1 loans under IFRS 9/gross customer loans	87.0%	88.4%	1.4%p	87.0%	87.1%	88.4%	1.5%p	1.4%p
Own coverage of Stage 1 loans under IFRS 9	1.2%	0.8%	-0.4%p	1.2%	0.8%	0.8%	0.0%p	-0.4%p
Stage 2 loan volume under IFRS 9 (in HUF million)	36,294	33,587	-7%	36,294	37,703	33,587	-11%	-7%
Stage 2 loans under IFRS 9/gross customer loans	8.1%	7.4%	-0.7%p	8.1%	8.4%	7.4%	-1.0%p	-0.7%p
Own coverage of Stage 2 loans under IFRS 9	8.9%	5.1%	-3.7%p	8.9%	5.5%	5.1%	-0.3%p	-3.7%p
Stage 3 loan volume under IFRS 9 (in HUF million)	21,987	19,020	-13%	21,987	20,321	19,020	-6%	-13%
Stage 3 loans under IFRS 9/gross customer loans	4.9%	4.2%	-0.7%p	4.9%	4.5%	4.2%	-0.3%p	-0.7%p
Own coverage of Stage 3 loans under IFRS 9	64.4%	67.2%	2.9%p	64.4%	67.0%	67.2%	0.3%p	2.9%p
Provision for impairment on loan losses/average gross loans	-0.15%	-0.67%	-0.52%p	-1.54%	-2.61%	-0.32%	2.30%p	1.23%p
Performance Indicators	**2022**	**2023**	**Y-o-Y**	**4Q 2022**	**3Q 2023**	**4Q 2023**	**Q-o-Q**	**Y-o-Y**
ROA	1.6%	3.5%	1.8%p	3.1%	5.0%	2.9%	-2.1%p	-0.2%p
ROE	10.9%	21.0%	10.1%p	21.2%	29.9%	17.1%	-12.9%p	-4.1%p
Total income margin	4.84%	6.10%	1.27%p	5.00%	6.39%	6.41%	0.02%p	1.41%p
Net interest margin	3.50%	4.73%	1.23%p	3.71%	4.87%	4.97%	0.10%p	1.26%p
Operating costs / Average assets	2.30%	2.36%	0.06%p	2.27%	2.26%	2.66%	0.40%p	0.39%p
Cost/income ratio	47.5%	38.6%	-8.8%p	45.5%	35.4%	41.5%	6.1%p	-4.0%p
Net loans to deposits (FX-adjusted)	81%	84%	2%p	81%	83%	84%	1%p	2%p
FX rates (in HUF)	**2022**	**2023**	**Y-o-Y**	**4Q 2022**	**3Q 2023**	**4Q 2023**	**Q-o-Q**	**Y-o-Y**
HUF/EUR (closing)	400.3	382.8	-4%	400.3	391.3	382.8	-2%	-4%
HUF/EUR (average)	384.9	381.9	-1%	410.9	383.7	382.2	0%	-7%

In 2023, the Montenegrin **CKB Group** generated HUF 21.8 billion profit after tax, twice as much as in the base period. This brought its ROE to 21%. The improvement in the full-year result stemmed from 47% higher net interest income in local currency terms and positive risk costs. In the fourth quarter of 2023, after-tax profit declined by 40% q-o-q in local currency, largely because of the base effect of the impairment release in the previous quarter.

In full year 2023, total income grew by 37% y-o-y in local currency (+3% q-o-q in the fourth quarter), supported by the 47% jump in net interest income (+5% q-o-q in the fourth quarter), as well as a 13% increase in net fee and commission income, while other income was stable. The increase in interest income stemmed from the repricing of previously disbursed loans (mostly in the case of corporate and consumer loans), but the higher interest rate of newly disbursed loans also had a benign effect. As a result, net interest margin maintained the improving trend of the recent quarters in the fourth quarter, thus it rose by 1.23 pps to 4.73% y-o-y.

The bank's cost efficiency improved in 2023, just like in recent years; the cost to income ratio dropped by 8.8 pps, to 38.6% y-o-y. Operating expenses increased by 11% in EUR terms in 2023 (+21% q-o-q in the fourth quarter, mainly because of seasonality), a third of which was caused by elevated wages and wage-like payments, while the rise in other expenses stemmed from higher expert fees and supervisory charges.

In 2023, total risk cost amounted to +HUF 2.2 billion, largely because of the releases in the third quarter.

The ratio of Stage 3 loans declined to 4.2% (-0.7 pp y-o-y, -0.3 pp q-o-q); their own provision coverage stood at 67.2% (+2.9 pps y-o-y) at the end of the year.

Performing (Stage 1+2) loan volumes rose by an FX-adjusted 6% y-o-y, thanks to a 10% surge in mortgage loans and a 17% jump in consumer loans. The retail and the corporate segments both played a role in the 3% q-o-q loan growth.

The FX-adjusted deposit volumes grew by 4% y-o-y (+2% q-o-q), driven by the 11% increase in household deposits, and a 50% jump in MSE deposits. The net loan/deposit ratio stood at 84% at the end of the quarter (+2 pps y-o-y).

IPOTEKA BANK (UZBEKISTAN)

Performance of Ipoteka Bank (Uzbekistan):

Main components of P&L account in HUF million	2023	3Q 2023	4Q 2023	Q-o-Q
Adjusted profit after tax	-21,857	242	-22,098	
Income tax	-3,381	4,532	-7,914	
Profit before income tax	-18,475	-4,291	-14,184	
Operating profit	33,708	21,386	12,322	-42%
Total income	59,655	31,749	27,906	-12%
Net interest income	46,123	24,014	22,109	-8%
Net fees and commissions	5,261	2,688	2,573	-4%
Other net non-interest income	8,270	5,046	3,224	-36%
Operating expenses	-25,946	-10,362	-15,584	50%
Total provisions	-52,184	-25,677	-26,506	3%
Provision for impairment on loan losses	-51,354	-22,255	-29,099	31%
Other provision	-830	-3,422	2,592	
Main components of balance sheet closing balances in HUF million	**2023**	**3Q 2023**	**4Q 2023**	**Q-o-Q**
Total assets	1,187,368	1,260,548	1,187,368	-6%
Gross customer loans	961,533	972,292	961,533	-1%
Gross customer loans (FX-adjusted)	961,533	907,099	961,533	6%
Stage 1+2 customer loans (FX-adjusted)	847,183	828,881	847,183	2%
Retail loans	715,113	686,225	715,113	4%
Corporate loans	132,070	142,656	132,070	-7%
Allowances for possible loan losses	-96,738	-68,946	-96,738	40%
Allowances for possible loan losses (FX-adjusted)	-96,738	-64,430	-96,738	50%
Deposits from customers	327,161	303,673	327,161	8%
Deposits from customers (FX-adjusted)	327,161	282,707	327,161	16%
Retail deposits	237,467	219,330	237,467	8%
Corporate deposits	89,694	63,376	89,694	42%
Liabilities to credit institutions	561,466	605,099	561,466	-7%
Issued securities	121,082	126,277	121,082	-4%
Subordinated debt	12,162	14,117	12,162	-14%
Total shareholders' equity	145,941	170,052	145,941	-14%
Loan Quality	**2023**	**3Q 2023**	**4Q 2023**	**Q-o-Q**
Stage 1 loan volume under IFRS 9 (in HUF million)	687,252	757,778	687,252	-9%
Stage 1 loans under IFRS 9/gross customer loans	71.5%	77.9%	71.5%	-6.5%p
Own coverage of Stage 1 loans under IFRS 9	2.7%	4.1%	2.7%	-1.4%p
Stage 2 loan volume under IFRS 9 (in HUF million)	159,931	131,354	159,931	22%
Stage 2 loans under IFRS 9/gross customer loans	16.6%	13.5%	16.6%	3.1%p
Own coverage of Stage 2 loans under IFRS 9	21.6%	11.5%	21.6%	10.1%p
Stage 3 loan volume under IFRS 9 (in HUF million)	114,350	83,160	114,350	38%
Stage 3 loans under IFRS 9/gross customer loans	11.9%	8.6%	11.9%	3.3%p
Own coverage of Stage 3 loans under IFRS 9	38.0%	27.0%	38.0%	11.0%p
Provision for impairment on loan losses/average gross loans	10.03%	9.67%	11.92%	2.25%p
Performance Indicators	**2023**	**3Q 2023**	**4Q 2023**	**Q-o-Q**
ROA	-3.3%	0.1%	-7.3%	-7.4%p
ROE	-23.1%	0.5%	-58.5%	-59.0%p
Total income margin	9.09%	10.47%	9.20%	-1.28%p
Net interest margin	7.03%	7.92%	7.29%	-0.64%p
Operating costs / Average assets	4.0%	3.4%	5.1%	1.7%
Cost/income ratio	43.5%	32.6%	55.8%	23.2%p
Net loans to deposits (FX-adjusted)	264%	298%	264%	-34%p
FX rates (in HUF)	**2023**	**3Q 2023**	**4Q 2023**	**Q-o-Q**
HUF/1,000 UZS (closing)	28.1	30.3	28.1	-7%
HUF/1,000 UZS (average)	30.0	29.6	28.9	-2%

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

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

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

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

Pursuant to its agreement with the Republic of Uzbekistan, OTP Bank increased Ipoteka Bank's capital by UZS 844.6 billion (about USD 68.5 million), which was registered on 25 December 2023. With this, OTP Bank's ownership stake increased to 79.58%.

Based on end-2023 data, Ipoteka Bank was the fifth largest bank in Uzbekistan, with 7.3% market share by total assets. The Bank had almost 1.8 million retail customers at the end of 2023.; since the acquisition, their number grew by 20%, as a result of reshaping the incentive scheme for branches. At the end of 2023, Ipoteka Bank had 39 branches and employed more than 4,400 people.

At the end of 2023, total assets amounted to HUF 1,188 billion, including HUF 847 billion worth of performing loans. In FX-adjusted terms, performing loans have been overall stable since the end of June; but it is favourable within that, the household segment's 41% growth was outstanding. Since the Bank was added to the Group, mortgage loans have increased by 15%, while consumer loans have more than doubled. The improvement in consumer loans owed a lot to the doubling of cash loan volumes, and the quadrupling of car loans.

In the fourth quarter, performing loans rose by 2% q-o-q (FX-adjusted), as a combined result of mortgage loans' 5% increase, consumer loans' 27% surge and the overall 13% contraction of the MSE and corporate portfolios. Consumer loan growth stemmed from the 19% jump in car loans, and the special emphasis on selling online cash loans; as a result, the bank's market share in outstanding cash loan volumes increased to 9% by the end of 2023, from 6.5% before the acquisition.

The deposit book reached HUF 327 billion (+16% q-o-q, FX-adjusted) at the end of the fourth quarter of 2023. Retail deposits rose by 8% q-o-q, and corporate deposits grew by 42%. These developments were primarily due to a greater focus on deposit collection and, in connection with this, the restructuring of the branch incentive scheme.

At the end of the year, the net loan to deposit ratio stood at 264%. The Bank's liability structure continued to heavily rely on largely state funding sources, which typically finance subsidized loans: liabilities to credit institutions made up HUF 561 billion in the bank's balance sheet.

In the second half of 2023, Ipoteka Bank generated HUF 21.9 billion adjusted loss, which was entirely caused by the loss realized in the fourth quarter. Since the consolidation, operating profit amounted to HUF 33.7 billion, including HUF 12.3 billion in the fourth quarter.

In the fourth quarter of 2023, net interest income declined by 8% q-o-q (6% in UZS) because in 4Q an item of HUF 2.7 billion was reclassified between net interest income and other income in a profit-neutral way, but this reduced 4Q net interest income. Without this reclassification, the net interest result would have improved by 3% q-o-q in HUF terms. Net fees and commissions dropped by 4% q-o-q, while other income decreased by 36%.

In the fourth quarter, operating expenses jumped by 50% q-o-q, partly because of higher personnel expenses; within other expenses, consultant fees, deductible taxes, and IT costs played the biggest role. The bank's cumulated cost to income ratio was 55.8%.

The second half adjusted total risk cost in the Uzbek segment amounted to HUF 52.2 billion, of which HUF 26.5 billion was reported in 4Q. Impairments made in 4Q, similar to 3Q, were attributable to the joint impact of extreme weather conditions, lower global market cotton prices as well as government actions, such as limiting gas supply, mandatory corporate loan restructuring program, centrally set cotton prices for producers, resulting in corporate credit quality deterioration.

Problem loans concentrated in three segments: in a broader sense agriculture, but also in cotton and textile industries. Within agriculture fishery, green house cultivation and hydro cultures, but also the cotton industry were behind the badwill adjustment.

This extra provision for impairment on loan losses was recognized partly in Ipoteka Bank's separate P&L, and in part among the adjustment items presented at consolidated level, on the *effect of acquisitions* line[6].

The ratio of Stage 3 loans grew to 11.9% by the end of the year, from 2.7% at the end of the second quarter, and from 8.6% at the end of the third quarter, mostly because corporate exposures were migrated. As a result of the provision for impairment in the fourth quarter, the own provision coverage of Stage 3 loans was 38%.

The Stage 2 ratio stood at 16.6% at the end of the fourth quarter (3Q: 13.5%). The reason for this growth was the constant review of the loan portfolio, as a result of which mortgage loans were reclassified from Stage 1 to Stage 2 category.

[6] In line with accounting standards, the badwill (which is part of the effect of acquisitions adjustment line) can be updated within 12 months after the consolidation, therefore these impairments were partially recognised on this adjustment line.

OTP BANK RUSSIA

Performance of OTP Bank Russia

Main components of P&L account in HUF million	2022	2023	Y-o-Y	4Q 2022	3Q 2023	4Q 2023	Q-o-Q	Y-o-Y
Adjusted profit after tax	42,548	95,665	125%	18,826	21,297	23,067	8%	23%
Income tax	-3,632	-34,506	850%	-3,928	-12,575	-7,841	-38%	100%
Profit before income tax	46,179	130,171	182%	22,754	33,872	30,908	-9%	36%
Operating profit	98,137	149,297	52%	37,201	42,633	37,817	-11%	2%
Total income	178,494	223,644	25%	61,462	58,217	58,900	1%	-4%
Net interest income	118,004	122,084	3%	37,240	30,960	31,349	1%	-16%
Net fees and commissions	35,251	40,831	16%	11,713	10,860	10,991	1%	-6%
Other net non-interest income	25,239	60,730	141%	12,510	16,398	16,560	1%	32%
Operating expenses	-80,357	-74,347	-7%	-24,262	-15,585	-21,082	35%	-13%
Total provisions	-51,958	-19,126	-63%	-14,447	-8,761	-6,910	-21%	-52%
Provision for impairment on loan losses	-51,046	-16,278	-68%	-14,975	-8,520	-6,334	-26%	-58%
Other provision	-911	-2,848	213%	528	-241	-575	138%	
Main components of balance sheet closing balances in HUF million	2022	2023	Y/Y	4Q 2022	3Q 2023	4Q 2023	Q-o-Q	Y-o-Y
Total assets	1,029,721	1,470,796	43%	1,029,721	1,361,472	1,470,796	8%	43%
Gross customer loans	784,958	721,212	-8%	784,958	657,222	721,212	10%	-8%
Gross customer loans (FX-adjusted)	589,608	721,212	22%	589,608	668,980	721,212	8%	22%
Stage 1+2 customer loans (FX-adjusted)	496,620	624,130	26%	496,620	571,625	624,130	9%	26%
Retail loans	468,477	606,912	30%	468,477	552,950	606,912	10%	30%
Corporate loans	28,142	17,218	-39%	28,142	18,675	17,218	-8%	-39%
Allowances for possible loan losses	-173,105	-133,255	-23%	-173,105	-129,416	-133,255	3%	-23%
Allowances for possible loan losses (FX-adjusted)	-130,392	-133,255	2%	-130,392	-131,638	-133,255	1%	2%
Deposits from customers	576,865	1,101,084	91%	576,865	938,791	1,101,084	17%	91%
Deposits from customers (FX-adjusted)	453,127	1,101,084	143%	453,127	947,339	1,101,084	16%	143%
Retail deposits	263,310	404,105	53%	263,310	367,701	404,105	10%	53%
Corporate deposits	189,816	696,979	267%	189,816	579,637	696,979	20%	267%
Liabilities to credit institutions	49,774	19,063	-62%	49,774	30,934	19,063	-38%	-62%
Total shareholders' equity	306,304	274,516	-10%	306,304	255,512	274,516	7%	-10%
Loan Quality	2022	2023	Y-o-Y	4Q 2022	3Q 2023	4Q 2023	Q-o-Q	Y-o-Y
Stage 1 loan volume under IFRS 9 (in HUF million)	570,949	510,129	-11%	570,949	454,033	510,129	12%	-11%
Stage 1 loans under IFRS 9/gross customer loans	72.7%	70.7%	-2.0%p	72.7%	69.1%	70.7%	1.6%p	-2.0%p
Own coverage of Stage 1 loans under IFRS 9	5.1%	3.0%	-2.2%p	5.1%	3.4%	3.0%	-0.4%p	-2.2%p
Stage 2 loan volume under IFRS 9 (in HUF million)	91,050	114,001	25%	91,050	107,270	114,001	6%	25%
Stage 2 loans under IFRS 9/gross customer loans	11.6%	15.8%	4.2%p	11.6%	16.3%	15.8%	-0.5%p	4.2%p
Own coverage of Stage 2 loans under IFRS 9	31.5%	22.7%	-8.8%p	31.5%	23.1%	22.7%	-0.4%p	-8.8%p
Stage 3 loan volume under IFRS 9 (in HUF million)	122,959	97,082	-21%	122,959	95,919	97,082	1%	-21%
Stage 3 loans under IFRS 9/gross customer loans	15.7%	13.5%	-2.2%p	15.7%	14.6%	13.5%	-1.1%p	-2.2%p
Own coverage of Stage 3 loans under IFRS 9	93.6%	95.0%	1.4%p	93.6%	93.1%	95.0%	1.9%p	1.4%p
Provision for impairment on loan losses/average gross loans	5.85%	2.38%	-3.47%p	6.11%	5.41%	3.60%	-1.81%p	-2.51%p
Performance Indicators	2022	2023	Y-o-Y	4Q 2022	3Q 2023	4Q 2023	Q-o-Q	Y-o-Y
ROA	3.9%	8.0%	4.1%p	6.0%	7.0%	6.4%	-0.6%p	0.4%p
ROE	14.1%	33.9%	19.8%p	19.9%	30.7%	33.2%	2.5%p	13.3%p
Total income margin	16.23%	18.69%	2.46%p	19.62%	19.06%	16.31%	-2.75%p	-3.32%p
Net interest margin	10.73%	10.20%	-0.53%p	11.89%	10.13%	8.68%	-1.45%p	-3.21%p
Operating costs / Average assets	7.3%	6.2%	-1.1%	7.7%	5.1%	5.8%	0.7%	-1.9%
Cost/income ratio	45.0%	33.2%	-11.8%p	39.5%	26.8%	35.8%	9.0%p	-3.7%p
Net loans to deposits (FX-adjusted)	101%	53%	-48%p	101%	57%	53%	-3%p	-48%p
FX rates (in HUF)	2022	2023	Y-o-Y	4Q 2022	3Q 2023	4Q 2023	Q-o-Q	Y-o-Y
HUF/RUB (closing)	5.2	3.9	-25%	5.2	3.8	3.9	2%	-25%
HUF/RUB (average)	5.7	4.2	-26%	6.5	3.7	3.8	2%	-41%

Owing to the changes in the exchange rates in the reporting period, the Russian operation's balance sheet and P&L statement figures in HUF terms differ from the ones calculated in local currency.

