

OTP Bank Plc.

Relevant information of the consolidated and separate financial statements for the year ended 2022

According to paragraph 3:272 (3) of Act V., 2013 on the Civil Code, and with regard to the Annual General Meeting to be held on 28 April 2023 the Board of Directors of the OTP Bank Plc. releases the relevant information of the consolidated and separate financial statements prepared in accordance with International Financial Reporting Standards for the year ended 2022, and the report on relevant information of the Board of Directors and the Supervisory Board hereunder.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022
(in HUF mn)

	2022	2021
Cash, amounts due from banks and balances with the National Banks	4,221,392	2,556,035
Placements with other banks	1,351,082	1,584,861
Repo receivables	41,009	61,052
Financial assets at fair value through profit or loss	436,387	341,397
Securities at fair value through other comprehensive income	1,739,603	2,224,510
Securities at amortized cost	4,891,938	3,891,335
Loans at amortized cost	16,094,458	13,493,183
Loans mandatorily at fair value through profit or loss	1,247,414	1,068,111
Finance lease receivables	1,298,752	1,182,628
Associates and other investments	73,849	67,222
Property and equipment	464,469	411,136
Intangible assets and goodwill	237,031	248,631
Right-of-use assets	58,937	50,726
Investment properties	47,452	29,882
Derivative financial assets designated as hedge accounting	48,247	18,757
Deferred tax assets	75,421	15,109
Current income tax receivables	5,650	29,978
Other assets	471,119	276,785
Assets classified as held for sale	-	2,046
TOTAL ASSETS	<u>32,804,210</u>	<u>27,553,384</u>
Amounts due to banks, the National Governments, deposits from the National Banks and other banks	1,463,158	1,567,348
Repo liabilities	217,369	79,047
Financial liabilities designated at fair value through profit or loss	54,191	41,184
Deposits from customers	25,188,805	21,068,644
Liabilities from issued securities	870,682	436,325
Derivative financial liabilities held for trading	385,747	202,716
Derivative financial liabilities designated as hedge accounting	27,949	11,228
Leasing liabilities	63,778	53,286
Deferred tax liabilities	40,094	24,045
Current income tax payable	28,866	36,581
Provisions	131,621	119,799
Other liabilities	707,654	598,081
Subordinated bonds and loans	301,984	278,334
TOTAL LIABILITIES	<u>29,481,898</u>	<u>24,516,618</u>
Share capital	28,000	28,000
Retained earnings and reserves	3,395,215	3,109,509
Treasury shares	(106,862)	(106,941)
Total equity attributable to the parent	<u>3,316,353</u>	<u>3,030,568</u>
Total equity attributable to non-controlling interest	<u>5,959</u>	<u>6,198</u>
TOTAL SHAREHOLDERS' EQUITY	<u>3,322,312</u>	<u>3,036,766</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>32,804,210</u>	<u>27,553,384</u>

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED
31 DECEMBER 2022
(in HUF mn)**

	2022	2021
CONTINUING OPERATIONS		
Interest income calculated using the effective interest method	1,508,050	922,539
Income similar to interest income	<u>495,973</u>	<u>194,920</u>
Interest income and income similar to interest income	<u>2,004,023</u>	<u>1,117,459</u>
Interest expense	<u>(912,709)</u>	<u>(243,149)</u>
NET INTEREST INCOME	1,091,314	874,310
Loss allowance on loans, placements, amounts due from banks and on repo receivables	(155,681)	(27,721)
Change in the fair value attributable to changes in the credit risk of loans mandatorily measured at fair value through profit of loss	13,346	(16,289)
Loss allowance on securities at fair value through other comprehensive income and on securities at amortized cost	(60,774)	(3,974)
Provision for commitments and guarantees given (Impairment) / Release of impairment of assets subject to operating lease and of investment properties	(6,145)	(99)
Risk cost total	<u>(1,204)</u>	<u>438</u>
NET INTEREST INCOME AFTER RISK COST	<u>880,856</u>	<u>826,665</u>
(Loss) / Gain from derecognition of financial assets at amortized cost	<u>(1,655)</u>	<u>1,885</u>
Modification loss	<u>(39,997)</u>	<u>(13,672)</u>
Income from fees and commissions	739,576	554,113
Expense from fees and commissions	<u>(139,216)</u>	<u>(111,939)</u>
Net profit from fees and commissions	600,360	442,174
Foreign exchange result, net	(14,989)	(4,075)
(Loss) / Gain on securities, net	(4,488)	5,560
Fair value adjustment on financial instruments measured at fair value through profit or loss	(4,164)	(532)
Net results on derivative instruments and hedge relationships	10,558	6,798
Profit from associates	14,640	15,648
Goodwill impairment	(67,715)	-
Other operating income	125,415	81,328
Other operating expenses	<u>(128,785)</u>	<u>(85,732)</u>
Net operating income	<u>(69,528)</u>	<u>18,995</u>
Personnel expenses	(402,563)	(340,684)
Depreciation and amortization	(107,588)	(94,996)
Other general expenses	<u>(464,997)</u>	<u>(311,932)</u>
Other administrative expenses	<u>(975,148)</u>	<u>(747,612)</u>
PROFIT BEFORE INCOME TAX	<u>394,888</u>	<u>528,435</u>
Income tax expense	<u>(59,251)</u>	<u>(72,123)</u>
PROFIT AFTER INCOME TAX FOR THE PERIOD FROM CONTINUING OPERATIONS	<u>335,637</u>	<u>456,312</u>

