

OTP Bank Plc.

Relevant information of the consolidated and separate financial statements for the year ended 2023

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 26 April 2024 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 2023, 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 2023
(in HUF mn)

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED
31 DECEMBER 2023
(in HUF mn)

	2023	2022
CONTINUING OPERATIONS		
Interest income calculated using the effective interest method	2,314,677	1,425,859
Income similar to interest income	<u>633,587</u>	<u>475,547</u>
Interest income and income similar to interest income	<u>2,948,264</u>	<u>1,901,406</u>
Interest expense	<u>(1,561,558)</u>	<u>(874,538)</u>
NET INTEREST INCOME	1,386,706	1,026,868
Loss allowance on loans, placements, amounts due from banks and on repo receivables	(109,223)	(145,159)
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
Release of loss allowance / (Loss allowance) on securities at fair value through other comprehensive income and on securities at amortized cost	8,831	(60,761)
Release of provision / (Provision) for commitments and guarantees given	19,870	(5,917)
Release of impairment / (Impairment) of assets subject to operating lease and of investment properties	<u>1,332</u>	<u>(1,204)</u>
Risk cost total	<u>(79,281)</u>	<u>(199,695)</u>
NET INTEREST INCOME AFTER RISK COST	<u>1,307,425</u>	<u>827,173</u>
Loss from derecognition of financial assets at amortized cost	(17,182)	(1,573)
Modification loss	(38,141)	(39,997)
Income from fees and commissions	861,309	716,866
Expense from fees and commissions	<u>(169,316)</u>	<u>(132,375)</u>
Net profit from fees and commissions	<u>691,993</u>	<u>584,491</u>
Foreign exchange result, net	13,827	(16,302)
Gain / (Loss) on securities, net	7,283	(4,505)
Fair value adjustment on financial instruments measured at fair value through profit or loss	94,613	(4,044)
Net results on derivative instruments and hedge relationships	(12,760)	16,360
Profit from associates	14,766	14,618
Goodwill impairment	-	(67,715)
Other operating income	324,266	124,930
Other operating expenses	<u>(110,570)</u>	<u>(125,742)</u>
Net operating income / (expense)	<u>331,425</u>	<u>(62,400)</u>
Personnel expenses	(478,696)	(377,728)
Depreciation and amortization	(111,996)	(101,125)
Other general expenses	(483,645)	(451,163)
Other administrative expenses	<u>(1,074,337)</u>	<u>(930,016)</u>
PROFIT BEFORE INCOME TAX	<u>1,201,183</u>	<u>377,678</u>
Income tax expense	<u>(189,478)</u>	<u>(58,600)</u>
PROFIT AFTER INCOME TAX FOR THE PERIOD FROM CONTINUING OPERATIONS	<u>1,011,705</u>	<u>319,078</u>

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED
31 DECEMBER 2023
(in HUF mn) [continued]**

	2023	2022
PROFIT AFTER INCOME TAX FOR THE PERIOD		
FROM CONTINUING OPERATIONS	<u>1,011,705</u>	<u>319,078</u>
DISCONTINUED OPERATIONS		
Gains from disposal of subsidiary classified as held for sale	-	11,444
Net (Loss) / Gain from discontinued operations	<u>(21,246)</u>	<u>16,559</u>
PROFIT AFTER INCOME TAX FROM CONTINUING AND DISCONTINUED OPERATION	<u>990,459</u>	<u>347,081</u>
From this, attributable to:		
Non-controlling interest	<u>1,801</u>	<u>727</u>
Owners of the company	<u>988,658</u>	<u>346,354</u>
Earnings per share (in HUF)		
From continuing operations		
Basic	3,774	1,184
Diluted	3,772	1,184
From continuing and discontinued operations		
Basic	3,695	1,289
Diluted	3,693	1,288

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED
31 DECEMBER 2023
(in HUF mn)**