OTP Bank Russia realized HUF 95.7 billion profit after tax in 2023, more than twice as much as in the base period. This improvement can be attributed to the operating profit increasing by half, and to smaller risk costs. This brought the return on equity (ROE) ratio to 33.9% in 2023. As a result, the bank's equity grew by 19% y-o-y in RUB, despite the permission to pay RUB 13.4 billion in dividend in the second half-year. Taxes payable on dividends are presented on the corporate tax line. The fourth-quarter after-tax profit was HUF 23.1 billion, 8% more than in the previous quarter.

Full-year net interest income grew by 41% in RUB, induced by higher interest income from expanding deposit volumes placed at the central bank, as deposits from customers almost doubled on average last year, but the rising interest rate environment also played a role starting from mid-2023. Starting from 24 July the central bank of Russia raised its benchmark rate in five steps to 16% by the end of 2023, from 7.5% in the first half-year. Net interest margin shrank by 53 bps y-o-y.

In the fourth quarter, net interest income dropped by 1% q-o-q in RUB, mainly owing to a negative one-off item in the amount of HUF 5 billion: in 4Q the Bank retrospectively corrected interest revenues for previous quarters, without that the 4Q net interest income would have grown by 14% in RUB terms.

Net fees and commissions grew by 62% y-o-y in RUB (but shrank by 1% q-o-q in the fourth quarter), mostly driven by a jump in income from account maintenance and transaction fees owing to the increase in deposits.

The surge in twelve-month other income reflected the effect of stronger income from currency conversion.

Reasons for the 25% y-o-y growth in twelve-month operating expenses in local currency included wage inflation, and the increase in IT expenses linked to the digital transformation of the bank's operation. The bank's cost to income ratio was 33.2% in 2023 (-11.8 pps y-o-y). In the fourth quarter, operating expenses jumped by 32% q-o-q in RUB.

In 2023 total risk cost fell by 60% in RUB, to HUF 19 billion, from HUF 52 billion in the previous year. Within that, HUF 7 billion loan loss provision was recorded in the fourth quarter, partly in relation to the growth of retail volumes.

Underlying loan quality developments painted a positive picture: the ratio of Stage 3 loans declined by 2.2 pps, to 13.5% compared with end-2022 (-1.1 pps q-o-q). The own provision coverage of Stage 3 loans stood at 95% at end-2023 (+1.9 pps q-o-q). The Stage 2 ratio was 15.8% (+4.2 pps y-o-y) at the end of the fourth quarter.

The bank's total assets increased by 6% q-o-q, and 91% y-o-y in RUB, chiefly boosted by deposit growth. The deposit book grew by 143% y-o-y, primarily through deposits from large corporations, including a 16% q-o-q rise in the fourth quarter (FX-adjusted). The bank's net loan to deposit ratio declined by 48 pps y-o-y, and 3 pps q-o-q, to 53%. On the asset side, most of the additional liquidity was invested in central bank deposits.

The Russian bank has stopped providing new loans to corporates since the end of February 2022, thus by the end of 2023 the corporate loan volumes dropped by an FX-adjusted 85% from end-2021 levels; they contracted by 39% compared to end-2022 and fell by 8% q-o-q in the fourth quarter. The volume of FX-adjusted performing (Stage 1+2) retail loans expanded by 30% in 2023, and by 10% q-o-q in the fourth quarter, predominantly in the car loan and cash loan segments.

At the end of the year, the bank's capital adequacy ratio was 18.2% (3Q 2023: 24.5%), firmly above the 8% regulatory minimum requirement. At the end of 2023, the Russian bank's intragroup subordinated loans amounted to USD 27 million, unchanged y-o-y. The Russian operation paid back its maturing intragroup financing in 4Q 2022, thus the amount of intragroup financing decreased to nil by the end of 2022 and remained nil throughout 2023.

OTP BANK UKRAINE

Performance of OTP Bank Ukraine:

Main components of P&L account in HUF million	2022	2023	Y-o-Y	4Q 2022	3Q 2023	4Q 2023	Q-o-Q	Y-o-Y
Adjusted profit after tax	-15,922	45,184		10,046	21,784	-7,004		
Income tax	-2,718	-37,174		-1,809	-4,029	-25,936	544%	
Profit before income tax	-13,204	82,358		11,855	25,813	18,932	-27%	60%
Operating profit	79,863	78,294	-2%	23,530	19,921	17,857	-10%	-24%
Total income	110,805	108,853	-2%	31,876	27,687	26,310	-5%	-17%
Net interest income	90,007	93,450	4%	26,111	23,441	23,571	1%	-10%
Net fees and commissions	12,673	10,837	-14%	3,717	2,561	2,383	-7%	-36%
Other net non-interest income	8,125	4,567	-44%	2,049	1,685	357	-79%	-83%
Operating expenses	-30,943	-30,560	-1%	-8,346	-7,766	-8,453	9%	1%
Total provisions	-93,067	4,064		-11,675	5,892	1,074	-82%	
Provision for impairment on loan losses	-90,836	10,654		-14,582	6,928	4,328	-38%	
Other provision	-2,231	-6,590	195%	2,907	-1,036	-3,254	214%	
Main components of balance sheet closing balances in HUF million	**2022**	**2023**	**Y/Y**	**4Q 2022**	**3Q 2023**	**4Q 2023**	**Q-o-Q**	**Y-o-Y**
Total assets	1,048,713	1,036,912	-1%	1,048,713	1,061,869	1,036,912	-2%	-1%
Gross customer loans	529,644	393,741	-26%	529,644	444,614	393,741	-11%	-26%
Gross customer loans (FX-adjusted)	484,031	393,741	-19%	484,031	417,221	393,741	-6%	-19%
Stage 1+2 customer loans (FX-adjusted)	396,320	308,454	-22%	396,320	325,048	308,454	-5%	-22%
Retail loans	43,392	28,223	-35%	43,392	29,369	28,223	-4%	-35%
Corporate loans	240,664	197,262	-18%	240,664	198,504	197,262	-1%	-18%
Leasing	112,264	82,969	-26%	112,264	97,175	82,969	-15%	-26%
Allowances for possible loan losses	-115,754	-84,671	-27%	-115,754	-97,372	-84,671	-13%	-27%
Allowances for possible loan losses (FX-adjusted)	-105,587	-84,671	-20%	-105,587	-91,233	-84,671	-7%	-20%
Deposits from customers	783,009	736,621	-6%	783,009	740,752	736,621	-1%	-6%
Deposits from customers (FX-adjusted)	716,718	736,621	3%	716,718	693,762	736,621	6%	3%
Retail deposits	279,032	274,374	-2%	279,032	267,977	274,374	2%	-2%
Corporate deposits	437,686	462,247	6%	437,686	425,786	462,247	9%	6%
Liabilities to credit institutions	108,678	91,154	-16%	108,678	94,918	91,154	-4%	-16%
Subordinated debt	7,798	7,530	-3%	7,798	7,847	7,530	-4%	-3%
Total shareholders' equity	122,493	157,088	28%	122,493	177,893	157,088	-12%	28%
Loan Quality	**2022**	**2023**	**Y-o-Y**	**4Q 2022**	**3Q 2023**	**4Q 2023**	**Q-o-Q**	**Y-o-Y**
Stage 1 loan volume under IFRS 9 (in HUF million)	219,078	208,563	-5%	219,078	218,449	208,563	-5%	-5%
Stage 1 loans under IFRS 9/gross customer loans	41.4%	53.0%	11.6%p	41.4%	49.1%	53.0%	3.8%p	11.6%p
Own coverage of Stage 1 loans under IFRS 9	2.1%	1.9%	-0.2%p	2.1%	1.8%	1.9%	0.1%p	-0.2%p
Stage 2 loan volume under IFRS 9 (in HUF million)	214,442	99,891	-53%	214,442	127,970	99,891	-22%	-53%
Stage 2 loans under IFRS 9/gross customer loans	40.5%	25.4%	-15.1%p	40.5%	28.8%	25.4%	-3.4%p	-15.1%p
Own coverage of Stage 2 loans under IFRS 9	18.1%	14.4%	-3.7%p	18.1%	14.9%	14.4%	-0.6%p	-3.7%p
Stage 3 loan volume under IFRS 9 (in HUF million)	96,124	85,287	-11%	96,124	98,195	85,287	-13%	-11%
Stage 3 loans under IFRS 9/gross customer loans	18.1%	21.7%	3.5%p	18.1%	22.1%	21.7%	-0.4%p	3.5%p
Own coverage of Stage 3 loans under IFRS 9	75.3%	77.9%	2.6%p	75.3%	75.7%	77.9%	2.2%p	2.6%p
Provision for impairment on loan losses/average gross loans	14.01%	-2.38%	-16.39%p	9.81%	-6.44%	-3.99%	2.45%p	-13.81%p
Performance Indicators	**2022**	**2023**	**Y-o-Y**	**4Q 2022**	**3Q 2023**	**4Q 2023**	**Q-o-Q**	**Y-o-Y**
ROA	-1.6%	4.4%	6.0%p	3.7%	8.6%	-2.6%	-11.2%p	-6.3%p
ROE	-12.4%	30.5%	42.9%p	31.9%	55.1%	-15.8%	-70.8%p	-47.6%p
Total income margin	10.92%	10.65%	-0.27%p	11.83%	10.92%	9.77%	-1.14%p	-2.06%p
Net interest margin	8.87%	9.14%	0.27%p	9.69%	9.24%	8.76%	-0.49%p	-0.94%p
Operating costs / Average assets	3.0%	3.0%	-0.1%	3.1%	3.1%	3.1%	0.1%	0.0%
Cost/income ratio	27.9%	28.1%	0.1%p	26.2%	28.0%	32.1%	4.1%p	5.9%p
Net loans to deposits (FX-adjusted)	53%	42%	-11%p	53%	47%	42%	-5%p	-11%p
FX rates (in HUF)	**2022**	**2023**	**Y-o-Y**	**4Q 2022**	**3Q 2023**	**4Q 2023**	**Q-o-Q**	**Y-o-Y**
HUF/UAH (closing)	10.2	9.1	-11%	10.2	10.0	9.1	-9%	-11%
HUF/UAH (average)	11.5	9.6	-16%	10.9	9.6	9.7	1%	-11%

Owing to the exchange rate fluctuations in the reporting period, the Ukrainian operation's balance sheet and P&L statement figures in HUF terms differ from the ones calculated in local currency.

In full year 2023, **OTP Bank Ukraine** posted HUF 45.2 billion adjusted profit after tax, which brought its ROE above 30%. It realized HUF 7 billion loss in the fourth quarter of 2023, as its pre-tax profit dropped by 27% q-o-q while its tax burden grew by HUF 22 billion q-o-q. This was because on 6 December 2023 Ukraine's president signed a bill that increased the corporate income tax rate for banks – it remained unchanged in case of leasing companies – from 18% to 50% retroactively for full year 2023 and set the tax rate at 25% from 2024. As a result, almost HUF 23 billion extra corporate income tax was recorded in the fourth quarter, for the full year 2023.

Full-year operating profit improved by 17% in UAH (but declined by 2% in HUF). Within that, net interest income jumped by 24% in local currency (by 4% in HUF), predominantly supported by the higher interest income on deposits placed at the National Bank of Ukraine. Net interest margin improved by 27 bps in 2023. In the fourth quarter, net interest income was q-o-q stable, but the margin narrowed by 49 bps q-o-q, as the central bank' overnight deposit rate was reduced by a total of 8 pps in multiple steps from April, reaching 15% in December.

Twelve-year net fee and commission income stagnated in UAH, including an 8% decline in the fourth-quarter commission income in local currency, owing to phase-out of commitment fee.

The reason for the decline in full-year other income was the outstandingly high currency conversion income in the base year.

The 17% growth in full-year operating cost level in UAH reflected the high inflationary environment: in 2023, annual average inflation remained above 13%. Within that, personnel expenses increased by 18% in UAH as a result of high wage inflation, via the implemented wage hikes, while the full-year average number of employees dropped by 7%. Overall, cost efficiency indicators were stable last year: the cost to income ratio of 28.1% remained the lowest in OTP Group.

Underlying loan quality developments were overall positive. In full year 2023, total risk cost amounted to +HUF 4.1 billion, as opposed to -HUF 93 billion in the base period.

At the end of 2023, the ratio of Stage 3 loans within the portfolio was 21.7%, the 3.5 pps y-o-y growth was partly caused by the contraction in the loan portfolio. The coverage of Stage 3 loans increased to 77.9% (+2.6 pps y-o-y). The ratio of Stage 2 loans sank by 15.1 pps y-o-y, to 25.4%. The ratio of total provisions to total gross loan volumes was 24.5% at the end of December.

The other risk costs were set aside mainly for the Ukrainian government bond portfolio.

Amid the moderate lending activity, performing (Stage 1+2) loans fell by an FX-adjusted 22% y-o-y, and 5% q-o-q. The deposits placed at the central bank grew by 12% last year, to HUF 307 billion by the end of the year.

Last year the deposit book rose by 3% (FX-adjusted), driven by the volume growth in the fourth quarter (+6% q-o-q), mostly because corporate deposits have grown. The net loan to deposit ratio fell to 42% (-11 pps y-o-y; -5 pps q-o-q).

The bank's capital adequacy ratio significantly exceeded the regulatory minimum requirements, reaching 36.6% at the end of December (regulatory minimum: 10.0%).

The outstanding gross intragroup financing to the Ukrainian operation amounted to HUF 83.1 billion at the end of December.

OTP BANK ROMANIA

Performance of OTP Bank Romania:

Main components of P&L account in HUF million	2022	2023	Y-o-Y	4Q 2022	3Q 2023	4Q 2023	Q-o-Q	Y-o-Y
Adjusted profit after tax	3,071	20,099		4,121	4,067	2,084	-49%	-49%
Income tax	-649	-3,559		135	-715	-393	-45%	
Profit before income tax	3,720	23,657		3,986	4,782	2,478	-48%	-38%
Operating profit	17,384	20,972	21%	5,920	6,413	5,261	-18%	-11%
Total income	62,596	68,613	10%	18,313	17,919	17,848	0%	-3%
Net interest income	53,560	53,865	1%	15,748	5,955	14,271	140%	-9%
Net fees and commissions	4,743	5,019	6%	1,300	1,184	1,060	-11%	-18%
Other net non-interest income	4,293	9,729	127%	1,265	10,779	2,517	-77%	99%
Operating expenses	-45,212	-47,641	5%	-12,393	-11,506	-12,586	9%	2%
Total provisions	-13,663	2,685		-1,934	-1,631	-2,784	71%	44%
Provision for impairment on loan losses	-11,094	2,771		-2,383	-1,980	-2,780	40%	17%
Other provision	-2,569	-86	-97%	448	349	-4		
Main components of balance sheet closing balances in HUF million	**2022**	**2023**	**Y-o-Y**	**4Q 2022**	**3Q 2023**	**4Q 2023**	**Q-o-Q**	**Y-o-Y**
Total assets	1,687,581	1,600,237	-5%	1,687,581	1,663,221	1,600,237	-4%	-5%
Gross customer loans	1,228,254	1,136,507	-7%	1,228,254	1,166,695	1,136,507	-3%	-7%
Gross customer loans (FX-adjusted)	1,171,413	1,136,507	-3%	1,171,413	1,141,529	1,136,507	0%	-3%
Stage 1+2 customer loans (FX-adjusted)	1,109,875	1,075,958	-3%	1,109,875	1,077,046	1,075,958	0%	-3%
Retail loans	538,979	485,158	-10%	538,979	491,639	485,158	-1%	-10%
Corporate loans	510,400	524,745	3%	510,400	516,551	524,745	2%	3%
Leasing	60,496	66,055	9%	60,496	68,855	66,055	-4%	9%
Allowances for possible loan losses	-62,442	-55,856	-11%	-62,442	-57,964	-55,856	-4%	-11%
Allowances for possible loan losses (FX-adjusted)	-59,762	-55,856	-7%	-59,762	-56,826	-55,856	-2%	-7%
Deposits from customers	998,452	1,100,016	10%	998,452	1,018,020	1,100,016	8%	10%
Deposits from customers (FX-adjusted)	951,990	1,100,016	16%	951,990	994,941	1,100,016	11%	16%
Retail deposits	564,695	662,557	17%	564,695	628,408	662,557	5%	17%
Corporate deposits	387,295	437,459	13%	387,295	366,533	437,459	19%	13%
Liabilities to credit institutions	446,641	261,740	-41%	446,641	397,607	261,740	-34%	-41%
Total shareholders' equity	181,206	192,650	6%	181,206	201,295	192,650	-4%	6%
Loan Quality	**2022**	**2023**	**Y-o-Y**	**4Q 2022**	**3Q 2023**	**4Q 2023**	**Q-o-Q**	**Y-o-Y**
Stage 1 loan volume under IFRS 9 (in HUF million)	990,307	919,683	-7%	990,307	943,985	919,683	-3%	-7%
Stage 1 loans under IFRS 9/gross customer loans	80.6%	80.9%	0.3%p	80.6%	80.9%	80.9%	0.0%p	0.3%p
Own coverage of Stage 1 loans under IFRS 9	1.1%	1.2%	0.1%p	1.1%	1.1%	1.2%	0.1%p	0.1%p
Stage 2 loan volume under IFRS 9 (in HUF million)	173,679	156,276	-10%	173,679	156,927	156,276	0%	-10%
Stage 2 loans under IFRS 9/gross customer loans	14.1%	13.8%	-0.4%p	14.1%	13.5%	13.8%	0.3%p	-0.4%p
Own coverage of Stage 2 loans under IFRS 9	9.6%	8.5%	-1.1%p	9.6%	8.8%	8.5%	-0.3%p	-1.1%p
Stage 3 loan volume under IFRS 9 (in HUF million)	64,268	60,549	-6%	64,268	65,783	60,549	-8%	-6%
Stage 3 loans under IFRS 9/gross customer loans	5.2%	5.3%	0.1%p	5.2%	5.6%	5.3%	-0.3%p	0.1%p
Own coverage of Stage 3 loans under IFRS 9	54.1%	51.9%	-2.2%p	54.1%	51.4%	51.9%	0.5%p	-2.2%p
Provision for impairment on loan losses/average gross loans	0.93%	-0.24%	-1.18%	0.74%	0.69%	0.97%	0.29%	0.24%
Performance Indicators	**2022**	**2023**	**Y-o-Y**	**4Q 2022**	**3Q 2023**	**4Q 2023**	**Q-o-Q**	**Y-o-Y**
ROA	0.2%	1.3%	1.1%p	0.9%	1.0%	0.5%	-0.5%p	-0.4%p
ROE	1.8%	10.9%	9.2%p	8.9%	8.5%	4.3%	-4.2%p	-4.7%p
Total income margin	3.86%	4.28%	0.42%p	4.12%	4.41%	4.40%	-0.01%p	0.28%p
Net interest margin	3.31%	3.36%	0.06%p	3.54%	1.47%	3.52%	2.05%p	-0.02%p
Operating costs / Average assets	2.79%	2.97%	0.18%p	2.79%	2.83%	3.11%	0.27%p	0.32%p
Cost/income ratio	72.2%	69.4%	-2.8%p	67.7%	64.2%	70.5%	6.3%p	2.8%p
Net loans to deposits (FX-adjusted)	117%	98%	-19%p	117%	109%	98%	-11%p	-19%p
FX rates (in HUF)	**2022**	**2023**	**Y-o-Y**	**4Q 2022**	**3Q 2023**	**4Q 2023**	**Q-o-Q**	**Y-o-Y**
HUF/RON (closing)	74.6	80.9	8%	74.6	85.2	80.9	-5%	8%
HUF/RON (average)	72.8	79.4	9%	73.6	82.0	83.5	2%	13%

On 9 February 2024 OTP Bank Plc. concluded a share sale and purchase agreement to sell its directly and indirectly owned 100% shareholding in OTP Bank Romania S.A. to Banca Transilvania S.A. ('BT'). OTP Group is also selling its 100% shareholdings in its other Romanian subsidiaries, OTP Leasing Romania IFN S.A. and OTP Asset Management S.A.I. S.A. to BT under the transaction.