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED
31 DECEMBER 2022
(in HUF mn)**

	2022	2021
PROFIT AFTER INCOME TAX FOR THE PERIOD		
FROM CONTINUING OPERATIONS	<u>335,637</u>	<u>456,312</u>
From this, attributable to:		
Non-controlling interest	<u>727</u>	<u>836</u>
Owners of the company	<u>334,910</u>	<u>455,476</u>
DISCONTINUED OPERATIONS		
Gain from disposal of subsidiary classified as held for sale	11,444	-
Gain from discontinued operations	=	<u>116</u>
PROFIT AFTER INCOME TAX FROM CONTINUING AND DISCONTINUED OPERATION	<u>347,081</u>	<u>456,428</u>
From this, attributable to:		
Non-controlling interest	<u>727</u>	<u>836</u>
Owners of the company	<u>346,354</u>	<u>455,592</u>
Earnings per share (in HUF)		
From continuing operations		
Basic	1,246	1,738
Diluted	1,246	1,738
From continuing and discontinued operations		
Basic	1,289	1,738
Diluted	1,288	1,738

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED
31 DECEMBER 2022
(in HUF mn)**

	2022	2021
PROFIT AFTER INCOME TAX FOR THE YEAR	<u>347,081</u>	<u>456,428</u>
Items that may be reclassified subsequently to profit or loss:		
Fair value adjustment of securities at fair value through other comprehensive income	(134,692)	(50,789)
Deferred tax related to fair value adjustment of securities at fair value through other comprehensive income	10,816	3,526
Foreign currency translation difference	179,623	61,729
Items that will not be reclassified subsequently to profit or loss:		
Fair value changes of equity instruments at fair value through other comprehensive income	5,780	2,747
Deferred tax related to equity instruments at fair value through other comprehensive income	(1,282)	(361)
Change of actuarial gain related to employee benefits	1,059	53
Deferred tax related to change of actuarial gain related to employee benefits	<u>(43)</u>	<u>(11)</u>
Subtotal	<u>61,261</u>	<u>16,894</u>
TOTAL COMPREHENSIVE INCOME	<u>408,342</u>	<u>473,322</u>
From this, attributable to:		
Non-controlling interest	647	1,041
Owners of the company	407,695	472,281

SEPARATE STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022
(in HUF mn)

	2022	2021
Cash, amounts due from banks and balances with the National Bank of Hungary	1,092,198	474,945
Placements with other banks, net of allowance for placement losses	2,899,829	2,567,212
Repo receivables	246,529	33,638
Financial assets at fair value through profit or loss	410,012	246,462
Financial assets at fair value through other comprehensive income	797,175	641,939
Securities at amortised cost	3,282,373	3,071,038
Loans at amortised cost	4,825,040	4,032,465
Loans mandatorily measured at fair value through profit or loss	793,242	662,012
Investments in subsidiaries	1,596,717	1,573,008
Property and equipment	94,564	81,817
Intangible assets	69,480	62,161
Right of use assets	39,882	17,231
Investment properties	4,207	4,328
Deferred tax assets	35,742	-
Current tax assets	1,569	-
Derivative financial assets designated as hedge accounting	47,220	17,727
Other assets	<u>329,752</u>	<u>224,488</u>
TOTAL ASSETS	<u>16,565,531</u>	<u>13,710,471</u>
Amounts due to banks and deposits from the National Bank of Hungary and other banks	1,736,128	1,051,203
Repo liabilities	408,366	86,580
Deposits from customers	11,119,158	9,948,532
Leasing liabilities	41,464	17,932
Liabilities from issued securities	498,709	22,153
Financial liabilities designated at fair value through profit or loss	16,576	20,133
Derivative financial liabilities designated as held for trading	373,401	192,261
Derivative financial liabilities designated as hedge accounting	50,623	18,690
Deferred tax liabilities	-	1,507
Current tax liabilities	3,199	4,776
Provisions	29,656	21,527
Other liabilities	313,188	238,437
Subordinated bonds and loans	<u>294,186</u>	<u>271,776</u>
TOTAL LIABILITIES	<u>14,884,654</u>	<u>11,895,507</u>
Share capital	28,000	28,000
Retained earnings and reserves	1,655,601	1,845,836
Treasury shares	<u>(2,724)</u>	<u>(58,872)</u>
TOTAL SHAREHOLDERS' EQUITY	<u>1,680,877</u>	<u>1,814,964</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>16,565,531</u>	<u>13,710,471</u>