	2023	2022
PROFIT AFTER INCOME TAX FOR THE YEAR	<u>990,459</u>	<u>347,081</u>
Items that may be reclassified subsequently to profit or loss:		
Fair value adjustment of securities at fair value through other comprehensive income	89,734	(134,692)
Deferred tax related to fair value adjustment of securities at fair value through other comprehensive income	(12,779)	10,816
Net investment hedge in foreign operations	(2,707)	-
Foreign currency translation difference	(200,928)	179,623
Items that will not be reclassified subsequently to profit or loss:		
Fair value changes of equity instruments at fair value through other comprehensive income	2,411	5,780
Deferred tax related to equity instruments at fair value through other comprehensive income	(947)	(1,282)
Change of actuarial gain related to employee benefits	(392)	1,059
Deferred tax related to change of actuarial gain related to employee benefits	<u>(8)</u>	<u>(43)</u>
Subtotal	<u>(125,616)</u>	<u>61,261</u>
TOTAL COMPREHENSIVE INCOME	<u>864,843</u>	<u>408,342</u>
From this, attributable to:		
Non-controlling interest	<u>1,129</u>	<u>647</u>
Owners of the company	<u>863,714</u>	<u>407,695</u>

SEPARATE STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023
(in HUF mn)

	2023	2022
Cash, amounts due from banks and balances with the National Bank of Hungary	2,708,232	1,092,198
Placements with other banks	2,702,433	2,899,829
Repo receivables	201,658	246,529
Financial assets at fair value through profit or loss	257,535	410,012
Financial assets at fair value through other comprehensive income	559,527	797,175
Securities at amortised cost	2,710,848	3,282,373
Loans at amortised cost	4,681,359	4,825,040
Loans mandatorily measured at fair value through profit or loss	934,848	793,242
Investments in subsidiaries	2,001,952	1,596,717
Property and equipment	107,306	94,564
Intangible assets	98,115	69,480
Right of use assets	66,222	39,882
Investment properties	4,203	4,207
Deferred tax assets	408	35,742
Current tax assets	-	1,569
Derivative financial assets designated as hedge accounting relationships	21,628	47,220
Non-current assets held for sale	130,718	-
Other assets	<u>365,961</u>	<u>329,752</u>
TOTAL ASSETS	<u>17,552,953</u>	<u>16,565,531</u>
Amounts due to banks and deposits from the National Bank of Hungary and other banks	1,761,579	1,736,128
Repo liabilities	443,694	408,366
Deposits from customers	10,734,325	11,119,158
Leasing liabilities	68,282	41,464
Liabilities from issued securities	1,163,109	498,709
Financial liabilities designated at fair value through profit or loss	19,786	16,576
Derivative financial liabilities designated as held for trading	183,565	373,401
Derivative financial liabilities designated as hedge accounting relationships	27,423	50,623
Current tax liabilities	14,393	3,199
Provisions	22,497	29,656
Other liabilities	295,399	313,188
Subordinated bonds and loans	<u>520,296</u>	<u>294,186</u>
TOTAL LIABILITIES	<u>15,254,348</u>	<u>14,884,654</u>
Share capital	28,000	28,000
Retained earnings and reserves	2,276,759	1,655,601
Treasury shares	<u>(6,154)</u>	<u>(2,724)</u>
TOTAL SHAREHOLDERS' EQUITY	<u>2,298,605</u>	<u>1,680,877</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>17,552,953</u>	<u>16,565,531</u>