The selling price is EUR 347.5 million which is smaller than the net asset value of the to be sold subsidiaries recognized in the consolidated accounts, accordingly the transaction resulted in a negative P&L impact of HUF 59.5 billion (after tax) on consolidated level, which was booked in 4Q 2023 and presented amongst the adjustment items.

As a result of this, according to IFRS 5, as at the end of 2023 the Romanian operation was presented as an asset classified as held for sale in the consolidated balance sheet, and as discontinued operation in the income statement. As opposed to this, in the adjusted financial statements presented in the Stock Exchange Report – in line with the structure of the financial statements monitored by the management – the Romanian operation was presented in a way as if it was still classified as continuing operation.

OTP Bank Romania generated HUF 20.1 billion profit after tax in 2023, more than 6.5 times as much as in 2022. Its profit amounted to HUF 2.1 billion in the fourth quarter of 2023.

Full-year operating profit increased by 25% in local currency, as a result of 13% y-o-y surge in total income and 8% higher operating expenses. In 2023, other income doubled in local currency, net fees and commissions grew by 8%, while net interest income rose by 4%. The full-year net interest income and other income dynamics were influenced by the fact that the accounting of the result on intragroup FX swap deals changed in the third quarter, and their ytd cumulated result (-HUF 10 billion) was moved from other income to the net interest income line, thus this reclassification was neutral on profits. Without this reclassification's effect (a total of -HUF 11.5 billion in net interest income in 2023), full-year net interest income would have grown by 22% y-o-y, mostly because of the stable loan volumes and the repricing of outstanding loan volumes in the higher interest rate environment. As a result of the above reclassification, the net interest income jumped by more than HUF 8 billion q-o-q in 4Q, while other income fell by a similar amount.

Annual net fees and commissions expanded by 8% y-o-y in local currency, largely thanks to an increase in card commissions.

Full-year operating expenses grew by 8%, the main component of which was the wage hikes by the annual rate of inflation, as well as a rise in other expenses. In the fourth quarter, expenses grew by 10% q-o-q in local currency. The cost to income ratio improved to 69.4% in 2023 (-2.8 pps y-o-y).

Full-year risk costs amounted to +HUF 3 billion, mainly driven by the +HUF 9.5 billion credit risk cost in the second quarter, which stemmed from the sale of the Romanian factoring company's non-performing loan portfolio.

The ratio of Stage 3 loans rose by 0.1 pp, to 5.3% y-o-y; their own provision coverage stood at 51.9% (+0.5 pp q-o-q, -2.2 pps y-o-y) at the end of the year.

Regarding lending activity, performing (Stage 1+2) loan volumes declined by 3% y-o-y (FX-adjusted), largely as a result of a 12% drop in mortgage loans and a 4% decline in consumer loans, which was only partly offset by the 3% rise in corporate loans and a 9% growth in leasing volumes. The decline in mortgage loans was primarily caused by the rising mortgage rates: in full year 2023, new mortgage loan placements shrank by two-thirds. Following the decline in interest rates, mortgage loan placements tripled q-o-q in the fourth quarter. Overall, performing loan volumes were stable q-o-q.

In FX-adjusted terms, deposits from customers rose by 16% y-o-y; within that, retail deposits grew by 17%, and corporate deposits increased by 13%. The total deposit book expanded by 11% q-o-q in FX-adjusted terms, including a 5% rise in retail deposits, and a 19% growth in corporate deposits. A multi-year improvement drove the net loan to deposit ratio below 100% by the end of the year (-19 pps y-o-y); as a result, the volume of liabilities to credit institutions fell by 41% y-o-y.

On 27 October 2023, the additional tax affecting the banking sector was approved. The rate of the special tax will be 2% of the annual gross turnover in 2024 and 2025, while starting from 2026 it will be reduced to 1%.

OTP BANK MOLDOVA

Performance of OTP Bank Moldova:

Main components of P&L account in HUF million	2022	2023	Y-o-Y	4Q 2022	3Q 2023	4Q 2023	Q-o-Q	Y-o-Y
Adjusted profit after tax	9,403	14,700	56%	3,801	3,188	2,925	-8%	-23%
Income tax	-1,385	-2,059	49%	-609	-454	-426	-6%	-30%
Profit before income tax	10,788	16,759	55%	4,410	3,642	3,351	-8%	-24%
Operating profit	17,551	13,440	-23%	6,118	2,588	2,927	13%	-52%
Total income	27,830	25,268	-9%	9,287	5,564	6,253	12%	-33%
Net interest income	19,172	16,349	-15%	6,436	3,147	3,242	3%	-50%
Net fees and commissions	2,624	2,389	-9%	580	583	693	19%	20%
Other net non-interest income	6,034	6,530	8%	2,271	1,834	2,318	26%	2%
Operating expenses	-10,279	-11,828	15%	-3,169	-2,976	-3,325	12%	5%
Total provisions	-6,763	3,319		-1,708	1,055	424	-60%	
Provision for impairment on loan losses	-5,895	3,106		-1,604	1,268	343	-73%	
Other provision	-868	213		-104	-213	81		
Main components of balance sheet closing balances in HUF million	**2022**	**2023**	**Y/Y**	**4Q 2022**	**3Q 2023**	**4Q 2023**	**Q-o-Q**	**Y-o-Y**
Total assets	365,658	428,192	17%	365,658	409,275	428,192	5%	17%
Gross customer loans	171,412	150,228	-12%	171,412	152,702	150,228	-2%	-12%
Gross customer loans (FX-adjusted)	169,571	150,228	-11%	169,571	149,202	150,228	1%	-11%
Stage 1+2 customer loans (FX-adjusted)	164,895	144,367	-12%	164,895	142,364	144,367	1%	-12%
Retail loans	84,143	67,585	-20%	84,143	69,129	67,585	-2%	-20%
Corporate loans	75,994	72,279	-5%	75,994	68,759	72,279	5%	-5%
Leasing	4,758	4,503	-5%	4,758	4,476	4,503	1%	-5%
Allowances for possible loan losses	-11,177	-7,122	-36%	-11,177	-7,948	-7,122	-10%	-36%
Allowances for possible loan losses (FX-adjusted)	-11,095	-7,122	-36%	-11,095	-7,762	-7,122	-8%	-36%
Deposits from customers	264,031	332,062	26%	264,031	312,099	332,062	6%	26%
Deposits from customers (FX-adjusted)	259,666	332,062	28%	259,666	304,126	332,062	9%	28%
Retail deposits	174,719	204,833	17%	174,719	196,653	204,833	4%	17%
Corporate deposits	84,947	127,229	50%	84,947	107,473	127,229	18%	50%
Liabilities to credit institutions	42,083	27,489	-35%	42,083	29,207	27,489	-6%	-35%
Total shareholders' equity	53,430	63,353	19%	53,430	61,725	63,353	3%	19%
Loan Quality	**2022**	**2023**	**Y-o-Y**	**4Q 2022**	**3Q 2023**	**4Q 2023**	**Q-o-Q**	**Y-o-Y**
Stage 1 loan volume under IFRS 9 (in HUF million)	139,227	127,607	-8%	139,227	127,886	127,607	0%	-8%
Stage 1 loans under IFRS 9/gross customer loans	81.2%	84.9%	3.7%p	81.2%	83.7%	84.9%	1.2%p	3.7%p
Own coverage of Stage 1 loans under IFRS 9	2.3%	1.3%	-1.0%p	2.3%	1.5%	1.3%	-0.2%p	-1.0%p
Stage 2 loan volume under IFRS 9 (in HUF million)	27,452	16,760	-39%	27,452	17,817	16,760	-6%	-39%
Stage 2 loans under IFRS 9/gross customer loans	16.0%	11.2%	-4.9%p	16.0%	11.7%	11.2%	-0.5%p	-4.9%p
Own coverage of Stage 2 loans under IFRS 9	18.3%	11.7%	-6.6%p	18.3%	12.3%	11.7%	-0.6%p	-6.6%p
Stage 3 loan volume under IFRS 9 (in HUF million)	4,733	5,861	24%	4,733	6,999	5,861	-16%	24%
Stage 3 loans under IFRS 9/gross customer loans	2.8%	3.9%	1.1%p	2.8%	4.6%	3.9%	-0.7%p	1.1%p
Own coverage of Stage 3 loans under IFRS 9	61.3%	60.1%	-1.2%p	61.3%	55.1%	60.1%	5.0%p	-1.2%p
Provision for impairment on loan losses/average gross loans	3.23%	-2.01%	-5.25%p	3.38%	-3.32%	-0.92%	2.40%p	-4.30%p
Performance Indicators	**2022**	**2023**	**Y-o-Y**	**4Q 2022**	**3Q 2023**	**4Q 2023**	**Q-o-Q**	**Y-o-Y**
ROA	2.7%	3.9%	1.2%p	3.8%	3.3%	2.8%	-0.5%p	-1.0%p
ROE	19.3%	25.5%	6.1%p	27.2%	22.1%	18.8%	-3.3%p	-8.4%p
Total income margin	8.05%	6.73%	-1.32%p	9.34%	5.80%	6.08%	0.28%p	-3.26%p
Net interest margin	5.55%	4.35%	-1.19%p	6.47%	3.28%	3.15%	-0.13%p	-3.32%p
Operating costs / Average assets	2.97%	3.15%	0.18%p	3.19%	3.10%	3.23%	0.13%p	0.05%p
Cost/income ratio	36.9%	46.8%	9.9%p	34.1%	53.5%	53.2%	-0.3%p	19.1%p
Net loans to deposits (FX-adjusted)	61%	43%	-18%p	61%	47%	43%	-3%p	-18%p
FX rates (in HUF)	**2022**	**2023**	**Y-o-Y**	**4Q 2022**	**3Q 2023**	**4Q 2023**	**Q-o-Q**	**Y-o-Y**
HUF/MDL (closing)	19.6	19.9	1%	19.6	20.3	19.9	-2%	1%
HUF/MDL (average)	19.4	19.4	0%	20.8	19.7	19.8	1%	-5%

In 2023, **OTP Bank Moldova** contributed to the Group's adjusted profit with HUF 14.7 billion profit after tax (+56% y-o-y), including HUF 3 billion in the fourth quarter (-8% q-o-q). The Bank's ROE amounted to 25.5% in 2023.

Total income amounted to HUF 25 billion in 2023 (-9% y-o-y); the contribution of net interest income was HUF 16 billion (-15% y-o-y), that of net fees and commissions was HUF 2 billion (-9% y-o-y), and other income was HUF 7 billion (+8% y-o-y).

The reason for the y-o-y lower net interest income was the central bank's interest rate cutting cycle, which began at the end of 2022; as a result, the average interest rate on deposits declined at a slower pace due to the high proportion of term deposits previously placed at higher interest rates. In contrast, interest income on placements with the central bank and on government securities decreased faster. As a result, full-year net interest margin eroded by 1.19 pps, to 4.35%. Net fees and commissions declined as card-related expenditures grew.

The main reason for the 26% q-o-q jump in other income was the higher income from currency conversion. Net fees and commissions grew by 19% q-o-q, while net interest income improved by 3%.

In 2023, operating expenses increased by 17% in local currency. They grew at the same rate as inflation, largely driven by the wage hikes at the bank, and to a smaller degree because other expenses rose. The cost to income ratio stood at 46.8% (+9.9 pps y-o-y).

In 2023, risk costs totalled +HUF 3.3 billion, as a result of provision releases.

The Stage 3 ratio stood at 3.9% at the end of 2023 (+1.1 pps y-o-y, -0.7 pp q-o-q); their own provision coverage exceeded 60%.

The FX-adjusted volume of performing (Stage 1+2) loans declined by 12% y-o-y largely as a result of the contraction in the first three quarters, as demand dropped in the higher interest rate environment. Within that, retail loans fell by 20% and corporate loans decreased by 5%. In the fourth quarter, performing loans rose by 1%, chiefly driven by a 5% growth in corporate loans.

In the fourth quarter, FX-adjusted deposit volumes rose by 9%, bringing the full-year growth rate to 28%; chiefly because corporate deposits went up by 50% (+18% q-o-q), and retail deposits also surged 17% (+4% q-o-q).

STAFF LEVEL AND OTHER INFORMATION

	31/12/2022				31/12/2023			
	Branches	ATM	POS	Headcount (closing)	Branches	ATM	POS	Headcount (closing)
OTP Core	**352**	**1,866**	**143,078**	**10,985**	**342**	**1,877**	**156,757**	**11,257**
DSK Group (Bulgaria)	305	998	16,559	5,358	302	979	17,494	5,104
OTP Bank Slovenia	49	81	4,925	875	114	436	15,459	2,355
OBH (Croatia)	111	428	11,344	2,294	107	438	10,889	2,400
OTP Bank Serbia	155	265	18,049	2,632	156	275	20,108	2,676
OTP Bank Albania	58	213	831	730	50	129	988	719
CKB Group (Montenegro)	33	116	7,529	497	28	114	8,323	503
Ipoteka Bank (Uzbekistan)					39	682	232	4,444
OTP Bank Russia (w/o employed agents)	108	191	534	4,471	82	165	278	4,587
OTP Bank Ukraine (w/o employed agents)	71	150	263	2,134	71	165	190	2,074
OTP Bank Romania	97	156	8,325	1,826	95	157	13,848	1,780
OTP Bank Moldova	53	156	0	896	53	154	0	867
Foreign subsidiaries, total	**1,040**	**2,754**	**68,359**	**21,713**	**1,097**	**3,694**	**87,809**	**27,509**
Other Hungarian and foreign subsidiaries				619				640
OTP Group (w/o employed agents)				**33,318**				**39,407**
OTP Bank Russia - employed agents				2,431				2,018
OTP Bank Ukraine - employed agents				227				123
OTP Group (aggregated)	**1,392**	**4,620**	**211,437**	**35,976**	**1,439**	**5,571**	**244,566**	**41,547**

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

PERSONAL AND ORGANIZATIONAL CHANGES

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

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

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

On 28 April 2023 the Annual General Meeting elected
Mr. Tibor Tolnay
Dr. József Gábor Horváth
Dr. Tamás Gudra
Mr. Olivier Péqueux
Mrs. Klára Bella
Mr. András Michnai
as member of the Supervisory Board of the Company until the Annual General Meeting of the Company closing the 2025 business year, but not later than 30 April 2026.

On 28 April 2023 the Annual General Meeting elected
Mr. Tibor Tolnay
Dr. József Gábor Horváth
Dr. Tamás Gudra
Mr. Olivier Péqueux
as member of the Audit Committee of the Company until the Annual General Meeting of the Company closing the 2025 business year, but not later than 30 April 2026.

Disclaimers

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

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

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.

The distribution of this Report in other jurisdictions may be restricted by law and persons into whose possession this Report comes should inform themselves about, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of the laws of other jurisdictions.

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

FINANCIAL DATA

OTP BANK SEPARATE IFRS STATEMENT OF FINANCIAL POSITION

in HUF million	31/12/2023	31/12/2022	change
Cash, amounts due from banks and balances with the National Bank of Hungary	2,708,232	1,092,198	148%
Placements with other banks, net of allowance for placement losses	2,702,433	2,899,829	-7%
Repo receivables	201,658	246,529	-18%
Financial assets at fair value through profit or loss	257,535	410,012	-37%
Financial assets at fair value through other comprehensive income	559,527	797,175	-30%
Securities at amortised cost	2,710,848	3,282,373	-17%
Loans at amortised cost	4,681,359	4,825,040	-3%
Loans mandatorily measured at fair value through profit or loss	934,848	793,242	18%
Investments in subsidiaries	2,001,952	1,596,717	25%
Property and equipment	107,306	94,564	13%
Intangible assets	98,115	69,480	41%
Right of use assets	66,222	39,882	66%
Investments properties	4,203	4,207	0%
Current tax assets	-	1,569	
Deferred tax asset	408	35,742	-99%
Derivative financial assets designated as hedge accounting relationships	21,628	47,220	-54%
Non-current assets held for sale	130,718	-	
Other assets	365,961	329,752	11%
TOTAL ASSETS	**17,552,953**	**16,565,531**	**6%**
Amounts due to banks and deposits from the National Bank of Hungary and other banks	1,761,579	1,736,128	1%
Repo liabilities	443,694	408,366	9%
Deposits from customers	10,734,325	11,119,158	-3%
Leasing liabilities	68,282	41,464	65%
Liabilities from issued securities	1,163,109	498,709	133%
Financial liabilities at fair value through profit or loss	19,786	16,576	19%
Derivative financial liabilities designated as held for trading	183,565	373,401	-51%
Derivative financial liabilities designated as hedge accounting relationships	27,423	50,623	-46%
Deferred tax liabilities	-	-	
Current tax assets	14,393	3,199	350%
Provisions	22,497	29,656	-24%
Other liabilities	295,399	313,188	-6%
Subordinated bonds and loans	520,296	294,186	77%
TOTAL LIABILITIES	**15,254,348**	**14,884,654**	**2%**
Share capital	28,000	28,000	0%
Retained earnings and reserves	1,621,771	1,648,969	-2%
Profit after tax	654,988	6,632	
Treasury shares	-6,154	-2,724	126%
TOTAL SHAREHOLDERS' EQUITY	**2,298,605**	**1,680,877**	**37%**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**17,552,953**	**16,565,531**	**6%**

CONSOLIDATED IFRS STATEMENT OF FINANCIAL POSITION

in HUF million	31/12/2023	31/12/2022	change
Cash, amounts due from banks and balances with the National Banks	7,125,049	4,221,392	69%
Placements with other banks, net of loss allowance for placements	1,566,998	1,351,082	16%
Repo receivables	223,884	41,009	446%
Financial assets at fair value through profit or loss	288,885	436,387	-34%
Securities at fair value through other comprehensive income	1,601,461	1,739,603	-8%
Loans at amortized cost	17,676,533	16,094,458	10%
Loans mandatorily at fair value through profit or loss	1,400,485	1,247,414	12%
Finance lease receivables	1,289,712	1,298,752	-1%
Associates and other investments	96,110	73,849	30%
Loans at amortized cost	5,249,272	4,891,938	7%
Property and equipment	523,124	464,469	13%
Intangible assets and goodwill	291,358	237,031	23%
Right-of-use assets	74,698	58,937	27%
Investment properties	53,381	47,452	12%
Derivative financial assets designated as hedge accounting	41,967	48,247	-13%
Deferred tax assets	55,691	75,421	-26%
Current income tax receivable	7,773	5,650	38%
Other assets	509,430	471,119	8%
Assets classified as held for sale	1,533,333	-	
TOTAL ASSETS	**39,609,144**	**32,804,210**	21%
Amounts due to banks, the National Governments, deposits from the National Banks and other banks	1,940,862	1,463,158	33%
Repo liabilities	126,237	217,369	-42%
Financial liabilities designated at fair value through profit or loss	70,707	54,191	30%
Deposits from customers	28,332,431	25,188,805	12%
Liabilities from issued securities	2,095,548	870,682	141%
Derivative financial liabilities held for trading	140,488	385,747	-64%
Derivative financial liabilities designated as hedge accounting	63,899	27,949	129%
Leasing liabilities	76,313	63,778	20%
Deferred tax liabilities	28,663	40,094	-29%
Current income tax payable	69,948	28,866	142%
Provisions	121,119	131,621	-8%
Other liabilities	745,820	707,654	5%
Subordinated bonds and loans	562,396	301,984	86%
Liabilities directly associated with assets classified as held for sale	1,139,920	-	
TOTAL LIABILITIES	**35,514,351**	**29,481,898**	20%
Share capital	28,000	28,000	0%
Retained earnings and reserves	4,179,322	3,395,215	23%
Treasury shares	-120,489	-106,862	13%
Total equity attributable to the parent	4,086,833	3,316,353	23%
Total equity attributable to non-controlling interest	7,960	5,959	34%
TOTAL SHARHOLDERS' EQUITY	**4,094,793**	**3,322,312**	23%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**39,609,144**	**32,804,210**	21%