**SEPARATE STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED
31 DECEMBER 2022
(in HUF mn)**

	Year ended 31 December 2022	Year ended 31 December 2021
<i>Interest Income:</i>		
Interest income calculated using the effective interest method	721,679	302,373
Income similar to interest income	377,231	105,663
Interest income and similar to interest income total	1,098,910	408,036
<i>Interest Expense:</i>		
Interest expenses total	(802,020)	(155,491)
NET INTEREST INCOME	<u>296,890</u>	<u>252,545</u>
Loss allowance on loan, placement and repo receivables losses	(47,687)	(38,841)
Loss allowance on securities at fair value through other comprehensive income and on securities at amortised cost	(53,238)	(1,484)
Provision for loan commitments and financial guarantees given	(5,541)	(130)
Change in the fair value attributable to changes in the credit risk of loans mandatorily measured at fair value through profit of loss	<u>11,872</u>	<u>(16,255)</u>
Risk cost total	<u>(94,594)</u>	<u>(56,710)</u>
NET INTEREST INCOME AFTER RISK COST	<u>202,296</u>	<u>195,835</u>
LOSSES ARISING FROM DERECOGNITION OF FINANCIAL ASSETS MEASURED AT AMORTISED COST	<u>(56,195)</u>	<u>(2,700)</u>
MODIFICATION LOSS	<u>(14,856)</u>	<u>(7,017)</u>
Income from fees and commissions	362,444	300,803
Expenses from fees and commissions	<u>(66,087)</u>	<u>(52,276)</u>
NET PROFIT FROM FEES AND COMMISSIONS	<u>296,357</u>	<u>248,527</u>
Foreign exchange gains and (losses)	541	(5,638)
(Losses) and gains on securities, net	(10,605)	2,104
Losses on financial instruments at fair value through profit or loss	(18,790)	(6,494)
Gains on derivative instruments, net	9,917	3,436
Dividend income	194,526	99,037
Other operating income	13,775	11,265
Other operating expenses	<u>(131,942)</u>	<u>(41,636)</u>
NET OPERATING INCOME	<u>57,422</u>	<u>62,074</u>
Personnel expenses	(154,303)	(136,126)
Depreciation and amortization	(46,738)	(40,692)
Other administrative expenses	<u>(290,989)</u>	<u>(178,611)</u>
OTHER ADMINISTRATIVE EXPENSES	<u>(492,030)</u>	<u>(355,429)</u>
PROFIT BEFORE INCOME TAX	<u>(7,006)</u>	<u>141,290</u>
Income tax	<u>13,638</u>	<u>(15,951)</u>
PROFIT AFTER INCOME TAX	<u>6,632</u>	<u>125,339</u>
Earnings per share (in HUF)		
Basic	24	455
Diluted	24	455

**SEPARATE STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED
31 DECEMBER 2022
(in HUF mn)**

	Year ended 31 December 2022	Year ended 31 December 2021
PROFIT AFTER INCOME TAX	<u>6,632</u>	<u>125,339</u>
Items that may be reclassified subsequently to profit or loss:		
Fair value adjustment of debt instruments at fair value through other comprehensive income	(55,804)	(37,163)
Deferred tax (9%) related to fair value adjustment of debt instruments at fair value through other comprehensive income	5,186	3,410
Gains / (Losses) on separated currency spread of financial instruments designated as hedging instrument	(4,887)	1,681
Deferred tax (9%) related to (losses) / gains on separated currency spread of financial instruments designated as hedging instrument	440	(151)
(Losses) / Gains on derivative financial instruments designated as cash flow hedge	<u>(5,641)</u>	<u>(6,307)</u>
Items that will not be reclassified to profit or loss:		
Gains on equity instruments at fair value through other comprehensive income	2,675	-
Fair value adjustment of equity instruments at fair value through other comprehensive income	61	1,407
Deferred tax (9%) related to equity instruments at fair value through other comprehensive income	(41)	(281)
Total	<u>(58,011)</u>	<u>(37,404)</u>
TOTAL COMPREHENSIVE INCOME	<u>(51,379)</u>	<u>87,935</u>

The Board of Directors proposes to the Annual general meeting a dividend rate per share of HUF 300 for the year 2022, i.e. 300% of the share face value. The actual dividend rate paid to shareholders shall be calculated and paid based on the Company's Articles of Association, so the Company distributes the dividends for its own shares among the shareholders entitled for dividends. The dividends shall be paid from 5th of June 2023 in accordance with the policy determined in the Articles of Association."

The written documents of the Annual General Meeting are available from 6 April 2023 (Thursday) at the branch of OTP Bank Nyrt. (1051 Budapest, Nádor utca 16.), and are also available on the Company's website (www.otpbank.hu) and on the website of the Budapest Stock Exchange (www.bet.hu) and on the information storage system operated by the Magyar Nemzeti Bank (<https://kozvetelek.mnb.hu>).

Board of Directors of OTP Bank Plc.