**SEPARATE STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED
31 DECEMBER 2023
(in HUF mn)**

	2023	2022
<i>Interest Income:</i>		
Interest income calculated using the effective interest method	1,227,173	721,679
Income similar to interest income	<u>795,906</u>	<u>377,231</u>
Interest income and similar to interest income total	<u>2,023,079</u>	<u>1,098,910</u>
<i>Interest Expense:</i>		
Interest expenses total	<u>(1,556,361)</u>	<u>(802,020)</u>
NET INTEREST INCOME	<u>466,718</u>	<u>296,890</u>
(Release of loss allowance) / Loss allowance on loan, placement and repo receivables losses	8,616	(47,687)
(Release of loss allowance) / Loss allowance on securities at fair value through other comprehensive income and on securities at amortised cost	11,879	(53,238)
(Release of provision) / Provision for loan commitments and financial guarantees given	7,172	(5,541)
Change in the fair value attributable to changes in the credit risk of loans mandatorily measured at fair value through profit of loss	<u>(980)</u>	<u>11,872</u>
Risk cost total	<u>26,687</u>	<u>(94,594)</u>
NET INTEREST INCOME AFTER RISK COST	<u>493,405</u>	<u>202,296</u>
LOSSES ARISING FROM DERECOGNITION OF FINANCIAL ASSETS MEASURED AT AMORTISED COST	<u>(19,707)</u>	<u>(56,195)</u>
MODIFICATION LOSS	<u>(9,017)</u>	<u>(14,856)</u>
Income from fees and commissions	402,885	362,444
Expenses from fees and commissions	<u>(78,755)</u>	<u>(66,087)</u>
NET PROFIT FROM FEES AND COMMISSIONS	<u>324,130</u>	<u>296,357</u>
Foreign exchange (losses) and gains	(12,269)	541
Gains and (losses) on securities, net	7,073	(10,605)
Gains / (losses) on financial instruments at fair value through profit or loss	91,268	(18,790)
Net results on derivative instruments and hedge relationships	13,055	9,917
Dividend income	275,705	194,526
Other operating income	26,184	13,775
Other operating expenses	<u>63,590</u>	<u>(131,942)</u>
NET OPERATING INCOME	<u>464,606</u>	<u>57,422</u>
Personnel expenses	(195,404)	(154,303)
Depreciation and amortization	(50,814)	(46,738)
Other administrative expenses	<u>(281,918)</u>	<u>(290,989)</u>
OTHER ADMINISTRATIVE EXPENSES	<u>(528,136)</u>	<u>(492,030)</u>
PROFIT BEFORE INCOME TAX	<u>725,281</u>	<u>(7,006)</u>
Income tax	<u>(70,293)</u>	<u>13,638</u>
PROFIT AFTER INCOME TAX	<u>654,988</u>	<u>6,632</u>
Earnings per share (in HUF)		
Basic	2,344	24
Diluted	2,344	24

**SEPARATE STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED
31 DECEMBER 2023
(in HUF mn)**

	2023	2022
PROFIT AFTER INCOME TAX	654,988	6,632
Items that may be reclassified subsequently to profit or loss:		
Fair value adjustment of debt instruments at fair value through other comprehensive income	37,917	(55,804)
Deferred tax related to fair value adjustment of debt instruments at fair value through other comprehensive income	(3,503)	5,186
Gains / (Losses) on separated currency spread of financial instruments designated as hedging instrument	3,752	(4,887)
Deferred tax related to (losses) / gains on separated currency spread of financial instruments designated as hedging instrument	(338)	440
(Losses) / Gains on derivative financial instruments designated as cash flow hedge	<u>5,700</u>	<u>(5,641)</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	3,308	61
Deferred tax related to equity instruments at fair value through other comprehensive income	<u>(374)</u>	<u>(41)</u>
Total	<u>46,462</u>	<u>(58,011)</u>
TOTAL COMPREHENSIVE INCOME	<u>701,450</u>	<u>(51,379)</u>

The Board of Directors proposes to the Annual general meeting a dividend rate per share of HUF 535,71 for the year 2023, i.e. 535,71% 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 3rd of June 2024 in accordance with the policy determined in the Articles of Association.”

The written documents of the General Assembly are available from 4 April 2024 (Thursday) at the branch of OTP Bank (H-1051 Budapest, Nádor street 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://kozvetetelek.mnb.hu>).

Board of Directors of OTP Bank Plc.