OTP BANK SEPARATE IFRS STATEMENT OF RECOGNIZED INCOME

in HUF million	2023	2022	change
Interest income calculated using the effective interest method	1,227,173	721,679	70%
Income similar to interest income	795,906	377,231	111%
Total Interest Income	2,023,079	1,098,910	84%
Total Interest Expense	-1,556,361	-802,020	94%
NET INTEREST INCOME	**466,718**	**296,890**	**57%**
Risk cost total	26,687	-94,594	
NET INTEREST INCOME AFTER RISK COST	**493,405**	**202,296**	**144%**
Losses arising from derecognition of financial assets measured at amortised cost	**-19,707**	**-56,195**	**-65%**
Modification loss	**-9,017**	**-14,856**	**-39%**
Income from fees and commissions	402,885	362,444	11%
Expenses from fees and commissions	-78,755	-66,087	19%
Net profit from fees and commissions	**324,130**	**296,357**	**9%**
Foreign exchange gains (+)/ loss (-)	-12,269	541	
Gains (+) or loss (-) on securities, net	7,073	-10,605	
Losses on financial instruments at fair value through profit or loss	91,268	-18,790	
Gains on derivative instruments, net	13,055	9,917	
Dividend income	275,705	194,526	42%
Other operating income	26,184	13,775	90%
Net other operating expenses	63,590	-131,942	
Net operating income	**464,606**	**57,422**	**709%**
Personnel expenses	-195,404	-154,303	27%
Depreciation and amortization	-50,814	-46,738	9%
Other administrative expenses	-281,918	-290,989	-3%
Other administrative expenses	**-528,136**	**-492,030**	**7%**
PROFIT BEFORE INCOME TAX	**725,281**	**-7,006**	
Income tax expense	-70,293	-13,638	415%
PROFIT AFTER TAX FOR THE PERIOD	**654,988**	**6,632**	

CONSOLIDATED IFRS STATEMENT OF RECOGNIZED INCOME

in HUF million	2023	2022	change
CONTINUING OPERATIONS			
Interest income calculated using the effective interest method	2,314,677	1,425,859	62%
Income similar to interest income	633,587	475,547	33%
Interest incomes	2,948,264	1,901,406	55%
Interest expenses	-1,561,558	-874,538	79%
NET INTEREST INCOME	**1,386,706**	**1,026,868**	**35%**
Risk cost total	**-79,281**	**-199,695**	**-60%**
Loss allowance / Release of loss allowance on loans, placements, amounts due from banks and repo receivables	-109,223	-145,159	-25%
Change in the fair value attributable to changes in the credit risk of loans mandatorily measured at fair value through profit of loss	-91	13,346	
Loss allowance / Release of loss allowance on securities at fair value through other comprehensive income and on securities at amortized cost	8,831	-60,761	
Provision for commitments and guarantees given	19,870	-5,917	
Impairment / (Release of impairment) of assets subject to operating lease and of investment properties	1,332	-1,204	
NET INTEREST INCOME AFTER RISK COST	**1,307,425**	**827,173**	**58%**
Income from fees and commissions	861,309	716,866	20%
Expense from fees and commissions	-169,316	-132,375	28%
Net profit from fees and commissions	**691,993**	**584,491**	**18%**
Modification gain or loss	**-38,141**	**-39,997**	**-5%**
Foreign exchange gains / losses, net	1,067	58	
Foreign exchange gains / losses, net	13,827	-16,302	
Net results on derivative instruments and hedge relationships	-12,760	16,360	
Gains / Losses on securities, net	7,283	-4,505	
Gains / Losses on financial assets /liabilities measured at fair value through profit or loss	94,613	-4,044	
Gain from derecognition of financial assets at amortized cost	-17,182	-1,573	992%
Profit from associates	14,766	14,618	1%
Other operating income	324,266	124,930	160%
Gains and losses on real estate transactions	7,195	5,232	38%
Other non-interest income	315,155	118,329	166%
Net insurance result	1,915	1,369	40%
Other operating expense	-110,570	-125,742	-12%
Net operating income	**314,243**	**3,742**	
Personnel expenses	-478,696	-377,728	27%
Depreciation and amortization	-111,996	-168,840	-34%
Other administrative expenses	-483,645	-451,163	7%
Other administrative expenses	**-1,074,337**	**-997,731**	**8%**
PROFIT BEFORE INCOME TAX	**1,201,183**	**377,678**	**218%**
Income tax expense	-189,478	-58,600	223%
PROFIT AFTER INCOME TAX FOR THE PERIOD FROM CONTINUING OPERATIONS	**1,011,705**	**319,078**	**217%**
DISCONTINUED OPERATIONS			
Gains from disposal of subsidiary classified as held for sale	**0**	**11,444**	**-100%**
Net loss / gain from discontinued operation	**-21,246**	**16,559**	
PROFIT AFTER INCOME TAX FROM CONTINUING AND DISCOUNTINUED OPERATION	990,459	347,081	185%
From this, attributable to:			
Non-controlling interest	1,801	727	148%
Owners of the company	988,658	346,354	185%

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY (IFRS)

in HUF million	Share capital	Capital reserve	Retained earnings and reserves	Treasury shares	Non-controlling interest	**Total**
Balance as at 1 January 2022	**28,000**	**52**	**3,109,457**	**-106,941**	**6,198**	**3,036,766**
Profit after tax for the year	--	--	346,354	--	727	347,081
Other comprehensive income	--	--	61,341	--	-80	61,261
Purchase of non-controlling interests	--	--	--	--	-886	-886
Increase due to business combinations	--	--	-1,321	--		-1,321
Share-based payment	--	--	2,948	--	--	2,948
Dividend for the year 2019, 2020, 2021	--	--	-120,248	--	--	-120,248
Correction due to ESOP	--	--	4,066	--	--	4,066
Treasury shares	--	--	--	--	--	
– sale	--	--	--	16,347	--	16,347
– loss on sale	--	--	-7,434	--	--	-7,434
– volume change	--	--	--	-16,268	--	-16,268
Balance as at 31 December 2022	**28,000**	**52**	**3,395,163**	**-106,862**	**5,959**	**3,322,312**

in HUF million	Share capital	Capital reserve	Retained earnings and reserves	Treasury shares	Non-controlling interest	**Total**
Balance as at 1 January 2023	**28,000**	**52**	**3,395,163**	**-106,862**	**5,959**	**3,322,312**
Profit after tax for the year	--	--	988,658	--	1,801	990,459
Other comprehensive income	--	--	-124,944	--	-672	-125,616
Purchase of non-controlling interests	--	--	--	--	-159	-159
Increase due to business combinations	--	--	--	--	3,149	3,149
Dividends paid to non-controlling interests	--	--	--	--	-2,118	-2,118
Share-based payment	--	--	3,292	--	--	3,292
Dividend for the year 2022	--	--	-84,000	--	--	-84,000
Correction due to ESOP	--	--	3,836	--	--	3,836
Treasury shares	--	--	--	--	--	
– sale	--	--	--	26,191	--	26,191
– loss on sale	--	--	-2,735	--	--	-2,735
– volume change	--	--	--	-39,818	--	-39,818
Balance as at 31 December 2023	**28,000**	**52**	**4,179,270**	**-120,489**	**7,960**	**4,094,793**

[1]The deduction related to repurchased treasury shares (4Q 2023: HUF 120,489 million) includes the book value of OTP shares held by ESOP (4Q 2023: 12,095,524 shares).

OTP BANK SEPARATE IFRS STATEMENT OF CASH FLOWS

in HUF million	31/12/2023	31/12/2022	change
OPERATING ACTIVITIES			
Profit before income tax	725,281	-7,006	
Net accrued interest	3,136	-11,198	
Income tax paid	-19,213	-19,953	-4%
Depreciation and amortization	50,834	46,873	8%
Loss allowance / (Release of loss allowance)	-102,219	221,212	
Share-based payment	3,292	2,948	12%
Exchange rate gains on securities	18,890	62,354	-70%
Unrealised gains on fair value adjustment of financial instruments at fair value through profit or loss	-95,953	391	
Unrealised losses on fair value adjustment of derivative financial instruments	-76,357	52,840	
Interest expense from leasing liabilities	2,081	-1,181	
Effect of currency revaluation	-20,842	9,359	
Result from the sale of property, plant and equipment and intangible assets	-1,225	-267	359%
Net change in assets and liabilities in operating activities	-634,062	-346,234	83%
Net cash provided by operating activities	**-146,357**	**10,138**	
INVESTING ACTIVITIES			
Net cash used in investing activities	**518,615**	**-425,810**	
FINANCING ACTIVITIES			
Net cash provided by / (used in) financing activities	**840,897**	**391,800**	**115%**
Net decrease in cash and cash equivalents	**1,213,155**	**-23,872**	
Cash and cash equivalents at the beginning of the year	**351,770**	**375,642**	**-6%**
Cash and cash equivalents at the end of the year	**1,564,925**	**351,770**	**345%**
Cash, amounts due from banks and balances with the National Bank of Hungary	1,092,198	474,945	130%
Cash and cash equivalents at the beginning of the year	**1,092,198**	**474,945**	**130%**
Cash, amounts due from banks and balances with the National Bank of Hungary	2,708,232	1,092,198	148%
Cash and cash equivalents at the end of the year	**2,708,232**	**1,092,198**	**148%**

CONSOLIDATED IFRS STATEMENT OF CASH FLOWS

in HUF million	12/31/2023	31/12/2022	change
OPERATING ACTIVITIES			
Profit after tax for the period	988,658	346,354	185%
Net changes in assets and liabilities in operating activities			
Income tax paid	-152,201	-74,411	105%
Depreciation and amortization	123,327	112,749	9%
Goodwill impairment	0	67,715	-100%
Loss allowance	112,488	243,712	-54%
Net accrued interest	4,360	45,499	-90%
Share-based payment	3,292	2,948	12%
Unrealized exchange differences	6,945	-296,986	
Unrealized (gain) / losses on fair value adjustment of securities valued at fair value	-89,577	-84,641	6%
Unrealised losses / (gains) on fair value adjustment of derivative financial instruments	-81,451	81,440	
Negative goodwill	-198,361	-3,784	
Other changes in assets and liabilities in operating activities	-259,901	707,859	
Net change in assets and liabilities in operating activities	**457,579**	**1,148,454**	-60%
INVESTING ACTIVITIES			
Net cash used in investing activities	**1,018,971**	**-721,784**	
FINANCING ACTIVITIES			
Net cash used in financing activities	**828,999**	**469,454**	**77%**
Net increase (+) / decrease (-) of cash	**2,305,549**	**896,124**	**157%**
Cash and cash equivalents at the beginning of the year	2,597,688	1,701,564	53%
Cash and cash equivalents at the end of the year	**4,859,342**	**2,597,688**	**87%**
Adjustment due to discontinued activity	**43,895**	**-**	

CONSOLIDATED SUBSIDIARIES AND ASSOCIATES

	Name of the company		Initial capital/Equity (HUF)	Ownership Directly + indirectly (%)	Voting rights (%)	Classification[1]
1	OTP Real Estate Ltd.		1,100,000,000	100.00	100.00	L
2	BANK CENTER No. 1. Ltd.		11,500,000,000	100.00	100.00	L
3	OTP Fund Management Ltd.		900,000,000	100.00	100.00	L
4	OTP Factoring Ltd.		500,000,000	100.00	100.00	L
5	OTP Close Building Society		2,000,000,000	100.00	100.00	L
6	Merkantil Bank Ltd.		3,000,000,000	100.00	100.00	L
7	OTP Factoring Management Ltd.		3,100,000	100.00	100.00	L
8	Merkantil Bérlet Ltd.		6,000,000	100.00	100.00	L
9	OTP Mortgage Bank Ltd.		82,000,000,000	100.00	100.00	L
10	OTP Funds Servicing and Consulting Company Limited		2,351,000,000	100.00	100.00	L
11	DSK Bank AD	BGN	1,328,659,920	99.92	99.92	L
12	POK DSK-Rodina AD	BGN	10,010,198	99.85	99.85	L
13	NIMO 2002 Ltd.		1,156,000,000	100.00	100.00	L
14	OTP Real Estate Investment Fund Management Ltd.		100,000,000	100.00	100.00	L
15	OTP Card Factory Ltd.		450,000,000	100.00	100.00	L
16	OTP Bank Romania S.A.	RON	2,279,253,360	100.00	100.00	L
17	DSK Asset Management EAD	BGN	1,000,000	100.00	100.00	L
18	OTP banka dioničko društvo	EUR	539,156,898	100.00	100.00	L
19	Air-Invest Ltd.		700,000,000	100.00	100.00	L
20	DSK Leasing AD	BGN	3,334,000	100.00	100.00	L
21	OTP Invest društvo s ograničenom odgovornošću za upravljanje fondovima	EUR	2,417,030	100.00	100.00	L
22	OTP Nekretnine d.o.o.	EUR	34,485,100	100.00	100.00	L
23	SPLC-P Ltd.		15,000,000	100.00	100.00	L
24	SPLC Ltd.		10,000,000	100.00	100.00	L
25	OTP Real Estate Leasing Ltd.		214,000,000	100.00	100.00	L
26	OTP Life Annuity Real Estate Investment Plc.		2,000,000,000	100.00	100.00	L
27	OTP Leasing d.d.	EUR	1,067,560	100.00	100.00	L
28	Joint-Stock Company OTP Bank	UAH	6,186,023,111	100.00	100.00	L
29	JSC "OTP Bank" (Russia)	RUB	2,797,887,853	97.92	97.92	L
30	Montenegrin Commercial Bank Shareholding Company, Podgorica Montenegro	EUR	181,875,221	100.00	100.00	L
31	OTP banka Srbija, joint-stock company, Novi Sad)	RSD	56,830,752,260	100.00	100.00	L
32	OTP Nekretnine doo Novi Sad	RSD	203,783,061	100.00	100.00	L
33	OTP Leasing Romania IFN S.A.	RON	33,556,300	100.00	100.00	L
34	OTP Ingatlanpont Ltd.		8,000,000	100.00	100.00	L
35	OTP Hungaro-Projekt Ltd.		27,720,000	100.00	100.00	L
36	OTP Mérnöki Ltd.		3,000,000	100.00	100.00	L
37	OTP Ingatlanüzemeltető Ltd.		30,000,000	100.00	100.00	L
38	LLC AMC OTP Capital	UAH	10,000,000	100.00	100.00	L
39	CRESCO d.o.o.	EUR	5,170	100.00	100.00	L
40	LLC OTP Leasing	UAH	45,495,340	100.00	100.00	L
41	OTP Asset Management SAI S.A.	RON	5,795,323	100.00	100.00	L
42	OTP Financing Solutions	EUR	18,000	100.00	100.00	L
43	Velvin Ventures Ltd.	USD	50,000	100.00	100.00	L
44	OTP Factoring SRL	RON	600,405	100.00	100.00	L
45	OTP Factoring Ukraine LLC	UAH	6,227,380,554	100.00	100.00	L
46	OTP Insurance Broker EOOD	BGN	5,000	100.00	100.00	L
47	PortfoLion Venture Capital Fund Management Ltd.		39,500,000	100.00	100.00	L
48	SC Aloha Buzz SRL	RON	260,200	100.00	100.00	L
49	SC Favo Consultanta SRL	RON	10,200	100.00	100.00	L
50	SC Tezaur Cont SRL	RON	10,200	100.00	100.00	L
51	OTP Holding Ltd.	EUR	131,000	100.00	100.00	L
52	OTP Debt Collection d.o.o. Podgorica	EUR	49,000,001	100.00	100.00	L
53	OTP Factoring Serbia d.o.o.	RSD	782,902,282	100.00	100.00	L
54	MONICOMP Ltd.		226,500,000	100.00	100.00	L
55	CIL Babér Ltd.		71,890,330	100.00	100.00	L
56	Project 01 Consulting, s. r. o.	EUR	22,540,000	100.00	100.00	L
57	R.E. Four d.o.o., Novi Sad	RSD	1,983,643,761	100.00	100.00	L
58	OTP Financial point Ltd.		52,500,000	100.00	100.00	L
59	Bajor-Polár Center Real Estate Management Ltd.		30,000,000	100.00	100.00	L
60	OTP Mobile Service Ltd.		1,400,000,000	100.00	100.00	L
61	OTP Holding Malta Ltd.	EUR	104,950,000	100.00	100.00	L
62	OTP Financing Malta Ltd.	EUR	105,000,000	100.00	100.00	L
63	LLC MFO "OTP Finance"	RUB	6,533,000,000	100.00	100.00	L
64	OTP Travel Limited		27,000,000	100.00	100.00	L
65	OTP Ecosystem Limited Liability Company; OTP Ecosystem Llc.		281,100,000	100.00	100.00	L
66	DSK ventures EAD	BGN	250,000	100.00	100.00	L
67	OTP ESOP		141,900,342,191	0.00	0.00	L
68	PortfoLion Digital Ltd.		101,000,000	100.00	100.00	L
69	OTP Ingatlankezelő Ltd.		50,000,000	100.00	100.00	L
70	MFM Project Investment and Development Ltd.		20,000,000	100.00	100.00	L

	Name of the company		Initial capital/Equity (HUF)	Ownership Directly + indirectly (%)	Voting rights (%)	Classification[1]
71	OTP Leasing d.o.o. Beograd	RSD	112,870,710	100.00	100.00	L
72	Venture Closed-End Non Diversified Mutual Investment Fund "OTP Solution"	UAH	43,347,201	100.00	100.00	L
73	OTP Services Ltd.	RSD	40,028	100.00	100.00	L
74	Club Hotel Füred Szálloda Ltd.		90,000,000	100.00	100.00	L
75	DSK DOM EAD	BGN	100,000	100.00	100.00	L
76	ShiwaForce.com Inc.		114,107,000	84.92	84.92	L
77	OTP Leasing EOOD	BGN	4,100,000	100.00	100.00	L
78	Regional Urban Development Fund AD	BGN	250,000	52.00	52.00	L
79	Banka OTP Albania SHA	ALL	6,740,900,000	100.00	100.00	L
80	OTP Leasing Srbija d.o.o. Beograd	RSD	314,097,580	100.00	100.00	L
81	OTP Osiguranje AKCIONARSKO DRUŠTVO ZA	RSD	537,606,648	100.00	100.00	L
82	OTP Bank S.A.	MDL	100,000,000	98.26	98.26	L
83	SKB Banka d.d. Ljubljana	EUR	52,784,176	100.00	100.00	L
84	SKB Leasing d.o.o.	EUR	16,809,031	100.00	100.00	L
85	SKB Leasing Select d.o.o.	EUR	5,000,000	100.00	100.00	L
86	OTP Home Solutions Limited Liability Company		15,000,000	100.00	100.00	L
87	Georg d.o.o	EUR	3,000	76.00	76.00	L
88	Nova Kreditna Banka Maribor d.d.	EUR	150,000,000	100.00	100.00	L
89	ALEJA FINANCE, FINANCNE IN DRUGE STORITVE, D.O.O.	EUR	500,000	100.00	100.00	L
90	OTP Luxembourg S.à r.l.	EUR	2,711,440	100.00	100.00	L
91	Foglaljorvost Online Ltd		7,202,400	100.00	100.00	L
92	OD Ltd.		6,000,000	60.00	60.00	L
93	JN Parkoló Ltd.		10,000,000	100.00	100.00	L
94	JSCMB 'IPOTEKA BANK'	UZS	3,834,217,638,941	79.58	98.74	L
95	OTP INVEST DRUŠTVO ZA UPRAVLJANJE UCITS FONDOM AD BEOGRAD	RSD	177,032,000	100.00	100.00	L
96	Balansz Real Estate Institute Fund		70,708,097,047	100.00	100.00	L
97	Portfolion Zöld Fund		33,571,000,000	100.00	100.00	L
98	PortfoLion Digitális Magántőkealap I.		8,800,000,000	100.00	100.00	L
99	PortfoLion Regionális Fund II.		25,060,000,000	49.88	49.88	L
100	Portfolion Partner Fund		72,004,608,295	30.56	30.56	L
101	PortfoLion Digitális Magántőkealap II.		5,800,000,000	100.00	100.00	L
102	Nemesszalóki Ltd.		924,124,000	100.00	100.00	L
103	ZA-Invest Béta Ltd.		8,000,000	100.00	100.00	L
104	NAGISZ Mezőgazdasági Termelő és Szolgáltató Ltd.		3,802,080,000	100.00	100.00	L
105	Nádudvari Ltd.		1,954,680,000	99.96	99.96	L
106	HAGE Ltd.		2,689,000,000	99.61	99.61	L
107	AFP Private Equity Invest Ltd.	EUR	452,000	29.14	29.14	L
108	Mendota Invest, Nepremicninska druzba, d.o.o.	EUR	257,500	100.00	100.00	L
109	ZA-Invest Delta Ltd.		4,000,000	100.00	100.00	L
110	ZA-Invest Kappa Ltd.		11,000,000	100.00	100.00	L
111	ZA Invest Gamma Ltd.		3,100,000	100.00	100.00	L
112	ZA Gamma HoldCo Ltd.		3,100,000	100.00	100.00	L
113	Aranykalász 1955. Ltd		55,560,000	75.00	100.00	L
114	AGROMAG-PLUSZ Ltd.		39,110,000	73.25	98.34	L
115	ARANYMEZŐ 2001. Ltd		3,000,000	75.00	100.00	L
116	Agricultural Privatey Held Joint-Stock Company Szekszárd		862,000,000	100.00	100.00	L
117	Szajk Agricultural Closed Company Limited by shares		659,859,000	100.00	100.00	L

[1] Full consolidated - L

Ownership structure of OTP Bank Plc.

Description of owner	Total equity					
	1 January 2023			31 December 2023		
	Ownership share	Voting rights[1]	Quantity	Ownership share	Voting rights [1]	Quantity
Domestic institution/company	31.80%	31.84%	89,040,716	31.40%	31.46%	87,914,205
Foreign institution/company	50.05%	50.11%	140,129,576	54.43%	54.54%	152,405,042
Domestic individual	16.91%	16.93%	47,338,305	12.93%	12.96%	36,217,730
Foreign individual	0.52%	0.52%	1,464,494	0.48%	0.48%	1,349,320
Employees, senior officers	0.55%	0.55%	1,526,762	0.48%	0.48%	1,338,715
Treasury shares[2]	0.13%	0.00%	354,144	0.20%	0.00%	572,746
Government held owner	0.05%	0.05%	139,946	0.05%	0.05%	139,036
International Development Institutions	0.00%	0.00%	3,183	0.01%	0.01%	28,603
Other[3]	0.00%	0.00%	2,884	0.01%	0.01%	34,613
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 31 December 2023 ESOP owned 12,095,524 OTP shares.
[3] Non-identified shareholders according to the shareholders' registry.

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

	1 January	31 March	30 June	30 September	31 December
OTP Bank	354,144	1,107,117	585,596	602,180	572,746
Subsidiaries	0	0	0	0	0
TOTAL	354,144	1,107,117	585,596	602,180	572,746

Shareholders with over/around 5% stake as at 31 December 2023

Name	Nationality[1]	Activity[2]	Number of shares	Ownership[3]	Voting rights[3,4]	Notes[5]
MOL (Hungarian Oil and Gas Company Plc.)	**D**	**C**	**24,000,000**	**8.57%**	**8.59%**	
Groupama Group	**F/D**	**C**	**14,256,813**	**5.09%**	**5.10%**	
Groupama Gan Vie SA	F	C	14,140,000	5.05%	5.06%	
Groupama Biztosító Ltd.	D	C	116,813	0.04%	0.04%	

[1] Domestic (D), Foreign (F).
[2] Custodian (CU), Public Institution (PU), International Development Institutions (ID), Institutional (I), Company (C), Private (PR), Employee or senior officer (E).
[3] Rounded to two decimals.
[4] Voting rights in the General Meeting of the Issuer for participation in decision-making.
[5] Eg, professional investor, financial investor, etc.

Senior officers, strategic employees and their shareholding of OTP shares as at 31 December 2023

Type[1]	Name	Position	Commencement date of the term	Expiration/termination of the term	Number of shares
IG	dr. Sándor Csányi [2]	Chairman and CEO	15/05/1992	2026	12,000
IG	Tamás Erdei	Deputy Chairman	27/04/2012	2026	53,885
IG	Gabriella Balogh	member	16/04/2021	2026	17,793
IG	Mihály Baumstark	member	29/04/1999	2026	59,200
IG	Péter Csányi	member, Deputy CEO	16/04/2021	2026	25,939
IG	dr. István Gresa	member	27/04/2012	2026	192,458
IG	Antal Kovács[3]	member	15/04/2016	2026	126,584
IG	György Nagy[4]	member	16/04/2021	2026	44,400
IG	dr. Márton Gellért Vági	member	16/04/2021	2026	15,800
IG	dr. József Vörös	member	15/05/1992	2026	196,314
IG	László Wolf	member, Deputy CEO	15/04/2016	2026	544,502
FB	Tibor Tolnay	Chairman	15/05/1992	2026	54
FB	dr. Gábor Horváth	Deputy Chairman	19/05/1995	2026	0
FB	Klára Bella	member	12/04/2019	2026	0
FB	dr. Tamás Gudra	member	16/04/2021	2026	0
FB	András Michnai	member	25/04/2008	2026	1,410
FB	Olivier Péqueux	member	13/04/2018	2026	0
SP	András Becsei	Deputy CEO			7,199
SP	László Bencsik	Deputy CEO			15,462
SP	György Kiss-Haypál	Deputy CEO			15,160
SP	Imre Bertalan	MC member			0
SP	Dr. Bálint Csere	MC member			10,555
TOTAL No. of shares held by management					**1,338,715**

[1] Board Member (IG), Supervisory Board Member (FB), Employee in strategic position (SP)
[2] Number of OTP shares owned by Dr. Sándor Csányi, Chairman and CEO, directly or indirectly: 4,712,949.
[3] Number of OTP shares owned by Antal Kovács, Member of Board of Directors, directly or indirectly: 130,884.
[4] Number of OTP shares owned by György Nagy, Member of Board of Directors, directly or indirectly: 1,068,855.

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

a) Contingent liabilities

	31/12/2023	31/12/2022
Commitments to extend credit	4,784,944	4,230,289
Guarantees arising from banking activities	1,451,873	1,414,414
Confirmed letters of credit	61,997	53,557
Legal disputes (disputed value)	88,750	86,137
Other	874,240	569,906
TOTAL	**7,261,804**	**6,354,303**

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

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

	End of reference period	Current period opening	Current period closing
Bank[1]	10,277	10,277	10,478
Consolidated[2]	35,976	35,976	41,547

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

Security issuances on Group level between 01/01/2023 and 31/12/2023

Issuer	Type of security	Security name	Date of issue	Date of maturity	Ccy	Outstanding consolidated debt (in original currency or HUF million) 31/12/2023	Outstanding consolidated debt (in HUF million) 31/12/2023
OTP Mortgage Bank	Mortgage bond	OJB2032/A	20/09/2023	24/11/2032	HUF	25,000	25,000
OTP Mortgage Bank	Mortgage bond	OMB2029/I	20/12/2023	07/03/2029	EUR	0	0
OTP Bank Plc.	Retail bond	OTP_HUF_2024/1	17/02/2023	17/02/2024	HUF	26,079	26,079
OTP Bank Plc.	Retail bond	OTP_HUF_2024/2	10/03/2023	10/03/2024	HUF	22,977	22,977
OTP Bank Plc.	Retail bond	OTP_HUF_2024/3	31/03/2023	31/03/2024	HUF	17,015	17,015
OTP Bank Plc.	Retail bond	OTP_HUF_2024/4	21/04/2023	21/04/2024	HUF	14,698	14,698
OTP Bank Plc.	Retail bond	OTP_HUF_2024/5	12/05/2023	12/05/2024	HUF	13,946	13,946
OTP Bank Plc.	Retail bond	OTP_HUF_2024/6	02/06/2023	02/06/2024	HUF	16,722	16,722
OTP Bank Plc.	Retail bond	OTP_HUF_2024/7	23/06/2023	23/06/2024	HUF	11,232	11,232
OTP Bank Plc.	Retail bond	OTP_HUF_2025/2	30/06/2023	30/06/2025	HUF	5,116	5,116
OTP Bank Plc.	Retail bond	OTP_HUF_2024/8	30/06/2023	30/06/2024	HUF	3,730	3,730
OTP Bank Plc.	Retail bond	OTP_HUF_2024/9	28/07/2023	28/07/2024	HUF	4,173	4,173
OTP Bank Plc.	Retail bond	OTP_HUF_2024/10	07/08/2023	07/08/2024	HUF	1,431	1,431
OTP Bank Plc.	Retail bond	OTP_HUF_2024/11	01/09/2023	01/09/2024	HUF	2,655	2,655
OTP Bank Plc.	Retail bond	OTP_HUF_2024/12	25/09/2023	25/09/2024	HUF	2,777	2,777
OTP Bank Plc.	Retail bond	OTP_HUF_2024/13	20/10/2023	20/10/2024	HUF	3,494	3,494
OTP Bank Plc.	Retail bond	OTP_HUF_2024/14	17/11/2023	17/11/2024	HUF	3,509	3,509
OTP Bank Plc.	Retail bond	OTP_HUF_2024/15	20/12/2023	20/12/2024	HUF	2,994	2,994
OTP Bank Plc.	Retail bond	OTP_HUF_2026/2	15/12/2023	15/12/2026	HUF	647	647
OTP Bank Plc.	Retail bond	OTP_TBSZ_HUF_2028/1	13/10/2023	15/12/2028	HUF	155	155
OTP Bank Plc.	Corporate bond	OTP_DK_HUF_2028/III	01/06/2023	31/05/2028	HUF	0	0
OTP Bank Plc.	Corporate bond	OTP_DK_HUF_2029/III	01/06/2023	31/05/2029	HUF	0	0
OTP Bank Plc.	Corporate bond	OTP_DK_HUF_2030/III	01/06/2023	31/05/2030	HUF	0	0
OTP Bank Plc.	Corporate bond	OTP_DK_HUF_2031/II	01/06/2023	31/05/2031	HUF	0	0
OTP Bank Plc.	Corporate bond	OTP_DK_HUF_2032/II	01/06/2023	31/05/2032	HUF	0	0
OTP Bank Plc.	Corporate bond	OTP_DK_HUF_2033/I	01/06/2023	31/05/2033	HUF	0	0
OTP Bank Plc.	Corporate bond	XS2586007036	15/02/2023	15/05/2033	USD	649,762,000	225,104
OTP Bank Plc.	Corporate bond	XS2626773381	25/05/2023	25/05/2027	USD	499,803,000	173,152
OTP Bank Plc.	Corporate bond	XS2642536671	27/06/2023	27/06/2026	EUR	110,000,000	42,106
OTP Bank Plc.	Corporate bond	XS2698603326	05/10/2023	05/10/2027	EUR	649,785,000	248,725
OTP Bank Plc.	Corporate bond	XS2703264635	13/10/2023	13/10/2026	RON	170,000,000	13,082
OTP Bank Plc.	Corporate bond	XS2737630314	22/12/2023	22/06/2026	EUR	75,000,000	28,709
NKBM	Corporate bond	XS2639027346	29/06/2023	29/06/2026	EUR	400,000,000	153,112
Banka OTP Albania SHA	Retail bond	AL0022100187	26/12/2023	26/12/2030	EUR	7,460,000	2,856

Security redemptions on Group level between 01/10/2023 and 31/12/2023

Issuer	Type of security	Security name	Date of issue	Date of maturity	Ccy	Outstanding consolidated debt (in original currency or HUF million) 31/12/2022	Outstanding consolidated debt (in HUF million) 31/12/2022
OTP Bank Plc.	Corporate bond	OTPRF2023A	22/03/2013	24/03/2023	HUF	1,011	1,011
OTP Bank Plc.	Corporate bond	OTPX2023A	22/03/2013	24/03/2023	HUF	312	312
OTP Bank Plc.	Corporate bond	OTP_DK_HUF_2023/I	15/12/2018	31/05/2023	HUF	0	0
OTP Bank Plc.	Corporate bond	OTP_DK_HUF_2023/II	29/05/2020	31/05/2023	HUF	0	0
OTP Bank Plc.	Corporate bond	OTPX2023B	28/06/2013	26/06/2023	HUF	198	198
OTP Mortgage Bank	Mortgage bond	OJB2023/I	05/04/2018	24/11/2023	HUF	44,120	44,120

Security listed on the Budapest Stock Exchange between 01/01/2014 and 31/12/2023

Issuer	Type of security	Security name	Date of issue	Date of maturity	Ccy
OTP Bank Plc.	Retail bond	OTP_EURO_1 2015/II	17/01/2014	31/01/2015	EUR
OTP Bank Plc.	Retail bond	OTP_EURO_2 2016/I	17/01/2014	17/01/2016	EUR
OTP Bank Plc.	Retail bond	OTP_EURO_1 2015/III	31/01/2014	14/02/2015	EUR
OTP Bank Plc.	Retail bond	OTP_EURO_2 2016/II	31/01/2014	31/01/2016	EUR
OTP Bank Plc.	Retail bond	OTP_EURO_1 2015/IV	14/02/2014	28/02/2015	EUR
OTP Bank Plc.	Retail bond	OTP_EURO_2 2016/III	14/02/2014	14/02/2016	EUR
OTP Bank Plc.	Retail bond	OTP_ EURO_1 2015/V	28/02/2014	14/03/2015	EUR
OTP Bank Plc.	Retail bond	OTP_EURO_2 2016/IV	28/02/2014	28/02/2016	EUR
OTP Bank Plc.	Retail bond	OTP_EURO_1 2015/VI	14/03/2014	28/03/2015	EUR
OTP Bank Plc.	Retail bond	OTP_EURO_2 2016/V	14/03/2014	14/03/2016	EUR
OTP Bank Plc.	Retail bond	OTP_EURO_1 2015/VII	21/03/2014	04/04/2015	EUR
OTP Bank Plc.	Retail bond	OTP_EURO_2 2016/VI	21/03/2014	21/03/2016	EUR
OTP Bank Plc.	Retail bond	OTP_EURO_1 2015/VIII	11/04/2014	25/04/2015	EUR
OTP Bank Plc.	Retail bond	OTP_EURO_2 2016/VII	11/04/2014	11/04/2016	EUR
OTP Bank Plc.	Retail bond	OTP_EURO_1 2015/IX	18/04/2014	02/05/2015	EUR
OTP Bank Plc.	Retail bond	OTP_EURO_2 2016/VIII	18/04/2014	18/04/2016	EUR
OTP Bank Plc.	Retail bond	OTP_EURO_1 2015/X	09/05/2014	23/05/2015	EUR
OTP Bank Plc.	Retail bond	OTP_EURO_2 2016/IX	09/05/2014	09/05/2016	EUR
OTP Bank Plc.	Retail bond	OTP_EURO_1 2015/XI	23/05/2014	06/06/2015	EUR
OTP Bank Plc.	Retail bond	OTP_EURO_2 2016/X	23/05/2014	23/05/2016	EUR
OTP Bank Plc.	Retail bond	OTP_EURO_1 2015/XII	06/06/2014	20/06/2015	EUR
OTP Bank Plc.	Retail bond	OTP_EURO_2 2016/XI	06/06/2014	06/06/2016	EUR
OTP Bank Plc.	Retail bond	OTP_EURO_1 2015/XIII	20/06/2014	04/07/2015	EUR
OTP Bank Plc.	Retail bond	OTP_EURO_2 2016/XII	20/06/2014	20/06/2016	EUR
OTP Bank Plc.	Retail bond	OTP_EURO_1 2015/XIV	04/07/2014	18/07/2015	EUR
OTP Bank Plc.	Retail bond	OTP_EURO_2 2016/XIII	04/07/2014	04/07/2016	EUR
OTP Bank Plc.	Retail bond	OTP_EURO_1 2015/XV	18/07/2014	01/08/2015	EUR
OTP Bank Plc.	Retail bond	OTP_EURO_2 2016/XIV	18/07/2014	18/07/2016	EUR
OTP Bank Plc.	Retail bond	OTP_EURO_1 2015/XVI	30/07/2014	13/08/2015	EUR
OTP Bank Plc.	Retail bond	OTP_EURO_2 2016/XV	30/07/2014	30/07/2016	EUR
OTP Bank Plc.	Retail bond	OTP_EURO_1 2015/XVII	08/08/2014	22/08/2015	EUR
OTP Bank Plc.	Retail bond	OTP_EURO_2 2016/XVI	08/08/2014	08/08/2016	EUR
OTP Bank Plc.	Retail bond	OTP_EURO_1 2015/XVIII	29/08/2014	12/09/2015	EUR
OTP Bank Plc.	Retail bond	OTP_EURO_2 2016/XVII	29/08/2014	29/08/2016	EUR
OTP Bank Plc.	Retail bond	OTP_EURO_1 2015/XIX	12/09/2014	26/09/2015	EUR
OTP Bank Plc.	Retail bond	OTP_EURO_2 2016/XVIII	12/09/2014	12/09/2016	EUR
OTP Bank Plc.	Retail bond	OTP_EURO_1 2015/XX	03/10/2014	17/10/2015	EUR
OTP Bank Plc.	Retail bond	OTP_EURO_2 2016/XIX	03/10/2014	03/10/2016	EUR
OTP Bank Plc.	Retail bond	OTP_EURO_1 2015/XXI	22/10/2014	05/11/2015	EUR
OTP Bank Plc.	Retail bond	OTP_EURO_1 2015/XXII	31/10/2014	14/11/2015	EUR
OTP Bank Plc.	Retail bond	OTP_EURO_1 2015/XXIII	14/11/2014	28/11/2015	EUR
OTP Bank Plc.	Retail bond	OTP_EURO_1 2015/XXIV	28/11/2014	12/12/2015	EUR
OTP Bank Plc.	Retail bond	OTP_VK_USD_2 2016/I	28/11/2014	28/11/2016	USD
OTP Bank Plc.	Retail bond	OTP_EURO_1 2015/XXV	19/12/2014	02/01/2016	EUR
OTP Bank Plc.	Retail bond	OTP_EURO_1 2015/XXVI	09/01/2015	23/01/2016	EUR
OTP Bank Plc.	Retail bond	OTP_EURO_1 2016/I	30/01/2015	13/02/2016	EUR
OTP Bank Plc.	Retail bond	OTP_EURO_1 2016/II	20/02/2015	06/03/2016	EUR
OTP Bank Plc.	Retail bond	OTP_EURO_1 2016/III	20/03/2015	03/04/2016	EUR
OTP Bank Plc.	Retail bond	OTP_VK_USD_2 2017/I	10/04/2015	10/04/2017	USD
OTP Bank Plc.	Retail bond	OTP_EURO_1 2016/IV	10/04/2015	24/04/2016	EUR
OTP Bank Plc.	Retail bond	OTP_EURO_1 2016/V	24/04/2015	08/05/2016	EUR
OTP Bank Plc.	Retail bond	OTP_VK_USD_1 2016/I	24/04/2015	24/04/2016	USD
OTP Bank Plc.	Retail bond	OTP_EURO_1 2016/VI	29/05/2015	12/06/2016	EUR
OTP Bank Plc.	Retail bond	OTP_EURO_1 2016/VII	30/06/2015	14/07/2016	EUR
OTP Bank Plc.	Retail bond	OTP_EURO_1 2016/VIII	24/07/2015	07/08/2016	EUR
OTP Bank Plc.	Retail bond	OTP_VK_USD_1 2016/II	24/07/2015	24/07/2016	USD
OTP Bank Plc.	Retail bond	OTP_VK_USD_1 2016/III	25/09/2015	25/09/2016	USD
OTP Bank Plc.	Retail bond	OTP_EURO_1 2016/IX	25/09/2015	09/10/2016	EUR
OTP Bank Plc.	Retail bond	OTP_EURO_1 2016/X	30/10/2015	13/11/2016	EUR
OTP Bank Plc.	Retail bond	OTP_EURO_1 2016/XI	11/11/2015	25/11/2016	EUR
OTP Bank Plc.	Retail bond	OTP_EURO_1 2016/XII	27/11/2015	11/12/2016	EUR
OTP Bank Plc.	Retail bond	OTP_EURO_1 2016/XIII	30/12/2015	13/01/2017	EUR
OTP Bank Plc.	Retail bond	OTP_VK_USD_1 2017/I	29/01/2016	29/01/2017	USD
OTP Bank Plc.	Retail bond	OTP_EURO_1 2017/I	29/01/2016	12/02/2017	EUR
OTP Bank Plc.	Retail bond	OTP_EURO_1 2017/II	12/02/2016	26/02/2017	EUR
OTP Bank Plc.	Retail bond	OTP_EURO_1 2017/III	26/02/2016	12/03/2017	EUR
OTP Bank Plc.	Retail bond	OTP_VK_USD_1 2017/II	18/03/2016	18/03/2017	USD
OTP Bank Plc.	Retail bond	OTP_EURO_1 2017/IV	18/03/2016	01/04/2017	EUR
OTP Bank Plc.	Retail bond	OTP_EURO_1 2017/V	15/04/2016	29/04/2017	EUR
OTP Bank Plc.	Retail bond	OTP_VK_USD_1 2017/III	27/05/2016	27/05/2017	USD
OTP Bank Plc.	Retail bond	OTP_EURO_1 2017/VI	27/05/2016	10/06/2017	EUR
OTP Bank Plc.	Retail bond	OTP_EURO_1 2017/VII	10/06/2016	24/06/2017	EUR
OTP Bank Plc.	Retail bond	OTP_EURO_1 2017/VIII	01/07/2016	15/07/2017	EUR
OTP Bank Plc.	Retail bond	OTP_EURO_1 2017/IX	10/08/2016	24/08/2017	EUR
OTP Bank Plc.	Retail bond	OTP_VK_USD_1 2017/IV	16/09/2016	16/09/2017	USD
OTP Bank Plc.	Retail bond	OTP_EURO_1 2017/X	16/09/2016	30/09/2017	EUR
OTP Bank Plc.	Retail bond	OTP_VK_USD_1 2018/I	20/01/2017	20/01/2018	USD
OTP Mortgage Bank	Mortgage bond	OJB2021/I	15/02/2017	27/10/2021	HUF
OTP Mortgage Bank	Mortgage bond	OJB2020/III	23/02/2017	20/05/2020	HUF
OTP Mortgage Bank	Mortgage bond	OJB2022/I	24/02/2017	24/05/2022	HUF
OTP Bank Plc.	Retail bond	OTP_VK_USD_1 2018/II	03/03/2017	03/03/2018	USD

Issuer	Type of security	Security name	Date of issue	Date of maturity	Ccy
OTP Bank Plc.	Retail bond	OTP_VK_USD_1 2018/III	13/04/2017	13/04/2018	USD
OTP Bank Plc.	Retail bond	OTP_VK_USD_1 2018/IV	02/06/2017	02/06/2018	USD
OTP Bank Plc.	Retail bond	OTP_VK_USD_1 2018/V	14/07/2017	14/07/2018	USD
OTP Bank Plc.	Retail bond	OTP_VK_USD_1 2018/VI	04/08/2017	04/08/2018	USD
OTP Bank Plc.	Retail bond	OTP_VK_USD_1 2018/VII	29/09/2017	29/09/2018	USD
OTP Bank Plc.	Retail bond	OTP_VK_USD_1 2018/VIII	17/11/2017	17/11/2018	USD
OTP Bank Plc.	Retail bond	OTP_VK_USD_1 2018/IX	20/12/2017	20/12/2018	USD
OTP Bank Plc.	Retail bond	OTP_VK_USD_1 2019/I	16/02/2018	16/02/2019	USD
OTP Bank Plc.	Retail bond	OTP_VK_USD_1 2019/II	29/03/2018	29/03/2019	USD
OTP Mortgage Bank	Mortgage bond	OJB2023/I	05/04/2018	24/11/2023	HUF
OTP Bank Plc.	Retail bond	OTP_VK_USD_1 2019/III	18/05/2018	18/05/2019	USD
OTP Bank Plc.	Retail bond	OTP_VK_USD_1 2019/IV	28/06/2018	28/06/2019	USD
OTP Bank Plc.	Retail bond	OTP_VK_USD_1 2019/V	06/08/2018	06/08/2019	USD
OTP Mortgage Bank	Mortgage bond	OJB2024/A	17/09/2018	20/05/2024	HUF
OTP Mortgage Bank	Mortgage bond	OJB2024/B	18/09/2018	24/05/2024	HUF
OTP Bank Plc.	Retail bond	OTP_VK_USD_1 2019/VI	04/10/2018	04/10/2019	USD
OTP Mortgage Bank	Mortgage bond	OJB2024/II	10/10/2018	24/10/2024	HUF
OTP Bank Plc.	Retail bond	OTP_VK_USD_1 2019/VII	15/11/2018	15/11/2019	USD
OTP Bank Plc.	Corporate bond	OTP_DK_HUF_2019/II	15/12/2018	31/05/2019	HUF
OTP Bank Plc.	Corporate bond	OTP_DK_HUF_2020/I	15/12/2018	31/05/2020	HUF
OTP Bank Plc.	Corporate bond	OTP_DK_HUF_2021/I	15/12/2018	31/05/2021	HUF
OTP Bank Plc.	Corporate bond	OTP_DK_HUF_2022/I	15/12/2018	31/05/2022	HUF
OTP Bank Plc.	Corporate bond	OTP_DK_HUF_2023/I	15/12/2018	31/05/2023	HUF
OTP Bank Plc.	Retail bond	OTP_VK_USD_1 2019/VIII	20/12/2018	20/12/2019	USD
OTP Bank Plc.	Retail bond	OTP_VK_USD_1 2020/I	21/02/2019	21/02/2020	USD
OTP Bank Plc.	Retail bond	OTP_VK_USD_1 2020/II	04/04/2019	04/04/2020	USD
OTP Bank Plc.	Retail bond	OTP_VK_USD_1 2020/III	16/05/2019	16/05/2020	USD
OTP Bank Plc.	Corporate bond	OTP_DK_HUF_2024/I	30/05/2019	31/05/2024	HUF
OTP Bank Plc.	Corporate bond	OTP_DK_HUF_2025/I	30/05/2019	31/05/2025	HUF
OTP Bank Plc.	Retail bond	OTP_VK_USD_1 2020/IV	27/06/2019	27/06/2020	USD
OTP Bank Plc.	Retail bond	OTP_VK_USD_1 2020/V	15/08/2019	15/08/2020	USD
OTP Bank Plc.	Retail bond	OTP_VK_USD_1 2020/VI	26/09/2019	26/09/2020	USD
OTP Bank Plc.	Retail bond	OTP_VK_USD_1 2020/VII	07/11/2019	07/11/2020	USD
OTP Bank Plc.	Retail bond	OTP_VK_USD_1 2020/VIII	19/12/2019	19/12/2020	USD
OTP Mortgage Bank	Mortgage bond	OJB2025/II	03/02/2020	26/11/2025	HUF
OTP Bank Plc.	Retail bond	OTP_VK_USD_1 2021/I	20/02/2020	20/02/2021	USD
OTP Mortgage Bank	Mortgage bond	OJB2024/C	24/02/2020	24/10/2024	HUF
OTP Bank Plc.	Retail bond	OTP_VK_USD_1 2021/II	02/04/2020	02/04/2021	USD
OTP Bank Plc.	Retail bond	OTP_VK_USD_1 2021/III	14/05/2020	14/05/2021	USD
OTP Bank Plc.	Corporate bond	OTP_DK_HUF_2022/II	29/05/2020	31/05/2022	HUF
OTP Bank Plc.	Corporate bond	OTP_DK_HUF_2023/II	29/05/2020	31/05/2023	HUF
OTP Bank Plc.	Corporate bond	OTP_DK_HUF_2024/II	29/05/2020	31/05/2024	HUF
OTP Bank Plc.	Corporate bond	OTP_DK_HUF_2025/II	29/05/2020	31/05/2025	HUF
OTP Bank Plc.	Corporate bond	OTP_DK_HUF_2026/I	29/05/2020	31/05/2026	HUF
OTP Bank Plc.	Corporate bond	OTP_DK_HUF_2027/I	29/05/2020	31/05/2027	HUF
OTP Bank Plc.	Retail bond	OTP_VK_USD_1 2021/IV	18/06/2020	18/06/2021	USD
OTP Mortgage Bank	Mortgage bond	OJB2027/I	23/07/2020	27/10/2027	HUF
OTP Bank Plc.	Corporate bond	OTP_DK_HUF_2025/III	31/05/2021	31/05/2025	HUF
OTP Bank Plc.	Corporate bond	OTP_DK_HUF_2024/III	31/05/2021	31/05/2024	HUF
OTP Bank Plc.	Corporate bond	OTP_DK_HUF_2027/II	31/05/2021	31/05/2027	HUF
OTP Bank Plc.	Corporate bond	OTP_DK_HUF_2026/II	31/05/2021	31/05/2026	HUF
OTP Bank Plc.	Corporate bond	OTP_DK_HUF_2028/I	31/05/2021	31/05/2028	HUF
OTP Bank Plc.	Corporate bond	OTP_DK_HUF_2029/I	31/05/2021	31/05/2029	HUF
OTP Bank Plc.	Corporate bond	OTP_DK_HUF_2030/I	31/05/2021	31/05/2030	HUF
OTP Mortgage Bank	Mortgage bond	OJB2031/I	18/08/2021	22/10/2031	HUF
OTP Bank Plc.	Corporate bond	OTP_DK_HUF_2026/III	31/03/2022	31/05/2026	HUF
OTP Bank Plc.	Corporate bond	OTP_DK_HUF_2027/III	31/03/2022	31/05/2027	HUF
OTP Bank Plc.	Corporate bond	OTP_DK_HUF_2028/II	31/03/2022	31/05/2028	HUF
OTP Bank Plc.	Corporate bond	OTP_DK_HUF_2029/II	31/03/2022	31/05/2029	HUF
OTP Bank Plc.	Corporate bond	OTP_DK_HUF_2030/II	31/03/2022	31/05/2030	HUF
OTP Bank Plc.	Corporate bond	OTP_DK_HUF_2031/I	31/03/2022	31/05/2031	HUF
OTP Bank Plc.	Corporate bond	OTP_DK_HUF_2032/I	31/03/2022	31/05/2032	HUF
OTP Mortgage Bank	Mortgage bond	OJB2029/A	25/07/2022	24/05/2029	HUF
OTP Bank Plc.	Retail bond	OTP_HUF_2025/1	18/11/2022	18/11/2025	HUF
OTP Bank Plc.	Retail bond	OTP_HUF_2026/1	22/12/2022	05/01/2026	HUF
OTP Bank Plc.	Retail bond	OTP_HUF_2024/1	17/02/2023	17/02/2024	HUF
OTP Bank Plc.	Retail bond	OTP_HUF_2024/2	10/03/2023	10/03/2024	HUF
OTP Bank Plc.	Retail bond	OTP_HUF_2024/3	31/03/2023	31/03/2024	HUF
OTP Bank Plc.	Retail bond	OTP_HUF_2024/4	21/04/2023	21/04/2024	HUF
OTP Bank Plc.	Retail bond	OTP_HUF_2024/5	12/05/2023	12/05/2024	HUF
OTP Bank Plc.	Corporate bond	OTP_DK_HUF_2028/III	01/06/2023	31/05/2028	HUF
OTP Bank Plc.	Corporate bond	OTP_DK_HUF_2029/III	01/06/2023	31/05/2029	HUF
OTP Bank Plc.	Corporate bond	OTP_DK_HUF_2030/III	01/06/2023	31/05/2030	HUF
OTP Bank Plc.	Corporate bond	OTP_DK_HUF_2031/II	01/06/2023	31/05/2031	HUF
OTP Bank Plc.	Corporate bond	OTP_DK_HUF_2032/II	01/06/2023	31/05/2032	HUF
OTP Bank Plc.	Corporate bond	OTP_DK_HUF_2033/I	01/06/2023	31/05/2033	HUF
OTP Bank Plc.	Retail bond	OTP_HUF_2024/6	02/06/2023	02/06/2024	HUF
OTP Bank Plc.	Retail bond	OTP_HUF_2024/7	23/06/2023	23/06/2024	HUF
OTP Bank Plc.	Retail bond	OTP_HUF_2024/8	30/06/2023	30/06/2024	HUF
OTP Bank Plc.	Retail bond	OTP_HUF_2025/2	30/06/2023	30/06/2025	HUF
OTP Bank Plc.	Retail bond	OTP_HUF_2024/9	28/07/2023	28/07/2024	HUF
OTP Bank Plc.	Retail bond	OTP_HUF_2024/10	07/08/2023	07/08/2024	HUF
OTP Bank Plc.	Retail bond	OTP_HUF_2024/11	01/09/2023	01/09/2024	HUF

Issuer	Type of security	Security name	Date of issue	Date of maturity	Ccy
OTP Mortgage Bank	Mortgage bond	OJB2032/A	20/09/2023	24/11/2032	HUF
OTP Bank Plc.	Retail bond	OTP_HUF_2024/12	25/09/2023	25/09/2024	HUF
OTP Bank Plc.	Retail bond	OTP_TBSZ_HUF_2028/1	13/10/2023	15/12/2028	HUF
OTP Bank Plc.	Retail bond	OTP_HUF_2024/13	20/10/2023	20/10/2024	HUF
OTP Bank Plc.	Retail bond	OTP_HUF_2024/14	17/11/2023	17/11/2024	HUF
OTP Bank Plc.	Retail bond	OTP_HUF_2026/2	15/12/2023	15/12/2026	HUF
OTP Bank Plc.	Retail bond	OTP_HUF_2024/15	20/12/2023	20/12/2024	HUF

RELATED-PARTY TRANSACTIONS

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

Compensations (in HUF million)[1]	2022	2023	Y-o-Y	4Q 2022	3Q 2023	4Q 2023	Q-o-Q	Y-o-Y
Total compensation for key management personnel	**12,420**	**12,829**	**3%**	**2,250**	**4,162**	**1,712**	**-59%**	**-24%**
Short-term employee benefits	9,020	9,974	11%	1,582	3,341	1,584	-53%	0%
Share-based payment	2,632	2,173	-17%	776	703	161	-77%	-79%
Other long-term employee benefits	474	556	17%	-377	124	-159	-228%	-58%
Termination benefits	293	126	-57%	269	0	126		-53%
Redundancy payments	1	0	-100%	0	-6	0	-100%	
Loans to key management individuals and their close family members as well as to entities in which they have an interest	75,704	70,091	-7%	75,704	82,745	70,091	-15%	-7%
Credit lines of key management individuals and their close family members as well as entities in which they have an interest	47,522	64,900	37%	47,522	46,166	64,900	41%	37%
Loans provided to unconsolidated subsidiaries	4,067	2,459	-40%	4,067	3,430	2,459	-28%	-40%

[1] Due to the changes in the definition of key management personnel, figures are not comparable with previously published data.

Alternative performance measures pursuant to the National Bank of Hungary 5/2017, (V.24.) recommendation[7]

Alternative performance measures name	Description	Calculation (data in HUF million)	Measures value 2022	Measures value 2023
Leverage, consolidated[8]	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 2023: $\frac{3{,}945{,}569.6}{42{,}426{,}769.2} = 9.3\%$ Example for 2022: $\frac{3{,}383{,}160.8}{35{,}399{,}551.0} = 9.6\%$	9.6%	9.3%
Liquidity Coverage Ratio (LCR)	According to Article 412 (1) of CRR, the liquidity coverage ratio (LCR) is designed to promote short-term resilience of the Issuer's / Group's liquidity risk profile and aims to ensure that the Issuer / Group has an adequate stock of unencumbered High Quality Liquid Assets (HQLA) to meet its liquidity needs for a 30 calendar day liquidity stress scenario.	The LCR is expressed as: (stock of HQLA) / (total net cash outflows over the next 30 calendar days) ≥ 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 2023: $\frac{11{,}062{,}683.8}{6{,}528{,}404.6 - 2{,}033{,}178.9} = 246.1\%$ Example for 2022: $\frac{7{,}439{,}159.8}{6{,}175{,}742.4 - 1{,}852{,}865.4} = 172.1\%$	172.1%	246.1%
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 2023: $\frac{990{,}459.5 * 1.0}{3{,}639{,}782.4} = 27.2\%$ Example for 2022: $\frac{347{,}081.1 * 1.0}{3{,}160{,}118.9} = 11.0\%$	11.0%	27.2%
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 2023: $\frac{1{,}008{,}582.9 * 1.0}{3{,}639{,}782.4} = 27.7\%$ Example for 2022: $\frac{592{,}547.0 * 1.0}{3{,}160{,}118.9} = 18.8\%$	18.8%	27.7%

[7] 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.
[8] 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 2022	Measures value 2023
ROA (adjusted), consolidated	The return on asset ratio shall be calculated the consolidated adjusted net profit for the given period divided by the average total asset, thus shows the effectiveness of the use of equity.	The numerator of the indicator is the consolidated adjusted net profit for the given period, the denominator is the average consolidated total asset. (The definition of average asset: calendar day-weighted average of the average balance sheet items in periods comprising the given period, where periods comprising the given period are defined as quarters (and within that months) in case of 9M, 9M and FY periods, and months in case of quarters. Furthermore, the average of the average balance sheet items is computed as the arithmetic average of closing balance sheet items for the previous period and the current period.) Example for 2023: (1,008,582.9 * 1.0) / 37,167,776.0 = 2.7% Example for 2022: (592,547.0 * 1.0) / 31,190,136.9 = 1.9%	1.9%	2.7%
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 2023: (1,260,849.8 * 1.0) / 37,167,776.0 = 3.39% Example for 2022: (868,486.7 * 1.0) / 31,190,136.9 = 2.78%	2.78%	3.39%
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 2023: (2,224,584.2 * 1.0) / 37,167,776.0 = 5.99% Example for 2022: (1,656,571.0 * 1.0) / 31,190,136.9 = 5.31%	5.31%	5.99%
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 2023: (1,459,693.5 * 1.0) / 37,167,776.0 = 3.93% Example for 2022: (1,093,578.8 * 1.0) / 31,190,136.9 = 3.51%	3.51%	3.93%
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 2023: (963,734.3 * 1.0) / 37,167,776.0 = 2.59% Example for 2022: (788,084.3 * 1.0) / 31,190,136.9 = 2.53%	2.53%	2.59%
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 2023: 963,734.3 / 2,224,584.2 = 43.3% Example for 2022: 788,084.3 / 1,656,571.0 = 47.6%	47.6%	43.3%

Alternative performance measures name	Description	Calculation (data in HUF million)	Measures value 2022	2023
Provision for impairment on loan and placement losses (adjusted)/ average (adjusted) gross loans, consolidated	The indicator provides information on the amount of impairment on loan and placement losses relative to gross customer loans.	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 2023: $\frac{34{,}780.7 * 1.0}{21{,}377{,}407.9} = 0.16\%$ Example for 2022: $\frac{135{,}231.1 * 1.0}{18{,}639{,}432.7} = 0.73\%$	0.73%	0.16%
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 2023: $\frac{38{,}521.5 * 1.0}{37{,}167{,}776.0} = 0.10\%$ Example for 2022: $\frac{178{,}464.7 * 1.0}{31{,}190{,}136.9} = 0.57\%$	0.57%	0.10%
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 2023: $\frac{213{,}745.5}{1{,}222{,}328.4} = 17.5\%$ Example for 2022: $\frac{97{,}475.0}{690{,}022.0} = 14.1\%$	14.1%	17.5%
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 2023: $\frac{21{,}447{,}380.3}{29{,}428{,}283.5 + 201{,}130.6} = 72\%$ Example for 2022: $\frac{17{,}929{,}314.2}{24{,}289{,}844.4 + 35{,}766.3} = 74\%$	74%	72%

SUPPLEMENTARY DATA

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

General note: regarding OTP Core and other subsidiaries, the adjusted profit after tax is calculated without the effect of adjustment items.

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

(2) OTP Core is an economic unit for measuring the result of core business activity of OTP Group in Hungary. Financials of OTP Core are calculated from the partially consolidated IFRS financial statements of certain companies engaged in OTP Group's operation in Hungary. These companies include OTP Bank Hungary Plc., OTP Mortgage Bank Ltd, OTP Building Society Ltd, OTP Factoring Ltd, OTP Financial Point Ltd., and companies providing intragroup financing; OTP Bank Employee Stock Ownership Plan Organization was included from 4Q 2016; OTP Card Factory Ltd., OTP Facility Management Llc., MONICOMP Ltd. and OTP Real Estate Leasing Ltd. were included from 1Q 2017 (from 1Q 2019 OTP Real Estate Lease Ltd. was eliminated from OTP Core); OTP Mobile Service Llc. and OTP Ingatlanpont Llc. were included from 1Q 2019; OTP Ecosystem Ltd. (previous name: OTP eBIZ Ltd., it was eliminated from 1Q 2023) was included from 1Q 2020; OTP OTP Home Solutions was included from 2Q 2021.

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

(3) The result and balance sheet of OTP Factoring Bulgaria EAD and DSK Leasing AD is included.

(4) The statement of recognised income and balance sheet of SKB Banka d.d. Ljubljana, SKB Leasing d.o.o., SKB Leasing Select d.o.o. and from February 2023 Nova Kreditna Banka Maribor d.d. is included.

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

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

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

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

(9) The balance sheet of Ipoteka Bank in Uzbekistan was consolidated from June 2023, whereas the adjusted profit of Ipoteka Bank was recognized in the consolidated P&L from 3Q 2023.

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

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

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

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

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

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

(16) Until the end of 2022 Corporate Centre acted as a virtual entity established by the equity investment of OTP Core for managing the wholesale financing activity for all the subsidiaries within OTP Group but outside OTP Core. Therefore, the balance sheet of the Corporate Centre was 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 was to provide intragroup lending to, and hold equity stakes in OTP subsidiaries outside OTP Core. Main subsidiaries financed by Corporate Centre were as follows: Hungarians: Merkantil Bank Ltd, OTP Flat Lease Ltd, OTP Fund Management Ltd, OTP Real Estate Fund Management Ltd, OTP Life Annuity Ltd; foreigners: banks, leasing companies, factoring companies.

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

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

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

CALCULCULATION OF THE ADJUSTED LINES OF IFRS PROFIT AND LOSS STATEMENTS, AS WELL AS THE ADJUSTED BALANCE SHEET LINES PRESENTED IN THE REPORT, AND THE METHODOLOGY FOR CALCULATING THE FX-ADJUSTED BALANCE SHEET AND P&L DYNAMICS

In order to present Group performance reflecting the underlying business trends, the presented consolidated and separate / sub-consolidated profit and loss statements of this report were adjusted in the following way, and the adjusted P&Ls are shown and analysed in the Report (unless otherwise stated). Consolidated financial statements together with separate figures of OTP Bank are disclosed in the *Financial Data* section.

Adjustments affecting the income statement:

- The after tax effect of adjustment items (certain, typically one-off items from banking operations' point of view) are shown and analysed separately in the Statement of Recognised Income.
- The components of the new *Gain from derecognition of financial assets at amortized cost* line in the P&L were shifted back in the adjusted P&L structure to the lines on which they were presented previously.
- Due to the introduction of IFRS16, certain items previously presented on the Other non-interest expenses line (rental fees) were moved to the interest expenses and depreciation lines in the income statement. These items were shifted back to the Other non-interest expenses line in the adjusted P&L structure.
- *The expected one-off effect of the interest rate cap for certain loans in Hungary and Serbia* line contains the expected effect of the Hungarian rate cap from the second half of 2022, and the expected effect of the Serbian rate cap effective from October 2023 until the end of 2024. The expected effect of the Hungarian rate cap effective in 1H 2022 was presented in 4Q 2021 amongst the risk costs of OTP Core.
- *The effect of the winding up of Sberbank Hungary* line represents the combined impact of the extraordinary contribution payable into the Deposit Protection Fund in relation to the compensation of depositors, and the recovery from the sale of Sberbank assets.
- Performance indicators (such as cost/income ratio, net interest margin, risk cost to average gross loans as well as ROA and ROE ratios, etc.) presented in this report are calculated on the basis of the adjusted profit and loss statement excluding adjustment items (unless otherwise indicated). Starting from 2022, the Provision for impairment on loan losses line is in the numerator of the Provision for impairment on loan losses-to-average gross loans ratio, which, as opposed to previous periods, does not include the provision for impairment on placement losses.
- Starting from 2Q 2023 and applied also for the base periods, in the *Consolidated financial highlights and share data* table the *Book Value Per Share* and the *Tangible Book Value Per Share*, as well as indicators derived from these are calculated based on the consolidated diluted share count used for EPS calculation.
- Within the report, FX-adjusted statistics for business volume developments and their product breakdown, as well as the FX-adjusted stock of allowances for loan losses are disclosed, too. For FX-adjustment, the closing cross currency rates for the current period were used to calculate the HUF equivalent of loan and deposit volumes in the base periods. Thus the FX-adjusted volumes will be different from those published earlier.
- The *FX-adjusted* changes of certain consolidated or sub-consolidated P&L lines in HUF terms may be presented in this Report. According to the applied methodology in the case of the P&L lines, the FX effect is filtered out only in relation to the currency of the given country, irrespective of the transactional currency mix in which the given P&L line materialized. Thus, for instance, as for the consolidated FX-adjusted operating cost development, the effect of the Hungarian Forint rate changes against the given currency is not eliminated in the case of the cost items arising in FX within the Hungarian cost base.

Adjustments affecting the balance sheet:

- On 9 February 2024 OTP Bank announced the signing of the share sale and purchase agreement to sell its Romanian operation. As a result of this, according to IFRS 5, as at the end of 2023 the Romanian operation was presented as an asset classified as held for sale in the consolidated balance sheet, and as discontinued operation in the income statement. With regards to the consolidated balance sheet, all Romanian assets and liabilities were shown on a separate line in the 2023 closing balance sheet. As for the consolidated income statement, the Romanian contribution for both 2022 and 2023 was shown separately from the result of continuing operation, on the *Net loss / gain from discontinued operation* line, i.e. the particular P&L lines in the 'continuing operations' section of the P&L don't incorporate the contribution from the Romanian subsidiaries. As opposed to this, in the adjusted financial statements presented in the Stock Exchange Report – in line with the structure of the financial statements monitored by the management – the Romanian operation was presented in a way as if it was still classified as continuing operation, i.e. its net interest income contribution was presented on the net interest income line in the consolidated adjusted income statement.
- In the adjusted balance sheet, net customer loans include the stock of loans at amortized cost, loans mandatorily at fair value through profit or loss, and finance lease receivables.
- In the adjusted balance sheets presented in the analytical section of the report, until the end of 2022 the total amount of accrued interest receivables related to Stage 3 loans under IFRS 9 were netted with the provisions created in relation to the total exposure toward those particular clients, in case of the affected Group members. Therefore, this adjustment made on the balance sheet had an impact on the consolidated gross customer loans and allowances for loan losses. Starting from 2023 this adjustment is no longer applied.

ADJUSTMENTS OF CONSOLIDATED IFRS P&L LINES

in HUF million	1Q 22	2Q 22	3Q 22	4Q 22 Audited	2022 Audited	1Q 23	2Q 23	3Q 23	4Q 23 Preliminary	2023 Preliminary
Net interest income	**240,794**	**264,479**	**290,478**	**231,117**	**1,026,868**	**310,098**	**339,082**	**384,859**	**348,974**	**1,383,014**
(+) Presentation of the revaluation result of intra-group swaps on the net interest income line realized at the Romanian operation	552	831	-65	716	2,034	0	0	0	0	0
(-) Netting of interest revenues on Stage 3 loans with the related provision (booked on the Provision for loan losses line)	2,679	205	1,053	1,398	5,335	-	-	-	-	-
(-) Effect of acquisitions	-728	-731	-783	-937	-3,179	-1,297	-1,073	3,936	-7,240	-5,674
(-) Reclassification due to the introduction of IFRS16	-383	-580	-741	-682	-2,386	-669	-653	-855	-793	-2,970
(+) Presentation of the contribution from discontinued operation and assets held for sale on the adjusted P&L lines	0	0	0	64,446	64,446	0	0	0	68,151	68,151
Net interest income (adj.)	**239,779**	**266,417**	**290,884**	**296,499**	**1,093,579**	**312,064**	**340,808**	**381,778**	**425,159**	**1,459,809**
Net fees and commissions	**127,595**	**137,856**	**164,671**	**154,369**	**584,491**	**149,915**	**174,828**	**189,397**	**177,385**	**691,525**
(+) Financial Transaction Tax	-21,465	-19,153	-23,174	-25,958	-89,751	-25,899	-23,827	-23,955	-24,790	-98,472
(-) Effect of acquisitions	-1	0	-1	0	-2	-7	-2	9	-28	-27
(+) Presentation of the contribution from discontinued operation and assets held for sale on the adjusted P&L lines	0	0	0	15,870	15,870	0	0	0	5,537	5,537
(-) Structural shift of income from currency exchange from net fees to the FX result	20,406	22,911	35,423	34,754	113,494	20,796	33,322	40,261	26,118	120,496
Net fees and commissions (adj.)	**85,725**	**95,792**	**106,075**	**109,527**	**397,118**	**103,227**	**117,681**	**125,172**	**132,042**	**478,122**
Foreign exchange result	**11,910**	**-10,959**	**-16,761**	**-492**	**-16,302**	**30,109**	**10,741**	**-47,819**	**20,913**	**13,945**
(-) Presentation of the revaluation result of intra-group swaps on the net interest income line realized at the Romanian operations	5,571	-6,110	-1,965	10,322	7,818	0	0	0	0	0
(-) Effect of acquisitions	2	-5	-1	0	-4	0	-1	-209	208	-2
(+) Presentation of the contribution from discontinued operation and assets held for sale on the adjusted P&L lines	0	0	0	1,313	1,313	0	0	0	-11,397	-11,397
(+) Structural shift of income from currency exchange from net fees to the FX result	20,406	22,911	35,423	34,754	113,494	20,796	33,322	40,261	26,118	120,496
Foreign exchange result (adj.)	**26,743**	**18,067**	**20,628**	**25,253**	**90,691**	**50,905**	**44,064**	**-7,349**	**35,426**	**123,046**
Gain/loss on securities, net	**-5,744**	**-2,116**	**1,012**	**2,343**	**-4,505**	**7,317**	**11,539**	**-9,056**	**-2,517**	**7,283**
(-) Effect of acquisitions	-91	-466	0	0	-556	-220	0	-905	0	-1,125
(+) Presentation of the contribution from discontinued operation and assets held for sale on the adjusted P&L lines	0	0	0	17	17	0	0	0	194	194
(-) Revaluation result of the treasury share swap agreement	-9,343	-26	-717	83	-10,002	-22	7,120	-10,877	-89	-3,868
(+) Structural adjustment due to the Gain from derecognition of financial assets at amortized cost line (against Gain/loss on securities, net)	41	0	-2,923	-1,754	-4,636	-7,761	4	-2,767	-8,193	-18,716
(+) Shifting of the *Gains and losses on non-trading securities mandatorily at fair value through profit or loss* line from the *Net other non-interest income* to the *Gains or losses from securities* line	400	-1,229	-575	1,549	145	1,668	1,482	770	4,321	8,240
Gain/loss on securities, net (adj.)	**4,131**	**-2,855**	**-1,769**	**2,072**	**1,579**	**1,466**	**5,906**	**728**	**-6,106**	**1,994**
Result of discontinued operation and gains from disposal of subsidiaries classified as held for sale	**986**	**0**	**9,236**	**17,781**	**28,003**	**0**	**0**	**0**	**-21,246**	**-21,246**
(-) Profit of the sale of OTP Garancia Group (before tax)	0	0	0	0	0	0	0	0	0	0
(-) Effect of acquisitions	0	0	0	0	0	0	0	0	-55,913	-55,913
Result of discontinued operation and gains from disposal of subsidiaries classified as held for sale (adj.)	**986**	**0**	**9,236**	**17,781**	**28,003**	**0**	**0**	**0**	**34,667**	**34,667**

in HUF million	1Q 22	2Q 22	3Q 22	4Q 22 Audited	2022 Audited	1Q 23	2Q 23	3Q 23	4Q 23 Preliminary	2023 Preliminary
Gains and losses on real estate transactions	**701**	**891**	**1,458**	**2,182**	**5,232**	**899**	**3,118**	**1,065**	**2,113**	**7,195**
Result of discontinued operation and gains from disposal of subsidiaries classified as held for sale (adjusted)	**986**	**0**	**9,236**	**17,781**	**28,003**	**0**	**0**	**0**	**34,667**	**34,667**
(+) Other non-interest income	**18,288**	**25,184**	**34,371**	**40,485**	**118,329**	**141,373**	**147,899**	**16,256**	**25,897**	**331,425**
(+) Net results on derivative instruments and hedge relationships	**-8,586**	**7,516**	**23,012**	**-5,582**	**16,360**	**-28,673**	**-12,347**	**55,909**	**-27,649**	**-12,760**
(+) Net insurance result	**165**	**440**	**391**	**373**	**1,369**	**334**	**480**	**513**	**593**	**1,921**
(+) Losses on loans measured mandatorily at fair value through other comprehensive income and on securities at amortized cost	**636**	**4,320**	**-12,651**	**3,651**	**-4,044**	**6,225**	**37,618**	**23,573**	**25,267**	**92,682**
(-) Shifting of the *Gains and losses on non-trading securities mandatorily at fair value through profit or loss* line from the *Net other non-interest income* to the *Gains or losses from securities* line	400	-1,229	-575	1,549	145	1,668	1,482	770	4,321	8,240
(-) Received cash transfers	83	-6	-14	383	447	73	49	290	119	531
(+) Other other non-interest expenses	-12,266	-16,394	-18,154	-26,155	-72,969	-18,046	-11,442	-18,744	-6,622	-54,855
(+) Change in shareholders' equity of companies consolidated with equity method, and the change in the net asset value of the private equity funds managed by PortfoLion	401	603	2,298	-2,461	840	492	711	2,507	-972	2,738
(-) Effect of acquisitions	0	0	3,348	-80	3,268	99,458	124,906	-17,613	-1,519	205,233
(-) Presentation of the revaluation result of intra-group swaps on the net interest income line realized at the Romanian operation	-5,018	6,941	1,900	-9,606	-5,783	0	0	0	0	0
(-) One-off impact of the CHF mortgage loan conversion programme and regulatory changes related to mortgage loans in Romania	-279	-130	-93	-89	-591	0	0	0	0	0
(-) Netting of refunds related to legal cases (accounted for on the Net other non-interest result line) with the release of provisions created earlier for these cases (accounted for on the Other provisions line) from 1Q 2017 at OTP Bank Romania	-76	-65	-45	-89	-275	0	0	0	0	0
(+) Presentation of the contribution from discontinued operation and assets held for sale on the adjusted P&L lines	0	0	0	-21,994	-21,994	0	0	0	-13,697	-13,697
(-) Expected one-off negative effect of the debt repayment moratorium in Hungary and Serbia	0	0	0	-5	-5	0	0	0	0	0
(+) Shifting of the costs of mediated services at Merkantil Bérlet Ltd. to the net other non-interest result line	-393	-531	-629	-293	-1,846	-427	-473	-557	-662	-2,119
(+) Structural adjustment due to the Gain from derecognition of financial assets at amortized cost line (against Net other non-interest result)			-342	-150	-492	-94	-130	401	15	191
(-) Expected one-off effect of the interest rate cap for certain loans in Hungary and Serbia				-2,022	-2,022	0	0	0	0	0
(-) Effect of the winding up of Sberbank Hungary (recovery leg)						11,416	0	0		11,416
Net other non-interest result (adj.)	**4,822**	**16,518**	**34,468**	**17,796**	**73,604**	**-10,533**	**38,995**	**97,475**	**36,029**	**161,967**
Gain from derecognition of financial assets at amortized cost	**949**	**1,030**	**-2,685**	**-867**	**-1,573**	**-6,442**	**7,010**	**-2,855**	**-14,895**	**-17,182**
(-) Structural adjustment due to the Gain from derecognition of financial assets at amortized cost line (against Gain/loss on securities, net)	41	0	-2,923	-1,754	-4,636	-7,761	4	-2,767	-8,193	-18,716
(-) Structural adjustment due to the Gain from derecognition of financial assets at amortized cost line (against Provision for impairment on loan losses)	908	1,030	580	955	3,473	1,412	7,136	-489	-6,716	1,343
(-) Structural adjustment due to the Gain from derecognition of financial assets at amortized cost line (against Net other non-interest result)			-342	-150	-492	-94	-130	401	15	191
(+) Presentation of the contribution from discontinued operation and assets held for sale on the adjusted P&L lines				-82	-82	0	0	0	0	0
Gain from derecognition of financial assets at amortized cost (adj.)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Provision for impairment on loan and placement losses	**-72,680**	**-15,908**	**-37,032**	**-19,539**	**-145,159**	**-17,300**	**-42,943**	**-4,278**	**-61,894**	**-126,415**
(+) Modification gains or losses	**-15**	**-13,059**	**-2,179**	**-24,744**	**-39,997**	**298**	**-19,584**	**-9,780**	**-9,076**	**-38,141**
(+) Change in the fair value attributable to changes in the credit risk of loans mandatorily measured at fair value through profit of loss	**13,758**	**1,229**	**-1,869**	**228**	**13,346**	**76**	**-1,577**	**63**	**1,347**	**-91**
(+) Loss allowance on securities at fair value through other comprehensive income and on securities at amortized cost	**-43,123**	**-6,087**	**-8,027**	**-3,523**	**-60,761**	**-1,499**	**6,631**	**3,215**	**706**	**9,054**
(+) Provision for commitments and guarantees given	**-3,734**	**-2,200**	**6,428**	**-6,411**	**-5,917**	**-2,997**	**2,515**	**5,616**	**4,639**	**9,772**
(+) Impairment of assets subject to operating lease and of investment properties	**26**	**40**	**74**	**-1,344**	**-1,204**	**4**	**2**	**1,387**	**-60**	**1,333**
(-) One-off impact of the CHF mortgage loan conversion programme and regulatory changes related to mortgage loans in Romania	96	55	4	-17	138	0	0	0	0	0
(+) Netting of interest revenues on Stage 3 loans with the related provision (booked on the Provision for loan losses line)	2,679	205	1,053	1,398	5,335	-	-	-	-	-
(-) Effect of acquisitions	0	0	-3,407	-86	-3,493	-11,813	-40,060	0	0	-51,873
(-) Structural correction between Provision for loan losses and Other provisions	-43,097	-6,047	-7,953	-4,868	-61,965	-1,495	6,633	4,602	646	10,387
(+) Presentation of the contribution from discontinued operation and assets held for sale on the adjusted P&L lines	0	0	0	-10,750	-10,750	0	0	0	2,758	2,758
(-) Expected one-off negative effect of the debt repayment moratorium in Hungary and Serbia	6	-522	-2,184	-2,117	-4,816	0	0	0	0	0
(+) Structural adjustment due to the *Gain from derecognition of financial assets at amortized cost* line (against *Provision for impairment on loan losses*)	908	1,030	580	955	3,473	1,412	7,136	-489	-6,716	1,343
(-) Shifting of provision for impairment on placement losses to the other provisions line from 1Q 2022	-1,023	-1,031	-144	1,937	-261	-887	2,181	1,974	-323	2,945
(-) Expected one-off effect of the interest rate cap for certain loans in Hungary and Serbia		-11,144	0	-24,861	-36,005	232	-19,601	-8,429	-9,112	-36,909
Provision for impairment on loan losses (adj.)	**-58,164**	**-16,060**	**-27,288**	**-33,719**	**-135,231**	**-6,044**	**3,027**	**-2,414**	**-59,507**	**-64,937**
Profit from associates	**462**	**794**	**15,462**	**-2,100**	**14,618**	**598**	**1,147**	**16,880**	**-3,325**	**15,299**
(+) Received cash transfers	83	-6	-14	383	447	73	49	290	119	531
(+) Paid cash transfers	-3,564	-5,483	-5,140	-3,522	-17,709	-14,257	-206	-357	-540	-15,360
(-) Sponsorships, subsidies and cash transfers to public benefit organisations	-3,451	-5,456	-5,137	-3,475	-17,519	-14,234	-164	-274	-395	-15,067
(-) Dividend income of swap counterparty shares kept under the treasury share swap agreement	0	0	12,130	0	12,130	0	0	14,200	0	14,200
(-) Change in shareholders' equity of companies consolidated with equity method, and the change in the net asset value of the private equity funds managed by PortfoLion	401	603	2,298	-2,461	840	492	711	2,507	-972	2,738

in HUF million	1Q 22	2Q 22	3Q 22	4Q 22 Audited	2022 Audited	1Q 23	2Q 23	3Q 23	4Q 23 Preliminary	2023 Preliminary
(+) Presentation of the contribution from discontinued operation and assets held for sale on the adjusted P&L lines	0	0	0	23	23	0	0	0	22	22
After tax dividends and net cash transfers	**31**	**159**	**1,018**	**719**	**1,927**	**157**	**443**	**380**	**-2,358**	**-1,378**
Depreciation	**-91,354**	**-26,832**	**-28,427**	**-22,227**	**-168,840**	**-29,113**	**-28,072**	**-29,359**	**-25,452**	**-111,996**
(-) Goodwill impairment charges	-67,715	0	0	0	-67,715	0	0	0	0	0
(-) Effect of acquisitions	-1,252	-1,227	-1,222	-1,216	-4,917	-1,127	-1,045	-1,503	-1,222	-4,897
(-) Reclassification due to the introduction of IFRS16	-4,090	-4,485	-4,783	-4,650	-18,008	-4,657	-4,150	-3,928	-2,841	-15,575
(+) Presentation of the contribution from discontinued operation and assets held for sale on the adjusted P&L lines	0	0	0	-6,463	-6,463	0	0	0	-4,040	-4,040
(+) Structural shift of right of use asset depreciation between other non-interest expenses and depreciation line						-145	306	96	-256	0
Depreciation (adj.)	**-18,297**	**-21,119**	**-22,422**	**-22,825**	**-84,663**	**-23,475**	**-22,571**	**-23,832**	**-25,685**	**-95,564**
Personnel expenses	**-84,061**	**-90,691**	**-104,596**	**-98,380**	**-377,728**	**-108,236**	**-120,733**	**-124,561**	**-125,165**	**-478,695**
(-) Effect of acquisitions	-232	-219	-340	-468	-1,259	-528	-715	-452	-812	-2,507
(+) Presentation of the contribution from discontinued operation and assets held for sale on the adjusted P&L lines	0	0	0	-24,835	-24,835	0	0	0	-26,571	-26,571
(-) Shifting of the support granted to the Special Employee Partial Ownership Plan Organizations booked within the Personnel expenses to the Other non-interest expenses line				-5,000	-5,000	0	0	0	0	0
Personnel expenses (adj.)	**-83,830**	**-90,471**	**-104,256**	**-117,747**	**-396,304**	**-107,708**	**-120,019**	**-124,109**	**-150,924**	**-502,759**
Income taxes	**-9,952**	**-4,542**	**-20,418**	**-23,688**	**-58,600**	**-24,556**	**-46,370**	**-49,236**	**-68,549**	**-188,710**
(-) Corporate tax impact of goodwill/investment impairment charges	11,435	0	1,765	-4,740	8,461	0	-518	0	-3,402	-3,919
(-) Corporate tax impact of the special tax on financial institutions	1,902	6,713	7	-3,166	5,456	8,611	-2,532	0	0	6,079
(+) Tax deductible transfers to spectator sports (offset against corporate taxes)	-1,669	-193	-4,431	-8,187	-14,479	0	-62	0	-11	-73
(-) Corporate tax impact of the effect of acquisitions	192	312	-262	302	543	3,433	6,231	1,177	-3,154	7,687
(+) Presentation of the contribution from discontinued operation and assets held for sale on the adjusted P&L lines	0	0	0	-652	-652	0	0	0	-3,575	-3,575
(-) Corporate tax impact of the expected one-off negative effect of the debt repayment moratorium in Hungary and Serbia	-1	177	69	-2	244	0	0	0	0	0
(-) Corporate tax impact of the result of the treasury share swap agreement	841	2	65	-8	900	2	-641	979	8	348
(-) Corporate tax impact of the impairments on Russian government bonds booked at OTP Core and DSK Bank from 2022	3,465	55	-486	460	3,494	0	0	0	311	311
(-) Corporate tax impact of the winding up of Sberbank Hungary (contribution to the Deposit Protection Fund)		248	809	-30	1,027	-1,027	0	0	0	-1,027
(-) Corporate tax impact of the expected one-off effect of the interest rate cap for certain loans in Hungary and Serbia		1,003	0	2,615	3,618	-31	1,768	1,267	826	3,830
(+) One-timer structural reclassification between Corporate income tax and Other non-interest expenses in 4Q 2023									-5,624	-5,624
Corporate income tax (adj.)	**-29,454**	**-13,246**	**-26,815**	**-27,960**	**-97,475**	**-35,544**	**-50,740**	**-52,659**	**-72,348**	**-211,291**
Other operating expense	**-25,896**	**-37,032**	**-30,736**	**-32,077**	**-125,742**	**-36,587**	**-17,827**	**-35,040**	**-28,508**	**-117,962**
(-) Other costs and expenses	-1,547	-4,403	-11,726	397	-17,279	-1,340	-1,039	-2,224	-5,540	-10,143
(-) Other non-interest expenses	-15,831	-21,877	-23,294	-29,676	-90,678	-32,303	-11,648	-19,101	-6,798	-69,850
(-) Effect of acquisitions	0	0	-190	-1,151	-1,341	-1,945	-2,442	-6,058	174	-10,271
(-) One-off impact of the CHF mortgage loan conversion programme and regulatory changes related to mortgage loans in Romania	182	75	89	106	453	0	0	0	0	0
(-) Netting of refunds related to legal cases (accounted for on the Net other non-interest result line) with the release of provisions created earlier for these cases (accounted for on the Other provisions line) from 1Q 2017 at OTP Bank Romania	76	65	45	89	275	0	0	0	0	0
(+) Structural correction between *Provision for loan losses* and *Other provisions*	-43,097	-6,047	-7,953	-4,868	-61,965	-1,495	6,633	4,602	646	10,387
(+) Presentation of the contribution from discontinued operation and assets held for sale on the adjusted P&L lines	0	0	0	-3,057	-3,057	0	0	0	-98	-98
(-) Expected one-off negative effect of the debt repayment moratorium in Hungary and Serbia	0	-1,448	1,419	2,133	2,104	0	0	0	0	0
(-) Impairments on Russian government bonds booked at OTP Core and DSK Bank from 2022	-37,989	-569	-275	565	-38,268	0	0	0	-3,110	-3,110
(+) Shifting of provision for impairment on placement losses to the other provisions line from 1Q 2022	-1,023	-1,031	-144	1,937	-261	-887	2,181	1,974	-323	2,945
(-) Shifting of certain expenses arising from mediated services from other provisions to the other non-interest expenses line	-183	-178	-228	-294	-882	-345	-288	-341	-277	-1,252
(-) Expected one-off effect of the interest rate cap for certain loans in Hungary and Serbia				-2,175	-2,175	118	-41	92	12	181
Other provisions (adj.)	**-14,726**	**-15,776**	**-4,675**	**-8,058**	**-43,234**	**-3,154**	**6,446**	**-832**	**-12,744**	**-10,285**
Other general expenses	**-104,529**	**-158,296**	**-91,966**	**-96,371**	**-451,163**	**-197,079**	**-71,108**	**-105,685**	**-109,411**	**-483,283**
(+) Other costs and expenses	-1,547	-4,403	-11,726	397	-17,279	-1,340	-1,039	-2,224	-5,540	-10,143
(+) Other non-interest expenses	-15,831	-21,877	-23,294	-29,676	-90,678	-32,303	-11,648	-19,101	-6,798	-69,850
(-) Paid cash transfers	-3,564	-5,483	-5,140	-3,522	-17,709	-14,257	-206	-357	-540	-15,360
(+) Film subsidies and cash transfers to public benefit organisations	-3,451	-5,456	-5,137	-3,475	-17,519	-14,234	-164	-274	-395	-15,067
(-) Other other non-interest expenses	-12,266	-16,394	-18,154	-26,155	-72,969	-18,046	-11,442	-18,744	-6,258	-54,490
(-) Special tax on financial institutions (recognised as other administrative expenses)	-22,128	-74,588	-86	-7	-96,808	-96,742	28,127	-8	-8	-68,630
(-) Tax deductible transfers (offset against corporate taxes)	-1,669	-193	-4,431	-8,187	-14,479	0	-62	0	-11	-73
(-) Financial Transaction Tax	-21,465	-19,153	-23,174	-25,958	-89,751	-25,899	-23,827	-23,955	-24,790	-98,472
(-) Effect of acquisitions	-420	-1,039	-813	-2,383	-4,654	-1,025	-1,814	-2,460	-3,067	-8,366
(+) Reclassification due to the introduction of IFRS16	-4,473	-5,065	-5,524	-5,332	-20,395	-5,326	-4,803	-4,783	-3,634	-18,545
(+) Presentation of the contribution from discontinued operation and assets held for sale on the adjusted P&L lines	0	0	0	-13,835	-13,835	0	0	0	-17,284	-17,284
(-) Expected one-off negative effect of the debt repayment moratorium in Hungary and Serbia	-3	0	-2	5	0	0	0	0	0	0
(-) Shifting of the costs of mediated services at Merkantil Bérlet Ltd. to the net other non-interest result line	-393	-531	-629	-293	-1,846	-427	-473	-557	-662	-2,119

in HUF million	1Q 22	2Q 22	3Q 22	4Q 22 Audited	2022 Audited	1Q 23	2Q 23	3Q 23	4Q 23 Preliminary	2023 Preliminary
(+) Shifting of certain expenses arising from mediated services from other provisions to the other non-interest expenses line	-183	-178	-228	-294	-882	-345	-288	-341	-277	-1,252
(-) Effect of the winding up of Sberbank Hungary (contribution to the Deposit Protection Fund)		-2,756	-8,992	331	-11,416	0	0	0	0	0
(+) Shifting of the support granted to the Special Employee Partial Ownership Plan Organizations booked within the Personnel expenses to the Other non-interest expenses line				-5,000	-5,000	0	0	0	0	0
(-) Structural shift of right of use asset depreciation between other non-interest expenses and depreciation line						-145	306	96	-256	0
(-) One-timer structural reclassification between Corporate income tax and Other non-interest expenses in 4Q 2023									-5,624	-5,624
Other non-interest expenses (adj.)	**-68,105**	**-75,140**	**-76,455**	**-87,417**	**-307,117**	**-94,085**	**-79,658**	**-86,422**	**-102,124**	**-362,289**

ADJUSTMENTS OF CONSOLIDATED IFRS BALANCE SHEET LINES

in HUF million	1Q 2022	2Q 2022	3Q 2022	4Q 2022	1Q 2023	2Q 2023	3Q 2023	4Q 2023
Cash, amounts due from Banks and balances with the National Banks	2,396,801	2,312,422	3,598,087	4,221,392	5,745,644	5,582,622	6,557,052	7,125,050
(+) Allocation of *Assets classified as held for sale* among balance sheet lines	0	0	0	0	0	0	0	199,587
Cash, amounts due from Banks and balances with the National Banks (adjusted)	2,396,801	2,312,422	3,598,087	4,221,392	5,745,644	5,582,622	6,557,052	7,324,636
Placements with other banks, net of allowance for placement losses	2,297,336	1,765,735	1,776,713	1,351,081	1,132,875	1,305,309	1,500,795	1,567,777
(+) Allocation of *Assets classified as held for sale* among balance sheet lines	0	0	0	0	0	0	0	8,147
Placements with other banks, net of allowance for placement losses (adjusted)	2,297,336	1,765,735	1,776,713	1,351,081	1,132,875	1,305,309	1,500,795	1,575,924
Securities at fair value through profit and loss	408,358	462,603	562,021	436,387	381,704	474,949	528,080	288,884
(+) Allocation of Assets classified as held for sale among balance sheet lines	0	0	0	0	0	0	0	2,091
Securities at fair value through profit or loss (adjusted)	408,358	462,603	562,021	436,387	381,704	474,949	528,080	290,975
Securities at fair value through other comprehensive income	2,065,330	2,103,518	2,024,180	1,739,603	1,800,172	1,853,513	1,664,591	1,601,461
(+) Allocation of Assets classified as held for sale among balance sheet lines	0	0	0	0	0	0	0	39,430
Securities at fair value through other comprehensive income (adjusted)	2,065,330	2,103,518	2,024,180	1,739,603	1,800,172	1,853,513	1,664,591	1,640,891
Gross customer loans (incl. finance lease receivables and accrued interest receivables related to loans)	17,023,639	19,031,165	20,682,060	19,690,287	20,850,594	21,563,617	22,554,157	21,329,908
(-) Accrued interest receivables related to Stage 3 loans	38,045	42,983	47,410	46,730	-	-	-	-
(+) Allocation of *Assets classified as held for sale* among balance sheet lines	0	0	0	0	0	0	0	1,136,507
Gross customer loans (adjusted)	16,985,594	18,988,181	20,634,650	19,643,558	20,850,594	21,563,617	22,554,157	22,466,415
Allowances for loan losses (incl. impairment of finance lease receivables)	-969,797	-1,145,091	-1,202,235	-1,049,663	-998,098	-987,532	-1,020,654	-963,179
(-) Allocated provision on accrued interest receivables related to Stage 3 loans	-38,045	-42,983	-47,410	-46,730	-	-	-	-
(+) Allocation of *Assets classified as held for sale* among balance sheet lines	0	0	0	0	0	0	0	-55,856
Allowances for loan losses (adjusted)	-931,752	-1,102,107	-1,154,824	-1,002,933	-998,098	-987,532	-1,020,654	-1,019,035
Associates and other investments	68,486	78,838	75,308	73,849	80,870	88,140	93,834	96,110
(+) Allocation of *Assets classified as held for sale* among balance sheet lines	0	0	0	0	0	0	0	236
Associates and other investments (adjusted)	68,486	78,838	75,308	73,849	80,870	88,140	93,834	96,346
Securities at amortized costs	4,314,660	4,802,056	5,039,491	4,891,938	5,433,407	5,370,001	5,596,136	5,249,490
(+) Allocation of *Assets classified as held for sale* among balance sheet lines	0	0	0	0	0	0	0	226,427
Securities at amortized costs (adjusted)	4,314,660	4,802,056	5,039,491	4,891,938	5,433,407	5,370,001	5,596,136	5,475,917
Tangible and intangible assets, net	642,985	690,193	732,144	738,105	752,517	774,704	828,055	860,449
(+) Allocation of *Assets classified as held for sale* among balance sheet lines	0	0	0	0	0	0	0	18,500
Tangible and intangible assets, net (adjusted)	642,985	690,193	732,144	738,105	752,517	774,704	828,055	878,949
Other assets	542,473	720,784	734,635	711,230	995,315	841,338	1,271,986	2,455,664
(+) Allocation of *Assets classified as held for sale* among balance sheet lines	0	0	0	0	0	0	0	-1,575,068
Other assets (adjusted)	542,473	720,784	734,635	711,230	995,315	841,338	1,271,986	880,596
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	1,719,516	1,700,991	1,781,495	1,517,349	1,675,310	2,162,700	2,191,090	2,011,569
(+) Allocation of *Liabilities directly associated with assets classified as held-for-sale* among balance sheet lines	0	0	0	0	0	0	0	1,764
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)	1,719,516	1,700,991	1,781,495	1,517,349	1,675,310	2,162,700	2,191,090	2,013,333
Deposits from customers	21,840,257	23,552,123	25,814,547	25,188,805	27,390,195	26,903,983	28,968,037	28,332,431
(+) Allocation of *Liabilities directly associated with assets classified as held-for-sale* among balance sheet lines	0	0	0	0	0	0	0	1,095,852
Deposits from customers (adjusted)	21,840,257	23,552,123	25,814,547	25,188,805	27,390,195	26,903,983	28,968,037	29,428,284
Other liabilities	1,608,008	1,693,028	2,068,560	1,603,078	2,081,198	1,924,207	1,741,486	2,514,876
(+) Allocation of *Liabilities directly associated with assets classified as held-for-sale* among balance sheet lines	0	0	0	0	0	0	0	-1,097,617
Other liabilities (adjusted)	1,608,008	1,693,028	2,068,560	1,603,078	2,081,198	1,924,207	1,741,486	1,417,260

OTP Bank Plc.

Postal address: P.O.Box: 501 Budapest H-1876 Hungary

Phone: +36 1 473 5460

E-mail: investor.relations@otpbank.hu

Internet: www.otpbank.hu